

MULTIPLY GROUP

Multiply Group PJSC

Directors Report and Financial Information

For the year ended 31 December 2024

MULTIPLY GROUP

Dear Shareholders,

On behalf of the Board of Directors (“the Board”), I am pleased to present our consolidated financial statements of Multiply Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 December 2024.

Financial performance

Multiply Group reported full year 2024 revenue of AED 2,022 million (2023: AED 1,294 million). This translates into an increase of 56% year-on-year reflecting the strength of our vertical building dual strategy of organic growth and acquisitions. 2024 Gross profit of AED 946 million (2023: AED 663 million) imply healthy blended margin of 47%.

Reported Group net income stood at AED 189 million (2023: AED 552 million). Adjusted net profit excluding unrealized fair value changes in investment portfolio and Kalyon’s one-off gain resulting from hyperinflationary accounting implementation in 2023 increased by 4.3% year-on-year to AED 1.03 billion (2023: AED 993 million).

In 2024, we reported AED 847 million unrealized fair value losses triggered by market volatility (2023: AED 562 million fair value losses).

The Group’s consolidated statement of financial position remains robust with total assets of AED 43.0 billion (2023: AED 42.2 billion). Cash balance stands at AED 2.03 billion (2023: AED 1.56 billion) after realizing net operating cash flow of AED 1.2 billion for the year (2023: AED 1.0 billion).

Changes to the Board

Effective 10 July 2024, the board of directors appointed Syed Basar Shueb as the new Chairman while extending their gratitude to the departing Chairman, Andre G. Sayegh who resigned for personal reasons and professional commitments. Syed Basar Shueb currently serves as CEO, Managing Director and Board Member at International Holding Company (IHC) and is an accomplished and respected senior executive, he has substantial and diversified experience across various 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.

Going concern basis

The Board of Directors has reasonable expectation that the Group has adequate resources and support to continue its operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual audited consolidated financial statements for the year ended 31 December 2024.

MULTIPLY GROUP

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 19. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Disclaimer

To the best of our knowledge, the financial information fairly presents in all material respects, the financial condition, results of its operations and cash flows of the Group for the years presented in this report.

On behalf of the Board of Directors

DocuSigned by:
Samia Bouazza
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Samia Bouazza
Chief Executive Officer
03 February 2025

Multiply Group PJSC

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MULTIPLY GROUP PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Multiply Group PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, 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 2024 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 period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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

MULTIPLY GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

a) 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 2024, total revenue of the Group amounted to AED 2,021,566 thousand (refer to note 25).

As applicable, 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 to perform substantive audit procedures which included substantive analytical procedures at the Group, and subsidiary level and performed testing on samples of transactions around the year end, to assess whether revenues were recognised in the correct accounting period, and though out the year, to assess whether revenue was properly recognised.

We have assessed the adequacy of disclosure in line with the requirements of the IFRSs.

b) Impairment assessment of goodwill

The Group has recognized goodwill amounting to AED 1,023,709 thousand arising from acquisition of its subsidiaries operating in multiple segments (refer to note 9).

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 tested, together with our valuation specialists to test, the methodologies and inputs used by the Group in the discounted cash flow models as well as the assumptions relating to the growth rates, inflation rates and discount rates, as applicable. We have analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions. We have also 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.

We have assessed the adequacy of disclosure in line with the requirements of the IFRSs.

c) Business combinations within the scope of IFRS 3

During the year, the Group acquired control over the entities disclosed in note 6.1 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

MULTIPLY GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Key audit matters continued

c) Business combinations within the scope of IFRS 3 continued

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 purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group, as applicable;
- Involved our internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the key assumptions and valuations in line with our expectations;
- Assessed the independence, qualification and expertise of external valuation specialists engaged by the Group; 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 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 to obtain the annual report after the date of our 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.

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.

Responsibilities of management and the Board of Directors 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.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

MULTIPLY GROUP PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

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.
- 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 the Board of Directors 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MULTIPLY GROUP PJSC** continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

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.

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 2024:

- 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 statements 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 11, 12, and 13 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2024;
- vi) note 19 reflects the disclosures relating to material related party transactions and the terms under which they were conducted;
- 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 2024, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 (as amended) or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2024; and
- viii) during the year, the Group made no social contributions.

For Ernst & Young



Ahmad Al Dali
Registration No 5548

3 February 2025
Abu Dhabi, United Arab Emirates

Multiply Group PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 AED'000	2023 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	1,698,945	1,456,955
Investment property	8	-	121,410
Intangible assets and goodwill	9	1,814,709	800,314
Right-of-use assets	10	715,826	128,929
Investment in a joint venture	11	2,397,420	2,065,268
Non-current receivables	14	885,778	1,236,517
Loan to related parties	19	-	616,505
Investments carried at fair value through profit or loss	13	11,508,197	17,213,115
Deferred tax assets		4,864	3,842
Investments carried at fair value through other comprehensive income	12	<u>416,247</u>	<u>446,986</u>
		19,441,986	24,089,841
Current assets			
Inventories	15	44,229	32,727
Investments carried at fair value through profit or loss	13	20,494,442	15,763,589
Trade and other receivables	14	860,232	664,862
Due from related parties	19	20,770	54,195
Cash and bank balances	16	<u>2,032,593</u>	<u>1,557,277</u>
		23,452,266	18,072,650
Asset held for sale	32	<u>117,130</u>	-
		23,569,396	18,072,650
TOTAL ASSETS		<u>43,011,382</u>	<u>42,162,491</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	2,800,000	2,800,000
Share premium	17	6,703,610	6,703,610
Statutory reserve	18	1,400,000	1,400,000
Hedging reserve		(1,480)	(1,372)
Cumulative changes on revaluation of investments		19,497	12,875
Merger, acquisition and other reserves		378,679	383,553
Retained earnings		<u>17,604,854</u>	<u>17,610,165</u>
Equity attributable to owners of the Company		28,905,160	28,908,831
Non-controlling interests	20	<u>1,520,153</u>	<u>1,277,745</u>
Total equity		30,425,313	30,186,576
Non-current liabilities			
Employees' end of service benefit	21	73,474	53,220
Borrowings	22	5,052,406	8,208,999
Deferred tax liabilities	23	85,866	46,745
Loan from related parties	19	10,825	20,497
Lease liabilities	10	607,076	99,376
Other payables	24	<u>813,152</u>	<u>1,149,959</u>
		6,642,799	9,578,796
Current liabilities			
Loan from related parties	19	27,591	17,965
Borrowings	22	4,627,447	1,381,143
Lease liabilities	10	179,683	34,861
Due to related parties	19	87,666	145,802
Trade and other payable	24	<u>1,020,883</u>	<u>817,348</u>
		5,943,270	2,397,119
Total liabilities		12,586,069	11,975,915
TOTAL EQUITY AND LIABILITIES		<u>43,011,382</u>	<u>42,162,491</u>

CHAIRMAN

The attached notes 1 to 36 form part of these consolidated financial statements.

DocuSigned by:

Samia Bouazza

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CHIEF EXECUTIVE OFFICER

DocuSigned by:

Naveed Khan

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GROUP FINANCE DIRECTOR

Multiply Group PJSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	<i>Notes</i>	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Revenue	25	2,021,566	1,293,883
Cost of revenue	26	(1,075,303)	(630,486)
GROSS PROFIT		946,263	663,397
Investment and other income	28	1,037,579	968,916
Unrealised fair value loss on investment in financial assets	13	(846,864)	(561,587)
Share of profit from investment in a joint venture	11	55,817	228,558
General and administrative expenses	27	(419,186)	(302,772)
Loss on disposal of a subsidiary	6.3	(30,627)	-
Finance costs	22	(502,426)	(415,637)
PROFIT FOR THE YEAR BEFORE TAX		<u>240,556</u>	<u>580,875</u>
Income tax expense	23	(51,523)	(28,887)
PROFIT AFTER TAX		<u>189,033</u>	<u>551,988</u>
Attributable to:			
Owners of the Company		(5,600)	337,800
Non-controlling interests		<u>194,633</u>	<u>214,188</u>
		<u>189,033</u>	<u>551,988</u>
Basic and diluted (loss) earnings per share (AED)	29	<u>(0.001)</u>	<u>0.030</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Multiply Group PJSC

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>Note</i>	2024 AED'000	2023 AED'000
Profit for the year		189,033	551,988
Other comprehensive (loss) income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive loss of a joint venture	11	(135)	(1,715)
<i>Items that will not be reclassified subsequently to the consolidated statement of profit or loss:</i>			
Change in the fair value of financial assets carried at fair value through other comprehensive income	12	<u>(2,169)</u>	<u>40,266</u>
Total other comprehensive (loss) income		<u>(2,304)</u>	<u>38,551</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>186,729</u>	<u>590,539</u>
Attributable to:			
Owners of the Company		(3,671)	376,468
Non-controlling interests		<u>190,400</u>	<u>214,071</u>
		<u>186,729</u>	<u>590,539</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Multiply Group PJSC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	<i>Attributable to equity holders of the Company</i>									
	<i>Share capital</i> <i>AED'000</i>	<i>Share premium</i> <i>AED'000</i>	<i>Statutory reserve</i> <i>AED'000</i>	<i>Cumulative changes in fair value of investments</i> <i>AED'000</i>	<i>Hedging reserve</i> <i>AED'000</i>	<i>Merger, acquisition and other reserve</i> <i>AED'000</i>	<i>Retained earnings</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>Non controlling-interests</i> <i>AED'000</i>	<i>Total equity</i> <i>AED'000</i>
Balance at 1 January 2023	2,800,000	6,703,610	1,400,000	(21,491)	-	378,679	17,266,690	28,527,488	853,219	29,380,707
Profit for the year	-	-	-	-	-	-	337,800	337,800	214,188	551,988
Other comprehensive income for the year	-	-	-	40,041	(1,372)	-	-	38,669	(118)	38,551
Total comprehensive income for the year	-	-	-	40,041	(1,372)	-	337,800	376,469	214,070	590,539
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	72,529	72,529
Capital contributed by non-controlling interest	-	-	-	-	-	-	-	-	184,609	184,609
Transferred to investment in subsidiaries	-	-	-	(5,675)	-	-	5,675	-	-	-
Disposal of partial interest in a subsidiary (note 6.2)	-	-	-	-	-	4,874	-	4,874	-	4,874
Dividends to non-controlling interest (note 31)	-	-	-	-	-	-	-	-	(46,682)	(46,682)
Balance at 31 December 2023	<u>2,800,000</u>	<u>6,703,610</u>	<u>1,400,000</u>	<u>12,875</u>	<u>(1,372)</u>	<u>383,553</u>	<u>17,610,165</u>	<u>28,908,831</u>	<u>1,277,745</u>	<u>30,186,576</u>
Balance at 1 January 2024	2,800,000	6,703,610	1,400,000	12,875	(1,372)	383,553	17,610,165	28,908,831	1,277,745	30,186,576
(Loss) profit for the year	-	-	-	-	-	-	(5,600)	(5,600)	194,633	189,033
Other comprehensive income (loss) for the year	-	-	-	2,037	(108)	-	-	1,929	(4,233)	(2,304)
Total comprehensive (loss) income for the year	-	-	-	2,037	(108)	-	(5,600)	(3,671)	190,400	186,729
Acquisition of subsidiaries (note 6.1 (a))	-	-	-	-	-	-	-	-	110,548	110,548
Capital contributed by non-controlling interest	-	-	-	-	-	-	-	-	55,271	55,271
Disposal of investments carried at fair value through other comprehensive income	-	-	-	4,585	-	-	(4,585)	-	-	-
Disposal of a subsidiary (note 6.3)	-	-	-	-	-	(4,874)	4,874	-	2,591	2,591
Dividends to non-controlling interest (note 31)	-	-	-	-	-	-	-	-	(116,402)	(116,402)
Balance at 31 December 2024	<u>2,800,000</u>	<u>6,703,610</u>	<u>1,400,000</u>	<u>19,497</u>	<u>(1,480)</u>	<u>378,679</u>	<u>17,604,854</u>	<u>28,905,160</u>	<u>1,520,153</u>	<u>30,425,313</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Multiply Group PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	<i>Notes</i>	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
OPERATING ACTIVITIES			
Profit for the year before tax		240,556	580,875
Adjustments for:			
Depreciation of property, plant and equipment	7	110,333	76,176
Depreciation of right-of-use assets	10	155,243	38,811
Depreciation of investment property	8	4,280	5,136
Amortisation of intangible assets	9	69,150	30,234
Share of profit from investment in associate	11	(55,817)	(228,558)
Change in fair value of investments carried at fair value through profit or loss	13	846,864	561,587
Loss (gain) on disposal of property, plant and equipment	28	1,084	(706)
Loss on disposal of a subsidiary	6.3	30,627	-
Provision for employees' end of service benefit	21	14,502	12,501
Finance costs	22	502,426	415,637
Interest and dividend income	28	(503,622)	(570,713)
(Reversal of) allowance for slow moving inventories	15	(1,356)	1,061
Amortisation of deferred income	28	(388,121)	(387,061)
Unwinding of discount on non-current receivable	28	(118,601)	(146,225)
Loss on reassessment of non-current receivable	28	-	169,616
Allowance (reversal of) for expected credit losses	14	4,841	(15,412)
Operating cash flows before working capital changes		912,389	542,959
Working capital changes:			
Inventories		(695)	(5,940)
Due from related parties		33,783	2,902
Trade and other receivables		386,392	337,536
Due to related parties		(17,665)	116,128
Trade and other payables		(13,297)	44,446
Cash from operations		1,300,907	1,038,031
Finance costs paid		(101,746)	(35,425)
Employees' end of service benefit paid	21	(7,383)	(5,982)
Net cash from operating activities		<u>1,191,778</u>	<u>996,624</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(188,142)	(114,594)
Term deposits with original maturities of more than three months		(354,333)	(241,324)
Purchase of intangible assets	9	(8,222)	(5,748)
Proceeds from sale of property, plant and equipment		593	1,356
Write off of intangible assets	9	70	-
Purchase of investments carried at fair value through profit or loss	13	(10,913)	(57,603)
Purchase of investment carried at fair value through other comprehensive income	12	-	(374,700)
Proceeds from disposal of investments carried at fair value through other comprehensive income	12	28,570	-
Proceeds from disposal of investments carried at fair value through profit or loss	13	138,114	451,883
Payment due on acquisition of investment in a joint venture		-	(921,203)
Finance costs paid		(239,083)	(240,223)
Loan to a related party		341,556	(616,505)
Interest and dividend received		493,906	554,871
Cash outflow from disposal of a subsidiary	6.3	(1,512)	-
Cash paid through acquisition of a subsidiary	6.1	(909,291)	(191,307)
Net cash used in investing activities		<u>(708,687)</u>	<u>(1,755,097)</u>

Multiply Group PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the year ended 31 December 2024

	<i>Notes</i>	2024 AED '000	2023 AED '000
FINANCING ACTIVITIES			
Net proceeds from borrowings		(43,023)	947,488
Repayment of lease liabilities	10	(217,483)	(44,130)
Dividend paid for non-controlling interest	31	(101,602)	(46,682)
Capital contribution by non-controlling interest		-	<u>184,609</u>
Net cash (used in) from financing activities		<u>(362,108)</u>	<u>1,041,285</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR			
		120,983	282,812
Cash and cash equivalents at beginning of the year		<u>1,115,953</u>	<u>833,141</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	16	<u>1,236,936</u>	<u>1,115,953</u>
Significant non-cash transactions excluded from the statement of cash flows is as follows:			
Due to related parties contributed by the non-controlling interest		<u>55,271</u>	<u>-</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

1 GENERAL INFORMATION

Multiply Group PJSC (the “Company”) is a public joint stock company registered under the UAE Federal Law No. (32) of 2021. The registered office of the Company is P.O Box 34491, Abu Dhabi, United Arab Emirates.

On 27 October 2021, the shareholders resolved to change the legal form of the Company from a limited liability company to a public joint stock company and to increase the share capital of the Company to AED 2,800,000,000. On 5 December 2021, the Company listed its ordinary shares on the main market of the Abu Dhabi Securities Exchange (“ADX”).

International Holding Company PJSC is the Parent and Royal Group Holding LLC is the Ultimate Parent 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:

- Advertisement design and production;
- Economic feasibility consultancy and studies;
- Exhibition organisation and management;
- Public relationship consultancy;
- Organisation and event management and newspaper advertisement;
- Management and development of motor vehicles driving training;
- Manage investments properties;
- Installation of district cooling and air conditioning;
- Repair of district cooling;
- Investment in infrastructure projects;
- Wholesale of cosmetics and make-up trading;
- Women and men personal care and other grooming related services;
- Physiotherapy center; and
- Physical medicine and rehabilitation center.

The consolidated financial statements for the year ended 31 December 2024 were approved and authorised for issuance by the Board of Directors on 3 February 2025.

2.1 BASIS OF PREPARATION

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and applicable requirements of laws of the United Arab Emirates.

Basis for measurement

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

Functional and presentation currency

The consolidated financial statements are presented in United Arab Emirates Dirham (“AED”), which is the functional and presentation currency of the Group. All the values are rounded to the nearest thousand (AED ‘000) except where otherwise indicated.

2.2 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 Group is exposed to or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of 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 return

When the Group has less than a majority of the voting or similar right of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interest represent the portion of profit or loss and net assets of subsidiaries not owned directly or indirectly by the Parent Company. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a 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.

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.

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2024 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Details of subsidiaries as at 31 December 2024 and 31 December 2023 were as follows:

Name of subsidiary	Place of Incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2024	2023
Multiply Companies Management Sole proprietorship LLC	United Arab Emirates	Management services of companies and private 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, insitute 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 enterprises investment, institution and management	100%	100%
Multiply Group International Limited	United Arab Emirates	Investment Holding company	100%	100%
Spranza Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Establishing, investing and managing commercial projects.	100%	100%
Emirates Driving Company PJSC*	United Arab Emirates	Drivers training and road safety education	48.01%	48.01%
<i>Below are the subsidiaries of MG Communications Holding LLC:</i>				
Viola Communications LLC	United Arab Emirates	Communication, marketing, media and events	100%	100%
24 7 Media Holding LLC	United Arab Emirates	Investment holding company	60%	60%
BackLite Media LLC (ii)	United Arab Emirates	Outdoor media solution provider	100%	-
<i>Below are the subsidiaries of Viola Communication LLC:</i>				
Purple Printing LLC	United Arab Emirates	Commercial publication printing	100%	100%
Purple Exhibition LLC	United Arab Emirates	Commercial publication printing	100%	100%
<i>Below are the subsidiaries of 24 7 Media Holding LLC:</i>				
24 7 Media LLC	United Arab Emirates	Advertising billboards contracting	100%	100%
Media 20-4 Seven DMCC	United Arab Emirates	Public relation management, media studies, consultancies advertising, consultancies services and events management	100%	100%
<i>Below are the subsidiaries of BackLite Media LLC:</i>				
BackLite Media FZ LLC	United Arab Emirates	Outdoor media solution provider	100%	-
BackLite Digital billboards – Sole proprietorship LLC	United Arab Emirates	Outdoor media solution provider	100%	-
<i>Below are the subsidiaries of MG Wellness Holding LLC:</i>				
Omorfia Group LLC	United Arab Emirates	Women and men personal care and other grooming related services, including procuring beauty products and equipment	51%	51%

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2024 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of Incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2024	2023
<u>Below are the subsidiaries of Omorfia Group LLC:</u>				
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 L.L.C	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 L.L.C	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 requisities trading.	100%	100%
Omorfia Institute of Beauty and Wellness Women Beauty Saloon Works Training - 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 – 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 LLC	United Arab Emirates	Physical medicine and rehabilitation center and physiotherapy center	100%	100%
Juice Lounge SPA and Beauty Center LLC	United Arab Emirates	Women salon, ladies oriental bath, ladies cosmetic & personal care center, ladies health club, ladies massage and relaxation center.	100%	100%
Juice SPA Salon	United Arab Emirates	Women salon, ladies health club, ladies oriental bath, ladies cosmetic & personal care center.	100%	100%
Jamm Salon Supplies	United Arab Emirates	Ladies cosmetic & personal care center, women salon, hair fixing center, henna saloon, ladies massage & relaxation center.	100%	100%
The Juice Beauty Salon LLC	United Arab Emirates	Perfumes & cosmetics trading, ladies oriental bath, ladies health club, women salon, soap & hair care products trading, ladies massage & relaxation center.	100%	100%
Acumen International Ltd.	United Arab Emirates	Gents cosmetic & personal care, gents haircutting & hairdressing salon, ladies cosmetic & personal care, ladies haircutting & hair dressing, ladies spa club.	100%	100%
Atelier Hommage Mens Salon LLC	United Arab Emirates	Men oriental bath, gents haircutting & hairdressing salon, gents health club, gents massage & relaxation center.	100%	100%
TGC Holding Company (ii)	Jersey	Holding company	100%	-
<u>Below is the subsidiary of Omorfia Group LLC:</u>				
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
<u>Below are the subsidiaries of TGC Holding Company:</u>				
The Grooming Company International Investments Ltd	British Virgin Islands	Global franchise operations	100%	-
Nextar Investments LLC	United Arab Emirates	Investment in industrial enterprises & management, investment in commercial enterprises & management.	100%	-
TGC Project Management Services LLC	United Arab Emirates	Project management services.	100%	-
Sisters Beauty Lounge LLC	United Arab Emirates	Henna saloon, women Salon, ladies cosmetic & personal care center, ladies oriental bath.	100%	-
Global Beauty Center LLC	United Arab Emirates	Women oriental bath, wholesale of cosmetics and trading, women personal care and beauty, women hair cutting and hair dressing.	100%	-

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2024 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

Name of subsidiary	Place of Incorporation	Principal activities	Proportion of ownership interest and voting power held	
			2024	2023
<u>Below are the subsidiaries of TGC Holding Company:</u>				
The Grooming Company International Investments Ltd	British Virgin Islands	Global franchise operations	100%	-
Nextar Investments LLC	United Arab Emirates	Investment in industrial enterprises & management, investment in commercial enterprises & management.	100%	-
TGC Project Management Services LLC	United Arab Emirates	Project management services.	100%	-
Sisters Beauty Lounge LLC	United Arab Emirates	Henna saloon, women Salon, ladies cosmetic & personal care center, ladies oriental bath.	100%	-
Global Beauty Center LLC	United Arab Emirates	Women oriental bath, wholesale of cosmetics and trading, women personal care and beauty, women hair cutting and hair dressing.	100%	-
<u>Below is the subsidiary of the Grooming Company International Investment Ltd:</u>				
Beauty Grooming Franchise UK Limited	United Kingdom	Franchise operations	100%	-
<u>Below are the subsidiaries of Nextar Investments LLC:</u>				
The Grooming Company LLC	United Arab Emirates	Investment in agricultural, industrial and commercial enterprises & management.	100%	-
Wellbe Trading	United Arab Emirates	Beauty and personal care requisites trading, readymade garments trading, handbags & leather products trading, blankets, towels and linen trading, imitation jewelry trading, shoe and textile trading, perfumes and cosmetics trading, suitcases, travel requisites and gifts trading.	100%	-
<u>Below is the subsidiary of MG Digital Holding LLC:</u>				
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects	100%	100%
<u>Below are the subsidiaries of PAL Cooling Holding LLC:</u>				
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 investments 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%
<u>Below is the subsidiary of MG Utilities Holding LLC:</u>				
PAL 4 Solar Energy LLC	United Arab Emirates	Installation and maintenance of alternative energy equipment.	80%	80%

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 September 2024 (Unaudited)

2 BASIS OF PREPARATION continued

2.2 Basis for consolidation continued

<u>Name of subsidiary</u>	<u>Place of Incorporation</u>	<u>Principal activities</u>	<u>Proportion of ownership interest and voting power held</u>	
<u>Below are the subsidiaries of PAL 4 Solar Energy LLC:</u>				
International Energy Holding LLC	United Arab Emirates	Commercial enterprises, investment, institution and management, power enterprise investment and industrial enterprise investment.	100%	100%
<u>Below are the subsidiaries of MG Ventures Holding LLC:</u>				
Norm Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	100%
<u>Below are the subsidiaries of Emirates Driving Company PJSC:</u>				
Tabieah Property Investments – Sole Proprietorship LLC	United Arab Emirates	Manage Investment Properties	100%	100%
Emirates Mobility Company (i)	United Arab Emirates	Investment company	100%	-
Excellence Premier Investment LLC (ii)	United Arab Emirates	Investment Holding Company	51%	-
<u>Below are the subsidiaries of Excellence Premier Investment LLC:</u>				
Excellence Driving Centre LLC	United Arab Emirates	Automobile driving school and optical center	100%	-
Excellence Couriers Delivery Services LLC	United Arab Emirates	Order management and delivery services	100%	-
Excellence Premium Limousine Services LLC	United Arab Emirates	Passenger transport by luxury motor vehicles	100%	-
Excellence Premier Auto Repair LLC	United Arab Emirates	Auto oil change, auto air conditioning and mechanical repair, maintenance and general repair of vehicles, auto radiators repairing & maintenance, auto exhaust repairing and electric repair, car washing and cleaning.	100%	-

(i) Subsidiary incorporated during the year.

(ii) Subsidiaries acquired during the year

* Subsidiaries consolidated based on de facto control/ contractual arrangement.

Subsidiary disposed off during the year

LVL Technology Holding and its subsidiaries	Cayman Islands	Operation of a wellbeing streaming service and marketplace via an online platform and in physical studios	-	49.38%
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2.3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of 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.

- Amendments to IFRS 16: Lease Liability in a Sale and Lease back
- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current
- Supplier Finance Arrangement – Amendment to IAS 7 and IFRS 7

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

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
- 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations and goodwill continued

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.

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.

Disposals of interest in a subsidiary to an equity accounted investee

Gain or loss on the disposal of interest in a subsidiary to an equity accounted investee is eliminated to the extent of the retained indirect interest in that disposed entity by the Group.

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 components of the equity of the acquired entities are added to the merger reserve. Any transaction costs paid for the acquisition are recognised directly in equity.

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 expenses.

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, intangible assets and investment in properties are not depreciated or amortised once classified as held for sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Discontinued operations and non-current assets held for sale continued

Asset 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.

Discounted 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.

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 investment in associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize 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 results and assets and liabilities of the associates or joint venture 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.

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.

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 loss from investment in associate and joint venture” in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or 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 and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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. 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.

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.

District cooling services:

Revenue from 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

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.

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 is provided or when the validity has lapsed.

Income from franchise business arrangements

The Group has entered into franchise agreements with franchisees and royalty income and marketing charge is recognised in revenue based on the percentages agreed in franchise agreements which are recognised over time.

Training and coaching 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.

Revenue from rentals:

Rental income from operating leases is recognised on a straight-line basis over the term except where another systematic basis is more representative of the time pattern in which benefit from the use of the underlying asset is diminished.

Employee benefits

An accrual is made for estimated liability for 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.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation. 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;
- 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.

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Property, plant and equipment continued

Recognition and measurement continued

When parts of an item of property, plant and equipment are significant and have different useful lives, they are accounted for as separate items of property, plant and equipment. Any gain or loss on disposal of an item of property, plant 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 is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	3 – 30 years
Plant and machinery	30 – 35 years
Office equipment, furniture and fixtures	3 – 10 years
Motor vehicles	3 – 15 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.

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.

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 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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets continued

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 from the date of construction of the district cooling plant.

Customer relationship

Customer relationship represents future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and 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 5 to 7 years.

Brand name

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 name represents future economic benefits in the form of future business linked the brand name of subsidiaries. Brand name has a finite useful life and 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.

Other intangible assets are amortised over a period of 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 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.

i) 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 premeasurement 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.

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3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued

Group as a lessee continued

i) 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:

Office space	3 - 10 years
Salon shops	2 - 7 years
Land	32 years
Motor vehicles	3 - 4 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.

ii) 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 in the line general and administrative in the consolidated statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued

Group as a lessee continued

iii). 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.

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.

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).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investment properties continued

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 life being 30 years.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the weighted average cost basis and comprises invoiced cost, duties, freight charges and other related expenses that have been incurred in bringing the inventory to their present location and condition. NRV is the estimated selling price in the ordinary course of business less the estimated costs of completion and sale. The costs of sale include directly attributable marketing and distribution costs.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

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:

- a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) 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.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, due from related parties, loan to a related party and cash and bank balances.

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

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, loan from related parties, lease liabilities and borrowings.

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 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.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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, 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.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of non-financial assets continued

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.

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.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Current versus non-current classification continued

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.

Non-monetary contributions from shareholders

Non-monetary contributions received from shareholders are initially recorded at a nominal value. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

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 shareholder. A corresponding amount is recognized directly in equity.

Income tax expense

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses can be utilized.

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 assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Income tax expense continued

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognised in the consolidated statement of comprehensive income.

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.

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

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, intangible assets and investment properties

The management determines the estimated useful lives of its property, plant and equipment, intangible assets and investment properties for calculating depreciation and 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.

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31 December 2024

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

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 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 recognised by the Group.

Property, plant and equipment, intangible assets with an indefinite useful life, 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 is tested for impairment on an annual basis.

Based on the assessment performed, no impairment loss was recorded or the year ended 31 December 2024 (2023: AED nil).

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.

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.

At the reporting date, gross inventories were AED 48,675 thousand (2023: AED 35,682 thousand) with allowance for slow moving inventories of AED 4,446 thousand (2023: AED 2,955 thousand).

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. 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 342,784 thousand (2023: AED 207,214 thousand) with provision for expected credit losses of AED 25,385 thousand (2023: AED 20,510 thousand). 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.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

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 35 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).

Critical accounting judgements 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 judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

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.

Consolidation of entities in which the Group holds less than a majority of voting right (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.

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.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control

6.1 (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 Combinations:

BackLite Media LLC

Effective 1 March 2024, the Group acquired a 100% equity interest in BackLite Media LLC ("BackLite") for a consideration amounting to AED 470,707 thousand. BackLite is based in the Emirate of Dubai and is a specialized outdoor media solution provided in the United Arab Emirates. From the date of acquisition, BackLite contributed revenue and profit to the Group amounting to AED 231,631 thousand and AED 65,988 thousand respectively. If the acquisition had taken place at the beginning of the year, BackLite would have contributed revenue and profit to the Group amounting to AED 265,456 and AED 73,639 thousand respectively.

TGC Holding Limited

Effective 12 June 2024, Omorfia Group LLC ("Omorfia"), a subsidiary, acquired a 100% equity interest in TGC Holding Limited ("TGCH") for a cash consideration of AED 379,423 thousand. TGCH is incorporated in Jersey, and operates in physical medicine, rehabilitation and physiotherapy centers around the UAE, Qatar, Saudi Arabia, Canada and the UK. From the date of acquisition, TGCH contributed revenue and profit to the Group amounting to AED 114,004 thousand and AED 13,125 thousand respectively. If the acquisition had taken place at the beginning of the year, TGCH would have contributed revenue and profit to the Group amounting to AED 191,193 thousand and AED 26,659 thousand respectively.

Excellence Premier Investment LLC

Effective 19 July 2024, Emirates Driving Company PJSC ("Drive"), a subsidiary, acquired a 51% equity interest in Excellence Premier Investment LLC ("EPI") for a cash consideration of AED 153,000 thousand and a contingent consideration of AED 41,371 thousand. Excellence Premier Investment LLC is based in the Emirate of Dubai and is a specialized driving training, courier services, premier auto repairs and limousine services provided in the United Arab Emirates. From the date of acquisition, Excellence Premier Investment LLC contributed revenue and profit to the Group amounting to AED 114,095 thousand and AED 12,452 thousand respectively. If the acquisition had taken place at the beginning of the year, Excellence Premier Investment LLC would have contributed revenue and profit to the Group amounting to AED 233,907 thousand and AED 23,451 thousand respectively.

Multiply Group PJSC

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31 December 2024

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entity as at the date of acquisition were as follows:

	<i>BackLite</i> <i>AED'000</i>	<i>TGCH*</i> <i>AED'000</i>	<i>EPI</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Assets				
Property, plant and equipment	62,198	30,505	69,370	162,073
Intangible assets	221,856	79,438	194,965	496,259
Right of use assets	399,747	39,359	48,164	487,270
Trade and other receivables	89,031	10,702	10,552	110,285
Inventories	-	9,451	-	9,451
Due from related parties	-	330	28	358
Cash and bank balance	<u>52,333</u>	<u>6,677</u>	<u>34,829</u>	<u>93,839</u>
Total assets	<u>825,165</u>	<u>176,462</u>	<u>357,908</u>	<u>1,359,535</u>
Liabilities				
Bank borrowings	-	20,455	-	20,455
Trade and other payables	90,731	16,647	61,322	168,700
Employees' end of service benefit	2,608	8,654	2,387	13,649
Deferred tax liability	19,967	7,134	17,291	44,392
Lease liabilities	<u>487,288</u>	<u>38,675</u>	<u>51,299</u>	<u>577,262</u>
Total liabilities	<u>600,594</u>	<u>91,565</u>	<u>132,299</u>	<u>824,458</u>
Total identifiable net assets at fair value	<u>224,571</u>	<u>84,897</u>	<u>225,609</u>	<u>535,077</u>
Proportionate share of identifiable net assets acquired	224,571	84,897	115,061	424,529
Goodwill arising on acquisition	<u>246,136</u>	<u>294,526</u>	<u>79,310</u>	<u>619,972</u>
Total purchase consideration	<u>470,707</u>	<u>379,423</u>	<u>194,371</u>	<u>1,044,501</u>
Non-controlling interests on acquisition	<u>-</u>	<u>-</u>	<u>110,548</u>	<u>110,548</u>

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will complete the purchase price allocation exercise of the acquisitions within one year from the respective acquisition date.

Intangible assets of AED 496,259 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks, and license.

Goodwill of AED 619,972 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 13.8% to 15.8%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry at 2%, which has been used to determine income for the future years.

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (a) Acquisitions during the year continued

Assets acquired and liabilities assumed continued

Details of purchase consideration on acquisition is as follows:

	<i>BackLite</i> <i>AED'000</i>	<i>TGCH</i> <i>AED'000</i>	<i>EPI</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cash paid for the acquisition	470,707	379,423	153,000	1,003,130
Contingent consideration*	<u> -</u>	<u> -</u>	<u> 41,371</u>	<u> 41,371</u>
	<u>470,707</u>	<u>379,423</u>	<u>194,371</u>	<u>1,044,501</u>

* Purchase consideration includes a contingent consideration of AED 51,000 thousand payable on 31 December 2026 if Excellence Premier Investment LLC achieves the maximum normalized EBITDA for the years ending 31 December 2025 and 31 December 2026 of AED 51,000 thousand and AED 57,000 thousand, respectively. As at the acquisition date, the fair value of the contingent consideration was estimated at AED 41,371 thousand. The Group has recorded the contingent consideration as it is highly probable that the target normalized EBITDA will be achieved.

Analysis of cashflows on acquisition is as follows:

	<i>BackLite</i> <i>AED'000</i>	<i>TGCH</i> <i>AED'000</i>	<i>EPI</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cash paid for the acquisition	470,707	379,423	153,000	1,003,130
Cash acquired on business combination	<u>(52,333)</u>	<u>(6,677)</u>	<u>(34,829)</u>	<u>(93,839)</u>
Cash paid on acquisitions – net of cash acquired (included in cash flows used in investing activities)	418,374	372,746	118,171	909,291
Transaction costs of the acquisition (included in cash flows used in operating activities)	<u> 58</u>	<u> 5,145</u>	<u> 966</u>	<u> 6,169</u>
Net cash paid on acquisition	<u>418,432</u>	<u>377,891</u>	<u>119,137</u>	<u>915,460</u>

Acquisition related costs amounting to AED 6,169 thousand were expensed during the year and are included in general and administrative expenses.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

6 BUSINESS COMBINATIONS continued

6.1 Acquisitions under IFRS 3 Business Combination continued

6.1 (b) Acquisitions in prior year

During 2023, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Fisio Therapy and Rehabilitation Center LLC

Effective 1 March 2023, Omorfia Group LLC (“Omorfia”), a subsidiary, acquired a 100% equity interest in Fisio Therapy and Rehabilitation Center LLC (“Fisio”) for a consideration of AED 1 thousand. Fisio is based in the emirate of Dubai, and operates physical medicine, rehabilitation and a 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, for the year ended 31 December 2023. If the acquisition had taken place at the beginning of 2023, Fisio would have contributed revenue and loss to the Group amounting to AED 1,616 thousand and AED 896 thousand respectively, for the year ended 31 December 2023.

Media 247 Holding Ltd

Effective 1 July 2023, the Group acquired a 60% equity interest in Media 247 Holding Ltd. (“Media 247”). Media 247 is a private company limited by shares incorporated and registered under the laws of Abu Dhabi Global Market. Media 247 is a specialised outdoor media solution provider in United Arab Emirates. From the date of acquisition, Media 247 contributed revenue and profit to the Group amounting to AED 101,066 thousand and AED 41,108 thousand respectively, for the year ended 31 December 2023. If the acquisition had taken place at the beginning of 2023, Media 247 would have contributed revenue and profit to the Group amounting to AED 185,730 thousand and AED 79,227 thousand respectively, for the year ended 31 December 2023.

LVL Technology Holding (formerly “Switch Technology Holding”) (“LVL”)

Effective 1 July 2023, the Group acquired control over LVL, previously recognised as a financial asset, through the acquisition of an additional ownership interest of 33% in LVL (cumulative ownership interest of 49.38%) for a 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). From the date of acquisition, LVL contributed revenue and loss to the Group amounting to AED 937 thousand and AED 5,896 thousand respectively, for the year ended 31 December 2023. If the acquisition had taken place at the beginning of 2023, LVL would have contributed revenue and loss to the Group amounting to AED 1,246 thousand and AED 6,754 thousand respectively, for the year ended 31 December 2023.

JUICE SPA - GROUP OF ENTITIES (“Juice SPA”)

Effective 1 October 2023, Omorfia Group LLC (“Omorfia”), a subsidiary, acquired a 100% equity interest, for a consideration of AED 24,500 thousand, in the following entities (“Juice SPA”):

Name of entities	Place of incorporation and operations	Principal activities
Juice Lounge SPA and Beauty Center LLC	United Arab Emirates	Woman salon, ladies oriental bath, ladies health club, ladies massage & relaxation center
Juice SPA Salon	United Arab Emirates	Ladies health club, ladies oriental bath, ladies cosmetic & personal care center
Jamm Salon Supplies	United Arab Emirates	Ladies cosmetic & personal care center, women salon, hair fixing center, and henna saloon
The Juice Beauty Salon LLC	United Arab Emirates	Perfumes & cosmetics trading, ladies oriental bath, ladies health club, women salon, soap & hair care products trading, ladies massage & relaxation center
Acumen International Ltd.	United Arab Emirates	Gents cosmetic & personal care, gents haircutting & hairdressing salon, ladies cosmetic & personal care, ladies haircutting & hair dressing, ladies spa club
Atelier Hommage Mens Salon LLC	United Arab Emirates	Men oriental bath, gents haircutting & hairdressing salon, gents health club, gents massage & relaxation center

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

6 BUSINESS COMBINATIONS continued

6.1 Acquisitions under IFRS 3 Business Combination continued

6.1 (b) Acquisitions in prior year continued

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 for the year ended 31 December 2023. If the acquisition had taken place at the beginning of 2023, Juice SPA would have contributed revenue and profit to the Group amounting to AED 29,074 thousand and AED 2,389 thousand respectively, for the year ended 31 December 2023.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entity as at the date of acquisition were as follows:

	<i>Fisio</i> AED'000	<i>Media 247</i> AED'000	<i>LVL</i> AED'000	<i>Juice SPA</i> AED'000	<i>Total</i> AED'000
Assets					
Property, plant and equipment	1,674	2,270	8	3,025	6,977
Intangible assets	-	142,545	2,927	7,300	152,772
Inventories	20	-	-	3,524	3,544
Due from related parties	-	53	530	-	583
Trade and other receivables	1,485	53,212	521	2,148	57,366
Cash and bank balances	<u>192</u>	<u>14,361</u>	<u>23,582</u>	<u>1,675</u>	<u>39,810</u>
Total assets	<u>3,371</u>	<u>212,441</u>	<u>27,568</u>	<u>17,672</u>	<u>261,052</u>
Liabilities					
Employees' end of service benefit	39	1,318	613	84	2,054
Loan from a related party	-	-	6,015	-	6,015
Deferred tax liability	-	12,829	263	657	13,749
Due to related parties	-	4,769	45	-	4,814
Trade and other payables	<u>4,514</u>	<u>29,616</u>	<u>6,872</u>	<u>1,870</u>	<u>42,872</u>
Total liabilities	<u>4,553</u>	<u>48,532</u>	<u>13,808</u>	<u>2,611</u>	<u>69,504</u>
Total identifiable net (liabilities) assets at fair value	<u>(1,182)</u>	<u>163,909</u>	<u>13,760</u>	<u>15,061</u>	<u>191,548</u>
Proportionate share of identifiable net (liabilities) assets acquired	(1,182)	98,345	6,795	15,061	119,019
Goodwill arising on acquisition	<u>1,183</u>	<u>162,624</u>	<u>33,154</u>	<u>9,439</u>	<u>206,400</u>
Total purchase consideration	<u>1</u>	<u>260,969</u>	<u>39,949</u>	<u>24,500</u>	<u>325,419</u>
Non-controlling interest on acquisition	<u>-</u>	<u>65,564</u>	<u>6,965</u>	<u>-</u>	<u>72,529</u>

Intangible assets of AED 152,772 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks, license and lease benefits.

Goodwill of AED 206,400 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 16.5% to 23%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 2%, which has been used to determine income for the future years.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

6 BUSINESS COMBINATIONS continued

6.1 Acquisitions under IFRS 3 Business Combination continued

6.1 (b) Acquisitions in prior year continued

Prior year acquisitions recognised on provisional assessment of fair values:

During the year, the purchase price allocations for all acquired entities during 2023 were completed, which resulted in the following adjustments:

Juice SPA – Group of entities:

- Decrease in the fair value of identifiable assets and liabilities by AED 2,695 thousand; and
- Increase in goodwill by AED 2,695 thousand.

The above adjustments are not material to the prior year's consolidated financial statements and accordingly they were posted in the current year's consolidated statement of financial position.

Details of purchase consideration on acquisition is as follows:

	<i>Fisio</i> <i>AED '000</i>	<i>Media 247</i> <i>AED '000</i>	<i>LVL</i> <i>AED '000</i>	<i>Juice SPA</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
Cash paid for the acquisition	1	184,566	22,050	24,500	231,117
Deferred consideration (i)	-	36,403	-	-	36,403
Contingent consideration (ii)	-	40,000	-	-	40,000
Fair value of previously held equity interest	-	-	13,025	-	13,025
Fair value of shares in a subsidiary (iii)	-	-	<u>4,874</u>	-	<u>4,874</u>
Total purchase consideration	<u>1</u>	<u>260,969</u>	<u>39,949</u>	<u>24,500</u>	<u>325,419</u>

- (i) This represents the deferred payment of the purchase consideration as per the agreement. The amount was paid as of 31 December 2024.
- (ii) As part of the purchase agreement for the acquisition of Media 247, an additional cash payment of AED 40,000 thousand was to be paid to the previous owner subject to Media 247 achieving a minimum net profit of AED 60,000 thousand during the year ending 31 December 2023. As at the acquisition date, the fair value of the contingent consideration was estimated at AED 40,000 thousand. The Group recorded the contingent consideration as it was highly probable that the target net profit will be achieved. During 2024, Media 247 achieved the target net profit resulting in an outflow of cash of AED 40,000 thousand to the previous owners.
- (iii) Represents the fair value of 50.62% ownership interest in HealthierU which was granted to a third party as part of the agreement to acquire LVL.

Analysis of cashflows on acquisition is as follows:

	<i>Fisio</i> <i>AED '000</i>	<i>Media 247</i> <i>AED '000</i>	<i>LVL</i> <i>AED '000</i>	<i>Juice SPA</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
Cash paid for the acquisition	1	184,566	22,050	24,500	231,117
Cash acquired on business combination	(192)	(14,361)	(23,582)	(1,675)	(39,810)
Acquisition of operating business – net of cash used (included in cash flows from investing activities)	(191)	170,205	(1,532)	22,825	191,307
Transaction costs of the acquisition (included in cash flows from operating activities)	-	<u>1,336</u>	<u>386</u>	<u>265</u>	<u>1,987</u>
Net cash used on acquisition	(191)	<u>171,541</u>	<u>(1,146)</u>	<u>23,090</u>	<u>193,294</u>

Acquisition related costs amounting to AED 1,987 thousand were expensed during the year and are included in general and administrative expenses.

Multiply Group PJSC

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6 BUSINESS COMBINATIONS continued

6.2 Reduction in shareholding without a loss of control

Decrease of shareholding in a subsidiary in the prior year

During 2023, the Group transferred a portion of its shareholding in Healthier U, a subsidiary, as a form of consideration against the acquisition of a new subsidiary:

	<i>HealthierU</i> 2023
Reduction in shareholding (%)	50.62%
Carrying value of the shareholding disposed-off (AED '000)	-
Less: consideration received (AED '000)	<u>4,874</u>
Difference recognised directly in merger and acquisition reserve (AED '000)	<u><u>4,874</u></u>

6.3 Derecognition of subsidiaries

LVL Technology Holding

Effective 30 December 2024, the Group disposed of its shareholding in LVL Technology Holding ("LVL") for AED nil consideration.

The carrying value of the identifiable assets and liabilities derecognized on the date of disposal are as follows:

	<i>LVL</i> AED '000
Assets	
Property and equipment	369
Intangible assets and goodwill	40,572
Trade and other receivables	2,739
Cash and bank balances	<u>1,512</u>
Total assets	<u>45,192</u>
Liabilities	
Employees' end of service benefits	514
Borrowings	14,690
Loan from related parties	955
Deferred tax liabilities	226
Trade and other payable	<u>771</u>
Total liabilities	<u>17,156</u>
Net assets	28,036
Non-controlling interests	<u>2,591</u>
Net assets attributable to the owners	30,627
Consideration received on disposal*	<u>-</u>
Loss on disposal	<u><u>30,627</u></u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6 BUSINESS COMBINATIONS continued

6.3 Derecognition of subsidiaries continued

* As part of the sale agreement for the disposal of LVL Technology Holding, the Group is entitled to a future cash payment contingent upon the sale of LVL Technology Holding shares. The Group will receive 50% of any cash proceeds from the sale, capped at AED 29,400 thousand. The Group has not recognized these contingent assets in its financial statements, as the fair value of the consideration cannot be reliably measured at this time.

The net cash flows generated from the sale of the above subsidiary are as follows:

	<i>AED '000</i>
Cash received from sale	-
Cash sold as part of the sale	<u>(1,512)</u>
Net cash outflow	<u>(1,512)</u>

The results of the operations of the above mentioned disposed subsidiary were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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7 PROPERTY, PLANT AND EQUIPMENT

	<i>Building and leasehold improvements AED '000</i>	<i>Plant and machinery AED '000</i>	<i>Office equipment furniture and fixtures AED '000</i>	<i>Motor vehicles AED '000</i>	<i>Capital work in progress AED '000</i>	<i>Total AED '000</i>
2024						
Cost:						
At 1 January 2024	362,053	1,106,748	217,619	41,766	331,350	2,059,536
Acquired in business combination (note 6.1 (a))	110,747	52,555	29,989	33,551	23,475	250,317
Additions	8,273	9,396	13,290	12,391	148,946	192,296
Transfer from capital work in progress	4,067	318,721	13,084	-	(335,872)	-
Derecognition of a subsidiary (note 6.3)	-	-	(640)	-	-	(640)
Disposals	<u>(2,998)</u>	<u>-</u>	<u>(11,972)</u>	<u>(769)</u>	<u>(28)</u>	<u>(15,767)</u>
At 31 December 2024	<u>482,142</u>	<u>1,487,420</u>	<u>261,370</u>	<u>86,939</u>	<u>167,871</u>	<u>2,485,742</u>
Accumulated depreciation:						
At 1 January 2024	158,500	264,116	154,798	25,167	-	602,581
Acquired in business combination (note 6.1 (a))	44,189	11,803	18,193	14,059	-	88,244
Charge for the year	22,630	52,910	22,669	12,124	-	110,333
Derecognition of a subsidiary (note 6.3)	-	-	(271)	-	-	(271)
Relating to disposals	<u>(1,825)</u>	<u>-</u>	<u>(11,757)</u>	<u>(508)</u>	<u>-</u>	<u>(14,090)</u>
At 31 December 2024	<u>223,494</u>	<u>328,829</u>	<u>183,632</u>	<u>50,842</u>	<u>-</u>	<u>786,797</u>
Net carrying amount:						
At 31 December 2024	<u>258,648</u>	<u>1,158,591</u>	<u>77,738</u>	<u>36,097</u>	<u>167,871</u>	<u>1,698,945</u>
2023						
Cost:						
At 1 January 2023	303,711	1,089,678	183,282	40,589	306,736	1,923,996
Acquired in business combination (note 6.1 (b))	13,002	92	5,253	167	-	18,514
Additions	9,971	550	12,538	3,770	94,110	120,939
Transfer from capital work in progress	35,369	16,428	17,699	-	(69,496)	-
Disposals	<u>-</u>	<u>-</u>	<u>(1,153)</u>	<u>(2,760)</u>	<u>-</u>	<u>(3,913)</u>
At 31 December 2023	<u>362,053</u>	<u>1,106,748</u>	<u>217,619</u>	<u>41,766</u>	<u>331,350</u>	<u>2,059,536</u>
Accumulated depreciation:						
At 1 January 2023	131,845	225,572	137,361	23,353	-	518,131
Acquired in business combination (note 6.1 (b))	10,408	92	1,037	-	-	11,537
Charge for the year	16,247	38,452	17,240	4,237	-	76,176
Relating to disposals	<u>-</u>	<u>-</u>	<u>(840)</u>	<u>(2,423)</u>	<u>-</u>	<u>(3,263)</u>
At 31 December 2023	<u>158,500</u>	<u>264,116</u>	<u>154,798</u>	<u>25,167</u>	<u>-</u>	<u>602,581</u>
Net carrying amount:						
At 31 December 2023	<u>203,553</u>	<u>842,632</u>	<u>62,821</u>	<u>16,599</u>	<u>331,350</u>	<u>1,456,955</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

7 PROPERTY, PLANT AND EQUIPMENT continued

At 31 December 2024, capital work in progress mainly comprises costs incurred towards construction of district cooling plants and expansion of capacity of plants located in Abu Dhabi which are expected to be completed during the year ending 2025.

During the year ended 31 December 2024, the Group capitalised finance costs of AED 4,154 thousand related to its borrowings (31 December 2023: AED 6,345 thousand).

Property, plant and equipment with a carrying amount of AED 760,585 thousand (31 December 2023: AED 900,445 thousand) are mortgaged as security against borrowings (note 22).

Depreciation charge for the year has been allocated and disclosed in the consolidated statement of profit or loss as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Cost of revenue (note 26)	84,604	56,815
General and administrative expenses (note 27)	<u>25,729</u>	<u>19,361</u>
	<u>110,333</u>	<u>76,176</u>

8 INVESTMENT PROPERTY

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
<i>Cost:</i>		
At 1 January	176,000	176,000
Additions during the year	-	-
Transferred to asset held for sale (note 32)	(176,000)	-
At 31 December	-	<u>176,000</u>
<i>Accumulated depreciation:</i>		
At 1 January	54,590	49,454
Charge for the year	4,280	5,136
Transferred to asset held for sale (note 32)	(58,870)	-
At 31 December	-	<u>54,590</u>
Net carrying amount		
At 31 December	-	<u>121,410</u>

Investment property represents a building located in Sadyaat Island, acquired on 28 August 2017 by Emirates Driving Company PJSC, a subsidiary.

The fair value of the Group's investment property as at 31 December 2024 amounted to AED 164,100 thousand (31 December 2023: AED 164,100 thousand) and has been arrived by reference to a valuation carried out by independent valuer not related to the Group. The independent valuer appropriate qualifications and recent experience in the valuation of properties in the relevant location.

The fair value of investment property is determined using the market comparable method. Under this method, comparable investment and rental transactions, together with evidence of demand within the vicinity of the subject property, were applied to value the property. The fair value measurement falls under level 2 in the fair value measurement hierarchy.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

8 INVESTMENT PROPERTY continued

The property rental income earned by the Group from its investment property, which is leased out under operating leases and the direct operating expenses arising on the investment property are as follows:

	2024	2023
	AED '000	AED '000
Rental income	8,829	8,414
Direct operating expenses (excluding depreciation)	<u>(3,133)</u>	<u>(3,220)</u>
	<u>5,696</u>	<u>5,194</u>

9 INTANGIBLE ASSETS AND GOODWILL

	<i>Goodwill</i>	<i>Brand name</i>	<i>Concession rights</i>	<i>Customer relationship</i>	<i>License</i>	<i>Supplier relationship</i>	<i>Others</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
At 1 January 2024	434,196	154,204	69,550	119,771	-	-	22,593	800,314
Relating to business combinations (note 6.1 (a))	619,972	99,367	-	3,110	151,164	201,761	40,857	1,116,231
Adjustment on finalization of purchase price allocation exercise	2,695	47	-	-	-	-	(3,008)	(266)
Additions during the year	-	-	-	-	-	-	8,222	8,222
Amortisation during the year	-	(20,379)	(2,173)	(20,007)	-	(18,975)	(7,616)	(69,150)
Derecognition on disposal of a subsidiary (note 6.3)	(33,154)	-	-	-	-	-	(7,418)	(40,572)
Write offs during the year	-	-	-	-	-	-	(70)	(70)
At 31 December 2024	<u>1,023,709</u>	<u>233,239</u>	<u>67,377</u>	<u>102,874</u>	<u>151,164</u>	<u>182,786</u>	<u>53,560</u>	<u>1,814,709</u>
At 1 January 2023	230,491	146,883	71,712	6,100	-	-	10,176	465,362
Relating to business combinations	203,705	20,888	-	123,910	-	-	10,935	359,438
Additions during the year	-	-	-	-	-	-	5,748	5,748
Amortisation during the year	-	(13,567)	(2,162)	(10,239)	-	-	(4,266)	(30,234)
At 31 December 2023	<u>434,196</u>	<u>154,204</u>	<u>69,550</u>	<u>119,771</u>	<u>-</u>	<u>-</u>	<u>22,593</u>	<u>800,314</u>

Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions.

During the year ended 31 December 2024, management performed its annual impairment assessments of goodwill, using the discounted cashflow model approach to calculate the value in use for the respective cash generating units.

For the purpose of the impairment testing, goodwill was allocated to the respective cash generating units based on the respective enterprise values.

Management has assessed that no impairment loss is required to be recognised against goodwill at the reporting date.

Following key assumptions were used in the discounted cashflow review:

- Terminal growth rate: 2% (31 December 2023: 2% - 3%)
- Inflation rate: 4% (31 December 2023: 4%)
- Discount rate: 11.3% - 13% (31 December 2023: 11.5% - 12.7%)

Customer relationship

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired (note 6) and meet the criteria for recognition as intangible assets under IAS 38.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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9 INTANGIBLE ASSETS AND GOODWILL continued

Concession rights

In December 2018, PAL Cooling Holding LLC, a 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.

Brand name

Brand name represents future economic benefits in the form of future business linked with brand name of subsidiaries acquired (note 6) and meet the criteria for recognition as intangible assets under IAS 38.

Amortisation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2024 AED'000	2023 AED'000
Cost of revenue (note 26)	2,173	2,162
General and administrative expenses (note 27)	<u>66,977</u>	<u>28,072</u>
	<u>69,150</u>	<u>30,234</u>

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	2024 AED'000	2023 AED'000
Right-of-use assets:		
As at 1 January	128,929	104,423
Acquired through business combination (note 6.1(a))	487,270	-
Additions during the year	274,288	70,446
Termination of a lease	(17,685)	(7,129)
Lease modification	(1,733)	-
Depreciation expense	<u>(155,243)</u>	<u>(38,811)</u>
As at 31 December	<u>715,826</u>	<u>128,929</u>
Lease liabilities:		
As at 1 January	134,237	106,862
Acquired through business combination (note 6.1(a))	577,262	-
Additions during the year	274,288	70,446
Interest expense (note 22)	37,438	9,203
Termination of a lease	(17,250)	(8,144)
Lease modification	(1,733)	-
Payments	<u>(217,483)</u>	<u>(44,130)</u>
As at 31 December	<u>786,759</u>	<u>134,237</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

10 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

Lease liabilities is analysed in the consolidated statement of financial position as follows:

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Current	179,683	34,861
Non-current	<u>607,076</u>	<u>99,376</u>
	<u>786,759</u>	<u>134,237</u>

Maturity analysis of lease liabilities is disclosed in note 34.

Depreciation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Cost of revenue (note 26)	141,410	29,857
General and administrative expenses (note 27)	<u>13,833</u>	<u>8,954</u>
	<u>155,243</u>	<u>38,811</u>

11 INVESTMENT IN A JOINT VENTURE

Details of the Group's joint venture is as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<u>2024</u>	<u>2023</u>
Joint venture: Kalyon Enerji Yatirmiliari A.S ("Kalyon")	Clean and renewable energy company	Turkey	50%	50%

Movement in investment in a joint venture is as follows:

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
At 1 January	2,065,268	1,838,425
Additional capital contribution*	276,470	-
Share of profit for the year	55,817	228,558
Share of other comprehensive loss for the year	<u>(135)</u>	<u>(1,715)</u>
At 31 December	<u>2,397,420</u>	<u>2,065,268</u>

* An amount of AED 276,470 thousand was provided as additional capital contribution through the conversion of loan provided by the Group to Kalyon (note 19). The same amount was also contributed by the other shareholder which resulted in the shareholding percentage to remain at 50%.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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11 INVESTMENT IN A JOINT VENTURE continued

Summarised financial information in respect of the Group's joint venture is set out below:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Non-current assets	8,440,523	7,719,009
Current assets	481,326	432,603
Non-current liabilities	(3,033,777)	(3,391,474)
Current liabilities	<u>(1,323,554)</u>	<u>(859,913)</u>
Equity (100%)	4,564,518	3,900,225
Less: non-controlling interest	<u>(3,000)</u>	<u>(3,011)</u>
Equity attributable to the owner of the entity	<u>4,561,518</u>	<u>3,897,214</u>
Group's share of net assets (50% ownership interest)	<u>2,280,759</u>	<u>1,948,607</u>
Group carrying amount of the investment (including goodwill)	<u>2,397,420</u>	<u>2,065,268</u>
Revenue	<u>764,414</u>	<u>692,697</u>
Profit for the year	<u>111,634</u>	<u>457,116</u>
Group's share of profit	<u>55,817</u>	<u>228,558</u>

12 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Quoted	-	36,659
Unquoted	<u>416,247</u>	<u>410,327</u>
	<u>416,247</u>	<u>446,986</u>

The geographical distribution of investments is as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Inside the UAE	-	36,659
Outside the UAE	<u>416,247</u>	<u>410,327</u>
	<u>416,247</u>	<u>446,986</u>

The investments are recorded at fair value using the valuation techniques disclosed in note 35. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

12 INVESTMENTS CARRIED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME continued

	2024 <i>AED '000</i>	2023 <i>AED '000</i>
At 1 January	446,986	45,045
Additions during year	-	374,700
Transferred to investment in subsidiaries (note 6.1 (b))	-	(13,025)
Disposals	(28,570)	-
Change in fair value	<u>(2,169)</u>	<u>40,266</u>
At 31 December	<u>416,247</u>	<u>446,986</u>

13 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024 <i>AED '000</i>	2023 <i>AED '000</i>
Quoted	31,899,347	32,893,112
Unquoted	<u>103,292</u>	<u>83,592</u>
	<u>32,002,639</u>	<u>32,976,704</u>

Investments carried at fair value through profit or loss are analyzed as follows:

Non-current	11,508,197	17,213,115
Current	<u>20,494,442</u>	<u>15,763,589</u>
	<u>32,002,639</u>	<u>32,976,704</u>

The geographical distribution of investments is as follows:

Inside the UAE	31,836,566	32,740,517
Outside the UAE	<u>166,073</u>	<u>236,187</u>
	<u>32,002,639</u>	<u>32,976,704</u>

The investments are recorded at fair value using valuation techniques disclosed in note 35. Movement in investments in financial assets carried at fair value through profit or loss is as follows:

	2024 <i>AED '000</i>	2023 <i>AED '000</i>
At 1 January	32,976,704	33,932,571
Additions	10,913	57,603
Change in fair value	(846,864)	(561,587)
Disposals	<u>(138,114)</u>	<u>(451,883)</u>
At 31 December	<u>32,002,639</u>	<u>32,976,704</u>

During the year, shares with a fair value of AED 31,850,243 thousand (2023: AED 31,577,159 thousand), are pledged as security against borrowings.

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14 TRADE AND OTHER RECEIVABLES

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
Trade receivables	342,784	207,214
Less: allowance for expected credit losses	<u>(25,385)</u>	<u>(20,510)</u>
	317,399	186,704
Advances to suppliers	46,364	33,229
Prepayments	42,316	37,324
Deposits	36,603	23,433
Deferred costs	28,586	-
Receivable under share purchase agreement*	1,236,517	1,585,949
Other receivables	<u>38,225</u>	<u>34,740</u>
	1,746,010	1,901,379
Less: non-current portion	<u>(885,778)</u>	<u>(1,236,517)</u>
	<u>860,232</u>	<u>664,862</u>

* During 2022, the Group entered into an agreement to acquire shares of a listed company. Under the provisions of the agreement, the Group is entitled to receive a guaranteed return over a period of 5 years, which shall be reduced by any dividends that may be declared and paid by the investee over the 5-year period. Accordingly, the Group recognised a non-current receivable of AED 1,935,301 thousand on the transaction date, using a discount rate of 8%, with a corresponding deferred income. During the year, unwinding of non-current receivable amounting to AED 118,601 thousand (2023: AED 146,225 thousand) (note 28) and amortisation of deferred income amounting to AED 388,121 thousand (2023: AED 387,061 thousand) (note 28) were recorded in the consolidated statement of profit or loss.

During the year, the Group recorded a loss of AED nil (2023: AED 169.6 million) (note 28) on reassessment of the receivable under the share purchase agreement due to the change in the expected future cash flows.

Receivable under share purchase agreement is analysed in the consolidated statement of financial position as follows:

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
Current	350,739	349,432
Non-current	<u>885,778</u>	<u>1,236,517</u>
	<u>1,236,517</u>	<u>1,585,949</u>

Movement in allowance for expected credit losses against trade receivables during the year was as follows:

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
Balance at 1 January	20,510	35,922
Acquired in business combinations	34	-
Charge (Reversal) for the year (net)	<u>4,841</u>	<u>(15,412)</u>
Balance at 31 December	<u>25,385</u>	<u>20,510</u>

The Group measures the loss allowance for trade receivables 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14 TRADE AND OTHER RECEIVABLES continued

Below is the information about the credit risk exposure on the Group's trade receivables:

	<i>Total</i>	<i>Not past</i>	<i><30</i>	<i>31-60</i>	<i>61-120</i>	<i>121-360</i>	<i>>360</i>
	<i>AED'000</i>	<i>due</i>	<i>days</i>	<i>days</i>	<i>days</i>	<i>days</i>	<i>days</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
31 December 2024							
Expected credit loss rate		0.68%	1.45%	2.72%	3.56%	9.83%	56.01%
Estimated total gross carrying amount at default	342,784	156,792	51,379	23,432	31,917	48,944	30,320
Life time ECL	25,385	1,073	742	638	1,138	4,813	16,981
31 December 2023							
Expected credit loss rate		2.29%	1.97%	0.96%	1.76%	9.53%	92.51%
Estimated total gross carrying amount at default	207,214	39,131	16,622	34,181	45,540	58,094	13,646
Life time ECL	20,510	895	328	327	801	5,535	12,624

15 INVENTORIES

	2024	2023
	AED'000	AED'000
Finished goods	46,998	33,821
Spares and consumables	1,677	898
Raw materials	-	963
	48,675	35,682
Less: allowance for slow moving inventories	(4,446)	(2,955)
	44,229	32,727

Movement in allowance for slow moving inventories is as follows:

	2024	2023
	AED'000	AED'000
At 1 January	2,955	1,894
Acquired in business combinations	135	-
Charge for the year (net)	1,356	1,061
At 31 December	4,446	2,955

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16 CASH AND BANK BALANCES

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Cash on hand	2,665	2,539
Cash at banks	963,776	716,275
Term deposits	1,066,157	838,468
Less: allowance for expected credit loss	<u>(5)</u>	<u>(5)</u>
Cash and bank balances	2,032,593	1,557,277
Less: term deposits with an original maturity more than three months	<u>(795,657)</u>	<u>(441,324)</u>
Cash and cash equivalents	<u>1,236,936</u>	<u>1,115,953</u>

Term deposits are placed with commercial banks in UAE, which carry interest rate ranging from 3.10% to 5.90% per annum (2023: 5.15% to 5.95%).

17 SHARE CAPITAL

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Authorised issued and fully paid		
11,200,000,000 shares of AED 0.25 each		
(31 December 2023: 11,200,000,000 shares of AED 0.25 each)	<u>2,800,000</u>	<u>2,800,000</u>

On 1 April 2021, the shareholders approved to increase the share capital of the Company from AED 300 thousand to AED 100,000 thousand, with a reduction of the par value per share from AED 1,000 to AED 1 and the issuance of 99,999,700 new shares.

On 30 September 2021, the Company's share capital was increased from AED 100,000 thousand to AED 2,100,000 thousand through the issuance of 2,000,000 thousand new shares, out of which 1,224,090 thousand shares were issued to a new shareholder for AED 5,519,700 thousand resulting in a share premium of AED 4,295,610 thousand. The new shareholder contributed cash of AED 1,834,100 thousand and investments with a fair value of AED 3,685,600 thousand.

On 27 October 2021, the shareholders approved to increase the share capital of the Company from AED 2,100,000 thousand to AED 2,800,000 thousand, with a reduction of the par value per share from AED 1 to AED 0.25 and the issuance of 2,800,000 thousand new shares. The new shares were issued to new shareholders, through the public offering conducted on 5 December 2021, for AED 3,108,000 thousand contributed in cash, resulting in a share premium of AED 2,408,000 thousand.

18 STATUTORY RESERVE

In accordance with United Arab Emirates 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

19 RELATED PARTY BALANCES AND TRANSACTIONS

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*.

Related parties include the Group's major Shareholders, Directors and businesses controlled by them and their families over which they exercise significant influence in financial and operating decisions making as well as key management personnel.

19.1 Balances

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

<i>Name</i>	<i>Nature of relationship</i>	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
<i>Due from related parties:</i>			
Aldar Properties PJSC	Entity under common control	7,403	6,342
International Holding Company PJSC	Parent Company	4,110	3,810
Orientek Innovation LLC ICP	Entity under common control	2,694	2,458
Kalyon Enerji Yatirimlari A.S.	Joint venture	2,179	31,038
International Securities LLC	Entity under common control	1,784	642
Rafiq Abdulrahim Rafiq Abu-Hijleh	Other related party	920	-
Al Qudra Holding LLC	Entity under common control	484	391
Bunya Enterprises LLC	Entity under common control	377	371
TSL Properties LLC	Entity under common control	-	4,783
ATGC Transport & GC LLC	Entity under common control	-	1,420
National Marine Dredging Company PJSC (NMDC)	Entity under common control	-	1,268
Others	Entities under common control/ other related parties	<u>1,219</u>	<u>3,589</u>
		21,170	56,112
Less: allowance for expected credit loss		<u>(400)</u>	<u>(1,917)</u>
		<u>20,770</u>	<u>54,195</u>
<i>Due to related parties:</i>			
Alpha Dhabi Holding PJSC	Entity under common control	27,472	123,263
Tamouh Investments Company LLC	Entity under common control	16,163	5,150
Excellence Corporate Management L.L.C	Entity under common control	11,403	-
IMEDIA 247 LLC	Entity under common control	9,870	2,857
Abu Dhabi National Exhibitions Company	Other related party	7,220	-
RG Procurement RSC LTD	Entity under common control	4,224	3,905
Reem from energy Investment Services LLC	Other related party	3,738	1,788
National Health Insurance Company PJSC	Entity under common control	3,613	951
Provis Real Estate Management	Other related party	1,242	-
IMEDIA 24-7 LLC – Sharjah	Entity under common control	919	1,872
International Holding Company PJSC	Parent Company	607	1,474
Rafiq Abdulrahim Rafiq Abu-Hijleh	Other related party	-	2,517
Others	Entities under common control/ other related parties	<u>1,195</u>	<u>2,025</u>
		<u>87,666</u>	<u>145,802</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

19 RELATED PARTY BALANCES AND TRANSACTIONS continued

19.1 Balances continued

Movement in allowance for expected credit losses against due from related parties is as follows:

	2024 <i>AED '000</i>	2023 <i>AED '000</i>
Balance at 1 January	1,917	433
(Reversal) charge during the year	<u>(1,517)</u>	<u>1,484</u>
Balance at 31 December	<u>400</u>	<u>1,917</u>

<i>Name</i>	<i>Nature of relationship</i>	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Investments in financial assets	Entity under common control	<u>2,702,735</u>	<u>3,554,153</u>
Right of use assets	Entity under common control/other related parties	<u>34,135</u>	<u>33,736</u>
Lease liabilities	Entity under common control/other related parties	<u>37,112</u>	<u>34,759</u>

Loans to a related party

International Energy Holding LLC, a subsidiary, signed an agreement with Kalyon Enerjij Yatirimlari A.S (“Kalyon”), a joint venture of the Group, to provide loans amounting to USD 128 million and EUR 36 million to fund 50% of the joint venture’s working capital requirements. The loans carry interest at 8.25% - 10.5% per annum on outstanding principal amounts, which is payable on a quarterly basis starting from 31 December 2023. The principal amounts are repayable at the end of maturity of the loan.

	<i>Currency</i>	<i>Interest rates</i>	<i>Maturity</i>	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Related party loan 1	USD	10.5%	June 2025	-	213,150
Related party loan 2	EUR	10.5%	June 2025	-	116,884
Related party loan 3	EUR	10.5%	June 2025	-	29,221
Related party loan 4	USD	8.25%	September 2031	-	196,613
Related party loan 5	USD	10.5%	September 2031	<u>-</u>	<u>60,637</u>
				<u>—</u>	<u>616,505</u>

During 2024, an amount of AED 276,470 thousand was converted to equity in Kalyon through the partial conversion of loan number 1 for an amount of AED 19,220 thousand and the full conversion of loans number 4 and 5 for an amount of AED 196,613 thousand and AED 60,637 thousand respectively adding up to a total equity conversion of AED 276,470 thousand (note 11). The remaining balance of loan number 1 and the full balance of loans number 2 and 3 were repaid during the year.

Loan from related parties

	<i>Security</i>	<i>Interest rates</i>	<i>Maturity</i>	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Related party loan 1	Secured	5%	December 2026	33,401	31,785
Related party loan 2	Unsecured	Interest free	On demand	5,015	5,015
Related party loan 4	Unsecured	13%	April 2024	<u>-</u>	<u>1,662</u>
				<u>38,416</u>	<u>38,462</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

19 RELATED PARTY BALANCES AND TRANSACTIONS continued

19.1 Balances continued

Loan from related parties continued

Disclosed in the consolidated statement of financial position as follows:

	2024 AED'000	2023 AED'000
Non-current portion	10,825	20,497
Current portion	<u>27,591</u>	<u>17,965</u>
	<u><u>38,416</u></u>	<u><u>38,462</u></u>

19.2 Transactions

During the year, the Group entered into the following transactions with related parties:

	2024 AED'000	2023 AED'000
Revenue (<i>entities under common control</i>)	<u>83,451</u>	<u>49,239</u>
Cost of revenue (<i>entities under common control</i>)	<u>65,163</u>	<u>13,262</u>
General and administrative expenses (<i>entities under common control</i>)	<u>18,561</u>	<u>7,402</u>
Investment and other income (<i>other related parties</i>)	<u>30,570</u>	<u>31,868</u>
Transactions and balances with a financial institution (other related party)		

	2024 AED'000	2023 AED'000
Balances with a financial institution	<u>693,480</u>	<u>740,241</u>
Borrowings	<u>8,155,174</u>	<u>9,421,428</u>
Interest expense for the year	<u>368,948</u>	<u>389,563</u>
Drawdown	<u>-</u>	<u>1,500,000</u>
Repayment of borrowings	<u>1,636,768</u>	<u>792,764</u>

19.3 Key management remuneration

	2024 AED'000	2023 AED'000
Salaries and employee benefits	21,584	19,789
Employees end of service benefits	<u>1,405</u>	<u>1,010</u>
	<u><u>22,989</u></u>	<u><u>20,799</u></u>
Remuneration for the Directors of the Company	<u><u>9,990</u></u>	<u><u>9,078</u></u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

20 PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

<i>Name</i>	<i>Country of incorporation and operation</i>	2024	2023
Emirates Driving Company PJSC	United Arab Emirates	51.99%	51.99%
Omorfia Group LLC	United Arab Emirates	49%	49%
PAL 4 Solar Energy LLC	United Arab Emirates	20%	20%
Media 247 Holding Ltd	United Arab Emirates	40%	40%
LVL Technology Holding	Caymen Island	-	50.62%
		2024	2023
		AED'000	AED '000

Accumulated balances of non-controlling interest:

Emirates Driving Company PJSC	735,426	577,467
PAL 4 Solar Energy LLC	490,458	420,315
Omorfia Group LLC	213,078	198,500
Media 247 Holding Ltd	81,191	77,550
LVL Technology Holding	-	3,913
	<u>1,520,153</u>	<u>1,277,745</u>

Total Comprehensive income (loss) allocated to non-controlling interest:

Emirates Driving Company PJSC	142,643	130,338
PAL 4 Solar Energy LLC	14,872	50,910
Omorfia Group LLC	20,948	23,888
Media 247 Holding Ltd	18,441	11,987
LVL Technology Holding	(6,504)	(3,052)
	<u>190,400</u>	<u>214,071</u>

The summarised financial information of these subsidiaries is provided below.

Summarised statement of profit or loss of partly-owned subsidiaries:

	<i>DRIVE</i>	<i>PAL 4</i>	<i>Omorfia</i>	<i>Media247</i>	<i>LVL</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
31 December 2024					
Revenue	521,758	-	531,430	247,615	2,028
Cost of revenue	(159,562)	-	(361,741)	(147,491)	(102)
Change in fair value of investment in financial assets	13,755	-	-	-	-
Other income	45,558	29,564	4,936	587	-
Share of profit from a joint venture	-	55,817	-	-	-
General and administrative expenses	(108,167)	(1,391)	(98,902)	(42,477)	(13,029)
Finance cost	(8,181)	-	(24,956)	(6,659)	(1,771)
Income tax	<u>(27,473)</u>	<u>(9,497)</u>	<u>(8,016)</u>	<u>(5,472)</u>	<u>24</u>
Profit (loss) for the year	277,688	74,493	42,751	46,103	(12,850)
Other comprehensive profit (loss) for the year	<u>(8,089)</u>	<u>(135)</u>	-	-	-
Comprehensive income (loss) for the year	<u>269,599</u>	<u>74,358</u>	<u>42,751</u>	<u>46,103</u>	<u>(12,850)</u>
Attributable to non-controlling interests	<u>142,643</u>	<u>14,872</u>	<u>20,948</u>	<u>18,441</u>	<u>(6,504)</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

20 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised statement of profit or loss of material partly-owned subsidiaries continued:

	<i>DRIVE</i> <i>AED'000</i>	<i>PAL 4</i> <i>AED'000</i>	<i>Omorfia</i> <i>AED'000</i>	<i>Media247</i> <i>AED'000</i>	<i>LVL</i> <i>AED'000</i>
<i>31 December 2023</i>					
Revenue	364,056	-	382,521	101,066	937
Cost of revenue	(80,797)	-	(254,527)	(48,092)	(272)
Other income	49,367	30,505	8,553	585	-
Share of profit from a joint venture	-	228,558	-	-	-
General and administrative expenses	(81,537)	(2,790)	(69,181)	(24,434)	(6,214)
Finance cost	(4,677)	(3)	(9,631)	-	(494)
Income tax	<u>3,842</u>	<u>-</u>	<u>(8,984)</u>	<u>841</u>	<u>13</u>
Profit (loss) for the year	250,254	256,270	48,751	29,966	(6,030)
Other comprehensive profit (loss) for the year	<u>433</u>	<u>(1,715)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Comprehensive income (loss) for the year	<u>250,687</u>	<u>254,555</u>	<u>48,751</u>	<u>29,966</u>	<u>(6,030)</u>
Attributable to non-controlling interests	<u>130,338</u>	<u>50,910</u>	<u>23,888</u>	<u>11,986</u>	<u>(3,052)</u>

Summarised statement of financial position of material partly-owned subsidiaries:

	<i>DRIVE</i> <i>AED'000</i>	<i>PAL 4</i> <i>AED'000</i>	<i>Omorfia</i> <i>AED'000</i>	<i>Media247</i> <i>AED'000</i>	<i>LVL</i> <i>AED'000</i>
<i>31 December 2024</i>					
Non-current assets	765,040	2,413,720	736,214	210,203	-
Current assets	853,433	354,726	164,351	183,984	-
Non-current liabilities	(159,426)	-	(289,917)	(109,410)	-
Current liabilities	<u>(151,435)</u>	<u>(317,267)</u>	<u>(175,796)</u>	<u>(81,798)</u>	<u>-</u>
Total equity	<u>1,307,612</u>	<u>2,451,179</u>	<u>434,852</u>	<u>202,979</u>	<u>-</u>
Less: non-controlling interest	<u>115,699</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to the owners of the subsidiaries	<u>1,191,913</u>	<u>2,451,179</u>	<u>434,852</u>	<u>202,979</u>	<u>-</u>
<i>Attributable to:</i>					
Equity holders of parent	<u>572,186</u>	<u>1,960,721</u>	<u>221,774</u>	<u>121,788</u>	<u>-</u>
Non-controlling interest	<u>735,426</u>	<u>490,458</u>	<u>213,078</u>	<u>81,191</u>	<u>-</u>
	<i>DRIVE</i> <i>AED'000</i>	<i>PAL 4</i> <i>AED'000</i>	<i>Omorfia</i> <i>AED'000</i>	<i>Media247</i> <i>AED'000</i>	<i>LVL</i> <i>AED'000</i>
<i>31 December 2023</i>					
Non-current assets	420,076	2,666,937	294,291	135,848	6,135
Current assets	794,422	65,250	257,903	131,301	11,217
Non-current liabilities	(49,941)	-	(57,068)	(13,227)	(6,106)
Current liabilities	<u>(53,849)</u>	<u>(631,836)</u>	<u>(89,977)</u>	<u>(60,047)</u>	<u>(3,515)</u>
Equity (100%)	<u>1,110,708</u>	<u>2,100,351</u>	<u>405,149</u>	<u>193,875</u>	<u>7,731</u>
<i>Attributable to:</i>					
Equity holders of parent	<u>533,241</u>	<u>1,680,036</u>	<u>206,649</u>	<u>116,325</u>	<u>3,818</u>
Non-controlling interest	<u>577,467</u>	<u>420,315</u>	<u>198,500</u>	<u>77,550</u>	<u>3,913</u>

Multiply Group PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

20 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information of material partly owned subsidiaries:

	<i>DRIVE</i> <i>AED'000</i>	<i>PAL 4</i> <i>AED'000</i>	<i>Omorfia</i> <i>AED'000</i>	<i>Media247</i> <i>AED'000</i>	<i>LVL</i> <i>AED'000</i>
31 December 2024					
Operating	298,300	(308)	145,963	139,369	(11,716)
Investing	(434,219)	341	(393,691)	(48,285)	(4,064)
Financing	(188,768)	-	129,038	(44,097)	7,633
Net (decrease) increase in cash and cash equivalents	(324,687)	33	(118,690)	46,987	(8,147)
	<i>DRIVE</i> <i>AED'000</i>	<i>PAL 4</i> <i>AED'000</i>	<i>Omorfia</i> <i>AED'000</i>	<i>Media247</i> <i>AED'000</i>	<i>LVL</i> <i>AED'000</i>
31 December 2023					
Operating	219,279	1,345	116,643	30,986	(21,137)
Investing	(166,485)	(1,539)	(39,951)	(847)	(14,400)
Financing	(93,635)	185	(33,794)	250	41,750
Net (decrease) increase in cash and cash equivalents	(40,841)	(9)	42,898	30,389	6,213

21 EMPLOYEES' END OF SERVICE BENEFITS

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
At 1 January	53,220	44,647
Acquired in business combinations (note 6)	13,649	2,054
Charge for the year	14,502	12,501
Paid during the year	(7,383)	(5,982)
Derecognition on disposal of a subsidiary (note 6.3)	(514)	-
At 31 December	73,474	53,220

22 BORROWINGS

<i>Borrowings:</i>	<i>Security</i>	<i>Interest rates</i>	<i>Maturity</i>	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Term loan 1	Secured	EIBOR + 1.85%	December 2024	-	74,880
Term loan 2	Secured	EIBOR + 1.85%	September 2030	71,406	84,094
Term loan 3	Secured	EIBOR + 1.85%	December 2027	112,381	130,064
Term loan 4	Secured	EIBOR + 1.85%	November 2029	33,230	33,254
Term loan 5	Secured	3.88%	July 2027	6,100,567	6,099,730
Term loan 6	Secured	3.88%	August 2025	501,907	1,003,814
Term loan 7	Secured	4.2%	August 2027	498,103	498,033
Term loan 8	Secured	EIBOR + 0.85%	September 2025	169,462	339,064
Term loan 9	Secured	EIBOR + 0.85%	March 2026	508,801	847,902
Term loan 10	Secured	EIBOR + 0.85%	June 2026	95,351	159,005
Term loan 11	Secured	EIBOR + 0.85%	September 2026	209,579	314,906
Term loan 12	Unsecured	20%	January 2026	-	5,396
Term loan 13	Secured	EIBOR + 1.15%	February 2029	900,455	-
Term loan 14	Secured	EIBOR + 1.15%	March 2029	75,258	-
Term loan 15	Secured	3MEIBOR + 1.4%	March 2032	212,524	-
Term loan 16	Secured	3M EIBOR + 1.1%	July 2032	116,966	-
Term loan 17	Secured	3M EIBOR + 1.1%	September 2034	73,863	-
				9,679,853	9,590,142

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

22 BORROWINGS continued

- (i) Term loan 1 was obtained to finance the construction of district cooling plants. In 2016, the loan was restructured, whereby the restructured term loan is repayable in 8 annual instalments with a bullet payment of the residual amount to be paid on 31 December 2024. The restructured loan is secured through personal guarantee of a related party and mortgage of the property constructed. The loan was fully repaid during the year.
- (ii) Term loan 2 was obtained to finance a district cooling plant. The loan was repayable in 7 semi annual instalments of AED 4.75 million each starting from 30 June 2017 till 30 June 2020 and a bullet payment of the residual amount in December 2020. During 2020, the subsidiary renewed the facility with a total limit of AED 120 million to finance the 2nd phase of the district cooling plant, which is repayable in 32 quarterly instalments with the final maturity on 30 September 2030. The loan is secured against the mortgage of plant and machineries of district cooling plant and an irrevocable corporate guarantee of a related party covering the overall facility.
- (iii) Term loan 3 loan was obtained to finance a district cooling plant. The loan is repayable in 22 quarterly instalments starting from 22 June 2022 till 22 September 2027 and a bullet payment of the residual amount on 22 December 2027. The loan is secured against mortgage of plant and machineries of the district cooling plant and an irrevocable corporate guarantee.
- (iv) Term loan 4 was obtained to finance a district cooling plant. The loan is repayable in 20 quarterly instalments starting from 22 Feb 2025 till 22 November 2029. The loan is secured against mortgage of plant and machineries of the district cooling plant and an irrevocable corporate guarantee.
- (v) Term loans 5, 6, 7, 8, 9, 10, and 11 were obtained to finance the purchase of investments. The term loans are repayable in instalments. The loans are secured against the mortgage of investments in financial assets amounting to AED 31,850,243 thousand (2023: AED 31,577,159 thousand) and the shares of a subsidiary to the Group.
- (vi) Term loan 12 was obtained to provide additional working capital in the form of venture debt. The loan is repayable in monthly instalments starting in November 2023 - interest only – with principal starting to be repaid in 2024. The loan is secured with equity terms placed upon the debt.
- (vii) Term loans 13 and 14 were obtained to finance the purchase of investments. The term loans are repayable in quarterly instalments starting in May 2024 and June 2024 respectively – interest only with principal starting to be repaid in 2029. The loan is secured with equity terms placed upon the debt.
- (viii) Term loan 15 was obtained to finance the acquisition of TGC. The term loan is repayable in semi-annual instalments starting in December 2024, with interest payment due every quarter starting in September 2024. The loan is secured with guarantees from subsidiaries and an assignment of collection to lender.
- (ix) Term loans 16 and 17 were obtained to finance district cooling plants. Term loan 16 is repayable in quarterly instalments of principal and interest starting from October 2024, while term loan 17 requires quarterly interest payments starting from December 2024, with principal repayments commencing from September 2027. The loans are secured against a mortgage of the plant and machineries of the district cooling plants and an irrevocable corporate guarantee.

Movement in borrowings during the year is as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
At 1 January	9,590,142	8,463,338
Acquired in a business combination (note 6.1 (a))	20,455	-
Drawdowns	1,404,521	1,543,685
Transaction cost, net	(3,594)	398
Finance costs*	448,082	399,267
Derecognition on disposal of a subsidiary (note 6.3)	(14,690)	-
Repayments	(1,765,063)	(816,546)
At 31 December	<u>9,679,853</u>	<u>9,590,142</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

22 BORROWINGS continued

* Finance cost of AED 4,154 thousand (2023: AED 6,345 thousand) was capitalised under property, plant and equipment with the remaining AED 443,928 thousand (2023: AED 392,922 thousand) being charged to finance cost in the consolidated statement of profit or loss.

Disclosed in the consolidated statement of financial position as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Non-current portion	5,052,406	8,208,999
Current portion	<u>4,627,447</u>	<u>1,381,143</u>
	<u>9,679,853</u>	<u>9,590,142</u>

Finance cost in the consolidated statement of profit or loss consist of the following:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Interest on borrowings	443,928	392,922
Interest on loans from related parties	1,664	2,078
Interest on lease liabilities (note 10)	37,438	9,203
Amortization of transaction cost	2,502	1,448
Bank charges	<u>16,894</u>	<u>9,986</u>
	<u>502,426</u>	<u>415,637</u>

23 INCOME TAX

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

23.1 Amount recognised in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2024 and 2023:

Consolidated profit or loss

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Current income tax expense charge	58,009	-
Deferred income tax credit relating to origination and reversal of temporary differences	<u>(6,486)</u>	<u>28,887</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>51,523</u>	<u>28,887</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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23 INCOME TAX continued

23.2 Reconciliation of accounting income

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Accounting profit before tax relating to UAE entities	589,301	-
At United Arab Emirates' statutory income tax rate of 9%	61,770	-
Less: effect of standard exemption	(270)	-
Less: income not subject to tax	(60,752)	-
Add: non-deductible expense	<u>57,261</u>	<u>-</u>
Current income tax charge	58,009	-
Deferred income tax credit relating to origination and reversal of temporary differences	<u>(6,486)</u>	<u>28,887</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>51,523</u>	<u>28,887</u>

Deferred tax liability relates to the following:

	<i>Consolidated statement of financial position</i>		<i>Consolidated statement of profit or loss</i>	
	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Goodwill	20,744	20,744	-	20,744
Intangible assets acquired through business combination	64,226	26,001	(6,136)	11,985
Property, plant and equipment	224	-	-	-
Investment carried at fair value through profit or loss	1,273	-	1,273	-
Investment properties	(4,304)	(3,842)	(462)	(903)
Provision for expected credit losses	(441)	-	(441)	-
Interest available for offsetting against future taxable income	(615)	-	(615)	-
Unrealized forex loss on a related party loan	<u>(105)</u>	<u>-</u>	<u>(105)</u>	<u>-</u>
Deferred tax expense	<u>=</u>	<u>-</u>	<u>(6,486)</u>	<u>28,887</u>
Net Deferred tax liabilities	<u>81,002</u>	<u>42,903</u>	<u>=</u>	<u>-</u>

24 TRADE AND OTHER PAYABLES

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Deferred income (note 14)	1,043,472	1,431,593
Accruals and other payables	287,729	252,543
Unearned revenue (i)	138,600	82,273
Trade payables	116,479	92,309
Advances from customers	93,871	65,573
Deferred consideration	41,371	-
Income tax payable	58,009	-
Security deposits	26,821	25,641
VAT payable, net	7,309	2,150
Retention payable	<u>20,374</u>	<u>15,225</u>
	1,834,035	1,967,307
Less: non-current portion	<u>(813,152)</u>	<u>(1,149,959)</u>
	<u>1,020,883</u>	<u>817,348</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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24 TRADE AND OTHER PAYABLES continued

Non-current portion consists of the following:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Deferred income	656,412	1,043,473
Unearned revenue (i)	48,697	47,968
Deferred consideration	41,371	-
Advances from customers	39,851	32,877
Security deposits	<u>26,821</u>	<u>25,641</u>
	<u>813,152</u>	<u>1,149,959</u>

(i) Unearned revenue is expected to be recognised in the future related to the performance obligation that are unsatisfied or partially unsatisfied as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Within one year	89,903	34,305
After one year but not more than 5 years	9,632	9,635
More than 5 years	<u>39,065</u>	<u>38,333</u>
	<u>138,600</u>	<u>82,273</u>

25 REVENUE

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Type of goods or services		
Revenue from media and marketing services	648,202	248,126
Revenue from sale of cosmetics and rendering of related personal care services	533,458	383,458
Revenue from consultancy, training and coaching services	512,929	354,878
Revenue from district cooling services	318,148	299,007
Revenue from rentals	<u>8,829</u>	<u>8,414</u>
	<u>2,021,566</u>	<u>1,293,883</u>
Timing of revenue recognition		
Revenue at a point in time	980,694	671,133
Revenue over time	<u>1,040,872</u>	<u>622,750</u>
	<u>2,021,566</u>	<u>1,293,883</u>
Geographical markets		
United Arab Emirates	2,009,489	1,286,003
Kingdom of Saudi Arabia	<u>12,077</u>	<u>7,880</u>
	<u>2,021,566</u>	<u>1,293,883</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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26 COST OF REVENUE

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
Staff costs	327,131	237,123
Material and consumables	174,151	70,917
Depreciation of right-of-use assets (note 10)	141,410	29,857
Rent	106,077	17,322
Direct cost of advertising agency and outdoor	99,738	87,872
Depreciation of property, plant and equipment (note 7)	84,604	56,815
Electricity and water charges	83,395	81,655
Royalty fees from district cooling	21,071	16,265
Repair and maintenance	8,091	4,581
Depreciation of investment property (note 8)	4,280	5,136
Cost incurred on leased properties	3,133	3,220
Amortisation of intangible assets (note 9)	2,173	2,162
Others	<u>20,049</u>	<u>17,561</u>
	<u>1,075,303</u>	<u>630,486</u>

27 GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
Staff costs	184,874	141,631
Amortisation of intangible assets (note 9)	66,977	28,072
Legal and professional fees	26,819	38,177
Depreciation of property, plant and equipment (note 7)	25,729	19,361
Rent, utilities and communication	21,615	11,496
Depreciation of right-of-use assets (note 10)	13,833	8,954
Director remuneration	9,990	9,078
Advertising and sponsorship	9,806	4,161
Repairs and maintenance	8,378	6,377
Allowance for expected credit losses	3,324	3,210
Bad debts	2,510	-
Others	<u>45,331</u>	<u>32,255</u>
	<u>419,186</u>	<u>302,772</u>

28 INVESTMENT AND OTHER INCOME

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
Dividend income	414,994	485,469
Amortization of deferred income (note 14)	388,121	387,061
Unwinding of discount on non-current receivable (note 14)	118,601	146,225
Interest income	88,628	85,244
Loss on reassessment of non-current receivables	-	(169,616)
Reversal of expected credit losses allowance	-	17,138
(Loss) gain on disposal of property, plant and equipment	(1,084)	706
Others	<u>28,319</u>	<u>16,689</u>
	<u>1,037,579</u>	<u>968,916</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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29 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are 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.

	2024	2023
(Loss) profit attributable to the owners of the Company (AED '000)	<u>(5,600)</u>	<u>337,800</u>
Weighted average number of shares (shares in '000)	<u>11,200,000</u>	<u>11,200,000</u>
Basic earnings per share for the year (AED)	<u>(0.001)</u>	<u>0.03</u>

As of 31 December 2024, the Group has not issued any dilutive instruments that have an impact on earnings per share when exercised.

30 CONTINGENT LIABILITIES AND COMMITMENTS

	2024 AED '000	2023 AED '000
Letters of guarantee	<u>53,071</u>	<u>204,712</u>
Commitment of capital expenditure	<u>221,658</u>	<u>316,442</u>

The above bank guarantees were issued in the normal course of business.

31 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 116,402 was declared and paid during the year (31 December 2023: AED 46,682 thousand).

32 ASSET HELD FOR SALE

On 5 November 2024, the Board of Directors of Emirates Driving Company PJSC, a subsidiary resolved to sell the building located in Sadyaat Island. The sale of the property is expected to be completed within one year from the reporting date, in accordance with the Group strategic plan to streamline its portfolio. The investment property was classified as 'Asset held for sale' in accordance with *IFRS 5 Non-Current Asset Held For Sale And Discontinued Operations*.

	2024 AED'000	2023 AED'000
At 1 January	-	-
Transferred from investment properties	<u>117,130</u>	-
At 31 December	<u>117,130</u>	<u>-</u>

33 SEGMENT REPORTING

For operating purposes, the Group is organised into business segments as follows:

Communications includes advertisement designing, production and commercial publication printing services.

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Driving training includes management and development of motor vehicles driving training.

Wellness includes health, wholesale cosmetics and make-up trading, women personal care and other grooming related services.

Asset management includes investments in financial assets and financing activities related to the investments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33 SEGMENTAL REPORTING continued

	<i>Communication</i>		<i>Utilities</i>		<i>Driving training</i>		<i>Wellness</i>		<i>Asset management</i>		<i>Total</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Revenue	648,202	247,362	318,148	299,007	521,758	364,056	533,458	383,458	-	-	2,021,566	1,293,883
Cost of revenue	(386,835)	(149,603)	(167,063)	(145,414)	(159,562)	(80,670)	(361,843)	(254,799)	-	-	(1,075,303)	(630,486)
GROSS PROFIT	261,367	97,759	151,085	153,593	362,196	283,386	171,615	128,659	-	-	946,263	663,397
Investment and other income	16,089	9,617	34,220	43,885	45,558	45,888	4,936	8,553	936,776	860,973	1,037,579	968,916
Change in fair value of investments carried at FVTPL	-	-	-	-	13,755	3,479	-	-	(860,619)	(565,066)	(846,864)	(561,587)
Share of profit from investment in a joint venture	-	-	55,817	228,558	-	-	-	-	-	-	55,817	228,558
Finance costs	(28,283)	(1,979)	(21,938)	(20,717)	(8,181)	(4,677)	(26,727)	(10,125)	(417,297)	(378,139)	(502,426)	(415,637)
Loss on disposal of a subsidiary	-	-	-	-	-	-	-	-	(30,627)	-	(30,627)	-
General and administrative expenses	(119,300)	(51,207)	(22,363)	(21,158)	(108,122)	(81,406)	(111,931)	(76,206)	(57,470)	(72,795)	(419,186)	(302,772)
PROFIT (LOSS) FOR THE YEAR	129,873	54,190	196,821	384,161	305,206	246,670	37,893	50,881	(429,237)	(155,027)	240,556	580,875
Tax expense	(12,386)	(5,646)	(20,370)	-	(27,473)	3,842	(7,992)	(27,083)	16,698	-	(51,523)	(28,887)
PROFIT (LOSS) FOR THE YEAR AFTER TAX	117,487	<u>48,544</u>	176,451	<u>384,161</u>	277,733	<u>250,512</u>	29,901	<u>23,798</u>	(412,539)	<u>(155,027)</u>	189,033	<u>551,988</u>
	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Segment assets	1,153,528	<u>307,326</u>	4,468,531	<u>4,205,448</u>	1,660,769	<u>1,218,339</u>	1,030,818	<u>694,928</u>	34,697,482	<u>35,736,450</u>	43,011,128	<u>42,162,491</u>
Segment liabilities	911,121	<u>164,458</u>	983,598	<u>1,173,265</u>	310,391	<u>107,668</u>	666,776	<u>355,568</u>	9,713,929	<u>10,174,956</u>	12,585,815	<u>11,975,915</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34 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 total capital. Net debt is calculated as borrowings, lease liabilities, loan from related parties less cash and bank balances. Total capital is calculated as 'equity attributable to owners of the company' as shown in the consolidated statement of financial position plus net debt.

	2024 AED '000	2023 AED '000
Borrowings (note 22)	9,679,853	9,590,142
Lease liabilities (note 10)	786,759	134,237
Loan from related parties (note 19.1)	38,416	38,462
Cash and bank balances (note 16)	<u>(2,032,593)</u>	<u>(1,557,277)</u>
Net debt	<u>8,472,435</u>	<u>8,205,564</u>
Total equity	<u>28,905,160</u>	<u>28,908,831</u>
Total equity and net debt	<u>37,377,595</u>	<u>37,114,395</u>
Gearing ratio	<u>22.67%</u>	<u>22.11%</u>

Financial risk management objectives

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and cash flow risk and fair value 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.

Market risk management

Foreign exchange risk

The Group does not have any significant exposure to currency risk as most of its monetary assets and liabilities are denominated in UAE Dirhams or in US Dollars, the latter being pegged to the UAE Dirham.

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 31,899,347 thousand (2023: AED 32,929,771 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:

	2024 AED '000	2023 AED '000
Impact on the Group's profit for the year (increase/decrease)	<u>1,594,967</u>	<u>1,644,656</u>
Impact on the Group's other comprehensive income for the year (increase/decrease)	<u>-</u>	<u>1,833</u>

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34 FINANCIAL RISK MANAGEMENT continued

Market risk management continued

Interest rate risk

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 2024, 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 25,793 thousand (2023: AED 19,832 thousand).

Credit risk management

Credit risk is managed on Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analyzing 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.

Liquidity risk management

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and funding from related parties, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	<i>On demand</i> <i>AED'000</i>	<i>Less than</i> <i>3 months</i> <i>AED'000</i>	<i>3 to 12</i> <i>months</i> <i>AED'000</i>	<i>1 to 5</i> <i>years</i> <i>AED'000</i>	<i>More than</i> <i>5 years</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
At 31 December 2024						
Borrowings	-	490,914	4,388,188	5,406,880	180,191	10,466,173
Loan from related parties	16,303	-	11,288	10,825	-	38,416
Lease liabilities	-	55,169	141,733	574,116	221,342	992,360
Due to related parties	-	87,666	-	-	-	87,666
Trade and other payables	-	136,733	-	-	-	136,733
Total	<u>16,303</u>	<u>770,482</u>	<u>4,541,209</u>	<u>5,991,821</u>	<u>401,533</u>	<u>11,711,111</u>
At 31 December 2023						
Borrowings	-	114,630	1,527,893	8,876,689	58,275	10,577,487
Loan from related parties	5,015	11,288	1,662	20,497	-	38,462
Lease liabilities	-	12,619	24,950	68,107	96,884	202,560
Due to related parties	-	160,502	-	-	-	160,502
Trade and other payables	-	107,395	-	-	-	107,395
Total	<u>5,015</u>	<u>406,434</u>	<u>1,554,505</u>	<u>8,965,293</u>	<u>155,159</u>	<u>11,086,406</u>

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35 FAIR VALUES

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of bank balances, trade receivables, due from related parties, investments carried at fair value through other comprehensive income, investments carried at fair value through profit or loss and some other current assets. Financial liabilities consist of trade payables, due to related parties, bank borrowings, lease liabilities and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

- Level 1:* quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3:* techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table gives information about how the fair value of the Group's assets are determined.

<i>Financial assets measured at fair value</i>	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques</i>
	<i>31 December 2024</i>	<i>31 December 2023</i>		
	<i>AED'000</i>	<i>AED'000</i>		
Quoted equity investments – investment in financial assets	31,899,347	32,929,771	Level 1	Quoted bid prices in an active market
Unquoted equity investments – investment in financial assets	519,539	493,919	Level 3	Market approach
<i>Assets for which fair value is disclosed</i>				
Investment properties	-	164,100	Level 2	Market comparable method

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

36 COMPARATIVE FIGURES

Where necessary, comparative information have been reclassified to conform with changes in presentation in the current period. These changes did not affect the previously reported results and have been made to improve the quality of information presented.