



# **INTERNATIONAL HOLDING COMPANY PJSC**

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

# **International Holding Company PJSC**

## **DIRECTORS' REPORT**

**31 DECEMBER 2023**

# International Holding Company PJSC

## DIRECTORS' REPORT

31 December 2023

*Dear Shareholders,*

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

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

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

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

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

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

### Financial highlights

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

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

# International Holding Company PJSC

## DIRECTORS' REPORT continued 31 December 2023

### Board of Directors

The Directors of the Company are:

Chairman H.H. Shk Tahnoon Bin Zayed Al Nahyan

Vice chairman Dr. Somar Ajalyaqin

Members Mr. Syed Basar Shueb

Ms. Sofia Lasky

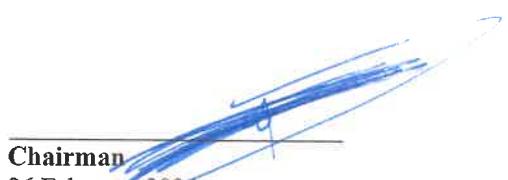
Mr. Mohammed Nasser Saif Howaiden Al Shamsi

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

### Auditors

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

**On behalf of Board of Directors**

  
Chairman  
26 February 2024

**International Holding Company PJSC**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC

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

##### *Opinion*

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

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

##### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

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

##### *Revenue recognition*

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT****TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued****Report on the Audit of the Consolidated Financial Statements continued***Business combinations within the scope of IFRS 3*

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

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

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

*Fair value of investment properties*

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

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

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



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

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

##### *Fair value of investment properties* continued

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

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

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

##### *Impairment assessment of goodwill*

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

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

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

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

##### *Gain on acquisition of an associate*

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



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

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

##### *Gain on acquisition of an associate* continued

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

We performed the following procedures:

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

##### *Other information*

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

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



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

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

##### *Other information* continued

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

##### *Responsibilities of management and those charged with governance for the consolidated financial statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

##### *Auditor's responsibilities for the audit of the consolidated financial statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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## INDEPENDENT AUDITOR'S REPORT

### TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

#### Report on Other Legal and Regulatory Requirements

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

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

Signed by:

Anthony O'Sullivan

Partner

Ernst & Young

Registration No 687

26 February 2024  
Abu Dhabi

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

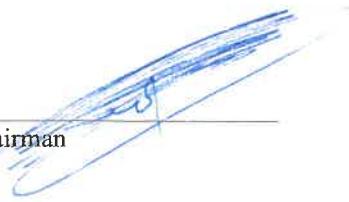
	<i>Notes</i>	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	<b>20,885,783</b>	19,502,124
Intangible assets and goodwill	8	<b>9,946,938</b>	11,616,475
Right-of-use assets	29	<b>2,077,712</b>	2,954,791
Investment properties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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued**  
 At 31 December 2023

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

  
 Chief Financial Officer

  
 Managing Director

  
 Chairman

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

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

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

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

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

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

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

# International Holding Company PJSC

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Company											
	Share capital AED '000	Share premium AED '000	Merger, acquisition and other reserves AED '000	Statutory reserve AED '000	Contributed capital AED '000	Cumulative changes on revaluation of investments AED '000	Currency translation reserve AED '000	Hedging reserve AED '000	Retained earnings AED '000	Hybrid instruments AED '000	Non controlling-interests AED '000	Total equity AED '000
Balance at 1 January 2022	1,821,429	-	16,668,311	910,715	-	360,372	2,038	1,627	7,329,169	27,093,661	-	28,938,365
Profit for the year	-	-	-	-	-	-	-	-	12,652,578	12,652,578	-	19,918,622
Other comprehensive loss for the year	-	-	-	-	-	(499,037)	(238,564)	20,992	(12,348)	(728,957)	-	(588,797)
Total comprehensive income for the year	-	-	-	-	-	(499,037)	(238,564)	20,992	12,640,230	11,923,621	-	19,329,825
Transfer to statutory reserve	-	-	-	186,055	-	-	-	-	(186,055)	-	-	
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	(7,390)	-	-	7,390	-	-	
Business combination of entities under common control (note 6.1(b))	-	-	721,939	-	-	-	-	-	721,939	-	749,965	
Acquisition of subsidiaries (note 6.2(b))	-	-	-	-	-	-	-	-	-	1,126,639	24,420,250	
Non-controlling interest arising from acquisition of assets (note 6.3(b))	-	-	-	-	-	-	-	-	-	192,600	192,600	
Capital contributed	-	-	-	-	940,015	-	-	-	940,015	-	67,057	
Acquisition of assets from entities under common control (note 10)	-	-	783,364	-	-	-	-	-	783,364	-	783,364	
Hybrid equity instruments issued during the period	-	-	-	-	-	-	-	-	-	689,007	689,007	
Coupon paid on hybrid equity instrument (note 22)	-	-	-	-	-	-	-	(51,645)	(51,645)	-	(51,645)	
Dividend paid to non-controlling interest (note 44)	-	-	-	-	-	-	-	-	-	-	(1,849,124)	
Acquisition of non-controlling interest (note 6.6(b) & 20)	372,111	151,188,827	(127,999,543)	-	-	-	-	-	23,561,395	-	(27,158,192)	
Disposal of partial interest in subsidiaries (note 6.5(b))	-	-	2,677,257	-	-	-	-	-	2,677,257	-	6,518,225	
Non-controlling interest share of newly issued shares (note 6.2(b))	-	-	-	-	-	-	-	-	-	-	8,600,277	
Disposal of subsidiaries (note 6.4(b))	-	-	-	-	-	-	-	-	-	-	(217,248)	
Repayment to non-controlling interests of contributed capital	-	-	-	-	-	-	-	-	-	-	(20,000)	
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	-	-	327,136	
Other equity movement	-	-	(2,751,738)	-	-	-	-	-	2,962,714	210,976	-	
Balance at 31 December 2022	2,193,540	151,188,827	(109,900,410)	1,096,770	940,015	(146,055)	(236,526)	22,619	22,701,803	67,860,583	1,815,646	59,687,880
Balance at 1 January 2023	2,193,540	151,188,827	(109,900,410)	1,096,770	940,015	(146,055)	(236,526)	22,619	22,701,803	67,860,583	1,815,646	59,687,880
Profit for the year	-	-	-	-	-	-	-	-	27,523,100	27,523,100	-	5,431,148
Other comprehensive loss for the year	-	-	-	-	-	(424,511)	(128,007)	6,116	-	(546,402)	-	(298,759)
Total comprehensive income for the year	-	-	-	-	-	(424,511)	(128,007)	6,116	27,523,100	26,976,698	-	5,132,389
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	(26,663)	-	-	26,663	-	-	
Business combination of entities under common control (note 6.1(a))	-	-	259,505	-	-	-	-	-	-	259,505	-	
Acquisition of subsidiaries (note 6.2(a))	-	-	-	-	-	-	-	-	-	-	754,740	
Acquisition of assets from entities under common control (note 6.3(a) & 11.1)	-	-	593,890	-	-	-	-	-	-	593,890	-	
Non-controlling interests arising from acquisition of assets (note 6.3(a))	-	-	-	-	-	-	-	-	-	-	66,929	
Disposal of partial interest in subsidiaries (note 6.5(a))	-	-	340,733	-	-	-	-	-	340,733	-	632,832	
Acquisition of non-controlling interest (note 6.6(a))	-	-	(467,249)	-	-	-	-	-	-	(467,249)	-	
Derecognition of subsidiaries (note 6.4(a))	-	-	-	-	-	-	-	-	-	-	(6,232,405)	
Non-controlling interest share of newly issued shares (note 6.2(a))	-	-	-	-	-	-	-	-	-	-	190,256	
Coupon paid on hybrid equity instrument (note 22)	-	-	-	-	-	-	-	(103,289)	(103,289)	-	(103,289)	
Repayment of contributed capital to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,880)	
Additional contributions by non-controlling interest	-	-	-	-	-	-	-	-	-	-	498,035	
Transfer of share premium (note 20)	-	(151,188,827)	127,639,366	-	-	-	-	-	23,549,461	-	-	
Dividend paid to non-controlling interest (note 44)	-	-	-	-	-	-	-	-	-	-	(1,209,205)	
Other equity movement	-	-	(222,024)	-	-	-	-	-	(222,024)	-	193,232	
Balance at 31 December 2023	2,193,540	-	18,243,811	1,096,770	940,015	(597,229)	(364,533)	28,735	73,697,738	95,238,847	1,815,646	59,682,378
												156,736,871

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

# International Holding Company PJSC

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	<i>Notes</i>	<b>2023</b> AED '000	<b>2022</b> AED '000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>33,810,175</b>	32,660,074
Adjustments for:			
Depreciation of property, plant and equipment		<b>1,637,599</b>	1,464,229
Amortisation of intangible assets	8	<b>348,997</b>	302,300
Depreciation of investment properties	9	<b>894,281</b>	687,205
Depreciation of right-of-use assets	29	<b>278,947</b>	224,463
Depreciation of biological asset	15	<b>16,982</b>	5,870
Impairment loss on property, plant and equipment	7	<b>4,280</b>	82,103
(Reversal) of impairment loss on investment properties	9	<b>(85,338)</b>	765,540
(Reversal) of impairment loss on development work-in-progress	16	<b>(52,927)</b>	235,491
Write-off of project costs relating to development work-in-progress	16	<b>133,216</b>	37,715
Write down of land plots held for sale to net realisable value	13	<b>109,198</b>	71,191
Loss on termination of leases	29	<b>6,847</b>	2,498
Gain on elimination of a lease as a result of business combination	29	<b>-</b>	(8,390)
Property, plant and equipment written off		<b>155</b>	23,677
Intangible assets written off	8	<b>11,932</b>	6,441
Share of profit from investment in associates and joint ventures	10	<b>(13,233,218)</b>	(245,820)
Gain on disposal of property, plant and equipment	34	<b>(41,883)</b>	(326,871)
Gain on disposal of investment properties	34	<b>(28,788)</b>	(27,952)
Gain on disposal of asset held for sale	19 & 34	<b>(218,348)</b>	-
Covid-19 rent concession	29 & 34	<b>-</b>	(386)
Gain on disposal of associates and joint ventures	10	<b>(493,110)</b>	(63,111)
Gain on acquisition of subsidiaries	6.2	<b>(2,998)</b>	(2,183,284)
Gain on liquidation of subsidiaries		<b>(4,051)</b>	-
Gain on derecognition of subsidiaries	6.4	<b>(8,858,361)</b>	(91,044)
Change in fair value of biological assets	15	<b>7,369</b>	(29,332)
Loss on sale of biological assets	15	<b>42,915</b>	1,054
Allowance for slow moving inventories	13	<b>57,201</b>	21,117
Allowance for expected credit losses	32	<b>382,990</b>	450,628
Allowance for (reversal of) ECL on investments carried at amortised cost	11.3	<b>372</b>	(20)
Interest and dividend income	34	<b>(1,928,332)</b>	(840,492)
Fair value gain on revaluation of previously held property, plant and equipment	34	<b>-</b>	(116,430)
Unwinding of discounting of long-term receivables	34	<b>(146,225)</b>	(47,808)
Amortisation of deferred income	34	<b>(387,061)</b>	(116,647)
Loss on reassessment of non-current receivables	34	<b>169,616</b>	-
Change in the fair value of financial assets carried at fair value through profit or loss	11.2 & 34	<b>(867,965)</b>	(22,029,776)
Gain on revaluation of equity accounted interest transferred to financial assets carried at fair value through profit or loss	10 & 34	<b>(817,627)</b>	-
Recovery of bad debts written off	34	<b>(23,925)</b>	(71,496)
Fair value gain on revaluation of previously held equity interest	10	<b>(318,699)</b>	(2,848,679)
Foreign exchange loss	34	<b>57,395</b>	819,291
Provision for employees' end of service benefit	23	<b>335,696</b>	303,005
Reversal of excess provisions	34	<b>(1,484,332)</b>	-
Finance costs	38	<b><u>2,277,366</u></b>	<b><u>1,188,259</u></b>
Operating cash flows before changes in working capital		<b>11,590,341</b>	10,304,613
Working capital changes:			
(Increase) decrease in inventories		<b>(380,194)</b>	821,685
Increase in biological assets		<b>(52,568)</b>	(7,691)
Decrease (increase) in due from related parties		<b>85,326</b>	(12,520)
(Increase) decrease in trade and other receivables		<b>(5,592,221)</b>	248,315
Increase in contract assets		<b>(3,724,782)</b>	(1,047,891)
Increase in development work in progress		<b>(1,615,712)</b>	(846,970)
Decrease in assets held for sales		<b>380,051</b>	53,372
Increase (decrease) in liabilities associated with assets held for sale		<b>33,971</b>	(154,877)
(Decrease) increase in due to related parties		<b>(2,014,342)</b>	1,219,962
Increase (decrease) in trade and other payables		<b>2,987,606</b>	(739,370)
Increase in contract liabilities		<b><u>5,993,461</u></b>	<b><u>6,757,807</u></b>
Cash generated from operations		<b>7,690,937</b>	16,596,435
Employees' end of service benefit paid	23	<b>(263,458)</b>	(191,528)
Tax paid		<b><u>(120,669)</u></b>	<b><u>(126,257)</u></b>
Net cash generated from operating activities		<b><u>7,306,810</u></b>	<b><u>16,278,650</u></b>

# International Holding Company PJSC

## CONSOLIDATED STATEMENT OF CASH FLOWS continued For the year ended 31 December 2023

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

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

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 1 GENERAL INFORMATION

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

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

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

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

#### **2.2 Basis of measurement**

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

#### **2.3 Functional and presentation currency**

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

#### **2.4 Basis for consolidation**

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

Control is achieved when the Group:

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

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

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

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

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

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

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

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

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

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

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2023</i>	<i>2022</i>
<b><u>Below are the subsidiaries of Eltizam Asset Management Estate - Sole Proprietorship LLC:</u></b>				
EAMG Services Holdings Limited	United Arab Emirates	Holding company.	<b>100%</b>	-
Eltizam Asset Management Estate LLC	United Arab Emirates	Holding company.	<b>100%</b>	-
Three 60 Communities Estate Services Egypt – Three 60 Communities Egypt	Republic of Egypt	Provision of management and supervision services for owners' associations.	<b>100%</b>	-
Three 60 Communities Management for Owners Associations LLC	United Arab Emirates	Management and supervision services for owners' associations.	<b>100%</b>	-
Fixis Technical Services LLC	United Arab Emirates	Facilities maintenance services.	<b>100%</b>	-
Falcon Investments LLC	United Arab Emirates	Real estate lease and management services. Commercial enterprises investment, institution and management.	<b>100%</b>	-
800TEK Facilities Management LLC	United Arab Emirates	Event management services, lifeguard services, façade cleaning, management and operation of public utilities.	<b>100%</b>	-
Colliers International Property Consultancy Services JSC	Republic of Egypt	Consultancy services.	<b>100%</b>	-
Colliers International Property Services - Doha LLC	Qatar	Interior design implementation works and real estate brokerage business.	<b>100%</b>	-
East-O Holdings Limited	United Arab Emirates	Holding company.	<b>100%</b>	-
Enterprise Solutions Company for Professional Consulting	Kingdom of Saudi Arabia	Real Estate services.	<b>100%</b>	-
IFM Holdings Limited	United Arab Emirates	Holding company.	<b>100%</b>	-
Inspire Building Management Services LLC	United Arab Emirates	Facilities management and buildings general maintenance.	<b>100%</b>	-
Inspire Integrated Facilities Management LLC	United Arab Emirates	Facilities management and buildings general maintenance.	<b>100%</b>	-
Inspire Integrated Services LLC (Abu Dhabi)	United Arab Emirates	Facilities management and buildings general maintenance.	<b>100%</b>	-
Inspire Integrated Services LLC (Dubai)	United Arab Emirates	Facilities management and buildings general maintenance.	<b>100%</b>	-
Inspire Integrated Solutions Holding Ltd	United Arab Emirates	Holding company.	<b>100%</b>	-
Inspire Integrated Solutions Ltd	United Arab Emirates	Real estate management services.	<b>100%</b>	-
IREC Holdings Limited	United Arab Emirates	Holding company.	<b>100%</b>	-
King Field Owner Association Management Services - Sole Proprietorship LLC	United Arab Emirates	Management and supervision services for owners' associations.	<b>100%</b>	-
Kingfield Communities Management LLC	United Arab Emirates	Community and property management services.	<b>100%</b>	-
Kingfield Owners Association Management Services LLC	United Arab Emirates	Operation, management and maintenance of community and property.	<b>100%</b>	-

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.4 Basis for consolidation continued

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 2 BASIS OF PREPARATION continued

#### 2.5 CHANGES IN MATERIAL ACCOUNTING POLICIES – NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

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

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

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

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

#### *Measurement principles*

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

The key changes in measurement principles under PAA include:

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

#### *Transition*

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **2 BASIS OF PREPARATION** continued

#### **2.5 CHANGES IN MATERIAL ACCOUNTING POLICIES – NEW AND AMENDED STANDARDS AND INTERPRETATIONS** continued

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

*Transition* continued

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

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

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

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

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

### **3 MATERIAL ACCOUNTING POLICY INFORMATION**

#### **Business combinations and goodwill**

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Business combinations and goodwill** continued

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

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

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

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

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

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Business combinations and goodwill** continued

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

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

#### **Acquisition of entities under common control**

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

#### **Investment in associates and joint ventures**

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Investment in associates and joint ventures** continued

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

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

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

#### **Interest in joint operations**

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

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group’s consolidated financial statements only to the extent of other parties’ interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

#### **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group’s activities, as described below.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

The Group recognises revenue from the following major sources:

- Marine and dredging activities
- Construction and related services
- Real estate development
- Management of properties, facilities and development projects
- Food and related non-consumable items
- Rental income
- Healthcare and other medical supplies
- Manpower and consultancy services
- Information technology related revenue
- Hospitality and leisure revenue
- Education and related services
- Coaching and training services
- Sale of properties and land

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5* Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Group's performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

*Following are the policies for the major sources of revenue:*

#### Marine and dredging activities:

##### *Contract revenue*

Contract revenue comprises revenue from execution of contracts relating to lump-sum engineering, procurement and construction project services, dredging activities and associated land reclamation works. Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation.

The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customised for the customers' needs with no alternative use and the Group has right to payment for performance completed to date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

##### Marine and dredging activities: continued

###### *Contract revenue* continued

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for dredging and reclamation works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on final customer approval if rates approved are different from those originally used.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

###### *Warranty obligations*

The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

###### *Significant financing component*

For lump sum engineering, construction and procurement projects, if there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income. For other contracts generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

###### *Variation orders and claims*

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

###### Construction and related services:

###### *Revenue from construction contracts*

The Group provides construction services to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group is contractually restricted from reducing the structure under construction to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over time on a cost to cost method based the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under 'IFRS 15 Revenue from Contracts with Customers'.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

##### Construction and related services: continued

###### *Revenue from construction contracts* continued

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs are recognised as expenses in the period in which they are incurred.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Under the terms of the contracts in the UAE, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Therefore, revenue from construction of residential properties in the UAE is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. In respect of the Group's contracts for development of residential properties in Egypt, the Group has assessed that the criteria for recording revenue over time is not met and transfer of control happens only at the time of handover of completed units to the customers and accordingly the revenue is recognised at the point in time at which the performance obligation is satisfied.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the fiscal year, is charged to profit or loss as unallocated overheads.

The gross amount of contract assets from customers, is the net amount of costs incurred plus recognised profits; less recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.

The gross amount contract liabilities to customers, is the net amount of costs incurred plus recognised profits less recognised losses and less progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The effect of a change in the estimates of contract revenue or contract costs or the outcome of a contract, including that arising from liquidated damages and final contract settlements, is used in the determination of the amount of revenue and costs recognised in profit or loss in the period in which the change is made and in subsequent periods.

The Group receives advance payments and instalments from some customers in a specific jurisdiction, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in those contracts, considering the length of time between the customer's payments and the transfer of control to the customer, and the interest rate prevailing in the market. The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing at the time of the contract. The Group uses the exception of the practical application for short-term payments received from customers. This means the amount collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service and payment is less than a year.

#### *Management fee income*

The Group manages construction of properties under long term contracts with customers. Management fee income is recognised over time using input method to recognise revenue on the basis of entity's efforts to the satisfaction of a performance obligation. Management considers that input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. Where the outcome cannot be estimated reliably, revenue is measured based on the consideration from customers to which the Group expects to be entitled in a contract with a customer in an amount that corresponds directly with the value to the customer of the Group's performance completed to date and excludes amounts collected on behalf of third parties.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

##### Real estate development:

Revenue from real estate development is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

##### Food and related non-consumable items:

The Group recognises revenue from sale of food and related non-consumable items at a point in time. Sales of goods to customers mainly include one performance obligation, where revenue is recognised when control of the goods is transferred (when the goods have been shipped to the customer's specific location (i.e. delivered). Following delivery, the customer has the full discretion over the manner of use of the goods, the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

##### Rental income:

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### Healthcare and other medical supplies:

Includes hospitalisation, medical professional services, equipment, radiology, laboratory, medical consumables and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the medical service is provided, based on the amounts due from patients and / or funding entities.

##### *Hospitalisation – insured patients*

Revenue is recognised based on the contract with the insurers net of claim denials (actual and estimated), discounts and time barred un-submitted claims. Transactions with insurers includes an amount of claims denials, which represents disallowance of claims due to technical or medical reasons. As the actual amount of denials may vary from the denial provisions, accordingly the amount of consideration may vary from what was originally claimed. This constitutes variable consideration under IFRS 15 and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

##### *Hospitalisation – uninsured patients (self-pay and sponsored patients)*

Revenue is recognised based on the most likely value to be recovered from the patients which constitutes variable consideration and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

##### *Laboratory management and residency visa testing services*

The Group provides laboratory management and residency visa testing services to customers. The Group has one performance obligation and revenue is recognised at a point in time when the service is performed and results are delivered to the customers.

##### *Hospitals management services*

The Group provides hospitals' management services against a service fee and percentage share in hospitals' revenue. The Group has one performance obligation (i.e. to manage the operations of the hospitals) and revenue is recognised at a point in time when the services are rendered and simultaneously consumed by the customer.

##### *Procurement and supply of medical related products*

The Group procures and supplies medicines, diagnostic and other medical equipments to its customers. The Group has two performance obligations (i.e. to deliver goods to the customers) and to render inventory management services. The revenue for delivery of goods is recognised at a point in time when control is transferred to the customers and revenue for inventory management services is recognised over time.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

##### Manpower and consultancy services:

The Group recognises revenue from provision of manpower to its customers along with other management and consultancy services when the services are rendered to customers and on the basis of the contractual labour and other consultancy rates agreed with the customers.

##### Information technology related revenue:

###### *Contract revenue*

Contract revenue comprises of contracts relating to cyber risk management services projects. The Group recognises revenue from these contracts over time as the assets constructed are highly customised for the customers' needs with no alternative use.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

###### *Supply of computer equipment*

The supply of computer equipment mainly includes one performance obligation and is recognised when control of the equipment has been transferred (i.e. revenue recognised at a point in time).

###### *Service revenue*

Revenue from services, along with maintenance of computer equipment, is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis.

##### Hospitality and leisure revenue:

Hospitality revenue corresponds to all the revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Income from leisure businesses comprises revenue from goods sold and services provided at golf courses, beach clubs and marinas, and is recognised at the point when the goods are sold or services are rendered.

##### Education and related services:

Registration fee is recognised as income when it is received. Tuition fee income is recognised over the period of tuition. Tuition fees received in advance are recorded as deferred income.

##### Coaching and training services:

The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses, on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

##### Sale of properties and land:

The Group generates revenue from sale of properties including land and buildings. Consideration for the sale of land generally includes the provision of infrastructure necessary for development. The amount of revenue attributable to such infrastructure development is deferred and recognised only upon its completion. All infrastructure related costs incurred until completion are included in development work-in-progress, as appropriate, and are recognised as direct costs when the related revenue is recognised in the consolidated statement of profit or loss. The amount of revenue deferred in relation to the provision of infrastructure is determined by estimating the related construction cost, plus a margin based on normal commercial principles.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

*Following are policies for other sources of revenue:*

#### Sale of cosmetics and related personal care services:

##### *Sale of goods*

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group accounts for that revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

##### *Rendering of services*

The Group provides services related to women and men personal care and beauty. Such services are generally recognised as a performance obligation satisfied at the point in time when the service is rendered to the customer. Fees paid in advance for such services are deferred and released to revenue when the services are provided or when the validity has lapsed.

#### Sale of furniture:

The Group recognises revenue from contracts with customers for manufacturing of household and office furniture and other related carpentry and woodwork. This includes the initial amount agreed in the contract plus any variations in contract work, claims and incentives payments, to the extent that it is probable that they will result in revenue and can be measured.

#### Sale of cement and other related products:

Revenue from sale of cement is recognised when control over the corresponding goods is transferred to the customer. The timing of revenue recognition of the performance obligation is at a point in time.

#### Brokerage services:

The Group provides share brokerage services, which mainly includes commission income and interest income on margin trading.

- (i) Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.
- (ii) Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+2.

#### District cooling services:

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

#### *Connection fees*

Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue recognition** continued

##### Media and marketing services:

The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

##### Delivery services:

Revenue from delivery services is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis or using an input method to measure progress towards complete satisfaction of the service.

##### Dividend income:

Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

##### Interest income:

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### **Government grants**

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Land granted by the Government is recognised at nominal value where there is reasonable assurance that the land will be received and the Group will comply with any attached conditions, where applicable.

#### **Employee benefits**

An accrual is made for the estimated liability of employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Property, plant and equipment**

##### *Recognition and measurement*

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

##### *Subsequent costs*

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

##### *Depreciation*

Depreciation is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	2 - 47 years
Plant and machinery	2 - 60 years
Furniture, fixtures and equipment	2 - 10 years
Barges support vessels, dredgers and vehicles	2 - 40 years
Aircraft	12 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

##### *Bearer plants*

Bearer plants are the living plants that:

- are used in the production or supply of agricultural produce,
- are expected to bear produce for more than one period, and
- have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

IAS 41 "Agriculture," explicitly excludes the bearer plants from its scope and are accounted for in accordance with IAS 16 "Property, plant and equipment." However, produce growing on a bearer plant is still within the scope of IAS 41.

Matured bearer plants are stated at cost less accumulated depreciation and any impairment in value. Immature bearer plants are measured at their accumulated cost. Capitalisation of costs ceases when the bearer plants reach maturity, which is when the bearer plants can be commercially harvested.

##### *Capital work in progress*

Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group's policies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Property, plant and equipment** continued

##### *Derecognition*

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement profit or loss.

#### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

##### *Concession rights*

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years (2022: 37 years) from the date of construction of the district cooling plant.

##### *Customer contracts*

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired in business combinations. Customer contracts with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 10 years (2022: 3 to 10 years).

##### *Customer relationships*

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 15 years (2022: 3 to 20 years).

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Intangible assets** continued

##### *Brand names*

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names identified as part of acquisitions have indefinite and finite useful lives. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 5 to 20 years (2022: 7 to 20 years).

##### *Trademarks*

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have indefinite and finite useful lives. Trademarks with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 5 years (2022: 3 to 8 years).

##### *Trade license*

The license was recognised on an acquisition of a subsidiary, that allows the use of "Fazaa" name for the retail stores under that subsidiary. The license has a useful life of 8 years (2022: 8 years). Further during 2022, as part of business combinations, a health insurance license has been identified with an indefinite useful life, which has been derecognised during the year as part of the derecognition of Pure Health Holding PJSC.

##### *Lease benefits*

Lease benefits represents the future economic benefits in the form of a favorable lease arrangements the Group acquired in business combination. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 15 years (2022: 6 to 15 years).

Other intangible assets are amortised over a period of 2 to 12 years (2022: 2 to 10 years) using straight-line method.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statements of profit or loss in the period during which they are incurred.

#### **Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

##### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Leases** continued

##### *Right-of-use assets* continued

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Land	10 - 65 years
Warehouses, office spaces, shops and cinema halls	2 - 50 years
Others	2 - 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘property, plant and equipment’ policy.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included as an expense in the consolidated statement of profit or loss.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

#### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Leases** continued

##### *Group as a lessor*

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

#### **Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, its carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranges from 10 to 47 years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Discontinued operations and non-current assets held for sale**

The Group classifies non-current assets and subsidiaries as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

#### **Inventories**

##### *Fish and fish products*

Fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

##### *Animal feed products*

Inventory consists primarily of alfalfa hay, materials, supplies and parts and are stated at the lower of cost and net realisable value. Alfalfa hay is valued using the weighted average cost method. Materials, supplies and parts are valued using the first in first out method.

##### *Packing, raw materials, medical supplies, food and non-food items, spares and consumables, household furniture and other finished goods*

These are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

##### *Poultry products*

Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Inventories** continued

##### *Real estate properties and land plots held for sale*

Inventories comprise completed properties held for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and other operating inventories. Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated selling and marketing costs to be incurred. When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory properties recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

#### **Development work in progress**

Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Land under development granted to the Group without consideration is carried at nominal value.

#### **Biological assets**

Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/ until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in profit or loss in the period in which it arises.

##### *Poultry livestock*

Poultry livestock includes chicken and is carried at cost. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day-old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

Depreciation is charged using the straight-line method so as to write off the cost of biological assets over their estimated useful lives of 11 to 14 months.

##### *Sturgeon fish and its caviar*

Mother fish and juveniles are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads until the age of 5 to 6 years which is considered to be the economic productivity period. After this period, adult sturgeon fish are ready for harvesting of caviar and are measured at fair value based on the expected caviar yield. The fair value is based on the biomass relative to the weight of the fish and is calculated based on current market prices of similar type of assets (caviar). Costs to sell include commission to brokers and retailers. After harvest, the caviar produced is treated as inventory and the fair value at the point of harvest is treated as the initial cost of the inventory.

##### *Sheep:*

Sheep are measured at fair value less costs to sell. The fair values are determined based on current market prices of similar type of assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Biological assets** continued

##### *Dairy livestock*

Dairy livestock includes dairy herd (cows) and camel herd and are stated at their cost of purchase or at the cost of rearing to the point of maturity, less any accumulated depreciation and any accumulated impairment losses, as there is no active market for dairy livestock in the Gulf Cooperation Council against which to measure fair value and the alternative estimates for the determination of the fair value are determined to be clearly unreliable.

The cost of immature livestock (dairy herd and small camels) represents the aggregate of costs incurred during rearing to their respective maturity age.

Depreciation is charged so as to write off the cost of biological assets over their estimated useful lives using the straight-line method on the following basis:

Dairy herd	5 years
Camel herd	10 years

##### *Shrimps*

Shrimps are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads until the age of 6 months which is considered to be the economic productivity period. After this period, shrimps are sold to outside parties except for mother shrimps, if any, which are expected to produce larvae and treated as biological assets.

##### *Fish*

Mother Fish and Juveniles are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads up to maturity. These species are considered as ‘mature’ when their weight falls between 400 grams to 2,000 grams, while juvenile species are those whose weight falls between 2 grams to 15 grams. After this period, Fish ready to be sold to outside parties are classified as inventory, except for mother fish, if any, which are expected to produce eggs and treated as biological assets.

#### **Foreign currencies**

The Group’s consolidated financial statements are presented in AED, which is also the Company’s functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

##### *Transactions and balances*

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Foreign currencies** continued

##### *Transactions and balances* continued

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

##### *Group companies*

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

#### **Financial assets**

##### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

##### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- 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:

##### *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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Financial assets** continued

##### *Financial assets at amortised cost* continued

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, contract assets, due from related parties, loan to related parties and cash and bank balances.

##### *Cash and short-term deposits*

Cash and short-term deposits in the 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.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of bank overdrafts, margin accounts, restricted cash and bank accounts for client's deposits.

##### *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 as 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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Financial assets** continued

##### *Impairment of financial assets* continued

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

#### **Financial liabilities and equity instruments**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

###### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, lease liabilities, borrowings including bank overdrafts, loans from related parties, sukuk and derivative financial instruments.

###### *Subsequent measurement*

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

###### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Financial liabilities and equity instruments** continued

##### *Financial liabilities at amortised cost (loans and borrowings)*

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Sukuk are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

##### *Derecognition of financial liabilities*

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

#### **Derivative financial instruments**

##### *Initial recognition and subsequent measurement*

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Derivative financial instruments** continued

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

##### *Fair value hedges*

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

##### *Cash flow hedges*

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Taxation

##### *Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Taxation** continued

##### *Deferred tax* continued

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

#### **Value added tax (“VAT”)**

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

#### **Fair value measurement**

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### **Impairment of non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Impairment of non-financial assets** continued

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **Contingencies**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

#### **Dividends**

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IAS 21: Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

Further, in June 2023, the International Sustainability Standards Board released its first two sustainability disclosure standards, which are effective for annual reporting periods beginning on or after 1 January 2024:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

The Group is currently assessing the impact of the IFRS S1 and IFRS S2 on the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF 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, investment properties and intangible assets*

The Group's management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation / amortisation charge would be adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated / amortised over the revised remaining useful life.

##### *Impairment assessment of non-financial assets*

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded a net reversal of impairment loss on its investment properties, property, plant and equipment and right of use assets of AED 81,058 thousand for the year ended 31 December 2023 (2022: net impairment loss of AED 847,643 thousand). Further, based on impairment testing conducted by management, no impairment loss was recorded on goodwill and intangible assets with indefinite useful lives.

##### *Impairment of investments in associates and joint ventures*

In testing for impairment, the Group evaluates the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

#### **Key sources of estimation of uncertainty** continued

##### *Business combinations*

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

##### *Estimation of net realisable value for inventories and allowance for slow moving inventories*

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

##### *Provision for expected credit losses of trade receivables and contract assets*

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 14,156,121 thousand (2022: gross trade receivables and due from policyholders of AED 13,183,515 thousand) and contract assets were AED 10,135,540 thousand (2022: AED 8,218,226 thousand), with provision for expected credit losses of AED 1,021,069 thousand (2022: AED 1,110,771 thousand) and AED 158,925 thousand (2022: AED 89,970 thousand) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

##### *Impairment of development work-in-progress*

Development work-in-progress are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and has therefore considered comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development work-in-progress for impairment as at 31 December 2023. Based on the review, management has concluded a net reversal of impairment loss of AED 52,927 thousand on its development work-in-progress for the year ended 31 December 2023 (2022: net impairment loss of AED 235,491 thousand).

##### *Contract claims*

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agree on an amicable settlement mechanism in the majority of such cases, some parties might have sought refunds and/or compensation, which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2023. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

#### **Key sources of estimation of uncertainty** continued

##### *Infrastructure costs*

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs and there was no impact on the Group's consolidated financial statements arising from this review (2022: nil).

##### *Revenue recognition on real estate contracts*

The Group uses the input method to recognise revenue on the basis of entity's efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

##### *Fair value measurement of financial instruments*

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

##### *Leases - estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

##### *Uncertain tax positions*

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences may arise between the actual results and adjustments to tax income and expense already recorded. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make assumptions related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

#### **Critical accounting judgments in applying accounting policies**

In the process of applying the Group's accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

##### *Hybrid equity instruments*

In the process of classifying a financial instrument, management has made various judgments. Judgment is needed to determine whether a financial instrument, or its component parts, on initial recognition should be classified as a financial liability, a financial asset or an equity instrument in accordance with their respective definitions and the substance of the contractual arrangement. In making its judgment, the Group considered the detailed criteria and related guidance for classification as set out in IAS 32. This included assessing whether the instrument includes a contractual obligation to deliver cash or other financial asset to another entity and whether it may be settled through an equity instrument of a Group entity. Based on the criteria, the Group concluded that the hybrid equity instruments are a part of equity.

##### *Principal versus agent consideration – management of projects*

The Group's performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services by another party does not control the specified goods or services provided by another party before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue in the amount of management fee to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group's primary obligation is to arrange for development services for development projects, and accordingly, the Group acts as agent on those development projects since:

- the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
- the Group does not have the price risk on the development contracts;
- customers retains the right to remove the Group as manager for the development projects based on its convenience without default from the Group

##### *Use of practical expedient in recognising management fee*

In line with an agreement with the Government of Abu Dhabi (the "Government"), a subsidiary of the Group is overseeing the management of all projects of an entity (the "Entity") along with managing its operations. As per the agreement between the Government, the Entity and the Group, the Group is entitled to a supervision fee calculated based on the total development cost paid of the capital projects in consideration of the provision of the management services. In line with the contractual arrangement with the Government, the Group has assessed that it has a right to consideration from the Government for an amount which corresponds directly with the value to the customer of the performance completed to date, which is determined based on actual cash paid for projects of the Entity as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses practical expedient and recognises management fee on the basis of the invoice amount determined based on the actual cash paid for projects of the Entity.

##### *Classification of properties*

In the process of classifying projects during construction, management applies judgment to determine whether they should be investment properties under development or development work-in-progress. Subsequently management reassesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of the respective categories. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

#### **Critical accounting judgments in applying accounting policies continued**

##### *Allocation of development costs*

The allocation of project development costs between development work in progress and investment properties under development is based on management's analysis of the utilisation of resources over the period of development.

##### *Contract variations and claims*

Contract variations and claims related to assets under construction are recognised as additions to capital work in progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

##### *Determining the lease term of contracts with renewal options*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

##### *Assets held for sale*

The Group has finalised the sale and purchase agreements for the disposal of subsidiaries as mentioned in note 19 to the consolidated financial statements. Operations of the subsidiaries are classified as discontinued operations. Management considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreements, for all the subsidiaries mentioned in note 19, have already been signed with the buyers;
- The subsidiaries are available for immediate sale and can be sold to the buyers in its current conditions; and
- The actions to complete the sales, including the legal proceedings were initiated and expected to be completed within one year from reporting date.

For more details on the assets held for sale, refer to note 19.

##### *Joint arrangement*

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

##### *Identifying whether an acquisition is a business or an asset*

For acquisitions, the Group makes significant judgements to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

#### **Critical accounting judgments in applying accounting policies** continued

*Judgment related to derecognition of Pure Health Holding PJSC (formerly “Pure Health Holding LLC”)*

As disclosed in note 6.4(a), due to loss of control, the Group derecognised the carrying value of assets and liabilities in Pure Health Holding PJSC (“Pure Health”). The results of Pure Health’s operations were not segregated on the face of the consolidated statement of profit or loss, considering there were no disposal of shares, the absolute holding remained the same before and after loss of control, and the Group will be able to recover the investment principally through continuing use. Accordingly, the transaction was not considered as a discontinued operation under IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

#### Classification of investments:

The Group’s principal activity is in investing and managing investments through different holdings in investees. The Group applies significant judgement with respect to the classification of investments with respect to control, joint control or significant influence exercised on those investments.

#### *Consolidation of entities in which the Group holds less than a majority of voting right*

For assessing control, the Group has considered power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. In case, where the Group has less than majority of the voting or similar rights in an investee, the Group has considered all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other shareholders of the investee and de-facto control.

The Group considers that it has de-facto control over the following entities, even though it owns less than 50% of the voting rights:

#### *Aldar Properties PJSC (“Aldar”)* –

- The Group has appointed four out of the total seven members of Aldar’s board (“Board”) with effect from 11 April 2022;
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board;
- In accordance with Aldar’s articles of association, the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of Aldar’s business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing Aldar’s senior management; and
- The Group is the single largest shareholder of Aldar with 33.63% of the outstanding share capital.

#### *Easy Lease Motorcycle Rental PJSC (“Easy Lease”)* –

- The Group is the single largest shareholder of Easy Lease with a 49.57% equity interest;
- As per Easy Lease’s articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on simple majority, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

#### *Emirates Driving Company PJSC (“DRIVE”)* –

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 589 shareholders, of which two holds 6.51% and 5.74% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

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

#### **Critical accounting judgments in applying accounting policies continued**

##### Classification of investments: continued

*Consolidation of entities in which the Group holds less than a majority of voting right continued*

*NRTC Food Holding LLC ("NRTC") –*

- The Group has appointed three out of the total five members of NRTC's Board with effect from 1 October 2022 and such appointment is contractual as per the amended shareholders' agreement dated 1 October 2022;
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board; and
- The Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of NRTC's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing NRTC's senior management.

*LVL Technology Holding (formerly "Switch Technology Holding") ("LVL") –*

- The Group has appointed four out of the total seven members of LVL's board and such appointment is contractual as per the amended shareholders' agreement; and
- The Board is fully empowered to manage and carry out all acts and transaction on behalf of the entity including supervision of LVL's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing LVL's senior management.

In making this judgement, the Group considered the absolute size of its holding in Aldar, Easy Lease, DRIVE, NRTC and LVL, ability of other shareholders to limit its nominations to the Board, and the Group's majority representation on the Board. Therefore, based on the above factors, the Group has clearly established that it has de-facto control, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these consolidated financial statements.

The results of the following subsidiaries have been included in the consolidated financial statements, although the Group holds 50% or less ownership. Control has been achieved by virtue of agreements entered with other shareholders granting control to the Group:

- Diqu Technologies Limited
- Serenity Aviation Holding LLC
- Qausar Energy Limited
- Alpha Technologies Limited
- Apex Companies Management LLC
- ABNIA for Industrial Holding LLC

##### *Significant influence over investments in associates*

Significant influence is presumed to exist when the Group holds 20% or more of the voting power of investee. When the voting power is less than 20%, the Group considers other factors that give raise to significant influence, such as the ability to participate in the financial and operating policy decisions of the investee.

The Group has determined that although it holds less than 20% of the voting power in Iskandar Holdings Limited, Burjeel Holding PLC and Presight AI Holding PLC, significant influence exists due to having a representation on the Board of Directors and the participation in decisions over the relevant activities of the entities.

##### *Joint control over investments in joint ventures*

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group has determined that the investment in China Railway Construction, ORA Developers Investment Holding Limited, The Challenge Egyptian Emirates Marine Dredging Company, Micad Credit JV RSC LTD, Avobar Restaurant – Sole Proprietorship LLC, Richmond Hill Developments (Jersey) Limited, VST JV, Lazio Real Estate investments LLC, ABGC DMCC, WIO Holding Restricted Ltd., DTEC Industries Limited and NT Energies are joint ventures despite the Group holding less or more than 50% of the voting power, as joint control exists due to having unanimous voting rights in the Board of Directors.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS

#### 6.1 Business combination under common control

During the year ended 31 December 2023 and 2022, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as these are business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

##### *6.1(a) Acquisitions during the year*

###### **WAS Commercial Investment – Sole Proprietorship LLC**

Effective 1 April 2023, Tamween Group LLC, a subsidiary, acquired a 100% equity interest in WAS Commercial Investment – Sole Proprietorship LLC ("WAS"), an entity solely holding a 51% equity interest in Al Ain Farms for Livestock Production ("Al Ain Farms"), for nil consideration. Al Ain Farms is incorporated in Abu Dhabi, United Arab Emirates, and is involved managing the production and sale of dairy and poultry products. From the date of acquisition, WAS contributed revenue and profit to the Group amounting to AED 747,331 thousand and AED 24,051 thousand respectively. If the acquisition had taken place at the beginning of the year, WAS would have contributed revenue and profit to the Group amounting to AED 968,395 thousand and AED 30,114 thousand respectively.

###### **Finstreet Limited**

Effective 31 December 2023, Sirius International Holding Limited ("Sirius"), a subsidiary, acquired a 95% equity interest in Finstreet Limited ("Finstreet") for nil consideration. Finstreet is incorporated in Abu Dhabi, United Arab Emirates, and is involved in financial services activities. If the acquisition had taken place at the beginning of the year, Finstreet would have contributed a loss to the Group amounting to AED 1,404 thousand. No revenue was generated by Finstreet, as it's in the pre-operating phase.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

	<b>WAS</b> <i>AED '000</i>	<b>Finstreet</b> <i>AED '000</i>	<b>Total</b> <i>AED '000</i>
<b>Assets</b>			
Property, plant and equipment	621,198	-	621,198
Intangible assets	-	2,474	2,474
Right-of-use assets	15,550	2,094	17,644
Goodwill	12,624	-	12,624
Biological assets	109,536	-	109,536
Inventories	144,708	-	144,708
Trade and other receivables	204,518	387	204,905
Due from related parties	-	873	873
Cash and bank balances	54,288	-	54,288
	<b>1,162,422</b>	<b>5,828</b>	<b>1,168,250</b>
<b>Liabilities</b>			
Employees' end of service benefits	35,568	88	35,656
Lease liabilities	13,284	2,094	15,378
Borrowings	168,910	-	168,910
Loan from a related party	92,857	-	92,857
Due to a related party	3,502	3,624	7,126
Trade and other payables	259,385	506	259,891
	<b>573,506</b>	<b>6,312</b>	<b>579,818</b>
<b>Net assets</b>			
Less: non-controlling interest	<b>588,916</b>	(484)	<b>588,432</b>
	<u>(329,026)</u>	<u>99</u>	<u>(328,927)</u>
<b>Merger, acquisition and other reserves</b>	<b>259,890</b>	<b>(385)</b>	<b>259,505</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.1 Business combination under common control continued

##### *6.1 (b) Acquisitions in the prior year*

###### **W Solar Investment LLC**

Effective 1 January 2022, Alpha Dhabi Industries Holding LLC, a subsidiary, acquired a 75% equity interest in W Solar Investment LLC (“W Solar”) for nil consideration. W Solar is incorporated in Abu Dhabi, United Arab Emirates, and is involved in clean energy business. From the date of acquisition, W Solar contributed loss to the Group amounting to AED 1,342 thousand for the year ended 31 December 2022. No revenue was generated for the year ended 31 December 2022, as W Solar was in its pre-operating phase.

###### **YAS Clinic Group Sole Proprietorship LLC**

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in YAS Clinic Group Sole Proprietorship LLC (“YAS Clinic”) and its subsidiaries for nil consideration. YAS Clinic is incorporated in Abu Dhabi, United Arab Emirates, and is involved in hospital management services. From the date of acquisition, YAS Clinic contributed revenue and profit to the Group amounting to AED 1,572,278 thousand and AED 671,220 thousand respectively, for the year ended 31 December 2022.

###### **Abu Dhabi Stem Cells Centre – Sole Proprietorship LLC**

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in Abu Dhabi Stem Cells Center – Sole Proprietorship LLC (“ADSCC”) for nil consideration. ADSCC is a limited liability company, incorporated in Abu Dhabi, United Arab Emirates and is engaged in healthcare and research centres operation and management. From the date of acquisition, ADSCC contributed revenue and loss to the Group amounting to AED 67,861 thousand and AED 1,087 thousand respectively, for the year ended 31 December 2022.

###### **Al Jaraf Fisheries LLC**

Effective 1 January 2022, Tamween Companies Management LLC, a subsidiary, acquired a 100% equity interest in Al Jaraf Fisheries LLC (“JARAF”) and its subsidiaries for nil consideration. JARAF is incorporated in Abu Dhabi, United Arab Emirates, and is involved in land based aquaculture, retail sale of fresh fish and marine animals. From the date of acquisition, JARAF contributed revenue and profit to the Group amounting to AED 5,246 thousand and AED 6,074 thousand respectively, for the year ended 31 December 2022.

###### **Protect 7 Health Care – Sole Proprietorship LLC**

Effective 1 January 2022, Tamouh Health Care LLC, a subsidiary, acquired a 100% equity interest in Protect 7 Health Care – Sole Proprietorship LLC (“Protect 7”) for nil consideration. Protect 7 is incorporated in Abu Dhabi, United Arab Emirates, and is involved in retail sale of medical equipment and apparatuses. From the date of acquisition, Protect 7 contributed revenue and loss to the Group amounting to AED 1,017 thousand and AED 5,738 thousand respectively, for the year ended 31 December 2022.

###### **Ras Al Khaimah Cement Investment Public JSC**

Effective 1 March 2022, the Company transferred its 60% ownership in Apex Holding LLC (“Apex”) to Ras Al Khaimah Cement Investment Public JSC (“RAKCIC”) in return for 1,830,046,480 shares, representing a 51.5% ownership interest in RAKCIC. In substance, the Group acquired control over RAKCIC, and disposed of a portion of its ownership in Apex without loss of control. The acquisition has been accounted as a common control transaction as the Ultimate Parent controlled RAKCIC before and after the acquisition. RAKCIC is a public shareholding company incorporated in Ras Al Khaimah and is engaged in the production of clinkers and hydraulic cements manufacturing and the wholesaling of cement products. From the date of acquisition, RAKCIC contributed revenue and loss to the Group amounting to AED 69,737 thousand and AED 41,408 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, RAKCIC would have contributed revenue and loss to the Group amounting to AED 101,207 thousand and AED 49,058 thousand respectively, for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.1 Business combination under common control continued

##### 6.1 (b) *Acquisitions in the prior year* continued

###### **Mirak Royal Nature Fruit and Vegetables LLC**

Effective 31 March 2022, the Company acquired a 80% equity interest in Mirak Royal Nature Fruit and Vegetables LLC (“Mirak”) for nil consideration. Mirak is incorporated in Dubai, United Arab Emirates, and is involved in baby food trading, food and beverages trading and vegetables and fruits trading. From the date of acquisition, Mirak contributed revenue and loss to the Group amounting to AED 119,020 thousand and AED 5,830 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Mirak would have contributed revenue and loss to the Group amounting to AED 157,792 thousand and AED 6,770 thousand respectively, for the year ended 31 December 2022.

###### **Vision Furniture & Decoration Factory LLC**

Effective 1 April 2022, ESG Capital Holding LLC, a subsidiary, acquired a 60% equity interest in Vision Furniture & Decoration Factory LLC (“Vision Factory”) for nil consideration. Vision Factory is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in house and office furniture manufacturing, including fireproof wooden doors manufacturing. From the date of acquisition, Vision Factory contributed revenue and profit to the Group amounting to AED 51,122 thousand and AED 6,347 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Vision Factory would have contributed revenue and profit to the Group amounting to AED 66,401 thousand and AED 7,720 thousand respectively, for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.1 Business combination under common control continued

##### 6.1 (b) Acquisitions in the prior year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<i>W Solar</i> AED '000	<i>YAS</i> AED '000	<i>Clinic</i> AED '000	<i>ADSCC</i> AED '000	<i>JARAF</i> AED '000	<i>Protect 7</i> AED '000	<i>RAKCIC</i> AED '000	<i>Mirak</i> AED '000	<i>Vision</i> Factory AED '000	<i>Total</i> AED '000
<b>Assets</b>										
Property, plant and equipment	-	380,985		60,306	225,432	-	325,487	17,949	10,718	1,020,877
Intangible assets	-	5,749		874	-	-	136	426	-	7,185
Investment in an associate	-	-		-	-	-	35,534	-	-	35,534
Investments carried at fair value through other comprehensive income	-	-		-	-	-	201,953	-	-	201,953
Investments carried at fair value through profit or loss	-	-		-	-	-	33,215	-	-	33,215
Biological assets	-	-		-	22,916	-	-	-	-	22,916
Right-of-use assets	-	17,889		1,437	14,201	-	-	-	2,211	35,738
Inventories	-	7,433		1,280	1,206	-	52,144	4,057	4,845	70,965
Due from related parties	300	54,623		82,794	2,502	-	-	-	27,709	167,928
Trade and other receivables	121	955,119		-	2,158	-	56,600	38,755	7,503	1,060,256
Cash and bank balances	914	20,804		5,079	49,205	1,736	44	135	14,399	92,316
	<u>1,335</u>	<u>1,442,602</u>		<u>151,770</u>	<u>317,620</u>	<u>1,736</u>	<u>705,113</u>	<u>61,322</u>	<u>67,385</u>	<u>2,748,883</u>
<b>Liabilities</b>										
Employees' end of service benefit	-	828		693	786	106	1,151	753	5,043	9,360
Borrowings	-	300,000		-	-	-	23,477	13,124	-	336,601
Lease liabilities	-	18,900		1,437	14,133	-	-	-	3,645	38,115
Due to related parties	1,764	-		-	64,325	58,990	-	25,000	447	150,526
Trade and other payables	4	424,164		43,840	10,670	5,738	62,807	51,449	25,855	624,527
	<u>1,768</u>	<u>743,892</u>		<u>45,970</u>	<u>89,914</u>	<u>64,834</u>	<u>87,435</u>	<u>90,326</u>	<u>34,990</u>	<u>1,159,129</u>
<b>Net assets</b>	(433)	698,710		105,800	227,706	(63,098)	617,678	(29,004)	32,395	1,589,754
Less: non-controlling interest	<u>286</u>	<u>(382,872)</u>		<u>(57,975)</u>	<u>—</u>	<u>—</u>	<u>(299,331)</u>	<u>5,801</u>	<u>(15,874)</u>	<u>(749,965)</u>
Proportionate share of identifiable net assets acquired	(147)	315,838		47,825	227,706	(63,098)	318,347	(23,203)	16,521	839,789
Previously held equity interest transferred from investment in financial asset (note 11.1)	-	-		-	-	-	(12,162)	-	-	(12,162)
Carrying value of the shares in Apex (note 6.5 (b)(B))	-	-		-	-	-	(105,688)	-	-	(105,688)
<b>Merger reserve</b>	<u>(147)</u>	<u>315,838</u>		<u>47,825</u>	<u>227,706</u>	<u>(63,098)</u>	<u>200,497</u>	<u>(23,203)</u>	<u>16,521</u>	<u>721,939</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination

##### 6.2(a) *Acquisitions during the year*

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

##### **Reach Global Services Holding 1 SPV Limited**

Effective 1 January 2023, the Company acquired a 55% equity interest in Reach Global Services Holding 1 SPV Limited (“Reach”) for consideration of AED 315,100 thousand. Reach is registered in Abu Dhabi and is engaged in manpower services. From the date of acquisition, Reach contributed revenue and profit to the Group amounting to AED 889,921 thousand and AED 51,069 thousand respectively.

##### **Progressive Real Estate Development LLC**

Effective 1 January 2023, ESG Capital Holding LLC, a subsidiary, acquired an additional 10% equity interest in Progressive Real Estate Development LLC (“PRED”), previously a jointly controlled entity, for nil consideration, increasing the Group’s ownership to 80%. On the same day, as a result of amendments to the Memorandum of Association, the Group obtained control over PRED. The fair value of the previously held interest on the date of obtaining control, amounted to AED 5,781 thousand. PRED is a limited liability company, registered in Abu Dhabi, and is engaged in real estate lease and management services. From the date of acquisition, PRED contributed revenue and loss to the Group amounting to AED 2,552 thousand and AED 1,204 thousand respectively.

##### **Mustard and Linen Interior Design Holdings Limited**

Effective 14 February 2023, Aldar Properties PJSC, a subsidiary, acquired a 75% equity interest in Mustard and Linen Interior Design Holdings Limited (“Mustard and Linen”) for consideration of AED 25,000 thousand. Mustard and Linen is a limited company, registered in Abu Dhabi, and is engaged in interior design related works. From the date of acquisition, Mustard and Linen contributed revenue and profit to the Group amounting to AED 18,741 thousand and AED 11,423 thousand respectively. If the acquisition had taken place at the beginning of the year, Mustard and Linen would have contributed revenue and profit to the Group amounting to AED 19,336 thousand and AED 11,658 thousand respectively.

##### **Spotlightpos Limited**

Effective 1 March 2023, Oxinus Holding Limited, a subsidiary, acquired a 100% equity interest in Spotlightpos Limited (“Spotlight”) for consideration of AED 8,355 thousand. Spotlight is a limited company, registered in Cyprus, and is engaged in information technology and software related services. From the date of acquisition, Spotlight contributed revenue and loss to the Group amounting to AED 1,747 thousand and AED 419 thousand respectively. If the acquisition had taken place at the beginning of the year, Spotlight would have contributed revenue and loss to the Group amounting to AED 1,898 thousand and AED 716 thousand respectively.

##### **Fisio Therapy and Rehabilitation Centre LLC**

Effective 2 March 2023, Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Fisio Therapy and Rehabilitation Center LLC (“Fisio”) for consideration of AED 1 thousand. Fisio is a limited liability company, registered in Dubai, and engaged in physical medicine, rehabilitation and physiotherapy center. From the date of acquisition, Fisio contributed revenue and loss to the Group amounting to AED 1,388 thousand and AED 708 thousand respectively. If the acquisition had taken place at the beginning of the year, Fisio would have contributed revenue and loss to the Group amounting to AED 1,616 thousand and AED 896 thousand respectively.

##### **Al Riyadh Medical Center LLC**

Effective 20 March 2023, CMC Holding LLC, a subsidiary, acquired a 75% equity interest in Al Riyadh Medical Center LLC (“Al Riyadh”) for consideration of AED 3,000 thousand. Al Riyadh is a limited liability company registered in Abu Dhabi, and is engaged in provision of poly clinic services. From the date of acquisition, Al Riyadh contributed revenue and loss to the Group amounting to AED 1,197 thousand and AED 669 thousand respectively. If the acquisition had taken place at the beginning of the year, Al Riyadh would have contributed revenue and loss to the Group amounting to AED 1,689 thousand and AED 1,066 thousand respectively.

**6 BUSINESS COMBINATIONS** continued

**6.2 Acquisitions under IFRS 3 Business Combination** continued

**6.2(a) Acquisitions during the year** continued

**P.J. Steel Construction Limited**

Effective 21 April 2023, Arena Event Services Group Ltd, a subsidiary, acquired a 100% equity interest in P.J. Steel Construction Limited (“P.J. Steel”) for consideration of AED 4,800 thousand. P.J. Steel is registered in United Kingdom, and is engaged in provision of Steel fabrication powder coating services. From the date of acquisition, P.J. Steel contributed revenue and profit to the Group amounting to AED 10,053 thousand and AED 2,154 thousand respectively. If the acquisition had taken place at the beginning of the year, P.J. Steel would have contributed revenue and profit to the Group amounting to AED 11,353 thousand and AED 960 thousand respectively.

**ADMO Lifestyle Holding Limited**

Effective 1 May 2023, Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 51% equity interest in ADMO Lifestyle Holding Limited (“ADMO”) for consideration of AED 716,466 thousand. ADMO is a limited liability company, registered in Abu Dhabi, and is engaged in hotel and restaurant management. From the date of acquisition, ADMO contributed revenue and loss to the Group amounting to AED 121,054 thousand and AED 5,545 thousand respectively. If the acquisition had taken place at the beginning of the year, ADMO would have contributed revenue and profit to the Group amounting to AED 161,739 thousand and AED 5,440 thousand respectively.

**Basatin Holding SPV Ltd.**

Effective 28 May 2023, Aldar Estate Investment – Sole Proprietorship LLC, a subsidiary, acquired a 75% equity interest in Basatin Holding SPV Ltd. (“Basatin”) for consideration of AED 138,822 thousand. Basatin is a limited liability company, registered in Abu Dhabi, and is engaged in provision of landscaping related services. From the date of acquisition, Basatin contributed revenue and profit to the Group amounting to AED 237,550 thousand and AED 37,173 thousand respectively. If the acquisition had taken place at the beginning of the year, Basatin would have contributed revenue and profit to the Group amounting to AED 342,204 thousand and AED 45,783 thousand respectively.

**Eltizam Asset Management Estate - Sole Proprietorship LLC**

Effective 1 July 2023, Aldar Estates Holding Limited (“Aldar Estates”), a subsidiary, acquired a 100% equity interest in Eltizam Asset Management Estate - Sole Proprietorship LLC (“Eltizam”), for consideration of AED 1,013,000 thousand, being the fair value of 4,854 new shares of Aldar Estates issued equally to the Company and to a third party (i.e. 2,427 shares each). The shares allocated to the Company, are in return of contributing the Company’s 50% previously held equity interest in Eltizam with a fair value of AED 506,500 thousand on the transaction date. Eltizam is a limited liability company, registered in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, Eltizam contributed revenue and loss to the Group amounting to AED 311,495 thousand and AED 4,605 thousand respectively. If the acquisition had taken place at the beginning of the year, Eltizam would have contributed revenue and profit to the Group amounting to AED 656,501 thousand and AED 20,573 thousand respectively.

**24 7 Media Holding Ltd**

Effective 1 July 2023, MG Communications Holding LLC, a subsidiary, acquired a 60% equity interest in 24 7 Media Holding Ltd. (“24 7 Media”) for consideration of AED 260,969 thousand. 24 7 Media is a private company limited by shares registered under the laws of Abu Dhabi Global Market. 24 7 Media is a specialised outdoor media solution provider in United Arab Emirates. From the date of acquisition, 24 7 Media contributed revenue and profit to the Group amounting to AED 101,066 thousand and AED 41,108 thousand respectively. If the acquisition had taken place at the beginning of the year, 24 7 Media would have contributed revenue and profit to the Group amounting to AED 185,730 thousand and AED 79,227 thousand respectively.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) *Acquisitions during the year* continued

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

Effective 1 July 2023, MG Wellness Holding LLC, a subsidiary, acquired control over LVL Technology Holding (“LVL”), previously recognised as an investment in financial asset, through the acquisition of an additional ownership interest of 33% in LVL (cumulative ownership of 49.38%) for consideration which consisted of cash amounting to AED 22,050 thousand and contribution of a subsidiary of the Group, Healthier U Wellness Services LLC (i.e. the fair value of the 50.62% interest in Healthier transferred to the third party). The Group controls LVL by virtue of the shareholder agreement which gives the Group the ability to appoint four out of seven board members. From the date of acquisition, LVL contributed revenue and loss to the Group amounting to AED 937 thousand and AED 5,896 thousand respectively. If the acquisition had taken place at the beginning of the year, LVL would have contributed revenue and loss to the Group amounting to AED 1,246 thousand and AED 6,754 thousand respectively.

###### **Securiguard Middle East LLC**

Effective 1 August 2023, Palms Sports PJSC, a subsidiary, acquired a 100% equity interest in Securiguard Middle East LLC (“Securiguard”) for a consideration of AED 300,000 thousand. Securiguard is a limited liability company, registered in Abu Dhabi, and is engaged in provision of security guards and cleaning services. From the date of acquisition, Securiguard contributed revenue and profit to the Group amounting to AED 229,504 thousand and AED 17,825 thousand respectively. If the acquisition had taken place at the beginning of the year, Securiguard would have contributed revenue and profit to the Group amounting to AED 551,422 thousand and AED 21,042 thousand respectively.

###### **Virginia International Private School - Sole Proprietorship LLC**

Effective 2 August 2023, Aldar Education Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Virginia International Private School - Sole Proprietorship LLC. (“Virginia”), for a consideration of AED 210,509 thousand. Virginia is a limited liability company, registered in Abu Dhabi and is engaged in providing educational services. From the date of acquisition, Virginia contributed revenue and profit to the Group amounting to AED 19,031 thousand and AED 6,653 thousand respectively. If the acquisition had taken place at the beginning of the year, Virginia would have contributed revenue and profit to the Group amounting to AED 46,448 thousand and AED 14,913 thousand respectively.

###### **Mais Interior Design LLC**

Effective 15 August 2023, Trojan Construction Group Sole Proprietorship LLC, a subsidiary, acquired a 60% equity interest in Mais Interior Design LLC (“Mais”), for a consideration of AED 24,000 thousand. Mais is a limited liability company, registered in Abu Dhabi and is engaged in interior design related works. From the date of acquisition, Mais contributed revenue and profit to the Group amounting to AED 24,718 and AED 4,045 thousand respectively. If the acquisition had taken place at the beginning of the year, Mais would have contributed revenue and profit to the Group amounting to AED 75,190 thousand and AED 10,975 thousand respectively.

###### **Kent College LLC – FZ and Kent Nursery LLC - FZ**

Effective 1 September 2023, Aldar Education Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Kent College LLC – FZ and Kent Nursery LLC - FZ (“Kent”), for a consideration of AED 120,000 thousand. Kent is a limited liability company, registered with Meydan Freezone Authority in Dubai and is engaged in providing educational services. From the date of acquisition, Kent contributed revenue and loss to the Group amounting to AED 28,099 thousand and AED 1,036 thousand respectively. If the acquisition had taken place at the beginning of the year, Kent would have contributed revenue and profit to the Group amounting to AED 74,210 thousand and AED 1,126 thousand respectively.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **6 BUSINESS COMBINATIONS** continued

#### **6.2 Acquisitions under IFRS 3 Business Combination** continued

##### **6.2(a) Acquisitions during the year** continued

###### **United International Group for Manpower Services LLC**

Effective 1 October 2023, Century Human Resources and Logistics LLC OPC, a subsidiary, acquired 51% equity interest in United International Group for Manpower Services LLC ("UIG") for consideration of AED 43,413 thousand. UIG is a limited liability company, registered in Abu Dhabi, and is engaged in provision of manpower services. From the date of acquisition, UIG contributed revenue and profit to the Group amounting to AED 36,806 thousand and AED 6,862 thousand respectively. If the acquisition had taken place at the beginning of the year, UIG would have contributed revenue and profit to the Group amounting to AED 136,676 thousand and AED 15,400 thousand respectively.

###### **Juice Spa – Group of Entities**

Effective 1 October 2023, Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Juice SPA – Group of Entities ("Juice Spa") for consideration of AED 24,500 thousand. Juice Spa is a limited liability company, registered in Abu Dhabi, and is engaged in ladies' cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club. From the date of acquisition, Juice Spa contributed revenue and profit to the Group amounting to AED 8,314 thousand and AED 854 thousand respectively. If the acquisition had taken place at the beginning of the year, Juice Spa would have contributed revenue and profit to the Group amounting to AED 29,074 thousand and AED 2,389 thousand respectively.

###### **Fully Charged Electrical Fitting Contracting LLC**

Effective 1 October 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Fully Charged Electrical Fitting Contracting LLC ("Fully Charged") for consideration of AED 3,150 thousand. Fully Charged is a limited liability company, registered in Dubai, and is engaged in provision of charging infrastructure facility across the country. From the date of acquisition, Fully Charged contributed revenue and profit to the Group amounting to AED 1,677 thousand and AED 6 thousand respectively. If the acquisition had taken place at the beginning of the year, Fully Charged would have contributed revenue and loss to the Group amounting to AED 6,576 thousand and AED 226 thousand respectively.

###### **Desert Control Liquid Natural Clay LLC**

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary, acquired a 100% equity interest in Desert Control Liquid Natural Clay LLC ("Desert Control"), for a consideration of AED 1. Desert Control is a limited liability company, registered in Abu Dhabi and is engaged in agriculture and landscaping works.

###### **Mawarid Desert Control LLC**

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary, acquired a 100% equity interest in Mawarid Desert Control LLC ("Mawarid Desert"), for a consideration of AED 1. Mawarid Desert is a limited liability company, registered in Abu Dhabi and is engaged in agriculture and landscaping works. From the date of acquisition, Mawarid Desert contributed revenue and loss to the Group amounting to AED 185 thousand and AED 1,497 thousand respectively. If the acquisition had taken place at the beginning of the year, Mawarid Desert would have contributed revenue and loss to the Group amounting to AED 401 thousand and AED 3,582 thousand respectively.

###### **FAB Properties - Sole Proprietorship LLC**

Effective 1 December 2023, Aldar Estate Holding Limited, a subsidiary, acquired a 100% equity interest in FAB Properties – Sole Proprietorship LLC ("FAB Properties"), for a consideration of AED 334,960 thousand. FAB Properties is a limited liability company, registered in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, FAB Properties contributed revenue and profit to the Group amounting to AED 4,812 thousand and AED 2,758 thousand respectively. If the acquisition had taken place at the beginning of the year, FAB Properties would have contributed revenue and profit to the Group amounting to AED 73,050 thousand and AED 37,559 thousand respectively.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) *Acquisitions during the year* continued

###### **Ripe Exhibition Organizer Co. LLC**

Effective 1 November 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Ripe Exhibition Organizer Co. LLC (“Ripe”) for consideration of AED 31,920 thousand. Ripe is a limited liability company, registered in Abu Dhabi, and is engaged in event management. From the date of acquisition, Ripe contributed revenue and profit to the Group amounting to AED 5,434 thousand and AED 1,971 thousand respectively. If the acquisition had taken place at the beginning of the year, Ripe would have contributed revenue and profit to the Group amounting to AED 25,235 thousand and AED 6,513 thousand respectively.

###### **London Square Developments (Holdings) Limited and LSQ Management Limited**

Effective 30 November 2023, Aldar Development LSQ Limited, a subsidiary, acquired a 100% equity interest in London Square Developments (Holdings) Limited and LSQ Management Limited (“London Square”) for consideration of AED 497,685 thousand. London Square is a limited company registered in United Kingdom and is engaged in real estate development. From the date of acquisition, London Square contributed revenue and loss to the Group amounting to AED 81,220 thousand and AED 12,146 thousand respectively. If the acquisition had taken place at the beginning of the year, London Square would have contributed revenue and profit to the Group amounting to AED 996,763 thousand and AED 514,700 thousand respectively.

###### **Lynx Technology Group Ltd.**

Effective 1 December 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired an additional 24% equity interest in Lynx Technology Group Ltd. (“Lynx”) for consideration of AED 533 thousand increasing the Group’s ownership to 49%. Lynx is registered in British Virgin Islands and is engaged in the provision of IT related services. From the date of acquisition, Lynx contributed revenue and profit to the Group amounting to AED 123 thousand and AED 0.04 thousand respectively. If the acquisition had taken place at the beginning of the year, Lynx would have contributed revenue and profit to the Group amounting to AED 1,228 thousand and AED 250 thousand respectively.

###### **Sky Light Corporate Management LLC**

Effective 31 December 2023, CMC Holding LLC, a subsidiary, acquired a 70% equity interest in Sky Light Corporate Management LLC (“Sky Light”) for consideration of AED 70,000 thousand. Sky Light is a limited liability company, registered in Abu Dhabi and is engaged in specialised dental clinic, manufacturing of customised dental products and trading of imported dental products. If the acquisition had taken place at the beginning of the year, Sky Light would have contributed revenue and profit to the Group amounting to AED 58,015 thousand and AED 17,678 thousand respectively.

###### **Guardtime SA**

Effective 31 December 2023, Sirius International Holding Limited, a subsidiary, acquired a 100% equity interest in Guardtime SA (“Guardtime”) for consideration of AED 77,070 thousand. Guardtime is a limited liability company, registered in Switzerland and is engaged in development of blockchain protocols and applications. If the acquisition had taken place at the beginning of the year, Guardtime would have contributed revenue and loss to the Group amounting to AED 4,960 thousand and AED 77,277 thousand respectively.

###### **Secure Recruitment Services LLC OPC**

Effective 31 December 2023, Palms Sports PJSC, a subsidiary, acquired a 100% equity interest in Secure Recruitment Services LLC OPC (“Secure”) for nil consideration. Secure Recruitment is a limited liability company, registered in Abu Dhabi, and is engaged in provision of manpower services. If the acquisition had taken place at the beginning of the year, Secure Recruitment would have contributed revenue and loss to the Group amounting to AED 2,192 thousand and AED 240 thousand respectively.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

###### Assets acquired and liabilities assumed

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

	<i>Reach</i> AED'000	<i>PRED</i> AED'000	<i>Spotlight</i> AED'000	<i>Fisio</i> AED'000	<i>Al Riyadh*</i> AED'000	<i>PJ Steel</i> AED'000	<i>24 7 Media</i> AED'000	<i>LVL</i> AED'000	<i>Securiguard</i> AED'000	<i>UIG*</i> AED'000	<i>Juice</i> Spa* <i>Fully Charged*</i> AED'000	<i>Ripe*</i> AED'000	<i>Lynx*</i> AED'000	<i>Sky Light*</i> AED'000	<i>Guardtime*</i> AED'000	<i>Secure*</i> AED'000	<i>Alpha Dhabi</i> acquisitions AED'000	(i) <i>Total</i> AED'000	
<b>Assets</b>																			
Property, plant and equipment	390	1,175	116	1,674	126	45	2,270	8	48,845	1,726	3,025	325	1,566	6	2,536	570	-	319,456	383,859
Intangible assets	303,283	-	5,052	-	1,444	-	142,545	2,927	70,986	7,139	10,261	-	18,323	6,940	39,800	62,018	-	473,648	1,144,366
Right-of-use assets	823	-	239	-	1,246	-	-	-	6,817	386	-	-	5,423	-	-	-	-	496,842	511,776
Investment in associates and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	416,801	416,801
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,093	12,093
Development work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,152,558	1,152,558
Inventories	-	-	1	20	-	768	-	-	-	-	3,524	204	-	-	9,617	35	-	14,021	28,190
Deferred tax assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30,345	30,345
Due from related parties	124,971	-	-	-	146	-	53	530	5,063	816	-	-	-	-	1,166	-	-	243,954	376,699
Trade and other receivables	148,716	6,177	462	1,485	132	370	53,212	521	248,930	86,371	2,148	424	3,487	577	14,350	5,079	230	672,797	1,245,468
Contract assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	179,484	179,484
Cash and bank balances	35,951	1,954	72	192	63	1,059	14,361	23,582	66,292	8,686	1,675	212	10,241	115	3,650	4,782	557	649,512	822,956
<b>Total assets</b>	<b>614,134</b>	<b>9,306</b>	<b>5,942</b>	<b>3,371</b>	<b>3,157</b>	<b>2,242</b>	<b>212,441</b>	<b>27,568</b>	<b>446,933</b>	<b>105,124</b>	<b>20,633</b>	<b>1,165</b>	<b>39,040</b>	<b>7,638</b>	<b>71,119</b>	<b>72,484</b>	<b>787</b>	<b>4,661,511</b>	<b>6,304,595</b>
<b>Liabilities</b>																			
Employees' end of service benefits	52,554	61	-	39	54	-	1,318	613	67,942	9,489	84	33	87	-	709	-	16	44,239	177,238
Borrowings	104,633	-	-	-	-	-	-	-	-	4,392	-	111	-	-	-	-	-	635,755	744,891
Loan from a related party	-	-	-	-	-	-	-	-	6,015	-	-	-	-	-	-	-	-	70,105	-
Lease liabilities	868	-	244	-	1,206	-	-	-	-	6,577	299	-	-	6,339	-	-	-	495,605	511,138
Due to related parties	-	-	-	-	-	-	-	-	4,769	45	-	-	-	-	55	-	-	24,976	37,853
Deferred tax liabilities	-	-	631	-	130	-	12,829	263	6,389	642	923	-	1,648	625	3,582	13,024	-	35,093	75,779
Contract liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	163,213	163,213
Trade and other payables	52,018	987	649	4,514	374	3,012	29,616	6,872	81,987	63,531	1,870	337	12,176	862	17,897	22,210	100	1,090,837	1,389,849
<b>Total liabilities</b>	<b>210,073</b>	<b>1,048</b>	<b>1,524</b>	<b>4,553</b>	<b>1,764</b>	<b>3,012</b>	<b>48,532</b>	<b>13,808</b>	<b>162,895</b>	<b>86,361</b>	<b>2,877</b>	<b>481</b>	<b>20,250</b>	<b>1,487</b>	<b>22,243</b>	<b>99,324</b>	<b>116</b>	<b>2,489,718</b>	<b>3,170,066</b>
<b>Net assets (liabilities)</b>	<b>404,061</b>	<b>8,258</b>	<b>4,418</b>	<b>(1,182)</b>	<b>1,393</b>	<b>(770)</b>	<b>163,909</b>	<b>13,760</b>	<b>284,038</b>	<b>18,763</b>	<b>17,756</b>	<b>684</b>	<b>18,790</b>	<b>6,151</b>	<b>48,876</b>	<b>(26,840)</b>	<b>671</b>	<b>2,171,793</b>	<b>3,134,529</b>
Less: non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(35,868)	(35,868)
<b>Total identifiable net assets (liabilities) at fair value</b>	<b>404,061</b>	<b>8,258</b>	<b>4,418</b>	<b>(1,182)</b>	<b>1,393</b>	<b>(770)</b>	<b>163,909</b>	<b>13,760</b>	<b>284,038</b>	<b>18,763</b>	<b>17,756</b>	<b>684</b>	<b>18,790</b>	<b>6,151</b>	<b>48,876</b>	<b>(26,840)</b>	<b>671</b>	<b>2,135,925</b>	<b>3,098,661</b>
Proportionate share of identifiable net assets (liabilities) acquired	222,234	6,606	4,418	(1,182)	1,045	(770)	98,345	6,795	284,038	9,569	17,756	410	11,274	3,014	34,213	(26,840)	671	1,708,193	2,379,789
Goodwill arising on acquisition	92,866	-	3,937	1,183	1,955	5,570	162,624	33,154	15,962	33,844	6,744	2,740	20,646	2,492	35,787	103,910	-	1,373,751	1,897,165
Gain on bargain purchase	-	(825)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(671)	(1,502)	(2,998)
<b>Purchase consideration</b>	<b>315,100</b>	<b>5,781</b>	<b>8,355</b>	<b>1</b>	<b>3,000</b>	<b>4,800</b>	<b>260,969</b>	<b>39,949</b>	<b>300,000</b>	<b>43,413</b>	<b>24,500</b>	<b>3,150</b>	<b>31,920</b>	<b>5,506</b>	<b>70,000</b>	<b>77,070</b>	<b>-</b>	<b>3,080,442</b>	<b>4,273,956</b>
<b>Non-controlling interest on acquisition</b>	<b>181,827</b>	<b>1,652</b>	<b>-</b>	<b>-</b>	<b>348</b>	<b>-</b>	<b>65,564</b>	<b>6,965</b>	<b>-</b>	<b>9,194</b>	<b>-</b>	<b>274</b>	<b>7,516</b>	<b>3,137</b>	<b>14,663</b>	<b>-</b>	<b>-</b>	<b>463,600</b>	<b>754,740</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

###### Assets acquired and liabilities assumed continued

###### (i) Alpha Dhabi Holding group acquisitions

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

	<i>Mustard and Linen</i> AED'000	<i>ADMO</i> AED'000	<i>Basatin</i> AED'000	<i>Elitzam*</i> AED'000	<i>Virginia</i> AED'000	<i>Mais*</i> AED'000	<i>Kent</i> AED'000	<i>Desert Control*</i> AED'000	<i>Mawarid Desert*</i> AED'000	<i>FAB Properties*</i> AED'000	<i>London Square*</i> AED'000	<i>Total</i> AED'000
<b>Assets</b>												
Property, plant and equipment	137	143,371	8,337	12,625	147,106	2,656	870	1,502	3	30	2,819	319,456
Intangible assets	-	947	38,276	167,810	13,244	-	39,904	-	-	203,031	10,436	473,648
Right-of-use assets	-	67,093	-	3,057	4,901	-	410,174	-	-	-	11,617	496,842
Investment in associates and joint ventures	-	309,569	-	-	-	-	-	-	-	-	107,232	416,801
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	12,093	12,093
Development work-in-progress	-	-	-	-	-	-	-	-	-	-	1,152,558	1,152,558
Inventories	-	4,818	1,376	5,813	1,003	1,011	-	-	-	-	-	-
Deferred tax asset	-	552	-	-	-	-	-	-	-	-	29,793	30,345
Due from related parties	1	243,953	-	-	-	-	-	-	-	-	-	243,954
Trade and other receivables	771	93,131	65,197	316,658	10,609	32,272	12,500	-	258	10,416	130,985	672,797
Contract assets	-	-	20,638	12,700	-	19,002	-	-	-	-	127,144	179,484
Cash and bank balances	1,781	115,864	36,960	75,075	4,991	3,604	5,037	-	14	190,661	215,525	649,512
<b>Total assets</b>	<b>2,690</b>	<b>979,298</b>	<b>170,784</b>	<b>593,738</b>	<b>181,854</b>	<b>58,545</b>	<b>468,485</b>	<b>1,502</b>	<b>275</b>	<b>404,138</b>	<b>1,800,202</b>	<b>4,661,511</b>
<b>Liabilities</b>												
Employees' end of service benefit	701	-	5,245	28,096	1,142	1,921	3,474	-	105	3,555	-	44,239
Borrowings	-	445	-	-	-	752	-	-	-	-	634,558	635,755
Lease liabilities	-	67,093	-	3,858	5,314	-	411,006	-	-	-	8,334	495,605
Due to related parties	-	22,204	-	-	-	-	-	-	2,772	-	-	24,976
Deferred tax liabilities	-	1,284	-	11,800	1,195	-	3,591	-	-	17,223	-	35,093
Contract liabilities	-	-	1,842	552	10,897	-	14,650	-	-	-	135,272	163,213
Trade and other payables	1,673	57,916	73,225	236,887	1,721	21,715	4,881	-	265	163,994	528,560	1,090,837
<b>Total liabilities</b>	<b>2,374</b>	<b>148,942</b>	<b>80,312</b>	<b>281,193</b>	<b>20,269</b>	<b>24,388</b>	<b>437,602</b>	<b>-</b>	<b>3,142</b>	<b>184,772</b>	<b>1,306,724</b>	<b>2,489,718</b>
<b>Net assets (liabilities)</b>	<b>316</b>	<b>830,356</b>	<b>90,472</b>	<b>312,545</b>	<b>161,585</b>	<b>34,157</b>	<b>30,883</b>	<b>1,502</b>	<b>(2,867)</b>	<b>219,366</b>	<b>493,478</b>	<b>2,171,793</b>
Less: non-controlling interests	-	-	(31,638)	-	(4,230)	-	-	-	-	-	-	(35,868)
<b>Total identifiable net assets (liabilities) at fair value</b>	<b>316</b>	<b>798,718</b>	<b>90,472</b>	<b>308,315</b>	<b>161,585</b>	<b>34,157</b>	<b>30,883</b>	<b>1,502</b>	<b>(2,867)</b>	<b>219,366</b>	<b>493,478</b>	<b>2,135,925</b>
Proportionate share of identifiable net assets (liabilities) acquired	237	407,346	67,854	308,315	161,585	20,494	30,883	1,502	(2,867)	219,366	493,478	1,708,193
Goodwill arising on acquisition	24,763	309,120	70,968	704,685	48,924	3,506	89,117	-	2,867	115,594	4,207	1,373,751
Gain on bargain purchase	-	-	-	-	-	-	-	(1,502)	-	-	-	(1,502)
<b>Purchase consideration</b>	<b>25,000</b>	<b>716,466</b>	<b>138,822</b>	<b>1,013,000</b>	<b>210,509</b>	<b>24,000</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>334,960</b>	<b>497,685</b>	<b>3,080,442</b>
<b>Non-controlling interest on acquisition</b>	<b>79</b>	<b>423,010</b>	<b>22,618</b>	<b>4,230</b>	<b>-</b>	<b>13,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>463,600</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

\* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercise of the acquisitions before the end of 2024.

Intangible assets of AED 1,137,451 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of customer relationships, customer contracts, brand name and trade license.

Goodwill of AED 1,897,165 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 “Fair Value Measurement” refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 5.8% to 26.3%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 5%, which has been used to determine income for the future years.

#### Details of purchase consideration on acquisitions is as follows:

	<i>Reach</i> AED'000	<i>PRED</i> AED'000	<i>Spotlight</i> AED'000	<i>Fisio</i> AED'000	<i>Al Riyadh</i> AED'000	<i>PJ Steel</i> AED'000	<i>24 7 Media</i> AED'000	<i>LVL</i> AED'000	<i>Securiguard</i> AED'000	<i>UIG</i> AED'000	<i>Juice</i> AED'000	<i>Fully Charged</i> AED'000	<i>Ripe</i> AED'000	<i>Lynx</i> AED'000	<i>Sky Light</i> AED'000	<i>Guardtime</i> AED'000	<i>Secure</i> AED'000	<i>Alpha Dhabi acquisitions</i> AED'000	(a) <i>Total</i> AED'000
Cash paid for the acquisition	315,100	-	8,355	1	3,000	2,495	184,566	22,050	300,000	-	24,500	1,650	-	-	70,000	-	-	1,962,630	2,894,347
Consideration payable	-	-	-	-	-	1,383	36,403	-	-	43,413	-	1,500	31,920	533	-	-	-	104,812	219,964
Contingent consideration <sup>(i)</sup>	-	-	-	-	-	922	40,000	-	-	-	-	-	-	-	-	-	-	40,922	
Fair value of previously held equity interest transferred from investment in financial assets (note 11.1)	-	-	-	-	-	-	-	13,025	-	-	-	-	-	-	-	-	-	13,025	
Fair value of previously held equity interest transferred from investment in joint venture (note 10)	-	5,781	-	-	-	-	-	-	-	-	-	-	-	4,973	-	-	-	506,500	517,254
Fair value of shares in a subsidiary <sup>(ii)</sup>	-	-	-	-	-	-	-	4,874	-	-	-	-	-	-	-	-	-	-	4,874
Fair value of consideration transferred <sup>(iii)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	77,070	—	—	506,500	583,570
<b>Total purchase consideration</b>	<b>315,100</b>	<b>5,781</b>	<b>8,355</b>	<b>1</b>	<b>3,000</b>	<b>4,800</b>	<b>260,969</b>	<b>39,949</b>	<b>300,000</b>	<b>43,413</b>	<b>24,500</b>	<b>3,150</b>	<b>31,920</b>	<b>5,506</b>	<b>70,000</b>	<b>77,070</b>	<b>—</b>	<b>3,080,442</b>	<b>4,273,956</b>

(i) Contingent consideration represents the following:

- For the acquisition of 24 7 Media, an additional cash consideration of AED 40,000 thousand is to be paid to the previous owner, subject to 24 7 Media achieving a minimum net profit of AED 60,000 thousand for the year ending 31 December 2023. As at the acquisition date, the contingent consideration with an estimated fair value of AED 40,000 thousand was recorded, as it is highly probable that the targeted profit will be achieved.
- For the acquisition of PJ Steel, an additional cash consideration of AED 461 thousand is to be paid to the previous owner, subject achieving a minimum net profit of AED 1,613 thousand for the period from 1 January 2023 to 31 March 2024 and an additional cash consideration of AED 461 thousand subject to the previous owner securing new contracts to PJ Steel generating a minimum cash inflow of AED 4,608 thousand. As at the acquisition date, the total contingent consideration with an estimated fair value of AED 922 thousand was recorded, as it is highly probable that both targets will be achieved.

(ii) Represents the fair value of 50.62% ownership interest in HealthierU, a subsidiary, which was granted to a third party as part of the agreement to acquire LVL.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(a) Acquisitions during the year continued

Details of purchase consideration on acquisitions is as follows: continued

(iii) The fair value of consideration transferred, represents the following:

- Aldar Estates Holding Limited, a subsidiary, issued 4,854 new shares at a fair value of AED 1,013,000 thousand of which, 2,427 shares with a fair value of AED 506,500 thousand were issued to a third party as consideration for 50% ownership interest in Eltizam Asset Management LLC. The non-controlling interest share of the newly issued shares amounted to AED 176,769 thousand.
- Quantum Solutions Limited, a subsidiary, issued 27,676,465 new shares at a fair value of AED 77,070 thousand as a consideration for 100% ownership interest in Guardtime SA. The non-controlling interest share of the newly issued shares amounted to AED 13,487 thousand.

The total share of consideration (i.e. shares issued) allocated to non-controlling interest, amounted to AED 190,256 thousand.

#### (a) Alpha Dhabi Holding group acquisitions

Details of purchase consideration on acquisitions is as follows:

	Mustard and Linen AED '000	ADM O AED '000	Basatin AED '000	Eltizam AED '000	Virginia AED '000	Mais AED '000	Kent AED '000	Desert Control AED '000	Mawarid Desert AED '000	FAB Properties AED '000	London Square AED '000	Total AED '000
Cash paid for the acquisition	25,000	716,466	138,822	-	188,586	24,000	117,782	-	-	334,960	417,014	1,962,630
Consideration payable	-	-	-	-	21,923	-	2,218	-	-	-	80,671	104,812
Fair value of previously held equity interest transferred from investment in joint venture	-	-	-	506,500	-	-	-	-	-	-	-	506,500
Fair value of consideration transferred	-	-	-	506,500	-	-	-	-	-	-	-	506,500
<b>Total purchase consideration</b>	<b>25,000</b>	<b>716,466</b>	<b>138,822</b>	<b>1,013,000</b>	<b>210,509</b>	<b>24,000</b>	<b>120,000</b>	<b>-</b>	<b>-</b>	<b>334,960</b>	<b>497,685</b>	<b>3,080,442</b>

Analysis of cashflows on acquisitions is as follows:

	Reach AED '000	PRED AED'000	Spotlight AED'000	Fisio AED'000	Al Riyadh AED'000	PJ Steel AED'000	24/7 Media AED'000	LVL AED'000	Securiguard AED'000	UIG AED'000	Juice Spa Charged AED'000	Fully Ripe AED'000	Lynx AED'000	Sky Light AED'000	Guardtime AED'000	Secure AED'000	Alpha Dhabi acquisitions AED'000	Total AED'000	
Cash paid for the acquisition	315,100	-	8,355	1	3,000	2,495	184,566	22,050	300,000	-	24,500	1,650	-	70,000	-	1,962,630	2,894,347		
Net cash acquired on business combination	(35,951)	(1,954)	(72)	(192)	(63)	(1,059)	(14,361)	(23,582)	(66,292)	(8,686)	(1,675)	(212)	(10,241)	(115)	(3,650)	(4,782)	(649,512)	(822,956)	
Acquisition of operating business – net of cash paid (acquired) (included in cash flows from investing activities)	279,149	(1,954)	8,283	(191)	2,937	1,436	170,205	(1,532)	233,708	(8,686)	22,825	1,438	(10,241)	(115)	66,350	(4,782)	(557)	1,313,118	2,071,391
Transaction costs of the acquisition (included in cash flows from operating activities)	50	50	237	-	20	-	1,336	386	-	65	265	-	-	-	237	-	-	36,381	39,027
Net cash paid (acquired) on acquisition	<b>279,199</b>	<b>(1,904)</b>	<b>8,520</b>	<b>(191)</b>	<b>2,957</b>	<b>1,436</b>	<b>171,541</b>	<b>(1,146)</b>	<b>233,708</b>	<b>(8,621)</b>	<b>23,090</b>	<b>1,438</b>	<b>(10,241)</b>	<b>(115)</b>	<b>66,587</b>	<b>(4,782)</b>	<b>(557)</b>	<b>1,349,499</b>	<b>2,110,418</b>

Acquisition related costs amounting to AED 39,027 thousand were expensed during the year and are included in general and administrative expenses.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) *Acquisitions in the prior year*

###### **Rose Water Ladies Salon - Sole Proprietorship LLC**

Effective 1 January 2022, Bedashing Holding Company LLC, a subsidiary, acquired a 100% equity interest in Rose Water Ladies Salon - Sole Proprietorship LLC ("Rose") for consideration of AED 7,200 thousand. Rose is a sole proprietorship, registered in Abu Dhabi, United Arab Emirates and is engaged in female personal care and beauty, hairdressing, trimming, styling and henna pigmenting. From the date of acquisition, Rose contributed revenue and profit to the Group amounting to AED 5,407 thousand and AED 1,352 thousand respectively, for the year ended 31 December 2022.

###### **Abu Dhabi Vegetable Oil Company LLC**

Effective 1 January 2022, the Company acquired a 75% equity interest in Abu Dhabi Vegetable Oil Company LLC ("ADVOC") for consideration of AED 91,000 thousand. ADVOC is a limited liability company, registered in Abu Dhabi, United Arab Emirates and is engaged in vegetable oils refining and manufacturing, basic organic chemical acids manufacturing, plastic bottles and similar containers manufacturing, and plastic closures articles manufacturing. From the date of acquisition, ADVOC contributed revenue and loss to the Group amounting to AED 375,807 thousand and AED 7,071 thousand respectively, for the year ended 31 December 2022.

###### **American Crescent Health Care Centre – Sole Proprietorship LLC**

Effective 1 January 2022, Somerian Health LLC, a subsidiary, acquired a 100% equity interest in American Crescent Health Care Centre – Sole Proprietorship LLC ("American Crescent") for consideration of AED 3,600 thousand. American Crescent is a sole proprietorship LLC, registered in Abu Dhabi, United Arab Emirates and is engaged in medical complex and facilities services. From the date of acquisition, American Crescent contributed revenue and loss to the Group amounting to AED 5,682 thousand and AED 4,548 thousand respectively, for the year ended 31 December 2022.

###### **GenQore Drug Store LLC**

Effective 1 February 2022, Somerian Health LLC, a subsidiary, acquired a 90% equity interest in GenQore Drug Store LLC ("GenQore") for consideration of AED 2. GenQore is a limited liability company, registered in Dubai, United Arab Emirates and is engaged in trading of cosmetic and medical related items. From the date of acquisition, GenQore contributed revenue and loss to the Group amounting to AED 2,599 thousand and AED 16,588 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, GenQore would have contributed revenue and loss to the Group amounting to AED 7,708 thousand and AED 16,579 thousand respectively, for the year ended 31 December 2022.

###### **Direct Trading LLC**

Effective 14 February 2022, Palms Sports PJSC, a subsidiary, acquired a 60% equity interest in Direct Trading LLC ("Direct Trading") for consideration of AED 4,250 thousand. Direct Trading is a limited liability company, registered in the Abu Dhabi, United Arab Emirates and is in the business of distribution. From the date of acquisition, Direct Trading contributed revenue and loss to the Group amounting to AED 4,977 thousand and AED 937 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Direct Trading would have contributed revenue and loss to the Group amounting to AED 5,089 thousand and AED 1,270 thousand respectively, for the year ended 31 December 2022.

###### **Arena Events Group Limited**

Effective 1 April 2022, Theta Bidco Limited, a subsidiary, acquired 100% equity interest in Arena Events Group Limited ("Arena") for consideration of AED 341,909 thousand. Arena is a public limited company incorporated in England, United Kingdom and is a provider of temporary physical structures, seating, ice rinks, furniture and interiors. From the date of acquisition, Arena contributed revenue and profit to the Group amounting to AED 862,954 thousand and AED 25,217 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Arena would have contributed revenue and loss to the Group amounting to AED 1,061,473 thousand and AED 4,313 thousand respectively, for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) *Acquisitions in the prior year* continued

###### **Aldar Properties PJSC (“Aldar”)**

In the Annual General Meeting of Aldar held on 11 April 2022, the Group obtained de facto control by appointing four out of the seven board members. The fair value of the previously held equity interest in Aldar, on the date of obtaining control, amounted to AED 13,404,976 thousand. Aldar is a public joint stock company, registered in Abu Dhabi, United Arab Emirates and is engaged in various businesses, primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of obtaining control, Aldar contributed revenue and profit to the Group amounting to AED 8,515,751 thousand and AED 2,467,272 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Aldar would have contributed revenue and profit to the Group amounting to AED 11,198,956 thousand and AED 3,155,083 thousand respectively, for the year ended 31 December 2022.

###### **Twafq Projects Development Property LLC**

Effective 18 April 2022, Aldar Logistics Holding Limited, a subsidiary, acquired 70% equity interest in Twafq Projects Development Property LLC (“Twafq”) for consideration of AED 331,033 thousand. Twafq is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in the development, investment and management of industrial real estate. From the date of acquisition, Twafq contributed revenue and profit to the Group amounting to AED 47,638 thousand and AED 51,813 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Twafq would have contributed revenue and profit to the Group amounting to AED 62,700 thousand and AED 56,994 thousand respectively, for the year ended 31 December 2022.

###### **Al Shohub Private School LLC**

Effective 1 June 2022, Aldar Education – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Private School LLC (“Al Shohub”) for consideration of AED 72,210 thousand. Al Shohub is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of education services. From the date of acquisition, Al Shohub contributed revenue and loss to the Group amounting to AED 13,738 thousand and AED 1,445 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Al Shohub would have contributed revenue and loss to the Group amounting to AED 22,794 thousand and AED 5,373 thousand respectively, for the year ended 31 December 2022.

###### **Esyssoft Holding Ltd.**

Effective 1 June 2022, the Company acquired an additional 21% equity interest in Esyssoft Holding Ltd. (“Esyssoft”), for consideration of AED 18,375 thousand, increasing the Group’s ownership to 51%. Esyssoft is a private company, registered with Dubai International Financial Centre and is involved in delivering utility grid modernisation through a suite of SaaS based technology and analytics applications. From the date of acquisition, Esyssoft contributed revenue and profit to the Group amounting to AED 35,240 thousand and AED 3,845 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Esyssoft would have contributed revenue and profit to the Group amounting to AED 44,958 thousand and AED 4,544 thousand respectively, for the year ended 31 December 2022.

###### **Reem Investments PJSC**

Effective 2 June 2022, Q Holding PSC (formerly “Al Qudra Holding PJSC”), a subsidiary, acquired a 100% equity interest in Reem Investments PJSC (“Reem Investments”) for consideration of AED 5,807,327 thousand, being the fair value of the 1,347,408 new shares issued to the shareholders of Reem Investments. Reem Investments is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates and is engaged in real estate development and the sale and investment in real estate and securities in UAE and abroad. From the date of acquisition, Reem Investments contributed revenue and loss to the Group amounting to AED 20,969 thousand and AED 370,376 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Reem Investments would have contributed revenue and loss to the Group amounting to AED 51,872 thousand and AED 109,724 thousand respectively, for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **6 BUSINESS COMBINATIONS** continued

#### **6.2 Acquisitions under IFRS 3 Business Combination** continued

##### **6.2(b) Acquisitions in the prior year** continued

###### **Cyber Gate Defense LLC**

Effective 1 July 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 55% equity interest in Cyber Gate Defense LLC (“Cyber Gate”) for consideration of AED 55,000 thousand. Cyber Gate is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of cyber security services. From the date of acquisition, Cyber Gate contributed revenue and profit to the Group amounting to AED 27,079 thousand and AED 4,804 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Cyber Gate would have contributed revenue and profit to the Group amounting to AED 43,586 thousand and AED 7,005 thousand respectively, for the year ended 31 December 2022.

###### **The Captain Boats and Ships Trading LLC**

Effective 1 July 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired a 55% equity interest in The Captain Boats and Ships Trading LLC (“Captain Boats”) for consideration of AED 38,500 thousand. Captain Boats is a limited liability company registered in Abu Dhabi, United Arab Emirates and is engaged in the trading and repairing of boats and ships. From the date of acquisition, Captain Boats contributed revenue and profit to the Group amounting to AED 13,604 thousand and AED 4,114 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Captain Boats would have contributed revenue and profit to the Group amounting to AED 26,002 thousand and AED 6,390 thousand respectively, for the year ended 31 December 2022.

###### **Emircom LLC**

Effective 1 August 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 54% equity interest in Emircom LLC (“Emircom”) for consideration of AED 250,000 thousand. Emircom is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of information and communication technology services. From the date of acquisition, Emircom contributed revenue and profit to the Group amounting to AED 685,578 thousand and AED 25,639 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Emircom would have contributed revenue and profit to the Group amounting to AED 1,297,182 thousand and AED 26,751 thousand respectively, for the year ended 31 December 2022.

###### **Mace Macro Technical Services LLC**

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Mace Macro Technical Services LLC (“Mace Macro”) for consideration of AED 4,400 thousand. Mace Macro is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of facilities management services. From the date of acquisition, Mace Macro contributed revenue and profit to the Group amounting to AED 5,231 thousand and AED 523 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Mace Macro would have contributed revenue and profit to the Group amounting to AED 13,977 thousand and AED 1,669 thousand respectively, for the year ended 31 December 2022.

###### **Pactive Sustainable Solutions LLC**

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Pactive Sustainable Solutions LLC (“Pactive”) for consideration of AED 10,000 thousand. Pactive is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of energy management services. From the date of acquisition, Pactive contributed revenue and profit to the Group amounting to AED 6,257 thousand and AED 832 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Pactive would have contributed revenue and profit to the Group amounting to AED 9,023 thousand and AED 1,236 thousand respectively, for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) *Acquisitions in the prior year* continued

###### **Spark Securities Services - Sole Proprietorship LLC**

Effective 1 September 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Spark Securities Services-Sole Proprietorship LLC (“Spark”) for consideration of AED 120,019 thousand. Spark is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of security related services. From the date of acquisition, Spark contributed revenue and profit to the Group amounting to AED 95,555 thousand and AED 5,855 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Spark would have contributed revenue and profit to the Group amounting to AED 268,192 thousand and AED 11,308 thousand respectively, for the year ended 31 December 2022.

###### **NRTC Food Holding LLC**

Effective 1 October 2022, Tamween Group LLC, a subsidiary, acquired control over NRTC Food Holding LLC and its subsidiaries, previously a 41% owned associate of the Group, through obtaining majority representation of the board of directors of NRTC. The fair value of the previously held equity interest in NRTC, on the date of obtaining control, amounted to AED 273,198 thousand. NRTC is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is involved in commercial and agricultural enterprises investment, institution and management. From the date of obtaining control, NRTC contributed revenue and profit to the Group amounting to AED 200,008 thousand and AED 16,976 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, NRTC would have contributed revenue and profit to the Group amounting to AED 706,025 thousand and AED 50,423 thousand respectively, for the year ended 31 December 2022.

###### **CMC Holding LLC**

Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% equity interest in CMC Holding LLC (“CMC”) for consideration of AED 126,000 thousand. CMC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of medical and health related services. From the date of acquisition, CMC contributed revenue and profit to the Group amounting to AED 22,160 thousand and AED 2,772 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, CMC would have contributed revenue and profit to the Group amounting to AED 80,274 thousand and AED 9,966 thousand respectively, for the year ended 31 December 2022.

###### **Atlas Medical LLC**

Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% equity interest in Atlas Medical LLC (“Atlas”) for consideration of AED 20,000 thousand. Atlas is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in trading of medical and health related equipment and devices. From the date of acquisition, Atlas contributed revenue and profit to the Group amounting to AED 16,597 thousand and AED 5,383 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Atlas would have contributed revenue and loss to the Group amounting to AED 85,844 thousand and AED 40,504 thousand respectively, for the year ended 31 December 2022.

###### **Abu Dhabi Health Services Company PJSC (“SEHA”), The Life Corner LLC (“TLC”) and Daman Health Insurance Company PJSC (“Daman”)**

Effective 1 October 2022, Pure Health Holding LLC, a subsidiary, entered into an agreement with a third party to acquire a 100% ownership interest in SEHA, TLC and Daman in addition to 27% of Pure Health Medical Supplies LLC, for a total consideration of AED 9,827,347 thousand, being the fair value of the 225,038,001 newly issued shares to the third party.

Consideration has been allocated to the acquired businesses as follows:

- SEHA and TLC:	AED 4,584,958 thousand
- Daman:	AED 1,651,389 thousand

The consideration of AED 3,591,000 thousand, allocated to the acquisition of 27% ownership interest in Pure Health Medical Supplies LLC, has been accounted for as an increase in shareholding (i.e. acquisition of NCI), as disclosed in note 6.6(b)(E).

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) *Acquisitions in the prior year* continued

###### **Abu Dhabi Health Services Company PJSC (“SEHA”), The Life Corner LLC (“TLC”) and Daman Health Insurance Company PJSC (“Daman”) continued**

###### *SEHA:*

SEHA is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in managing healthcare establishments, implementing healthcare policies, projects and strategies, providing and purchasing supplies and medicines needed for healthcare purposes to the general public and collecting prescribed fees for health, curative and preventive services. From the date of acquisition, SEHA contributed revenue and profit to the Group amounting to AED 2,008,178 thousand and AED 566,877 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, SEHA would have contributed revenue and profit to the Group amounting to AED 7,193,666 thousand and AED 921,747 thousand respectively, for the year ended 31 December 2022.

TLC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in pharmacy management services. From the date of acquisition, TLC did not contribute revenue and profit to the Group, for the year ended 31 December 2022.

###### *Daman:*

Daman is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in the provision of health insurance services. From the date of acquisition, Daman contributed revenue and profit to the Group amounting to AED 1,140,431 thousand and AED 78,394 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Daman would have contributed revenue and profit to the Group amounting to AED 4,388,392 thousand and AED 298,022 thousand respectively, for the year ended 31 December 2022.

###### **Emircom Egypt LLC**

Effective 1 October 2022, Pace Tech Group - Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Emircom Egypt LLC (“Emircom Egypt”) for consideration of AED 11 thousand. Emircom Egypt is a limited liability company registered in Egypt and is involved in information and communication technology services. From the date of acquisition, Emircom Egypt contributed revenue and loss to the Group amounting to AED 1,947 thousand and AED 45 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Emircom Egypt would have contributed revenue and profit to the Group amounting to AED 3,029 thousand and AED 232 thousand respectively, for the year ended 31 December 2022.

###### **SAGA OA DMCC**

Effective 19 October 2022, Aldar Properties PJSC, a subsidiary, acquired 100% equity interest in SAGA OA DMCC (“SAGA”) for consideration of AED 36,965 thousand, SAGA is a limited liability company registered in Dubai, United Arab Emirates and is involved in property management services. From the date of acquisition, SAGA contributed revenue and profit to the Group amounting to AED 2,305 thousand and AED 599 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, SAGA would have contributed revenue and profit to the Group amounting to AED 12,787 thousand and AED 6,435 thousand respectively, for the year ended 31 December 2022.

###### **Qube Car Park Management LLC**

Effective 1 December 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired 70% equity interest in Qube Car Parking Management LLC (“Qube”) for consideration of AED 5,000 thousand. Qube is a limited liability company, registered in the Emirate of Dubai and is engaged in the car park rental and management valet parking services. From the date of acquisition, Qube contributed revenue and profit to the Group amounting to AED 126 thousand and AED 79 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Qube would have contributed revenue and profit to the Group amounting to AED 1,615 thousand and AED 1,220 thousand respectively, for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions during the prior year continued

###### Assets acquired and liabilities assumed

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

	Rose AED '000	ADVOC AED '000	American Crescent AED '000	Direct Trading AED '000	Arena AED '000	Esysoft AED '000	Reem Investments AED '000	Cyber Gate AED '000	Captain Boats AED '000	Emircom AED '000	NRTC AED '000	CMC AED '000	Atlas AED '000	Emircom Egypt AED '000	Qube AED '000	Alpha Dhabi acquisitions AED '000	(i) Total AED '000
<b>Assets</b>																	
Property, plant and equipment	837	55,702	93	18	328,073	363	10,315	506	18,014	104,060	18,281	3,732	535	-	59	5,359,921	5,900,509
Intangible assets	577	-	-	527	131,229	91,536	-	18,200	12,103	31,300	240,556	30,436	17,121	-	4,724	5,566,483	6,144,792
Right-of-use assets	-	21,667	-	-	77,420	401	-	2,071	287	12,934	843	-	1,068	125	-	574,134	690,950
Investment properties	-	-	-	-	-	-	1,702,231	-	-	-	-	-	-	-	-	18,622,727	20,324,958
Investment in associates and joint ventures	-	-	-	-	4,622	-	-	-	-	-	-	-	-	-	-	115,570	120,192
Investments carried at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	228,693	228,693
Investments carried at fair value through profit or loss	-	-	-	-	-	-	3,296,942	-	-	-	-	-	-	-	-	369,670	3,666,612
Investments carried at amortised cost	-	-	-	-	-	-	49,314	-	-	-	-	-	-	-	-	142,801	192,115
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,810	82,810
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,510	34,510
Inventories	160	43,638	-	4,239	13,152	-	2,047,000	-	46	110,898	5,149	2,452	7,844	-	-	10,783,382	13,017,960
Trade and other receivables	230	32,628	4,153	1,311	135,238	16,888	388,043	8,483	6,477	434,905	178,605	5,147	135,290	-	109	15,676,693	17,024,200
Contract assets	-	-	-	-	-	11,579	-	10,718	-	563,520	-	-	-	-	-	618,795	1,204,612
Development work-in-progress	-	-	-	-	-	-	5,189	-	-	-	-	-	-	-	-	3,673,726	3,678,915
Due from related parties	-	-	-	-	-	-	7,960	4,061	-	-	-	-	-	-	-	181	118,202
Cash and bank balances	-	3,392	82	318	128,971	1,917	408,700	55,277	6,799	208,634	27,943	9,754	11,249	448	57	12,425,303	13,288,844
<b>Total assets</b>	<b>1,804</b>	<b>157,027</b>	<b>4,328</b>	<b>6,413</b>	<b>830,284</b>	<b>111,105</b>	<b>7,915,694</b>	<b>99,316</b>	<b>43,726</b>	<b>1,466,251</b>	<b>471,377</b>	<b>157,521</b>	<b>173,107</b>	<b>573</b>	<b>4,949</b>	<b>74,275,399</b>	<b>85,718,874</b>
<b>Liabilities</b>																	
Employees' end of service benefit	30	5,420	-	299	4,879	134	2,272	289	186	30,600	2,629	1,830	2,351	-	11	1,756,242	1,807,172
Non-convertible sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,732,381	3,732,381
Borrowings	-	-	-	585	264,466	4,013	147,695	-	1,450	476,033	-	-	37,926	-	-	4,357,748	5,289,916
Lease liabilities	-	24,749	-	-	84,199	514	-	1,838	302	14,342	899	-	1,211	139	-	591,568	719,761
Contract liabilities	-	-	-	-	88,773	-	-	-	8,452	-	-	-	-	-	-	2,321,580	2,418,805
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,244	2,244
Due to related parties	-	-	-	-	-	3,816	9,973	-	-	-	-	-	-	-	-	313	14,102
Deferred tax liabilities	-	-	-	-	-	45,737	-	-	-	-	-	-	-	-	-	45,737	-
Trade and other payables	117	15,342	479	2,972	219,533	3,420	204,527	8,641	10,990	446,161	88,639	9,071	109,456	651	172	18,852,458	19,972,629
<b>Total liabilities</b>	<b>147</b>	<b>45,511</b>	<b>479</b>	<b>3,856</b>	<b>707,587</b>	<b>11,897</b>	<b>364,467</b>	<b>10,768</b>	<b>21,380</b>	<b>967,136</b>	<b>92,167</b>	<b>10,901</b>	<b>150,944</b>	<b>790</b>	<b>183</b>	<b>31,614,534</b>	<b>34,002,747</b>
<b>Net assets (liabilities)</b>	<b>1,657</b>	<b>111,516</b>	<b>3,849</b>	<b>2,557</b>	<b>125,833</b>	<b>99,208</b>	<b>7,551,227</b>	<b>88,548</b>	<b>22,346</b>	<b>499,115</b>	<b>379,210</b>	<b>146,620</b>	<b>22,163</b>	<b>(217)</b>	<b>4,766</b>	<b>42,660,865</b>	<b>51,716,127</b>
Less: hybrid equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,126,639)	(1,126,639)
Less: non-controlling interests	-	-	-	-	-	3,136	-	-	-	(61)	-	-	(764)	-	-	(641,298)	(638,987)
<b>Total identifiable net assets (liabilities) at fair value</b>	<b>1,657</b>	<b>111,516</b>	<b>3,849</b>	<b>2,557</b>	<b>125,833</b>	<b>99,208</b>	<b>7,551,227</b>	<b>88,548</b>	<b>22,285</b>	<b>499,115</b>	<b>379,210</b>	<b>145,856</b>	<b>22,163</b>	<b>(217)</b>	<b>4,766</b>	<b>40,892,928</b>	<b>49,950,501</b>
Proportionate share of identifiable net assets acquired	1,657	83,637	3,849	1,534	125,833	50,596	7,551,227	48,701	12,257	269,522	155,476	87,514	13,298	(217)	3,336	17,761,018	26,169,238
Goodwill arising on acquisition (note 8)	5,543	7,363	-	2,716	216,076	-	-	6,299	26,243	-	117,722	38,486	6,702	228	1,664	2,868,574	3,297,616
Gain on bargain purchase	-	-	-	(249)	-	(5,971)	(1,743,900)	-	-	(19,522)	-	-	-	-	-	(413,642)	(2,183,284)
<b>Purchase consideration</b>	<b>7,200</b>	<b>91,000</b>	<b>3,600</b>	<b>4,250</b>	<b>341,909</b>	<b>44,625</b>	<b>5,807,327</b>	<b>55,000</b>	<b>38,500</b>	<b>250,000</b>	<b>273,198</b>	<b>126,000</b>	<b>20,000</b>	<b>11</b>	<b>5,000</b>	<b>20,215,950</b>	<b>27,283,570</b>
<b>Non-controlling interest on acquisition</b>	<b>=</b>	<b>27,879</b>	<b>=</b>	<b>1,023</b>	<b>(3,136)</b>	<b>48,612</b>	<b>=</b>	<b>39,847</b>	<b>10,089</b>	<b>229,593</b>	<b>223,734</b>	<b>59,106</b>	<b>8,865</b>	<b>=</b>	<b>1,430</b>	<b>23,773,208</b>	<b>24,420,250</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions during the prior year continued

###### Assets acquired and liabilities assumed continued

###### (i) Alpha Dhabi Holding group acquisitions

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

	<i>GenQore</i> AED'000	<i>Aldar</i> AED'000	<i>Twafq</i> AED'000	<i>Al Shohub</i> AED'000	<i>Mace</i> <i>Macro</i> AED'000	<i>Pactive</i> AED'000	<i>Spark</i> AED'000	<i>SEHA</i> AED'000	<i>Daman</i> AED'000	<i>SAGA</i> AED'000	<i>Total</i> AED'000
<b>Assets</b>											
Property, plant and equipment	21	4,026,985	2,447	71,694	1	63	12,756	1,236,501	9,105	348	5,359,921
Intangible assets	569	2,293,068	-	1,483	4,343	6,206	27,948	2,756,355	445,115	31,396	5,566,483
Right-of-use assets	-	379,596	113,034	2,360	-	-	-	9,643	69,501	-	574,134
Investment properties	-	18,034,787	584,495	-	-	-	-	-	3,445	-	18,622,727
Investment in associates and joint ventures	-	70,021	-	-	-	-	-	-	45,549	-	115,570
Investments carried at fair value through other comprehensive income	-	20,001	-	-	-	-	-	-	208,692	-	228,693
Investments carried at fair value through profit or loss	-	25,971	-	-	-	-	-	-	343,699	-	369,670
Investments carried at amortised cost	-	142,801	-	-	-	-	-	-	-	-	142,801
Derivative financial instruments	-	82,810	-	-	-	-	-	-	-	-	82,810
Deferred tax asset	-	34,510	-	-	-	-	-	-	-	-	34,510
Inventories	-	10,226,250	-	-	-	-	485	556,647	-	-	10,783,382
Trade and other receivables	6,121	7,984,817	5,403	2,158	2,978	1,935	98,945	2,391,182	5,180,880	2,274	15,676,693
Contract assets	-	221,056	-	-	-	-	-	397,739	-	-	618,795
Development work-in-progress	-	3,673,726	-	-	-	-	-	-	-	-	3,673,726
Due from related parties	-	-	-	-	-	-	181	-	-	-	181
Cash and bank balances	261	9,060,667	31,946	1,821	1,132	185	17,072	654,382	2,656,192	1,645	12,425,303
<b>Total assets</b>	<b>6,972</b>	<b>56,277,066</b>	<b>737,325</b>	<b>79,516</b>	<b>8,454</b>	<b>8,389</b>	<b>157,387</b>	<b>8,002,449</b>	<b>8,962,178</b>	<b>35,663</b>	<b>74,275,399</b>
<b>Liabilities</b>											
Employees' end of service benefit	418	241,812	1,411	1,246	734	26	36,977	1,408,882	64,454	282	1,756,242
Non-convertible sukuk	-	3,732,381	-	-	-	-	-	-	-	-	3,732,381
Borrowings	-	4,255,393	102,355	-	-	-	-	-	-	-	4,357,748
Lease liabilities	-	371,653	133,439	2,521	-	-	1,426	13,120	69,409	-	591,568
Contract liabilities	-	2,313,004	8,576	-	-	-	-	-	-	-	2,321,580
Derivative financial instruments	-	2,244	-	-	-	-	-	-	-	-	2,244
Due to related parties	-	-	-	-	81	-	232	-	-	-	313
Trade and other payables	6,848	9,753,098	9,536	12,660	2,611	708	36,390	2,256,962	6,770,285	3,360	18,852,458
<b>Total liabilities</b>	<b>7,266</b>	<b>20,669,585</b>	<b>255,317</b>	<b>16,427</b>	<b>3,426</b>	<b>734</b>	<b>75,025</b>	<b>3,678,964</b>	<b>6,904,148</b>	<b>3,642</b>	<b>31,614,534</b>
<b>Net (liabilities) assets</b>	<b>(294)</b>	<b>35,607,481</b>	<b>482,008</b>	<b>63,089</b>	<b>5,028</b>	<b>7,655</b>	<b>82,362</b>	<b>4,323,485</b>	<b>2,058,030</b>	<b>32,021</b>	<b>42,660,865</b>
Less: hybrid equity instruments	-	(1,126,639)	-	-	-	-	-	-	-	-	(1,126,639)
Less: non-controlling interests	-	(641,298)	-	-	-	-	-	-	-	-	(641,298)
<b>Total identifiable net (liabilities) assets at fair value</b>	<b>(294)</b>	<b>33,839,544</b>	<b>482,008</b>	<b>63,089</b>	<b>5,028</b>	<b>7,655</b>	<b>82,362</b>	<b>4,323,485</b>	<b>2,058,030</b>	<b>32,021</b>	<b>40,892,928</b>
Proportionate share of identifiable net (liabilities) assets acquired	(265)	10,852,207	337,406	63,089	5,028	7,655	82,362	4,323,485	2,058,030	32,021	17,761,018
Goodwill arising on acquisition	265	2,552,769	-	9,121	-	2,345	37,657	261,473	-	4,944	2,868,574
Gain on bargain purchase	-	-	(6,373)	-	(628)	-	-	-	(406,641)	-	(413,642)
<b>Purchase consideration</b>	<b>-</b>	<b>13,404,976</b>	<b>331,033</b>	<b>72,210</b>	<b>4,400</b>	<b>10,000</b>	<b>120,019</b>	<b>4,584,958</b>	<b>1,651,389</b>	<b>36,965</b>	<b>20,215,950</b>
<b>Non-controlling interest on acquisition</b>	<b>(29)</b>	<b>23,628,635</b>	<b>144,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,773,208</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) *Acquisitions during the prior year* continued

Intangible assets of AED 6,014,581 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 3,297,616 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 6% to 19.9%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 10%, which has been used to determine income for the future years.

##### **Prior year acquisitions recognised on provisional assessment of fair values:**

During the year, the purchase price allocations for all acquired entities during 2022 were completed, which resulted in the following adjustments:

##### *NRTC Food Holding LLC:*

- Decrease in the fair value of identifiable assets and liabilities by AED 48,000 thousand;
- Increase in goodwill by AED 20,008 thousand; and
- Decrease in non-controlling interest by AED 28,792 thousand.

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

##### **2021 acquisitions recognised on provisional assessment of fair values adjusted in 2022:**

During 2022, the purchase price allocations for all acquired entities during 2021 were completed, which resulted in the following adjustments:

##### *Tips & Toes, Jazz and Ben Suhail (i.e. Omorifa):*

- Decrease in the fair value of identifiable assets and liabilities by AED 7,680 thousand;
- Decrease in consideration by AED 25,798 thousand;
- Decrease in goodwill by AED 21,881 thousand; and
- Decrease in non-controlling interest by AED 3,763 thousand.

##### *Rafed:*

- Decrease in the fair value of identifiable assets and liabilities by AED 10,000 thousand;
- Decrease in consideration by AED 1,992 thousand; and
- Increase in goodwill by AED 8,008 thousand.
- Decrease in non-controlling interest by AED 1,421 thousand.

##### *Union 71:*

- Decrease in the fair value of identifiable assets and liabilities by AED 602 thousand (includes reduction of intangible assets amounting to AED 44,602 thousand);
- Increase in consideration by AED 31,585 thousand; and
- Increase in goodwill by AED 32,187 thousand.
- Increase in non-controlling interest by AED 22,533 thousand.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions during the prior year continued

Details of purchase consideration on acquisitions is as follows:

	Rose AED'000	ADVOC AED'000	American Crescent AED'000	Direct Trading AED'000	Arena AED'000	Esyssoft AED'000	Reem Investments AED'000	Cyber Gate AED'000	Captain Boats AED'000	Emircom AED'000	NRTC AED'000	CMC AED'000	Atlas AED'000	Emircom Egypt AED'000	Qube AED'000	(i) Alpha Dhabi acquisitions AED'000	Total AED'000
Cash paid for the acquisition	7,200	91,000	3,600	4,250	341,909	18,375	-	55,000	38,500	250,000	-	126,000	20,000	11	-	546,448	1,502,293
Consideration payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	28,179	33,179
Fair value of previously held equity interest (note 10)	-	-	-	-	-	26,250	-	-	-	-	273,198	-	-	-	-	13,404,976	13,704,424
Fair value of consideration transferred <sup>(i)</sup>	-	-	-	-	-	-	5,807,327	-	-	-	-	-	-	-	-	6,236,347	12,043,674
<b>Total purchase consideration</b>	<b>7,200</b>	<b>91,000</b>	<b>3,600</b>	<b>4,250</b>	<b>341,909</b>	<b>44,625</b>	<b>5,807,327</b>	<b>55,000</b>	<b>38,500</b>	<b>250,000</b>	<b>273,198</b>	<b>126,000</b>	<b>20,000</b>	<b>11</b>	<b>5,000</b>	<b>20,215,950</b>	<b>27,283,570</b>

(i) The fair value of consideration transferred, represents the following:

- Q Holding PSC, a subsidiary, issued 1,347,407,500 shares as consideration for 100% interest in Reem Investments PJSC. The fair value of the shares was calculated with reference to the quoted price of the shares of Q Holding PSC at the date of acquisition, which was AED 4.31 per share. Therefore, the fair value of the consideration given amounted to AED 5,807,327 thousand. The non-controlling interest share of the newly issued shares amounted to AED 3,305,401 thousand.
- Pure Health Holding LLC, a subsidiary, issued 225,038,001 shares as a consideration for 100% interest in SEHA and Daman and 27% of Pure Health Medical Supplies LLC. The fair value of consideration amounted to AED 9,827,347 thousand, of which AED 4,584,958 thousand was allocated to SEHA acquisition and AED 1,651,389 thousand to Daman acquisition. The non-controlling interest share of the newly issued shares amounted to AED 5,294,876 thousand.

The total share of consideration (i.e. shares issued) allocated to non-controlling interest, amounted to AED 8,600,277 thousand.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.2 Acquisitions under IFRS 3 Business Combination continued

##### 6.2(b) Acquisitions during the prior year continued

###### (i) Alpha Dhabi Holding group acquisitions

Details of purchase consideration on acquisitions is as follows:

	GenQore AED'000	Aldar AED'000	Twafq AED'000	Al Shohub AED'000	Mace Macro AED'000	Pactive AED'000	Spark AED'000	SEHA AED'000	Daman AED'000	SAGA AED'000	Total AED'000
Cash paid for the acquisition	-	-	331,033	65,084	2,390	6,844	104,132	-	-	36,965	546,448
Consideration payable	-	-	-	7,126	2,010	3,156	15,887	-	-	-	28,179
Fair value of previously held equity interest (note 10)	-	13,404,976	-	-	-	-	-	-	-	-	13,404,976
Fair value of consideration transferred	-	-	-	-	-	-	-	4,584,958	1,651,389	-	6,236,347
<b>Total purchase consideration</b>	<b>-</b>	<b>13,404,976</b>	<b>331,033</b>	<b>72,210</b>	<b>4,400</b>	<b>10,000</b>	<b>120,019</b>	<b>4,584,958</b>	<b>1,651,389</b>	<b>36,965</b>	<b>20,215,950</b>

Analysis of cashflows on acquisitions is as follows:

	Rose AED'000	ADVOC AED'000	American Crescent AED'000	Direct Trading AED'000	Arena AED'000	Esyssoft AED'000	Reem Investments AED'000	Cyber Gate AED'000	Captain Boats AED'000	Emircom AED'000	NRTC AED'000	CMC AED'000	Atlas AED'000	Emircom Egypt AED'000	Qube AED'000	Alpha Dhabi acquisitions AED'000	Total AED'000
Cash paid for the acquisition	7,200	91,000	3,600	4,250	341,909	18,375	-	55,000	38,500	250,000	-	126,000	20,000	11	546,448	1,502,293	
Cash acquired on business combination	-	(3,392)	(82)	(318)	(128,971)	(1,917)	(408,700)	(55,277)	(6,799)	(208,634)	(27,943)	(9,754)	(11,249)	(448)	(57)	(12,425,303)	(13,288,844)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)	7,200	87,608	3,518	3,932	212,938	16,458	(408,700)	(277)	31,701	41,366	(27,943)	116,246	8,751	(437)	(57)	(11,878,855)	(11,786,551)
Transaction costs of the acquisitions (included in cash flows from operating activities)	30	618	30	5	5,000	30	858	110	-	4,006	132	50	50	-	-	6,322	17,241
<b>Net cash used (acquired) on acquisition</b>	<b>7,230</b>	<b>88,226</b>	<b>3,548</b>	<b>3,937</b>	<b>217,938</b>	<b>16,488</b>	<b>(407,842)</b>	<b>(167)</b>	<b>31,701</b>	<b>45,372</b>	<b>(27,811)</b>	<b>116,296</b>	<b>8,801</b>	<b>(437)</b>	<b>(57)</b>	<b>(11,872,533)</b>	<b>(11,769,310)</b>

Acquisition related costs amounting to AED 17,241 thousand were expensed during the prior year and are included in general and administrative expenses.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.3 (a) *Acquisitions of assets during the year*

During the year, the Group acquired the following entities, which are accounted for as asset acquisitions, since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. The details of the assets acquired are as follows:

	<i>Monterock Investments Nedafushi Maldives AED'000</i>	<i>AMI Properties Holding Limited AED'000</i>	<i>Total AED'000</i>
Investment properties (note 9)	-	163,854	163,854
Right-of-use assets (note 29)	56,947	-	56,947
Lease liabilities (note 29)	(29,207)	-	(29,207)
<b>Net assets acquired</b>	<b>27,740</b>	<b>163,854</b>	<b>191,594</b>
Less: non-controlling interests <sup>(i)</sup>	(1,387)	(65,542)	(66,929)
<b>Proportionate share of assets acquired</b>	<b>26,353</b>	<b>98,312</b>	<b>124,665</b>
Less: consideration paid	(26,353)	(98,312)	(124,665)
<b>Net of consideration</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

(i) 95% ownership interest acquired in Monterock Investments Nedafushi Maldives (note 29) and 60% ownership acquired in AMI Properties Holding Limited (note 9).

Further, during the year, the Group acquired the following entities, which are accounted for as asset acquisitions from entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The details of the assets acquired are as follows:

	<i>Tri Star Investment LLC AED'000</i>	<i>C 2 R Real Estate Investment SP LLC AED'000</i>	<i>Total AED'000</i>
Investment properties (note 9)	-	79,650	79,650
Investment in an associate (note 10 (iv))	762,313	-	762,313
Investments carried at fair value through other comprehensive income (note 11.1)	1,718	-	1,718
<b>Assets acquired</b>	<b>764,031</b>	<b>79,650</b>	<b>843,681</b>
Less: consideration paid	(250,000)	-	(250,000)
<b>Merger, acquisition and other reserves</b>	<b>514,031</b>	<b>79,650</b>	<b>593,681</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.3 (b) Acquisitions of assets during the prior year

During 2022, the Group acquired the following entities, which are accounted for as asset acquisitions, since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. The details of the assets acquired are as follows:

	Bab Resorts LLC AED '000	Double Tree by Hilton Resort & SPA Marjan Island AED '000	Nurai Island Hotel AED '000	Confluence Partners (HQ) RSC Ltd. AED '000	Al Maryah Property Holdings Limited AED '000	Total AED '000
Property, plant and equipment (note 7)	767,528	697,978	232,966	-	-	1,698,472
Investment properties (note 9)	-	-	-	4,373,000	481,500	4,854,500
Inventories	-	94,855	1,571	-	-	96,426
Trade and other receivables <sup>(i)</sup>	-	-	355,756	-	-	355,756
Cash and bank balances	-	17,167	9,707	-	-	26,874
Assets acquired	767,528	810,000	600,000	4,373,000	481,500	7,032,028
Less: non-controlling interest <sup>(ii)</sup>	-	-	-	-	(192,600)	(192,600)
Proportionate share of assets acquired	767,528	810,000	600,000	4,373,000	288,900	6,839,428
Less: consideration paid	(767,528)	(810,000)	(600,000)	(4,373,000)	(288,900)	(6,839,428)
Net of consideration	-	-	-	-	-	-

(i) The acquisition of the hotel building of Nurai Island Hotel, resulted in an amount of AED 350,000 being recorded as an advance in the account “advances to suppliers and sub-contractors” under trade and other receivables, which will be utilised against two development islands once the seller finalises the procurement of the dredging and reclamation of these islands.

(ii) 60% ownership interest was acquired in Al Maryah Property Holdings Limited (note 9).

### 6.4 Derecognition of subsidiaries

#### 6.4(a) Derecognition of subsidiaries during the year

During the year, the Group derecognised the following subsidiaries:

##### Pure Health Holding LLC

Effective 30 March 2023, as a result of amendments in certain clauses to the shareholders agreement, the Group lost control over Pure Health Holding PJSC (*formerly “Pure Health Holding LLC”*) and its subsidiaries (“Pure Health”). As per the amended shareholders agreement, resolutions that were previously passed by simple majority are now required to have at least one vote from the Group’s board members and another from a member of a third party shareholder. Accordingly, Pure Health was deconsolidated and recorded as an investment in a joint venture at its fair value on the date of loss of control (note 10).

##### Fooj Fire Fighting Services LLC

Effective 1 October 2023, the Group disposed its shareholding in Fooj Fire Fighting Services LLC (“Fooj”) to EHC Investment LLC (“EHC”), an associate, for a consideration of AED 31,275 thousand, being the fair value of the new shares issued to the Group by EHC.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition subsidiaries continued

##### 6.4(a) *Derecognition of subsidiaries during the year* continued

The carrying value of the identifiable assets and liabilities derecognised on the respective dates are as follows:

	<i>Pure Health</i> <i>AED'000</i>	<i>Fooj</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<b>Assets</b>			
Property, plant and equipment	1,779,997	98	1,780,095
Intangible assets and goodwill	4,476,546	-	4,476,546
Right-of-use assets	1,425,275	-	1,425,275
Investment in joint ventures	46,273	-	46,273
Investment properties	3,145	-	3,145
Investments carried at fair value through other comprehensive income	238,433	-	238,433
Inventories	544,640	-	544,640
Due from related parties	172,439	-	172,439
Trade and other receivables	7,949,193	394	7,949,587
Investments carried at fair value through profit or loss	343,085	-	343,085
Contract assets	1,986,334	-	1,986,334
Cash and bank balances	<u>5,497,768</u>	<u>4,114</u>	<u>5,501,882</u>
Total assets	<b><u>24,463,128</u></b>	<b><u>4,606</u></b>	<b><u>24,467,734</u></b>
<b>Liabilities</b>			
Employees' end of service benefits	1,541,480	-	1,541,480
Lease liabilities	1,554,339	-	1,554,339
Borrowings	293,131	-	293,131
Trade and other payables	6,236,353	551	6,236,904
Contract liabilities	2,269,070	-	2,269,070
Due to related parties	<u>1,008,357</u>	<u>-</u>	<u>1,008,357</u>
Total liabilities	<b><u>12,902,730</u></b>	<b><u>551</u></b>	<b><u>12,903,281</u></b>
Net assets	11,560,398	4,055	11,564,453
Less: non-controlling interest	<u>(6,231,391)</u>	<u>(1,014)</u>	<u>(6,232,405)</u>
<b>Net assets attributable to the owners</b>	<b><u>5,329,007</u></b>	<b><u>3,041</u></b>	<b><u>5,332,048</u></b>
Consideration received <sup>(i)</sup>	<u>14,159,134</u>	<u>31,275</u>	<u>14,190,409</u>
<b>Gain on derecognition</b>	<b><u>8,830,127</u></b>	<b><u>28,234</u></b>	<b><u>8,858,361</u></b>

(i) Consideration received consists of the following:

- The fair value of the 46.12% retained interest in Pure Health, which was determined by an independent valuer, using the income and discounted cashflows approach for each cash-generating unit. The significant assumptions used include a discount rate of 9.5% to 15.2% and a terminal growth rate of 3%.
- The fair value of EHC shares received for disposing Fooj was determined by an independent valuer, using the income and discounted cashflows approach for each cash-generating unit. The significant assumptions used include a discount rate of 14.37% to 17.4% and a terminal growth rate of 2%.

Analysis of cash flow from the derecognition of the above subsidiaries is as follows:

	<i>Pure Health</i> <i>AED'000</i>	<i>Fooj</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cash received from derecognition	-	-	-
Cash given up on derecognition	<u>(5,497,768)</u>	<u>(4,114)</u>	<u>(5,501,882)</u>
Net cash outflow	<b><u>(5,497,768)</u></b>	<b><u>(4,114)</u></b>	<b><u>(5,501,882)</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition of subsidiaries continued

##### *6.4(b) Disposals during the prior year*

During 2022, the Group disposed the following subsidiaries:

##### **Magenta Investments LLC**

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Magenta Investments LLC ("Magenta") for a consideration of AED 2,000 thousand.

##### **Pure Capital Investments LLC**

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Pure Capital Investments LLC ("PCI") for a consideration of AED 114,300 thousand.

##### **Q Scape Komtec LLC**

Effective 18 May 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Q Scape Komtec LLC ("Q Scape") for nil consideration.

##### **Al Qudra Facilities Management Services LLC**

Effective 18 July 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Al Qudra Facilities Management Services LLC ("AQFM") for nil consideration.

##### **Twasol Business Men Service LLC**

Effective 31 December 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Tawasol Business Men Services ("Tawasol") for a consideration of AED 1,300 thousand.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>Q Scape</i> AED '000	<i>Magenta</i> AED '000	<i>PCI</i> AED '000	<i>AQFM</i> AED '000	<i>Twasol</i> AED '000	<i>Total</i> AED '000
<i>Assets</i>						
Property, plant and equipment	55	1,479	582	170	1,024	3,310
Right-of-use assets	-	-	1,070	-	-	1,070
Inventories	-	523	-	-	-	523
Trade and other receivables	17,986	40,178	133,492	853	304	192,813
Due from related parties	1,182	181	6,854	2,303	-	10,520
Cash and bank balances	<u>211</u>	<u>6,223</u>	<u>4,453</u>	<u>202</u>	<u>861</u>	<u>11,950</u>
Total assets	<u>19,434</u>	<u>48,584</u>	<u>146,451</u>	<u>3,528</u>	<u>2,189</u>	<u>220,186</u>
<i>Liabilities</i>						
Employees' end of service benefits	399	895	856	337	371	2,858
Borrowings	-	3,429	-	-	-	3,429
Lease liabilities	-	-	1,133	-	-	1,133
Due to related parties	17,117	-	101,416	3,234	-	121,767
Trade and other payables	<u>238</u>	<u>33,365</u>	<u>63,067</u>	<u>2,312</u>	<u>330</u>	<u>99,312</u>
Total liabilities	<u>17,754</u>	<u>37,689</u>	<u>166,472</u>	<u>5,883</u>	<u>701</u>	<u>228,499</u>
Net assets (liabilities)	1,680	10,895	(20,021)	(2,355)	1,488	(8,313)
Less: non-controlling interest	<u>(823)</u>	<u>1,653</u>	<u>658</u>	<u>-</u>	<u>-</u>	<u>1,488</u>
Net assets (liabilities) attributable to the owners	857	12,548	(19,363)	(2,355)	1,488	(6,825)
Consideration received on disposal	<u>-</u>	<u>2,000</u>	<u>114,300</u>	<u>-</u>	<u>1,300</u>	<u>117,600</u>
(Loss) gain on disposal	(857)	(10,548)	133,663	2,355	(188)	124,425
Impairment on balance due from Q Scape	(15,922)	-	-	-	-	(15,922)
Impairment on balance due from AQFM	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,830)</u>	<u>-</u>	<u>(1,830)</u>
(Loss) gain on disposal (A)	<u>(16,779)</u>	<u>(10,548)</u>	<u>133,663</u>	<u>525</u>	<u>(188)</u>	<u>106,673</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.4 Derecognition of subsidiaries continued

##### 6.4(b) *Disposals during the prior year* continued

###### **Aafaq Islamic Finance PSC**

During 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance (“Aafaq”), resulting in its classification as discontinued operations held for sale. The disposal was completed with effect from 1 July 2022, being the date control of Aafaq passed to the acquirer.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>1 July 2022 AED '000</i>
<i>Assets</i>	
Property, plant and equipment	29,846
Investment properties	216,604
Right-of-use assets	2,574
Investments in financial assets	904,957
Receivables from Islamic financing activities	1,599,843
Trade and other receivables	29,087
Wakala deposits with Islamic financial institutions	-
Due from related parties	65,983
Cash and bank balances	<u>179,341</u>
Total assets	<u>3,028,235</u>
<i>Liabilities</i>	
Employees' end of service benefits	5,946
Borrowings	200,000
Margins against letter of guarantees	827,471
Lease liabilities	984
Due to related parties	-
Trade and other payables	<u>999,139</u>
Total liabilities	<u>2,033,540</u>
Net assets	<u>994,695</u>
<i>Reconciliation of net gain on disposal:</i>	
Net assets	994,695
Less: non-controlling interest	<u>(218,736)</u>
Net assets attributable to the owners	775,959
Consideration received on disposal	<u>760,330</u>
Loss on disposal (B)	<u>(15,629)</u>
Total net gain on disposals (A+B)	<u>91,044</u>

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

	<i>Q Scape AED '000</i>	<i>Magenta AED '000</i>	<i>PCI AED '000</i>	<i>AQFM AED '000</i>	<i>Twasol AED '000</i>	<i>Aafaq AED '000</i>	<i>Total AED '000</i>
Cash received from sale	-	2,000	114,300	-	1,300	760,330	877,930
Cash sold as part of the sale	<u>(211)</u>	<u>(6,223)</u>	<u>(4,453)</u>	<u>(202)</u>	<u>(861)</u>	<u>(179,341)</u>	<u>(191,291)</u>
Net cash (outflow) inflow	<u>(211)</u>	<u>(4,223)</u>	<u>109,847</u>	<u>(202)</u>	<u>439</u>	<u>580,989</u>	<u>686,639</u>

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

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.5 Reduction in shareholding of subsidiaries without a loss of control

##### 6.5(a) Reduction in shareholding of subsidiaries during the year

###### (A) Partial disposal of shareholding in subsidiaries due to reorganisation

During the year, the Group's shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	Cyber Gate Defense LLC <sup>(i)</sup>	Esysoft Holding Limited <sup>(i)</sup>	WFC Holding LLC <sup>(ii)</sup>	Green Energy Investment Holding RSC Ltd. <sup>(iii)</sup>	Green Enterprises Investment Holding RSC Ltd. <sup>(iii)</sup>	Green Vitality RSC Ltd. <sup>(iii)</sup>	Afkar Financial & Property Investments LLC	Total
Reduction in effective shareholding (%)	11%	10.2%	21%	16.31%	16.31%	16.31%	0.49%	9%
Carrying value of the shareholding disposed-off (AED '000)	8,279	1,340	41,767	(23,375)	91,571	(2,013)	(117)	26,683
Less: consideration (AED '000)	—	—	(82,824)	23,375	(91,571)	2,013	—	(149,007)
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>8,279</u>	<u>1,340</u>	<u>(41,057)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(117)</u>	<u>26,683</u>
								<u>(4,872)</u>

- (i) Shareholding in Cyber Gate Defense LLC and Esysoft Holding Limited decreased as a result of transferring the entire ownership to Sirius International Holding Limited, an 80% owned subsidiary.
- (ii) Shareholding in WFC Holding LLC decreased as a result of transferring the entire ownership to Reach Global Services Holding 1 SPV Limited, a 55% owned subsidiary.
- (iii) Shareholding in Green Energy Investment Holding RSC Limited, Green Enterprises Investment Holding RSC Limited and Green Vitality RSC Limited decreased as a result of the Company transferring its entire ownership to Sirius International Holding Limited ("Sirius") in return for 3.69% additional shareholding in Sirius (i.e. Sirius becoming a 83.69% owned subsidiary) (note 6.6(a)(D)).

###### (B) Partial disposal of shareholding in a subsidiary against cash consideration

During the year, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 2,694 thousand. Following is a summary of the reduction in shareholding:

	Q Holding PSC	Aldar Properties PJSC	Total
Reduction in shareholding (%)	0.001%	0.001%	
Carrying value of the shareholding disposed-off (AED '000)	99	445	544
Less: cash consideration received (AED '000)	(378)	(2,316)	(2,694)
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>(279)</u>	<u>(1,871)</u>	<u>(2,150)</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.5 Reduction in shareholding of subsidiaries without a loss of control continued

##### 6.5(a) *Reduction in shareholding of subsidiaries during the year* continued

###### (C) *Partial disposal of shareholding in a subsidiary against consideration*

During the year, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

	<i>Healthier U Wellness Services LLC</i>	<i>Aldar Estates Holding Ltd</i>	<i>Quantum Solutions Limited</i>	<i>Total</i>
Reduction in shareholding (%)	50.62%	34.90%	17.50%	
Carrying value of the shareholding disposed-off (AED '000)	2,027	556,889	10,370	569,286
Less: consideration received (AED '000)	<u>(4,874)</u>	<u>(836,231)</u>	<u>(63,583)</u>	<u>(904,688)</u>
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b><u>(2,847)</u></b>	<b><u>(279,342)</u></b>	<b><u>(53,213)</u></b>	<b><u>(335,402)</u></b>

###### (D) *Partial disposal of shareholding in a subsidiary for no consideration*

During the year, the Group transferred a portion of its shareholding in Saudi Emircom Company without loss of control to a related party under common control for no consideration. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interest:

	<i>Saudi Emircom Company</i>
Reduction in shareholding (%)	5%
Carrying value of the shareholding disposed-off (AED '000)	1,691
Less: consideration received (AED '000)	<u>-</u>
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b><u>1,691</u></b>

The decrease in shareholding of the above subsidiaries resulted in an increase in non-controlling interest by AED 632,832 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in WFC Holding LLC (note 6.5(a)(A)).

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.5 Reduction in shareholding of subsidiaries without a loss of control continued

##### 6.5(b) Reduction in shareholding of subsidiaries during the prior year

###### (A) Partial disposal of shareholding in subsidiaries due to reorganisation

During 2022, the Group's shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	Tamouh Healthcare LLC (i)	Multiply Group PJSC (ii)	Q Holding PSC (iii)	Tamdeen Companies Management (iv)	Ghitha Holding PJSC (v)	Mirak (vi)	Total
Reduction in effective shareholding (%)	54.80%	0.03%	0.16%	14.73%	2.48%	59%	
Carrying value of the shareholding disposed-off (AED '000)	132,955	2,976	10,698	191,504	46,920	(2,971)	382,082
Less: consideration (AED '000)	—	—	—	(191,504)	—	(8,850)	(200,354)
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>132,955</u>	<u>2,976</u>	<u>10,698</u>	<u>—</u>	<u>46,920</u>	<u>(11,821)</u>	<u>181,728</u>

- (i) Shareholding in Tamouh Healthcare LLC decreased as a result of transferring the entire ownership to Pure Health Holding LLC.
- (ii) Apex Investment PSC, a subsidiary of Tamdeen Companies Management LLC (“Tamdeen”), holds shares in Multiply Group PJSC, where the Group's shareholding got diluted upon transferring Tamdeen to Ghitha Holding PJSC (“Ghitha”).
- (iii) Apex Holding LLC, a subsidiary of the Group, holds shares in Q Holding PSC, where the Group's shareholding got diluted upon transferring its entire shareholding as a form of consideration upon acquiring RAKCIC.
- (iv) Shareholding in Tamdeen decreased as a result of transferring the entire ownership in Tamdeen to Ghitha (note 6.6(a)(B)).
- (v) The shareholding in Ghitha reduced, as a result of dilution in the shares held by the Group's subsidiaries, due to Ghitha's issuance of new shares.
- (vi) Effective 1 December 2022, a subsidiary of the Group, Ghitha, transferred 100% of its shareholding in Mirak Royal Nature Fruit and Vegetable LLC (“Mirak”) to a 41% owned subsidiary, NRTC Food Holding LLC for a total consideration of AED 15,000 thousand which resulted in a reduction of the Ghitha's shareholding by 59%.

###### (B) Partial disposal of shareholding in subsidiaries against consideration

During 2022, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

	Apex Holding LLC	Q Holding PSC	Pure Health Holding	Total
Reduction in shareholding (%)	8.46%	10.72%	20.34%	
Carrying value of the shareholding disposed-off (AED '000)	105,688	728,792	1,945,615	2,780,095
Less: consideration (AED '000)	(105,688)	(2,501,925)	(2,876,266)	(5,483,879)
Difference recognised directly in merger, acquisition and other reserves (AED '000)	—	(1,773,133)	(930,651)	(2,703,784)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**6 BUSINESS COMBINATIONS** continued

**6.5 Reduction in shareholding of subsidiaries without a loss of control** continued

**6.5(b) Reduction in shareholding of subsidiaries during the prior year** continued

(C) *Partial disposal of shareholding in subsidiaries against cash consideration*

During 2022, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 3,567,130 thousand. Following is the summary of the decrease in shareholding:

	<i>Abu Dhabi Vegetable Oil Company LLC</i>	<i>Multiply Group PJSC</i>	<i>Q Holding PSC</i>	<i>Aldar Investment Holding Restricted Limited(i)</i>	<i>Aldar Hansel SPV Restricted Limited(ii)</i>	<i>Aldar</i>	<i>Alpha Dhabi</i>	<i>Apex</i>	<i>Total</i>
Reduction in shareholding (%)	4.26%	0.47%	0.02%	11.12%	49%	0.01%	0.01%	0.03%	
Carrying value of the shareholding disposed-off (AED '000)	5,851	68,090	2,857	1,474,211	1,804,655	5,558	3,106	570	3,364,898
Transaction costs paid	-	-	-	10,539	36,492	-	-	-	47,031
Less: cash consideration received (AED '000)	(6,333)	(165,912)	(42,891)	(1,469,000)	(1,836,250)	(5,144)	(32,772)	(8,828)	(3,567,130)
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>(482)</u>	<u>(97,822)</u>	<u>(40,034)</u>	<u>15,750</u>	<u>4,897</u>	<u>414</u>	<u>(29,666)</u>	<u>(8,258)</u>	<u>(155,201)</u>

- (i) During 2022, Aldar Investment Holding Restricted Limited (“AIHR”), a subsidiary of the Group, entered into a subscription agreement with an investor Apollo Gretel Investor, L.P. (“Apollo”). Apollo subscribed to common equity of USD 100 million and preferred equity of USD 300 million of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed interest rate. The above resulted in Group disposing 11.12% of its shareholding in AIHR for a total cash consideration of USD 400 million (AED 1,469 million). As a result, the proportionate carrying value of AIHR net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.
- (ii) During 2022, Aldar Properties PJSC, a subsidiary of the Group, established Aldar Hansel SPV Restricted Limited (“Hansel”), a 100% owned subsidiary incorporated in Abu Dhabi Global Market, comprising of 51% class A shares and 49% class B shares. Hansel is specialised in buying and selling of land.

The Group further disposed of its class B shares against a consideration of USD 500 million (AED 1,836 million) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management L.P. The Group has no contractual obligation attached to class B shares and therefore, the proportionate carrying value of Hansel’s net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 6,518,225 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in Mirak (note 6.5(b)(A)).

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.6 Increase in shareholding of subsidiaries (acquisition of NCI)

##### 6.6(a) Increase in shareholding (acquisition of NCI) during the year

###### (A) Increase of shareholding in subsidiaries against cash consideration

During the year, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 250,918 thousand. Following is the summary of the increase in shareholding:

	<i>Esyasoft Holding Ltd</i>	<i>WFC Holding LLC</i>	<i>Q Holding PSC</i>	<i>Arena Aztec Shaffer</i>	<i>Al Riyadh Medical Centre LLC</i>	<i>Total</i>
Increase in shareholding (%)	23%	30%	0.003%	50%	25%	
Carrying value of the shareholding acquired (AED '000)	20,077	86,061	2,305	6,840	673	115,956
Less: cash consideration paid (AED '000)	(84,468)	(118,320)	(7,440)	(39,690)	(1,000)	(250,918)
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b>(64,391)</b>	<b>(32,259)</b>	<b>(5,135)</b>	<b>(32,850)</b>	<b>(327)</b>	<b>(134,962)</b>

###### (B) Increase of shareholding in subsidiaries against consideration

During the year, the Group increased its shareholding in Aldar Estates Holding Limited by 17.45% as a result of transferring its 50% shareholding in Eltizam Asset Management LLC. Following is the summary of the increase in shareholding:

	<i>Aldar Estates Holding Ltd</i>
Increase in shareholding (%)	17.45%
Carrying value of the shareholding acquired (AED '000)	160,869
Less: consideration (AED '000)	(506,500)
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b>(345,631)</b>

###### (C) Increase of shareholding in subsidiaries without consideration

During the year, a related party under common control transferred to the Group a 20% shareholding in Acutus Investment – Sole Proprietorship LLC (*formerly named “Matrix International Solutions LLC”*). Following is the summary of increase in shareholding:

	<i>Acutus Investment - Sole Proprietorship LLC</i>
Increase in shareholding (%)	20%
Carrying value of the shareholding acquired (AED '000)	2,216
Less: consideration (AED '000)	<u>-</u>
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b><u>2,216</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

##### 6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

###### (D) Increase of shareholding in subsidiaries due to reorganisation

During the year, the Group's shareholding in Sirius International Holding Limited ("Sirius") increased as a result of the Company transferring its ownership interest in Green Energy Investment Holding RSC Limited, Green Enterprises Investment Holding RSC Limited and Green Vitality RSC Limited to Sirius (note 6.5 (a)(A)). Following is a summary of the increase in shareholding:

	Sirius International Holding Limited
Increase in shareholding (%)	3.69%
Carrying value of the shareholding acquired (AED '000)	77,311
Less: consideration (AED '000)	<u>(66,183)</u>
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b><u>11,128</u></b>

The increase in shareholding of the above subsidiaries resulted in a decrease in non-controlling interest by AED 356,352 thousand.

##### 6.6(b) Increase in shareholding (acquisition of NCI) during the prior year

###### (A) Increase of shareholding in subsidiaries due to business combination

During 2022, the Group's shareholding in certain subsidiaries increased as a result of business combinations. Following is a summary of the increase in shareholding:

	Reem Ready Mix	Q Holding	Alpha Dhabi	Aldar	Total
Increase in shareholding (%)	10.31%	0.57%	0.002%	0.29%	
Carrying value of the shareholding acquired (AED '000)	7,340	38,301	438	76,470	122,549
Less: fair value of shareholding acquired (AED '000)	<u>(35,534)</u>	<u>(318,610)</u>	<u>(9,652)</u>	<u>(275,305)</u>	<u>(639,101)</u>
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b><u>(28,194)</u></b>	<b><u>(280,309)</u></b>	<b><u>(9,214)</u></b>	<b><u>(198,835)</u></b>	<b><u>(516,552)</u></b>

###### (B) Increase of shareholding in subsidiaries due to reorganisation

During 2022, the Group's shareholding in the following subsidiaries increased as a result of reorganisation. Following is a summary of the increase in shareholding:

	Pure Health Medical Supplies LLC	Ghitha Holding PJSC	PAL 4 Solar Energy LLC	Mirak	Total
Increase in shareholding (%)	4.39%	13.34%	2.79%	20%	
Carrying value of the shareholding acquired (AED '000)	100,227	252,759	(17)	(3,901)	349,068
Less: consideration (AED '000)	<u>—</u>	<u>(191,504)</u>	<u>—</u>	<u>(10,000)</u>	<u>(201,504)</u>
<b>Difference recognised directly in merger, acquisition and other reserves (AED '000)</b>	<b><u>100,227</u></b>	<b><u>61,255</u></b>	<b><u>(17)</u></b>	<b><u>(13,901)</u></b>	<b><u>147,564</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

##### 6.6(b) Increase in shareholding (acquisition of NCI) during the prior year continued

###### (C) Increase of shareholding in subsidiaries without consideration

During 2022, the Group received a 29% shareholding in Somerian Health LLC from a third party for no consideration. Following is the summary of increase in shareholding:

	Somerian Health LLC
Increase in shareholding (%)	29%
Carrying value of the shareholding acquired (AED '000)	<u>101,949</u>
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>101,949</u>

###### (D) Increase of shareholding in subsidiaries against cash consideration

During 2022, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 821,397 thousand. Following is the summary of the increase in shareholding:

	Multiply Group PJSC	Q Holding PSC	Mawarid Holding LLC	Total
Increase in shareholding (%)	0.05%	0.001%	20%	
Carrying value of the shareholding acquired (AED '000)	7,625	93	512,236	519,954
Less: consideration paid	(20,985)	(412)	(800,000)	(821,397)
Difference recognised directly in merger, acquisition and other reserves (AED '000)	(13,360)	(319)	(287,764)	(301,443)

###### (E) Increase of shareholding in subsidiaries against consideration

Effective 1 October 2022, Pure Health Holding LLC entered into an agreement with a third party to acquire multiple businesses (note 6.2(b)), which also included the acquisition of a 27% ownership interest in Pure Medical Supplies LLC (“PHMS”), for a consideration of AED 3,591,000 thousand. The transaction resulted in an increase in the Group’s effective shareholding in PHMS by 6.71%. Following is the summary of increase in shareholding:

	PHMS
Increase in shareholding (%)	27%
Carrying value of the shareholding acquired (AED '000)	2,143,100
Less consideration (AED '000)	<u>(1,934,795)</u>
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>208,305</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 6 BUSINESS COMBINATIONS continued

#### 6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

##### 6.6(b) Increase in shareholding (acquisition of NCI) during the prior year continued

###### (E) Increase of shareholding in subsidiaries against consideration continued

At the General Assembly Meeting held on 9 November 2022, the shareholders approved the acquisition of non-controlling interests in Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC (“Entities”) for a consideration of AED 151,560,938 thousand settled in the form of newly issued shares (note 20). The transaction was executed and completed on 25 November 2022. The Entities also have shareholding in other subsidiaries of the Group, where the effective shareholding increased as a result of the transaction. Following is the summary of increase in shareholding:

	<i>Alpha Dhabi Holding PJSC</i>	<i>Multiply Group PJSC</i>	<i>Al Seer Marine</i>	<i>Q Holding PSC</i>	<i>Aldar Properties PJSC</i>	<i>Ghitha Holding PJSC</i>	<i>Palms Sports PJSC</i>	<i>Easy Lease</i>	<i>Total</i>
Increase in shareholding (%)	43.28%	27.10%	36.05%	8.84%	0.42%	1.27%	3.21%	1.94%	
Carrying value of the shareholding acquired (AED '000)	13,135,130	7,862,006	1,624,385	1,144,552	115,646	24,860	12,807	2,186	23,921,572
Less consideration (AED '000)									(151,560,938)
Difference recognised directly in merger, acquisition and other reserves (AED '000)									(127,639,366)

The increase in shareholding of certain subsidiaries, resulted in a decrease of non-controlling interest by AED 27,158,192 thousand for the year ended 31 December 2022.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 7 PROPERTY, PLANT AND EQUIPMENT

	<i>Land</i> AED '000	<i>Building and leasehold improvements</i> AED '000	<i>Plant and machinery</i> AED '000	<i>Furniture, fixtures and equipment</i> AED '000	<i>Barges support vessels, dredgers and vehicles</i> AED '000	<i>Bearer plants</i> AED '000	<i>Aircraft</i> AED '000	<i>Capital work in progress</i> AED '000	<i>Total</i> AED '000
<i>Cost:</i>									
At 1 January 2022	385,044	2,995,873	3,836,825	1,020,317	7,196,645	26,862	-	1,582,742	17,044,308
Acquired in business combination (note 6.1 & 6.2)	-	10,553,990	4,510,878	2,713,868	176,941	-	-	249,788	18,205,465
Additions during the year	-	1,885,747	282,657	194,156	1,334,901	34,859	-	1,628,446	5,360,766
Disposals during the year	-	(22,507)	(301,919)	(127,425)	(641,325)	-	-	(1,919)	(1,095,095)
Transfer to investments in associates (note 10)	-	(2,303)	-	(237)	(83,546)	-	-	-	(86,086)
Transfer to investments properties (note 9)	-	(464,319)	-	-	-	-	-	(10,262)	(474,581)
Transfer to inventories	-	-	(6,009)	-	-	-	-	-	(6,009)
Transfer from intangible assets (note 8)	-	-	-	2,959	-	-	-	-	2,959
Transfer to intangible assets (note 8)	-	-	-	-	-	-	-	(463)	(463)
Derecognition of subsidiaries (note 6.4(b))	-	(246)	-	(7,344)	(2,012)	-	-	-	(9,602)
Transfer from capital work in progress	-	132,394	706,790	71,510	68,198	-	-	(978,892)	-
Reclassifications	-	(2,750)	130,559	(150,727)	20,258	-	-	(15)	(2,675)
Transferred to assets held for sale (note 19.1)	-	-	-	-	-	-	-	(137,215)	(137,215)
Write-off during the year	-	(5,904)	(22,755)	(98)	-	-	-	(3,106)	(31,863)
Exchange differences	<u>(43,165)</u>	<u>(53,385)</u>	<u>(13,016)</u>	<u>(8,368)</u>	<u>(9,171)</u>	<u>(18,025)</u>	<u>-</u>	<u>(30,782)</u>	<u>(175,912)</u>
At 31 December 2022	<u>341,879</u>	<u>15,016,590</u>	<u>9,124,010</u>	<u>3,708,611</u>	<u>8,060,889</u>	<u>43,696</u>	<u>-</u>	<u>2,298,322</u>	<u>38,593,997</u>
At 1 January 2023	341,879	15,016,590	9,124,010	3,708,611	8,060,889	43,696	-	2,298,322	38,593,997
Acquired in business combination (note 6.1 & 6.2)	11,975	926,514	588,814	84,321	108,699	-	-	126,763	1,847,086
Additions during the year	53,816	390,229	395,012	202,641	602,863	30,096	1,470	2,190,783	3,866,910
Disposals during the year	-	(83,410)	(43,359)	(23,112)	(62,622)	-	-	(1,753)	(214,256)
Transfer from investments properties (note 9)	-	36,055	-	-	-	-	-	-	36,055
Transfer from development work in progress (note 16)	22,597	-	-	-	-	-	-	-	22,597
Transfer to intangible assets (note 8)	-	-	-	-	-	-	-	(1,090)	(1,090)
Derecognition of subsidiaries (note 6.4 (a))	-	(981,101)	(2,852,706)	(1,679,798)	(60,585)	-	-	(118,323)	(5,692,513)
Transfer from capital work in progress	-	234,780	77,528	377,618	267,613	-	62,437	(1,019,976)	-
Reclassifications	-	-	1,594	(152,776)	151,182	-	-	-	-
Write-off during the year	-	(206)	-	-	(714)	-	-	-	(920)
Exchange differences	<u>(14,979)</u>	<u>(19,408)</u>	<u>(5,215)</u>	<u>(2,237)</u>	<u>(2,354)</u>	<u>(8,834)</u>	<u>-</u>	<u>10,095</u>	<u>(42,932)</u>
At 31 December 2023	<u>415,288</u>	<u>15,520,043</u>	<u>7,285,678</u>	<u>2,515,268</u>	<u>9,064,971</u>	<u>64,958</u>	<u>63,907</u>	<u>3,484,821</u>	<u>38,414,934</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

**7 PROPERTY, PLANT AND EQUIPMENT continued**

	<i>Land</i> AED '000	<i>Building and leasehold improvements</i> AED '000	<i>Plant and machinery</i> AED '000	<i>Furniture, fixtures and equipment</i> AED '000	<i>Barges support vessels, dredgers and vehicles</i> AED '000	<i>Bearer plants</i> AED '000	<i>Aircraft</i> AED '000	<i>Capital work in progress</i> AED '000	<i>Total</i> AED '000
<i>Accumulated depreciation and impairment:</i>									
At 1 January 2022	-	1,296,620	1,451,385	831,361	4,131,191	-	-	-	7,710,557
Acquired in business combination (note 6.1 & 6.2)	-	6,009,091	3,045,604	2,095,989	122,335	-	-	11,060	11,284,079
Charge for the year	-	376,935	472,705	212,351	403,508	-	-	-	1,465,499
Impairment loss for the year	-	12,143	23,215	2,022	-	-	-	357,085	394,465
Reversal of impairment	-	(312,362)	-	-	-	-	-	-	(312,362)
Derecognition of subsidiaries (note 6.4(b))	-	(39)	-	(4,539)	(1,714)	-	-	-	(6,292)
Reclassification	-	195	92,977	(143,544)	50,659	-	-	-	287
Transferred to investments in associates (note 10)	-	(1,245)	-	(186)	(61,018)	-	-	-	(62,449)
Transferred to investments properties (note 9)	-	(358,364)	-	-	-	-	-	-	(358,364)
Transferred from intangible assets (note 8)	-	-	-	2,711	-	-	-	-	2,711
Relating to disposals	-	(14,107)	(295,810)	(124,208)	(553,221)	-	-	-	(987,346)
Write-off during the year	-	(393)	(7,793)	-	-	-	-	-	(8,186)
Exchange differences	-	(15,956)	(7,220)	(5,338)	(2,212)	-	-	-	(30,726)
At 31 December 2022	-	<b>6,992,518</b>	<b>4,775,063</b>	<b>2,866,619</b>	<b>4,089,528</b>	-	-	<b>368,145</b>	<b>19,091,873</b>
At 1 January 2023	-	6,992,518	4,775,063	2,866,619	4,089,528	-	-	368,145	19,091,873
Acquired in business combination (note 6.1 & 6.2)	-	370,706	347,058	53,281	70,984	-	-	-	842,029
Charge for the year	-	492,289	495,191	257,230	405,272	-	6,391	-	1,656,373
Impairment loss for the year	-	5,413	1,593	-	-	-	-	-	7,006
Reversal of impairment	-	(2,726)	-	-	-	-	-	-	(2,726)
Transferred from investments properties (note 9)	-	1,681	-	-	-	-	-	-	1,681
Derecognition of subsidiaries (note 6.4 (a))	-	(477,198)	(2,124,767)	(1,259,088)	(51,365)	-	-	-	(3,912,418)
Relating to disposals	-	(36,581)	(38,768)	(20,029)	(55,655)	-	-	-	(151,033)
Reclassifications	-	5	(1,387)	145,626	(144,244)	-	-	-	-
Write-off during the year	-	(51)	-	-	(714)	-	-	-	(765)
Exchange differences	-	(1,616)	(503)	(289)	(461)	-	-	-	(2,869)
At 31 December 2023	-	<b>7,344,440</b>	<b>3,453,480</b>	<b>2,043,350</b>	<b>4,313,345</b>	-	<b>6,391</b>	<b>368,145</b>	<b>17,529,151</b>
<i>Carrying amount:</i>									
At 31 December 2023	<b>415,288</b>	<b>8,175,603</b>	<b>3,832,198</b>	<b>471,918</b>	<b>4,751,626</b>	<b>64,958</b>	<b>57,516</b>	<b>3,116,676</b>	<b>20,885,783</b>
At 31 December 2022	<b>341,879</b>	<b>8,024,072</b>	<b>4,348,947</b>	<b>841,992</b>	<b>3,971,361</b>	<b>43,696</b>	-	<b>1,930,177</b>	<b>19,502,124</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 7 PROPERTY, PLANT AND EQUIPMENT continued

As at 31 December 2023, capital work in progress mainly comprises of construction of labour camps, buildings, vessels and district cooling plants, the expansion of plant capacity and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers that are yet to be finalised and ready for use (2022: construction of labour camps, buildings, vessels and district cooling plants, the expansion of plant capacity, development and enhancement of hospitality and leisure facilities and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers, medical machinery and equipment).

During the year ended 31 December 2023, the Group capitalised finance costs related to its borrowings of AED 6,345 thousand (2022: AED 8,485 thousand). The capitalisation rate used to determine these finance costs was EIBOR +1.85% (2022: EIBOR +3%).

Included in additions for the year ended 31 December 2023:

- During the year, Aldar Investment Properties LLC, a subsidiary, signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 33,592 thousand to the property, plant and equipment, being the portion of the asset occupied by the Group. The remaining portion amounting to AED 48,008 thousand, which is leased to a third party, has been classified as investment properties (note 9).
- During the year, NRTC International Investment SP LLC, a subsidiary, acquire the distribution rights and assets from a company in the Kingdom of Saudi Arabia for a total consideration of AED 253,472 thousand. Management concluded that the assets acquired do not represent a business as per the requirement of IFRS 3 Business Combinations.

Included in additions for the year ended 31 December 2022:

- During 2022, Aldar Hotels & Hospitality – Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the entire economic interest in Bab Resorts LLC, owner of Rixos Bab Al Bahr Ras Al Khaimah hotel and Double Tree by Hilton Hotel (Ras Al-Khaimah, UAE), resulting in additions to property, plant and equipment of AED 767,528 thousand and AED 697,978 thousand respectively.
- During 2022, Aldar Hotels & Hospitality – Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the hotel building of Nurai Island Hotel, resulting in additions to property, plant and equipment of AED 232,966 thousand.

In accordance with the requirements of IFRS 3 Business Combinations, the above were accounted as acquisitions of assets, as substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset (note 6.3(b)).

During the year, the Group transferred AED 34,374 thousand from investment properties to property, plant and equipment representing the portion of the asset being occupied by the Group (2022: AED 116,217 thousand transferred from property, plant and equipment to investment properties due to change in use).

Property, plant and equipment with a carrying amount of AED 4,902,172 thousand (2022: AED 7,362,013 thousand) are pledged as security against borrowings (note 24).

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 7 PROPERTY, PLANT AND EQUIPMENT continued

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

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	<b>1,009,908</b>	992,143
General and administrative expenses (note 32)	<b>608,763</b>	460,775
Selling and distribution expenses (note 33)	<b>18,928</b>	11,311
Biological assets (note 15)	<b>16,314</b>	1,270
Capitalised to bearer plants	<b>2,460</b>	-
	<b><u>1,656,373</u></b>	<b><u>1,465,499</u></b>

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Impairment of capital work in progress <sup>(i)</sup>	-	357,085
Impairment of healthcare related assets	-	23,215
Impairment of other assets	<b><u>7,006</u></b>	<b><u>14,165</u></b>
Total impairment	<b><u>7,006</u></b>	<b><u>394,465</u></b>
Reversal of impairment loss <sup>(ii)</sup>	<b><u>(2,726)</u></b>	<b><u>(312,362)</u></b>
Net impairment during the year	<b><u>4,280</u></b>	<b><u>82,103</u></b>

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	-	82,103
General and administrative expenses (note 32)	<b><u>7,006</u></b>	-
Selling and distribution expenses (note 33)	<b><u>(2,726)</u></b>	-
	<b><u>4,280</u></b>	<b><u>82,103</u></b>

- (i) During the year, the Group conducted impairment assessments on ongoing projects classified under capital work in progress and concluded that no additional impairment is required (2022: certain ongoing projects classified under capital work in progress were impaired, which resulted in an impairment of AED 357,085 thousand). Following is a summary of 2022 impairments:

	Traditional Souk building <sup>(a)</sup> AED'000	Kasr Al Bahr hotel <sup>(b)</sup> AED'000	Others AED'000	Total AED'000
Balance at 1 January 2022	169,702	442,412	-	612,114
Additions	3,766	171,392	5,760	180,918
Impairment	<b><u>(36,253)</u></b>	<b><u>(315,072)</u></b>	<b><u>(5,760)</u></b>	<b><u>(357,085)</u></b>
Transferred to assets held for sale (note 19.1)	<b><u>137,215</u></b>	<b><u>298,732</u></b>	<b><u>-</u></b>	<b><u>435,947</u></b>
Balance at 31 December 2022	<b><u>—</u></b>	<b><u>298,732</u></b>	<b><u>—</u></b>	<b><u>298,732</u></b>

## International Holding Company PJSC

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

#### 7 PROPERTY, PLANT AND EQUIPMENT continued

- (a) During 2022, Q Holding PSC, a subsidiary, entered into an agreement with a buyer for the sale of the Traditional Souk building. Accordingly, an amount of AED 137,215 thousand was transferred to assets held for sale in accordance with the requirements of IFRS 5 “Non-current assets held for sale and discontinued operations.” Prior to the transfer, the Group performed an impairment assessment on the building and recorded an impairment of AED 36,253 thousand.
- (b) During 2022, the Group performed an impairment assessment on Kasr Al Bahr hotel in Morocco, which is currently being constructed and recorded under capital work in progress. Accordingly, the Group recorded an impairment amounting to AED 315,072 thousand in the consolidated statement of profit or loss. The impairment was determined by reference to a discounted cash flow method performed by an independent valuer, using a growth rate of 2% and a discount rate of 8.5%.
- (ii) During the year, the Group carried out a review of recoverable amount of its hotel properties. As a result of the review, the recoverable value was higher than the carrying value and accordingly no impairment was recorded (2022: a reversal of impairment loss amounting of AED 312,362 thousand). The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method, using exit yield of 7.5 % to 9.5% (2022: 7.5% to 9.5%) and a discount rate of 7.5% to 9.5% (2022: 9.5% to 11.5%). The reversal of impairment during the year amounting to AED 2,726 thousand (2022: nil), relates to a building.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 8 INTANGIBLE ASSETS AND GOODWILL

	<i>Goodwill</i> AED '000	<i>Brand names</i> AED '000	<i>Concession rights</i> AED '000	<i>Customer relationships</i> AED '000	<i>Customer contracts</i> AED '000	<i>Trademarks</i> AED '000	<i>Trade license</i> AED '000	<i>Lease benefits</i> AED '000	<i>Software and others</i> AED '000	<i>Total</i> AED '000
At 1 January 2023	<u>5,215,776</u>	<u>3,346,455</u>	<u>71,712</u>	<u>1,206,334</u>	<u>487,816</u>	<u>15,613</u>	<u>21,709</u>	<u>971,193</u>	<u>279,867</u>	<u>11,616,475</u>
Relating to business combinations (note 6.1(a) & 6.2(a))	<u>1,909,789</u>	<u>118,387</u>	<u>-</u>	<u>630,923</u>	<u>275,187</u>	<u>-</u>	<u>22,504</u>	<u>-</u>	<u>99,839</u>	<u>3,056,629</u>
Additions during the year	<u>-</u>	<u>15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,021</u>	<u>-</u>	<u>139,391</u>	<u>146,427</u>
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b))	<u>20,008</u>	<u>-</u>	<u>-</u>	<u>(48,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(800)</u>	<u>-</u>	<u>(28,792)</u>
Derecognition of a subsidiary (note 6.4(a))	<u>(1,342,106)</u>	<u>(1,356,041)</u>	<u>-</u>	<u>(545,603)</u>	<u>(244,022)</u>	<u>(582)</u>	<u>(11,000)</u>	<u>(877,308)</u>	<u>(99,884)</u>	<u>(4,476,546)</u>
Transferred from property, plant and equipment (note 7)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090</u>	<u>1,090</u>
Write-off	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,932)</u>	<u>(11,932)</u>
Amortisation during the year	<u>-</u>	<u>(42,241)</u>	<u>(2,162)</u>	<u>(160,226)</u>	<u>(42,405)</u>	<u>(181)</u>	<u>(24,202)</u>	<u>(6,312)</u>	<u>(71,268)</u>	<u>(348,997)</u>
Others	<u>(2,863)</u>	<u>(4)</u>	<u>-</u>	<u>71</u>	<u>(71)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(3,117)</u>
Exchange differences	<u>(2,446)</u>	<u>(139)</u>	<u>-</u>	<u>1,251</u>	<u>(2,688)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(277)</u>	<u>(4,299)</u>
At 31 December 2023	<u><b>5,798,158</b></u>	<u><b>2,066,432</b></u>	<u><b>69,550</b></u>	<u><b>1,084,750</b></u>	<u><b>473,817</b></u>	<u><b>14,850</b></u>	<u><b>16,032</b></u>	<u><b>86,773</b></u>	<u><b>336,576</b></u>	<u><b>9,946,938</b></u>
At 1 January 2022	885,381	163,286	73,874	105,204	1,147,883	15,144	12,408	-	39,532	2,442,712
Relating to business combinations (note 6.1(b) & 6.2(b))	3,297,616	3,210,925	-	1,157,717	592,535	754	11,000	972,784	206,262	9,449,593
Additions during the year	-	-	-	-	-	-	-	-	92,169	92,169
Settlement of pre-existing rights <sup>(i)</sup>	1,040,438	-	-	-	(1,040,438)	-	-	-	-	-
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b))	18,314	-	-	-	(44,602)	-	-	-	-	(26,288)
Transferred to property, plant and equipment (note 7)	-	-	-	-	-	-	-	-	(248)	(248)
Transferred from property, plant and equipment (note 7)	-	-	-	-	-	-	-	-	463	463
Write-off	-	-	-	-	-	-	-	-	(6,441)	(6,441)
Amortisation during the year	-	(27,710)	(2,162)	(55,420)	(160,765)	(285)	(1,699)	(1,591)	(52,668)	(302,300)
Others	(493)	(185)	-	96	-	-	-	-	-	(582)
Exchange differences	(25,480)	139	-	(1,263)	(6,797)	-	-	-	798	(32,603)
At 31 December 2022	<u><b>5,215,776</b></u>	<u><b>3,346,455</b></u>	<u><b>71,712</b></u>	<u><b>1,206,334</b></u>	<u><b>487,816</b></u>	<u><b>15,613</b></u>	<u><b>21,709</b></u>	<u><b>971,193</b></u>	<u><b>279,867</b></u>	<u><b>11,616,475</b></u>

(i) During 2022, the acquisition of SEHA resulted in settlements of pre-existing rights relating to customer contracts recognised during 2021 from the acquisitions of Rafed and Union71. On the acquisition date of SEHA, management carried out an assessment of the contracts and determined that the contracts have no favorable or unfavorable components and that the pricing of the contracts are comparable to current market transactions. Accordingly, no gain or loss was recognised in the consolidated statement of profit or loss. The amount recognised as customer contracts as of the acquisition date of SEHA of AED 1,040,438 thousand was adjusted against goodwill in 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 8 INTANGIBLE ASSETS AND GOODWILL continued

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

	2023 AED '000	2022 AED '000
Cost of revenue (note 31)	<b>110,183</b>	109,569
General and administrative expenses (note 32)	<b><u>238,814</u></b>	<u>192,731</u>
	<b><u>348,997</u></b>	<u>302,300</u>

#### *Goodwill*

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required against goodwill at reporting date (2022: AED nil).

#### *Brand names*

Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

#### *Concession rights*

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The duration of the contract is 37 years from the date of construction of the district cooling plant.

#### *Customer contracts and customer relationship*

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

#### *Trademarks*

Trademarks represent future economic benefits in the form of future business linked with the trademarks which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

#### *Trade license*

Trade license mainly includes the following:

- License of an acquired subsidiary, Royal Horizon Holding LLC, that allows the use of the name "Fazaa" for its retail stores. The license has a useful life of 8 years; and
- License of an acquired subsidiary, National Health Insurance Company PJSC ("Daman"), that allows them to carry out insurance related activities and is carried at an indefinite useful life. The license was derecognised during the year as part of the derecognition of Pure Health Holding PJSC.

#### *Lease benefits*

Lease benefits represents the future economic benefits in the form of favorable lease arrangements the Group acquired in business combinations. These represent leases of retail shops and cold storage facilities having a useful life of 15 years.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**8 INTANGIBLE ASSETS AND GOODWILL** continued

During the year ended 31 December 2023, management performed its annual impairment review of goodwill and certain intangible assets with indefinite useful life, using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2% - 4.2% (2022: 1.1% - 3%); and
- Discount rate: 7.6% - 27.5% (2022: 9.7% - 16%).

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2023.

**9 INVESTMENT PROPERTIES**

	<i>Land</i> AED '000	<i>Leased properties</i> AED '000	<i>Properties under development</i> AED '000	<i>Total</i> AED '000
<b>2023</b>				
Cost:				
At 1 January 2023	1,751,011	29,240,276	981,906	31,973,193
Additions during the year	977,659	535,566	509,272	2,022,497
Transfer from properties under development	-	223,264	(223,264)	-
Transfer from development work in progress (note 16)	-	34,068	282,463	316,531
Transfer to property, plant and equipment (note 7)	-	(36,055)	-	(36,055)
Disposed during the year	(206,151)	(147,043)	-	(353,194)
Derecognition of a subsidiary (note 6.4(a))	-	(6,240)	-	(6,240)
Foreign currency exchange	-	(38,314)	(32,187)	(70,501)
At 31 December 2023	<b>2,522,519</b>	<b>29,805,522</b>	<b>1,518,190</b>	<b>33,846,231</b>
Accumulated depreciation and impairment:				
At 1 January 2023	212,998	1,830,794	327,275	2,371,067
Charge for the year	-	894,281	-	894,281
Transfer to property, plant and equipment (note 7)	-	(1,681)	-	(1,681)
Relating to disposals	-	(4,826)	-	(4,826)
Impairment (reversal of impairment) loss for the year (note 31)	1,768	(87,106)	-	(85,338)
Derecognition of a subsidiary (note 6.4(a))	-	(3,095)	-	(3,095)
At 31 December 2023	<b>214,766</b>	<b>2,628,367</b>	<b>327,275</b>	<b>3,170,408</b>
Net carrying amount:				
At 31 December 2023	<b>2,307,753</b>	<b>27,177,155</b>	<b>1,190,915</b>	<b>30,675,823</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**9 INVESTMENT PROPERTIES continued**

	<i>Land</i> <i>AED '000</i>	<i>Leased properties</i> <i>AED '000</i>	<i>Properties under development</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
<b>2022</b>				
Cost:				
At 1 January 2022	2,157,188	5,305,003	1,354,941	8,817,132
Acquired in business combinations (note 6.2(b))	613,361	18,091,487	1,622,906	20,327,754
Additions during the year	464	4,939,630	260,759	5,200,853
Transfer from properties under development	-	754,631	(754,631)	-
Transfer to assets held for sale (note 19.1)	-	-	(994,858)	(994,858)
Transfer to inventories (note 13)	(67,702)	(57,120)	(17,122)	(141,944)
Transfer from development work in progress (note 16)	-	24,949	-	24,949
Transfer to development work in progress (note 16)	(952,300)	-	(441,399)	(1,393,699)
Transfer from property, plant and equipment (note 7)	-	474,581	-	474,581
Disposed during the year	-	(226,792)	-	(226,792)
Foreign currency exchange	<u>-</u>	<u>(66,093)</u>	<u>(48,690)</u>	<u>(114,783)</u>
At 31 December 2022	<u>1,751,011</u>	<u>29,240,276</u>	<u>981,906</u>	<u>31,973,193</u>
Accumulated depreciation and impairment:				
At 1 January 2022	37,045	642,126	211,059	890,230
Acquired in business combinations (note 6.2(b))	-	2,796	-	2,796
Transfer from property, plant and equipment (note 7)	-	358,364	-	358,364
Charge for the year	-	687,205	-	687,205
Relating to disposals	-	(72,300)	-	(72,300)
Relating to transfer to assets held for sale (note 19.1)	-	-	(260,768)	(260,768)
Impairment loss for the year (note 31)	<u>175,953</u>	<u>212,603</u>	<u>376,984</u>	<u>765,540</u>
At 31 December 2022	<u>212,998</u>	<u>1,830,794</u>	<u>327,275</u>	<u>2,371,067</u>
Net carrying amount:				
At 31 December 2022	<u>1,538,013</u>	<u>27,409,482</u>	<u>654,631</u>	<u>29,602,126</u>

Investment properties with a fair value of AED 5,424,212 thousand (2022: AED 6,959,301 thousand) are pledged against borrowings (note 24).

Included in additions for the year ended 31 December 2023:

- During the year, Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 100% ownership interest in C 2 R Real Estate Investment - Sole Proprietorship LLC, resulting in additions to investment properties of AED 79,650 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- During the year, Aldar Investment Properties LLC , a subsidiary, acquired a 60% ownership in AMI Properties Holding Limited (“AMI”), resulting in additions to investment properties of AED 163,854 thousand. AMI owns two plots of land on Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- During the year, Aldar Investment Properties LLC, a subsidiary, signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 48,008 thousand to investment properties, being the portion of the asset leased to a third party. The remaining portion amounting to AED 33,592 thousand, being the portion of the asset occupied by the Group, has been classified as property, plant and equipment (note 7).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 9 INVESTMENT PROPERTIES continued

Included in additions for the year ended 31 December 2022:

- During 2022, Aldar Investment Properties LLC, a subsidiary, acquired a 100% ownership interest in Confluence Partners (HQ) RSC Ltd. ("Confluence"), resulting in additions to investment properties of AED 4,373,000 thousand. Confluence owns the Abu Dhabi Global Market towers located in Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(b)).
- During the prior year, Aldar Investment Properties LLC, a subsidiary, acquired a 60% ownership interest in Al Maryah Property Holdings Limited, an entity that owns Al Maryah Tower. The transaction resulted in additions to investment properties of AED 481,500 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(b)).

#### Land

During the year, impairment loss amounting to AED 1,768 thousand on land was recorded by the Group (2022: AED 175,953 thousand).

A market-based valuation suggests that the fair value of the Group's plots of land approximates AED 2,411,105 thousand at 31 December 2023 (2022: AED 1,614,204 thousand).

#### Leased properties

Leased properties mainly include real estate properties and labour camps. The fair value of the leased properties as at 31 December 2023 amounted to AED 31,197,982 thousand (2022: AED 29,455,842 thousand). As a result of the valuation, reversal of impairment amounting to AED 87,106 thousand was recorded during the year (2022: impairment of AED 212,603 thousand).

(Reversal of impairment losses) impairment losses were derived from the following properties:

	2023 AED'000	2022 AED'000
Moon Flower <sup>(i)</sup>	(154,990)	154,990
Construction Workers Residential City <sup>(ii)</sup>	(42,366)	42,366
Remal Mall <sup>(iii)</sup>	66,923	-
Baniyas Towers <sup>(iv)</sup>	26,459	-
Daman House - Capital Center <sup>(v)</sup>	13,415	-
Saadiyat Accommodation Village <sup>(vi)</sup>	11,224	-
Other properties	<u>(7,771)</u>	<u>15,247</u>
Net (reversal) impairment during the year	<u>(87,106)</u>	<u>212,603</u>

- (i) The fair value of the Moon Flower project, performed by an independent external valuer, resulted in a reversal of impairment loss of AED 154,990 thousand (2022: impairment loss of AED 154,990 thousand). The valuation was determined by using the discounted cashflow approach at a discount rate of 8.54% (2022: 7.51%).
- (ii) The fair value of the Construction Workers Residential City project, performed by an independent external valuer, resulted in a reversal of impairment loss of AED 42,366 thousand (2022: impairment loss of AED 42,366 thousand). The valuation was determined by using the discounted cashflow approach at a discount rate of 9.14% (2022: 7.60%).
- (iii) The fair value of Remal Mall, performed by an independent external valuer, resulted in an impairment loss of AED 66,923 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 12.5%.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 9 INVESTMENT PROPERTIES continued

#### **Leased properties** continued

- (iv) The fair value of the Baniyas Towers, performed by an independent external valuer, resulted in an impairment loss of AED 26,459 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 10.5%.
- (v) The fair value of the Daman House – Capital Center, performed by an independent external valuer, resulted in an impairment loss of AED 13,415 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 9.25%.
- (vi) The fair value of the Saadiyat accommodation village, performed by an independent external valuer, resulted in an impairment loss of AED 11,224 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 25%.

#### **Properties under development**

Properties under development comprise of land and buildings under construction, where the Group has approved plan to develop commercial and residential properties.

During the year, the Group conducted impairment assessments on its ongoing projects classified as properties under development, which resulted in no impairment. During 2022, an impairment amounting to AED 376,984 thousand was recorded against the following projects:

	2022 AED '000
Traditional Souk <sup>(i)</sup>	260,768
Reem residential towers	<u>116,216</u>
	<u>376,984</u>

- (i) The construction of the Traditional Souq with a balance of AED 734,090 thousand was transferred to assets held for sale in line with the requirements of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations,” as the Group resolved to sell the related properties under development and not continue with its original intended use. Prior to the transfer, the Group performed an impairment assessment and based on the assessment recorded an impairment provision of AED 260,768 thousand.

The fair value of the Group’s investment properties as at 31 December 2023 and 2022 has been arrived by management by reference to valuation carried out on the respective dates by independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**9 INVESTMENT PROPERTIES** continued

The following table shows the fair value analysis of assets by level of the fair value hierarchy for the year ended 31 December:

	<i>Level 1 AED '000</i>	<i>Level 2 AED '000</i>	<i>Level 3 AED '000</i>	<i>Total AED '000</i>
<b><i>31 December 2023</i></b>				
Investment properties <i>(excluding properties under development)</i>		<u><b>171,100</b></u>	<u><b>33,437,987</b></u>	<u><b>33,609,087</b></u>
<b><i>31 December 2022</i></b>				
Investment properties <i>(excluding properties under development)</i>		<u><b>155,900</b></u>	<u><b>30,914,146</b></u>	<u><b>31,070,046</b></u>

There were no transfers between level 1, level 2 and level 3 fair values during current and previous year.

Following is the summary of valuation techniques and inputs used in the valuation of investment properties:

<i>Property</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>
Land	Sales comparison	<ul style="list-style-type: none"> <li>- Sales rate: AED 2 - 350 /sq.ft. (2022: AED 2 - 402 /sq. ft.); and</li> <li>- Acquisition fee: 2.25% (2022: 2.25%).</li> </ul>
Leased properties	Sales comparison	<ul style="list-style-type: none"> <li>- Estimated rental value per annum, for the different leased properties, is as follows: <ul style="list-style-type: none"> <li>▪ Residential properties: AED 78,000 - AED 350,000 per unit (2022: AED 900 - AED 335,000 per unit);</li> <li>▪ Commercial properties: AED 45/sq. ft - AED 1,200/sq. ft. (2022: AED 47/sq. ft. - AED 1,200/sq. ft.);</li> <li>▪ Retail: AED 110/sq. ft. - AED 1,250/sq. ft. (2022: 92/sq. ft. - AED 1,250/sq. ft.); and</li> <li>▪ Car park: AED 1,180 - AED 6,300 per unit (2022: AED 572 - AED 6,300 per unit).</li> </ul> </li> <li>- Operating expenses: 10% - 32% of market rent (2022: 3% - 35%); and</li> <li>- Terminal capitalisation rate: 7.5% - 8.75% (2022: 7.2% - 8.75%).</li> </ul>
Leased properties	Discounted cash flow (DCF)	<ul style="list-style-type: none"> <li>- Estimated rental value per annum, for the different leased properties, is as follows: <ul style="list-style-type: none"> <li>▪ Residential properties: AED 20,400 - AED 350,000 per unit (2022: AED 19,200 - AED 210,000 per unit);</li> <li>▪ Commercial properties: AED 45/sq. ft. - 386/sq. ft. (2022: AED 70/sq. ft. - 3,750/sq. ft.);</li> <li>▪ Retail: AED 9/sq. ft. - 743/sq. ft. (2022: 460/sq. ft. - 7,500/sq. ft.); and</li> <li>▪ Labour camp: AED 250 - AED 610 per person (2022: AED 250 - 610 per person) and AED 156 million (2022: AED 156 million) per year.</li> </ul> </li> <li>- Operating expenses: AED 29/sq. ft. - AED 36/sq. ft. (2022: AED 193 /sq. ft. - AED 366/sq. ft.);</li> <li>- Labour camp operating expense: <ul style="list-style-type: none"> <li>▪ Rent charge: AED 27,000,000 to AED 34,275,000 per year (2022: AED 2,682,764 to AED 4,309,737 per year)</li> <li>▪ Variable rent: AED 15 per person (2022: AED 15 per person)</li> </ul> </li> <li>- Discount rate: 7.25% - 12.5% (2022: 7.25% - 10.5%); and</li> <li>- Terminal capitalisation rate: 6.75% - 10% (2022: 6.51% - 10%).</li> </ul>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 9 INVESTMENT PROPERTIES continued

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

	2023 AED '000	2022 AED '000
Cost of revenue (note 31)	<b>891,304</b>	683,375
General and administrative expenses (note 32)	<u>2,977</u>	<u>3,830</u>
	<b><u>894,281</u></b>	<b><u>687,205</u></b>

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

	2023 AED '000	2022 AED '000
Rental income	<b>2,605,624</b>	1,910,507
Direct operating expenses	<u>(912,175)</u>	<u>(566,686)</u>
	<b><u>1,693,449</u></b>	<b><u>1,343,821</u></b>

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group's associates and joint ventures are as follows:

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest	
			2023	2022
<b>Associates:</b>				
Emirates Refreshments P.S.C	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers.	UAE	<b>21%</b>	21%
Canal Sugar S.A.E	Sugar farming and production.	Egypt	<b>33%</b>	33%
Principia SAS	Engineering and consultancy services.	France	<b>33%</b>	33%
Al Jazira Technical Solutions & Consulting LLC	Consulting in computer devices and equipment.	UAE	<b>35%</b>	35%
Response Plus Holding PJSC	Healthcare services and medical facilities.	UAE	<b>36.15%</b>	36.15%
Sawaeed Holding PJSC	Manpower and investment solutions.	UAE	<b>36.69%</b>	36.69%
BGI for Commercial Investment LLC <i>(formerly "Al Bustan Farms Limited")</i>	Agriculture enterprise investment.	Mozambique	<b>30%</b>	30%
Lynx Technology Group Ltd. (i)	Custom software application development services and IT consulting services.	British Virgin Islands	-	25%
Iskandar Holdings Limited	Real estate enterprise.	Cayman Islands	<b>19%</b>	19%
Al Sdeirah Real Estate Investment	Real estate enterprise.	UAE	<b>30%</b>	30%
Abu Dhabi Finance PJSC	Finance company.	UAE	<b>32%</b>	32%
Invictus Investment Company PLC	Trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items.	UAE	<b>22.96%</b>	22.96%
Royal Gardens for Investment Property Co.	Real estate development.	Egypt	<b>20%</b>	20%

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2023</i>	<i>2022</i>
<b><i>Associates:</i> continued</b>				
Deco Vision Company – WLL	Interior design implementation works (decor), retail sale of wallpaper, decor and partitions material and importing.	UAE	<b>45%</b>	45%
Burjeel Holdings PLC	Medical related services.	UAE	<b>14.48%</b>	14.55%
Bayanat AI PLC (ii)	Data collection, analysis, storing and recovering, survey planning and information and maps management systems.	UAE	-	15.03%
Lulo Bank S.A	Online banking services.	Columbia	<b>46.16%</b>	46.16%
Gordon Technologies LLC*	Sale of drilling equipment, downhole tools, technology and related services.	United States of America	<b>25%</b>	25%
Safeen Survey and Subsea Services LLC (vii)	Survey and diving business.	UAE	<b>49%</b>	49%
EHC Investment LLC (iii)	Holding company.	UAE	<b>34.57%</b>	50%
Kizad Communities Development and Services Company LLC (iv)	Real estate lease and management services.	UAE	<b>23.91%</b>	-
NICC Infrastructure Construction LLC (vi)	Construction and infrastructure activities.	UAE	<b>49%</b>	-
Presight AI Holding PLC (v)	Artificial intelligence research and information technology related services.	UAE	<b>15.35%</b>	-
WISY Holding Cyprus Ltd** (vii)	Holding company.	Cyprus	<b>44.4%</b>	-
Nammos World SARL**	Hospitality management.	Monaco	<b>44.4%</b>	-
WISY Management Cyprus Ltd**	Hospitality management.	Cyprus	<b>44.4%</b>	-
Anina Culinary Art Ltd. (viii)	Development of a technology that prepares a nutritionally balanced meal from fresh ugly produce that otherwise would have been discharged.	Israel	<b>45%</b>	-
National Corporation for Tourism and Hotels PJSC (viii)	Own, manage and invest in hotels and leisure complexes and to undertake other related business.	UAE	<b>36.39%</b>	-
Yas Projects LLC (viii)	Construction.	UAE	<b>49%</b>	-
Ta'ziz UAE Investment Company RSC Limited (viii)	Investment in chemical projects.	UAE	<b>25.07%</b>	-
Pure Health Holding LLC (ix)	Hospitals and other healthcare related services, including health insurance.	UAE	<b>41.61%</b>	-
Modon Properties PJSC (x)	Infrastructure development and managing of completed operating properties.	UAE	<b>49%</b>	-
<b><i>Joint ventures:</i></b>				
Lazio Real Estate Investment LLC	Real estate enterprise investment, development, institution and management.	UAE	<b>65%</b>	65%
Progressive Real Estate Development LLC (xi)	Real estate enterprise investment, development, institution and management.	UAE	-	70%
China Railway Construction	Construction.	UAE	<b>49%</b>	49%
ORA Developers Investment Holding Limited (vi)	Develop, finance, own and operate, lease or sell directly or indirectly, the Plots or any of its components.	UAE	<b>30%</b>	-

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2023</i>	<i>2022</i>
<i>Joint ventures:</i> continued				
The Challenge Egyptian Emirates Marine Dredging Company	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	Egypt	<b>49%</b>	49%
Eltizam Asset Management LLC (xii)	Services management holding company.	UAE	-	50%
EDE Research Institute LLC	Diagnostics, imaging & IT, information systems consultancy & workflow & solutions.	UAE	<b>50%</b>	50%
Emirates International Gas LLC (iii)	Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant.	UAE	-	50%
Al Qudra Sports Management LLC	Sport enterprises investment, institution and management.	UAE	<b>50%</b>	50%
Al Qudra Addoha pour L'Investissement Immobilier	Import and export and trading of oil and gas related material.	UAE	<b>50%</b>	50%
ABGC DMCC (vii)	Activities related to shipping lines of freight and passenger transportation, ship charter, sea freight and passenger charters, sea cargo services, ship management and operation and freight broker.	UAE	<b>51%</b>	51%
WIO Holding Restricted Ltd.	Digital banking services.	UAE	<b>51%</b>	51%
Exceed Holding for Sports LLC	Sport enterprises investment, institution and management.	UAE	<b>50%</b>	50%
Al Raha International Integrated Facilities Management LLC	Facilities management.	UAE	<b>50%</b>	50%
Royal House LLC	Hotel operations.	UAE	<b>50%</b>	50%
Palmyra SODIC Real Estate Development	Real estate development.	Syria	<b>50%</b>	50%
Deyafah Holding Limited	Special purpose vehicle.	UAE	<b>50%</b>	50%
Kalyon Enerjij Yatirimlari A.S	Clean and renewable energy related projects.	Turkey	<b>50%</b>	50%
Sky Go Transport of Goods LLC (vii)	Engaged in air transportation for goods using unmanned aerial vehicles (Drones).	UAE	<b>50%</b>	50%
Munich Health Daman Holding Limited***	Healthcare services.	UAE	-	49%
MW Energy	Development and renewal of energy related projects.	UAE	<b>50%</b>	50%
Mawarid Desert Control LLC****	Agriculture and landscaping services and irrigation system installation and maintenance.	UAE	-	50%
Trojan General Contracting and Six Construct Limited – Guggenheim Museum	Construction.	UAE	<b>50%</b>	50%
Trojan General Contracting and Six Construct Limited – Zayed National Museum	Construction.	UAE	<b>50%</b>	50%
Micad Credit JV RSC LTD (vi)	Investment holding company	UAE	<b>20%</b>	-
Impact Nation Research Institute Limited (vi)	Carbon management, control and mitigation of emissions and energy generation.	UAE	<b>50%</b>	-
DTEC Industries Limited (viii)	Providing independent and specialist industrial participation and offset services for the global defense and security market primarily in the maritime industry.	UAE	<b>57.50%</b>	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 December 2023

**10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES** continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2023</i>	<i>2022</i>
<i>Joint ventures:</i> continued				
NT Energies (vi)	Engineering and consulting services.	UAE	<b>51%</b>	-
Mawarid Intelligent Irrigation Technologies LLC (vi)	Agriculture enterprise investment.	UAE	<b>50%</b>	-
Avobar Restaurant – Sole Proprietorship LLC (vi)	Restaurant.	UAE	<b>30%</b>	-
APHE Restaurants Management LLC (vi)	Restaurant management.	UAE	<b>50%</b>	-
South Development One DWC LLC (vi)	General warehousing.	UAE	<b>50%</b>	-
Richmond Hill Developments (Jersey) Limited***	Real estate development.	Jersey	<b>15%</b>	-
Vulcan Wharf Holdings LLP**	Real estate development.	United Kingdom	<b>50%</b>	-
VST JV (vi)	Construction.	UAE	<b>33%</b>	-

\* Gordon Technologies LLC, an associate of Transcend Blocker INC, has been transferred to assets held for sale (note 19.2).

\*\* These became associates and joint ventures of the Group during the year as a result of business combinations.

\*\*\* Derecognised as a result of derecognition of a subsidiary (note 6.4(a)).

\*\*\*\* During the year, the Group acquired the remaining shareholding interest in Mawarid Desert Control LLC, an entity with net liabilities on transaction date of AED 2,867 thousand, and accordingly the entity became a subsidiary from the date of acquisition with its previous held interest having a nil fair value (note 6.2(a)).

**(i) Lynx Technology Group Ltd.**

Effective 1 December 2023, the Group obtained control over Lynx Technology Group Ltd. and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED'000</i>
Fair value of previously held equity interest (note 6.2(a))	<b>4,973</b>
Carrying value of previously held equity interest	<u>(3,205)</u>
 Fair value gain on revaluation of previously held equity interest	 <b><u>1,768</u></b>

**(ii) Bayanat AI PLC (“Bayanat”)**

Bayanat was previously classified as an investment in associate, due to the Group having significant influence through representation on the Board of Directors of Bayanat and the participation in decisions over the relevant activities. With effect from 29 December 2023, the Group ceased to have a board representation in Bayanat, therefore lost significant influence over Bayanat. Accordingly, the investment in Bayanat with a carrying value of AED 469,575 thousand was transferred to investment in financial assets at its fair value of AED 1,287,202 thousand (note 11.2), resulting in a fair value gain of AED 817,627 thousand (note 34).

**(iii) EHC Investment LLC (“EHC”) and Emirates International Gas LLC (“EIG”)**

With effect from 1 October 2023, the Group disposed off its 75% equity interest in Fooj Fire Fighting Services LLC (note 6.4(a)) and 50% equity interest in EIG for in-kind consideration being in the form of 98,708 new shares in EHC. Accordingly, the additional investment in EHC was recognised at the fair value of the in-kind consideration of AED 66,395 thousand, and the investment in EIG was derecognised, resulting in a gain of AED 32,895 thousand.

Further, the Group’s shareholding in EHC was diluted as a result of the issuance of 191,292 new shares to third parties, resulting in a gain on deemed disposal of AED 78,731 thousand.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

#### (iv) Kizad Communities Development and Services Company LLC (“KIZAD”)

On 1 January 2023, the Group acquired a 50% shareholding in Al Eskan Al Jamae LLC, by acquiring Tri Star Investment LLC, an entity accounted for as an asset acquisition from an entity under common control (note 6.3(a)). Accordingly, the acquisition was recorded at its predecessor (i.e. the previous owner) equity – accounted carrying value on the date of acquisition of AED 762,313 thousand.

Subsequently, with effect from 1 April 2023, the Group acquired a 23.91% shareholding in Kizad Communities Development and Services Company LLC for in-kind consideration, being the 50% ownership in Al Eskan Al Jamae LLC. Accordingly, the investment in KIZAD was recognised at the fair value of the in-kind consideration of AED 1,171,439 thousand, and the investment in Al Eskan Al Jamae LLC was derecognised, resulting in a gain of AED 417,279 thousand.

#### (v) Presight AI Holding PLC (“Presight”)

During the year, the Group acquired a 15.52% shareholding in Presight for a consideration of AED 1,170,410 thousand. Although the Group holds less than 20% of the voting power in Presight, significant influence exists due to having representation on the Board of Directors and participation in decisions over the relevant activities.

#### (vi) NICC Infrastructure Construction LLC (“NICC”), ORA Developers Investment Holding Limited (“ORA”), NT Energies, Micad Credit JV RSC LTD (“Micad”), Impact Nation Research Institute Limited (“Impact Nation”), Mawarid Intelligent Irrigation Technologies LLC (“Mawarid Intelligent”), Avobar Holding Limited (“Avobar”), APHE Restaurants Management LLC (“APHE”), South Development One DWC LLC (“South Development”) and VST JV (“VST”)

NICC, ORA, NT Energies, Micad, Impact Nation, Mawarid Intelligent, Avobar, APHE, South Development and VST were incorporated by the Group during the year by injecting cash against the share of capital of AED 17,983 thousand, AED 1,103 thousand, AED 77 thousand, USD 20, AED 500 thousand, AED 150 thousand, AED 529 thousand, AED 6,428 thousand, AED 75 thousand and nil, respectively. Further, an additional contribution was paid to Micad, ORA, APHE and South Development amounting to AED 154,319 thousand, AED 9,919 thousand, AED 7,353 thousand and AED 9,925 thousand respectively.

#### (vii) Safeen Survey and Subsea Services LLC (“Safeen”), WISY Holding Cyprus Ltd (“WISY Holding”), ABGC DMCC and Sky Go Transport of Goods LLC (“Sky Go”)

The Group injected additional cash in Safeen, WISY Holding, ABGC DMCC and Sky Go amounting to AED 49,000 thousand, AED 34,654 thousand, AED 118,754 thousand and AED 180 thousand respectively.

#### (viii) Anina Culinary Art Ltd. (“Anina”), National Corporation for Tourism and Hotels PJSC (“NCTH”), Yas Projects LLC (“YAS”), Ta’ziz UAE Investment Company RSC Limited (“Ta’ziz”) and DTEC Industries Limited (“DTEC”)

During the year, the Group acquired a 45%, 36.39%, 49%, 25.07% and 57.5% shareholding in Anina, NCTH, YAS, Ta’ziz and DTEC respectively for a consideration of AED 36,735 thousand, AED 730,000 thousand, AED 10,790 thousand, AED 103,565 thousand and AED 129 thousand respectively. Further, the Group injected additional cash in DTEC amounting to AED 298 thousand. The acquisition of NCTH resulted in a gain of AED 100,080 thousand.

#### (ix) Pure Health Holding PJSC (*formerly “Pure Health Holding LLC”*) (“Pure Health”)

Effective 30 March 2023, Pure Health, previously a subsidiary, became a joint venture of the Group due to loss of control (note 6.4(a)). Subsequently on 22 December 2023, upon listing the shares of Pure Health on the primary market of Abu Dhabi Exchange, the conditions for maintaining joint control, as originally stipulated in shareholders’ agreement, were no longer applicable and accordingly, the investment was reclassified to investment in associate. The Group retains significant influence in Pure Health, through its board representation (i.e. two out of five board members) and its participation in decisions over the relevant activities.

The Group’s ownership in Pure Health was diluted from 46.12% to 41.61% due to the issuance of new share on listing date, which resulted in a gain on deemed disposal of AED 65,963 thousand.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 December 2023**

**10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES** continued

**(x) Modon Properties PJSC (“Modon”)**

The Group entered into a sale and purchase agreement (“Agreement”) on 31 July 2023 with a third party, to acquire a 49% stake in Modon for a consideration of AED 490,000 thousand. On the date of entering into the Agreement, Modon’s principal activities were to manage the development of integrated urban and commercial projects of a developmental and community nature on behalf of the Government of Abu Dhabi.

The completion of the acquisition was subject to obtaining regulatory approval on the transfer of shares to the Group. The regulatory approval was obtained in early November 2023, at which time the shares were allotted to the Group and Modon’s shareholders register was amended.

During the period from the agreement date to the date at which the shares were registered in the name of the Group, Land plots with fair value of AED 25,634,620 thousand were granted by the Government of Abu Dhabi and legally transferred to Modon.

As required by IAS 28, the Group performed a purchase price allocation exercise, which resulted in a gain of AED 12,194,173 thousand for the excess of the Group’s share of the net fair value of Modon’s identifiable assets and liabilities over the cost of investment in Modon, as summarised below:

	<i>AED '000</i>
Modon net assets on acquisition date	197,018
Intangible assets identified, net of deferred tax (i.e. contract backlog)	54,429
Fair value of land plots	<u>25,634,620</u>
	<u>25,886,067</u>
Group’s share of net assets (i.e. 49%)	12,684,173
Less: consideration paid	<u>(490,000)</u>
Gain on acquisition of Modon	<u>12,194,173</u>

**(xi) Progressive Real Estate Development LLC**

Effective 1 January 2023, the Group obtained control over Progressive Real Estate Development LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED '000</i>
Fair value of previously held equity interest (note 6.2(a))	5,781
Carrying value of previously held equity interest	<u>(5,571)</u>
Fair value gain on revaluation of previously held equity interest	<u>210</u>

**(xii) Eltizam Asset Management LLC**

Effective 1 July 2023, the Group obtained control over Eltizam Asset Management LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED '000</i>
Fair value of previously held equity interest (note 6.2(a))	506,500
Carrying value of previously held equity interest	<u>(189,779)</u>
Fair value gain on revaluation of previously held equity interest	<u>316,721</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 December 2023**

**10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES** continued

Movements in investment in associates and joint ventures are as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
At 1 January	<b>7,654,312</b>	12,103,106
Acquired in business combination (note 6.1 & 6.2)	416,801	155,726
Additions during the year <sup>(i)</sup>	<b>19,174,156</b>	7,624,954
Disposals during the year <sup>(ii)</sup>	(908,763)	(920,652)
Derecognition of a subsidiary (note 6.4)	(46,273)	-
Transferred to investment in subsidiaries	(198,555)	(10,891,279)
Transferred to investment in financial assets	(469,575)	-
Transferred to assets held for sale (note 19.2)	(626,061)	-
Share of profit for the year <sup>(iii)</sup>	<b>13,233,218</b>	245,820
Share of other comprehensive income (loss) for the year	80,573	(23,587)
Foreign exchange translation	(8,530)	(113,383)
Dividend received during the year	<b>(241,046)</b>	<b>(526,393)</b>
At 31 December	<b><u>38,060,257</u></b>	<b><u>7,654,312</u></b>

(i) Included in additions are:

**2023:**

- AED 14,159,134 thousand, being the fair value of the retained interest in Pure Health Holding LLC at the date on which the Group lost control (i.e. 30 March 2023) (note 6.4).
- AED 762,313 thousand relating to Al Eskan Al Jamae LLC, which became an associate of the Group due to the acquisition of Tri Star Investment LLC, an entity treated as an acquisition of assets (note 6.3).
- AED 1,171,439 thousand, being the fair value of the non-monetary contribution to acquire Kizad Communities Development and Services Company LLC (note 10 (iv)).
- AED 129 thousand advance paid during 2022 to acquire DTEC Industries Limited, which was previously included in trade and other receivables in 2022.
- AED 66,395 thousand, being the fair value of the non-monetary contribution to acquire additional shareholding in EHC Investments LLC (note 10 (iii)).

**2022:**

- AED 9,188 thousand, being the fair value of the previously held interest in Esysoft Holding Ltd. at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.2).
- AED 61,496 thousand advance paid during 2021 to acquire ABGC, which was previously included in trade and other receivables in 2021.
- AED 140,067 thousand, being the fair value of the non-monetary assets contributed to Safeen, by transferring its diving and subsea division property, plant and equipment with a carrying value of AED 23,637 thousand (note 7), employees and revenue contracts. The transaction resulted in a gain of AED 116,430 thousand (note 34).
- AED 28,544 thousand and AED 754,820 thousand relating to Deco Vision and Aldar respectively, that were transferred from related parties under common control.
- AED 920,587 thousand, being the second tranche of Kalyon consideration, which was recorded in 2021 under due to related parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES** continued

(ii) Included in disposals are:

**2023:**

- AED 762,313 thousand, being the carrying value of Al Eskan Al Jamae LLC derecognised to acquire Kizad Communities Development and Services Company LLC.
- AED 85,240 thousand received by the Group from EDE Research Institute LLC (“EDE”), being the reduction in the additional capital contributed, as per the shareholders resolution passed on 14 April 2023.
- AED 13,905 thousand received by the Group as a further capital reduction in Abu Dhabi Finance PJSC. The Group’s carrying value of the investment as of 31 December 2023 is nil.
- AED 2,226 thousand, being the carrying value of Emirates International Gas LLC derecognised to acquire additional shareholding in EHC Investments LLC.

**2022:**

- AED 800,000 thousand received by the Group from EDE, being the reduction in the additional capital contributed. As per the resolution passed in the General Assembly meeting held on 26 August 2022, an amount of AED 800,000 thousand recorded by EDE as additional capital contribution, is to be repaid to the Group in four equal monthly instalments starting from September 2022. As of 31 December 2022, the full amount was recovered by the Group.
- AED 32,000 thousand received by the Group as a capital reduction in Abu Dhabi Finance PJSC.

(iii) Included in share of profit for the year are:

	<b>2023</b> <b>AED '000</b>	2022 <b>AED '000</b>
Gain on acquisition of associates (note 10 (viii & x))	<b>12,294,253</b>	-
Gain on deemed disposal (note 10 (iii & ix))	<b>144,694</b>	-
Impairment loss during the year, net of reversals	<b>(28,493)</b>	(177,731)
Share of profit for the year	<b>822,764</b>	<b>423,551</b>
	<b><u>13,233,218</u></b>	<b><u>245,820</u></b>

During the year, the Group performed impairment assessment for investments in associates and joint ventures and concluded the following:

	<b>2023</b> <b>AED '000</b>	2022 <b>AED '000</b>
Impairment of Lulo Bank S.A	<b>65,874</b>	-
Impairment of BGI for Commercial Investment LLC	<b>4,419</b>	-
Impairment of Lazio Real Estate Investment LLC	<b>200</b>	-
Impairment of Canal Sugar S.A.E	<b>-</b>	143,078
(Reversal of) impairment of EDE Research Institute LLC	<b>(42,000)</b>	42,000
Reversal of impairment of Abu Dhabi Finance PJSC	<b>-</b>	<b>(7,347)</b>
	<b><u>28,493</u></b>	<b><u>177,731</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES** continued

Included in the consolidated statement of profit or loss as of 31 December 2023 and 31 December 2022 is as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Gain on disposal of Al Eskan Al Jamae LLC (note 10(iv))	<b>417,279</b>	-
Gain on disposal of Emirates International Gas LLC (note 10(iii))	<b>32,895</b>	-
Gain on disposal of Agriculture Investment Holding Company	-	37,379
Gain on partial disposals of investment in associates, net	<b>42,936</b>	<b>25,732</b>
 Total gain on disposal of investment in associates and joint ventures	<b>493,110</b>	63,111
Share of profit for the year	<b>13,233,218</b>	245,820
Fair value gain on revaluation of previously held equity interest	<b>318,699</b>	<b>2,848,679</b>
 	<b><u>14,045,027</u></b>	<b><u>3,157,610</u></b>

Summary of fair value gain on revaluation of previously held equity interests:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Lynx Technology Group Ltd. (note 10(i))	<b>1,768</b>	-
Progressive Real Estate Development LLC (note 10(xi))	<b>210</b>	-
Eltizam Asset Management LLC (note 10(xii))	<b>316,721</b>	-
NRTC Food Holding LLC (note 6.2(b))	-	90,000
Aldar Properties PJSC (note 6.2(b))	-	2,742,265
Esyssoft Holding Ltd. (note 6.2(b))	-	<b>16,414</b>
 	<b><u>318,699</u></b>	<b><u>2,848,679</u></b>

Contingencies and commitments:

The Group's share in material contingencies and commitments of the associates and joint ventures is as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Letters of guarantees and credits	<b><u>489,022</u></b>	<b><u>211,372</u></b>
Capital commitments	<b><u>2,038,484</u></b>	<b><u>2,946</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2022

### 10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	Pure Health AED'000	Kalyon Enerji AED'000	Burjeel Holding AED'000	Presight AED'000	Kizad AED'000	NCTH AED'000	WIO Holding AED'000	Lulu Bank AED'000	Invictus AED'000	Modon AED'000	WISY Holding AED'000	RPM AED'000	Safeen AED'000	Others AED'000	Total AED'000	2022 AED'000
Non-current asset	8,363,592	7,758,349	3,021,354	27,773	5,133,386	2,262,487	7,615	207,879	39,679	25,646,101	169,594	68,455	499,002	2,084,180	55,289,446	11,239,878
Current assets	18,584,268	441,882	2,126,051	4,045,195	474,112	577,773	13,488,898	725,601	2,643,456	2,462,329	102,424	254,984	549,264	6,931,090	53,407,327	13,374,176
Non-current liabilities	(3,891,508)	(3,678,359)	(2,015,545)	(33,771)	(867,449)	(381,725)	-	-	(7,516)	(547,165)	(87,510)	(13,331)	-	(1,252,408)	(12,776,287)	(6,957,604)
Current liabilities	(8,183,287)	(627,848)	(1,574,803)	(987,961)	(326,163)	(213,306)	(11,648,618)	(123,916)	(1,608,366)	(1,729,627)	(52,656)	(58,486)	(565,324)	(4,287,849)	(31,988,210)	(6,780,550)
Equity (100%)	14,873,065	3,894,024	1,557,057	3,051,236	4,413,886	2,245,229	1,847,895	809,564	1,067,253	25,831,638	131,852	251,622	482,942	3,475,013	63,932,276	10,875,900
Less: non-controlling interests	(4,173)	(1,113)	(47,472)	(83,105)	-	-	(646,763)	(17,981)	-	-	(35,315)	-	-	-	(835,922)	(727,174)
Equity attributable to the owners of the entities	14,868,892	3,892,911	1,509,585	2,968,131	4,413,886	2,245,229	1,201,132	791,583	1,067,253	25,831,638	96,537	251,622	482,942	3,475,013	63,096,354	10,148,726
Group percentage holding	41.61%	50%	14.48%	15.35%	23.91%	36.39%	51%	46.16%	22.96%	49%	44.40%	36.15%	49%			
Group's share in net assets	6,186,946	1,946,456	218,588	455,608	1,055,360	817,039	612,577	365,395	245,041	12,657,503	42,862	90,961	236,642	1,219,150	26,150,128	3,354,817
Group's carrying amount of the investment (including goodwill)	14,466,926	2,065,268	1,574,635	1,244,126	1,184,640	841,315	697,294	661,251	608,532	12,689,635	327,384	244,762	236,642	1,217,847	38,060,257	7,654,312

Summarised statements of profit or loss:

	Pure Health AED'000	Kalyon Enerji AED'000	Burjeel Holding AED'000	Presight AED'000	Kizad AED'000	NCTH AED'000	WIO Holding AED'000	Lulu Bank AED'000	Invictus AED'000	Modon AED'000	WISY Holding AED'000	RPM AED'000	Safeen AED'000	Others AED'000	Total AED'000	2022 AED'000
Revenue	12,378,788	692,697	4,535,008	1,780,559	435,260	425,890	266,428	49,774	8,101,003	46,089	130,329	345,367	446,273	5,312,228	34,945,693	12,749,620
Profit (loss) from operations	315,714	457,116	540,415	570,602	69,729	30,870	1,247	(90,953)	213,665	11,147	37,680	48,555	97,092	569,047	2,871,926	1,208,894
Less: profit (loss) attributable to non-controlling interests	-	-	-	24,223	494	-	-	-	(4,223)	-	-	-	-	815	21,309	(132,369)
Profit (loss) attributable to the owners of the Company	315,714	457,116	516,192	570,108	69,729	30,870	1,247	(86,730)	213,665	11,147	37,680	48,555	97,092	568,232	2,850,617	1,341,263
Group percentage holding	41.61%	50%	14.48%	15.35%	23.91%	36.39%	51%	46.16%	22.96%	49%	44.40%	36.15%	49%			
Group's share of profit (loss)	145,799	228,558	74,912	87,728	16,672	11,235	636	(40,035)	49,498	5,462	16,730	17,553	47,575	160,441	822,764	423,551

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**11 INVESTMENT IN FINANCIAL ASSETS**

	Notes	2023 AED '000	2022 AED '000
Investments carried at fair value through other comprehensive income	11.1	<b>1,391,383</b>	1,788,035
Investments carried at fair value through profit or loss	11.2	<b>60,237,417</b>	56,774,667
Investments carried at amortised cost	11.3	<b><u>124,320</u></b>	<u>229,509</u>
		<b><u>61,753,120</u></b>	<u>58,792,211</u>

Disclosed in the consolidated statement of financial position as follows:

	2023 AED '000	2022 AED '000
Current	<b>39,912,437</b>	32,176,907
Non-current	<b><u>21,840,683</u></b>	<u>26,615,304</u>
	<b><u>61,753,120</u></b>	<u>58,792,211</u>

**11.1 Investments carried at fair value through other comprehensive income**

	2023 AED '000	2022 AED '000
Quoted equity investments	<b>176,872</b>	355,657
Unquoted equity investments	<b>1,214,511</b>	1,343,237
Unquoted debt instruments	<b><u>-</u></b>	<u>89,141</u>
	<b><u>1,391,383</u></b>	<u>1,788,035</u>

Management of the Group has elected to designate these investments in financial instruments as fair value through other comprehensive income, as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The geographical distribution of investments is as follows:

	2023 AED '000	2022 AED '000
Inside the UAE	<b>464,237</b>	542,011
Outside the UAE	<b><u>927,146</u></b>	<u>1,246,024</u>
	<b><u>1,391,383</u></b>	<u>1,788,035</u>

As of 31 December 2023, investment in shares with a fair value of AED 745 thousand (2022: AED 1,152 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**11 INVESTMENT IN FINANCIAL ASSETS** continued

**11.1 Investments carried at fair value through other comprehensive income** continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 41. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2023			2022		
	Debt instruments AED '000	Equity securities AED '000	Total AED '000	Debt instruments AED '000	Equity securities AED '000	Total AED '000
At 1 January	<b>89,141</b>	<b>1,698,894</b>	<b>1,788,035</b>	-	1,143,972	1,143,972
Additions <sup>(i)</sup>	<b>2,040</b>	<b>399,140</b>	<b>401,180</b>	3,435	1,030,157	1,033,592
Acquired in business combinations (note 6.1 & 6.2)	-	-	-	82,114	348,532	430,646
Disposals	(1,778)	(3,443)	(5,221)	-	(56,085)	(56,085)
Derecognition of a subsidiary (note 6.4(a))	(90,504)	(147,929)	(238,433)	-	-	-
Transfer to investment in subsidiaries <sup>(ii)</sup>	-	(13,025)	(13,025)	-	(283,234)	(283,234)
Foreign exchange loss	-	-	-	-	(586)	(586)
Changes in fair value	<b>1,101</b>	<b>(542,254)</b>	<b>(541,153)</b>	<b>3,592</b>	<b>(483,862)</b>	<b>(480,270)</b>
At 31 December	<b>—</b>	<b>1,391,383</b>	<b>1,391,383</b>	<b>89,141</b>	<b>1,698,894</b>	<b>1,788,035</b>

(i) Included in additions during the year ended 31 December 2023 are:

- AED 1,718 thousand, being an investment acquired as part of an acquisition of an entity treated as an asset acquisition during the year (note 6.3(a)).
- AED 209 thousand, being an investment acquired by Palms Sports PJSC, a subsidiary of the Group, from the Ultimate Parent for nil consideration. The investment was recorded at its fair value of AED 209 thousand, and the excess of the fair value over the consideration was recognised within equity under merger, acquisition and other reserves.

(ii) Represents the following:

**2023:**

During the year, the Group obtained control over LVL Technology Holding (formerly “Switch Technology Holding”) through acquiring an additional 33% ownership interest. Accordingly, the fair value of the previously held interest amounting to AED 13,025 thousand was transferred to investment in subsidiaries (note 6.2(a)).

**2022:**

	AED '000
Previously held interest in Ras Al Khaimah Cement Investment PJSC (note 6.1(b))	12,162
Q Holding PJSC shares acquired in business combination (note 6.6(b)(A))	261,420
Alpha Dhabi Holding PJSC shares acquired through business combination (note 6.6(b)(A))	<u>9,652</u>
	<u>283,234</u>

**11.2 Investments carried at fair value through profit or loss**

	2023 AED '000	2022 AED '000
Quoted equity investments	<b>47,059,273</b>	46,264,412
Unquoted equity investments	<b>12,864,992</b>	10,414,260
Unquoted debt instruments	<b>313,152</b>	<u>95,995</u>
	<b>60,237,417</b>	<u>56,774,667</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 11 INVESTMENT IN FINANCIAL ASSETS continued

#### 11.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

	2023 AED'000	2022 AED'000
Inside the UAE	<u>39,380,125</u>	35,468,464
Outside the UAE	<u>20,857,292</u>	<u>21,306,203</u>
	<u><b>60,237,417</b></u>	<u><b>56,774,667</b></u>

As of 31 December 2023, shares with a fair value of AED 31,409,510 thousand (2022: 30,718,580 thousand), are pledged as security against borrowings (note 24).

The investments are recorded at fair value using the valuation techniques as disclosed in note 41. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2023			2022		
	Debt instruments AED'000	Equity securities AED'000	Total AED'000	Debt instruments AED'000	Equity securities AED'000	Total AED'000
At 1 January	95,995	56,678,672	56,774,667	-	9,096,931	9,096,931
Additions	<u>211,976</u>	<u>5,858,480</u>	<u>6,070,456</u>	96,521	24,541,620	24,638,141
Acquired in business combinations (note 6.1 & 6.2)	-	-	-	-	3,699,827	3,699,827
Derecognition of a subsidiary (note 6.4)	-	(343,085)	(343,085)	-	-	-
Disposals	<u>(1,562)</u>	<u>(4,398,922)</u>	<u>(4,400,484)</u>	(5,831)	(1,525,978)	(1,531,809)
Transferred to investment in subsidiaries <sup>(i)</sup>	-	-	-	-	(332,495)	(332,495)
Transferred from investment in associates (note 10)	-	1,287,202	1,287,202	-	-	-
Transferred to investment in associates (note 10)	-	-	-	-	(9,188)	(9,188)
Foreign exchange loss	-	(19,304)	(19,304)	-	(816,516)	(816,516)
Changes in fair value (note 34)	<u>6,743</u>	<u>861,222</u>	<u>867,965</u>	<u>5,305</u>	<u>22,024,471</u>	<u>22,029,776</u>
At 31 December	<u><b>313,152</b></u>	<u><b>59,924,265</b></u>	<u><b>60,237,417</b></u>	<u><b>95,995</b></u>	<u><b>56,678,672</b></u>	<u><b>56,774,667</b></u>

(i) The balance transferred to investment in subsidiaries during 2022, represents the following:

	AED'000
Q Holding PJSC shares acquired in business combination (note 6.6(b)(A))	57,190
Aldar Holding PJSC shares acquired through business combination (note 6.6(b)(A))	<u>275,305</u>
	<u><b>332,495</b></u>

#### 11.3 Investments carried at amortised cost

	2023 AED'000	2022 AED'000
Debt instruments	<u>124,320</u>	<u>229,509</u>

Debt instruments are stated at amortised cost using the effective profit rate method.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 31 December 2023
**11 INVESTMENT IN FINANCIAL ASSETS** continued**11.3 Investments carried at amortised cost** continued

The geographical distribution of investments is as follows:

	<b>2023</b> <i>AED'000</i>	<b>2022</b> <i>AED'000</i>
Inside the UAE	47,733	19,389
Outside the UAE	<u>76,587</u>	<u>210,120</u>
	<b><u>124,320</u></b>	<b><u>229,509</u></b>

Movement in investment in financial assets carried at amortised cost is as follows:

	<b>2023</b> <i>AED'000</i>	<b>2022</b> <i>AED'000</i>
At 1 January	229,509	-
Acquired in business combinations (note 6.2(b))	-	192,115
Additions	586,336	454,532
Disposals	(652,149)	(375,799)
(Allowance for) reversal of expected credit losses	(372)	20
Foreign exchange loss	<u>(39,004)</u>	<u>(41,359)</u>
At 31 December	<b><u>124,320</u></b>	<b><u>229,509</u></b>

During the year ended 31 December 2023, the Group recorded an expected credit loss charge of AED 372 thousand on the financial assets carried at amortised cost (2022: acquired in business combinations an amount of AED 20 thousand, which was fully reversed in the same year).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**12 INTEREST IN JOINT OPERATIONS**

The Group has share of assets, liabilities and results of operations for the following joint operations along with share percentage:

	2023	2022
<b><i>Joint operations</i></b>		
Technip – NPCC – Satah Full Field	<b>50%</b>	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	<b>40%</b>	40%
NPCC – TECHNIP UL-2	<b>50%</b>	50%
NPCC – TECHNIP AGFA	<b>50%</b>	50%
NPCC – Technip JV - US GAS CAP Feed	<b>50%</b>	50%
NPC-ATC JV	<b>50%</b>	50%
NPC-BCEG JV	<b>50%</b>	50%
WOW Hydrate Limited <sup>(i)</sup>	-	50%
Saipem – NPCC – Hail and Ghasha	<b>50%</b>	-
Technicas – NPCC – Meeram	<b>50%</b>	-

- (i) During the year, Quant Lase Lab LLC, a subsidiary, terminated its joint operation agreement relating to WOW Hydrate Limited.

The consolidated financial statements include the following amounts representing the Group's interests in joint operations:

	2023 AED'000	2022 AED'000
Total assets	<b><u>1,582,691</u></b>	<u>65,626</u>
Total liabilities	<b><u>1,543,700</u></b>	<u>64,140</u>
Net assets	<b><u>38,991</u></b>	<u>1,486</u>
Total revenue	<b><u>71,049</u></b>	<u>11,033</u>
Profit for the year	<b><u>36,475</u></b>	<u>10,663</u>

**13 INVENTORIES**

	2023 AED'000	2022 AED'000
Land plots held for sale <sup>(i)</sup>	<b>10,808,105</b>	8,163,029
Real estate properties	<b>2,793,809</b>	2,992,350
Spares and consumables	<b>803,462</b>	676,730
Other finished goods	<b>328,006</b>	152,820
Packing and raw material	<b>290,025</b>	188,559
Food and its related non-food items	<b>122,003</b>	75,753
Household furniture	<b>114,452</b>	151,750
Fish and fish products	<b>40,281</b>	33,176
Animal feed	<b>24,116</b>	-
Medical supplies	<b>16,904</b>	1,011,159
Poultry products	<b>213</b>	<u>3,324</u>
	<b><u>15,341,376</u></b>	<u>13,448,650</u>
Goods in transit	<b>10,819</b>	17,561
Work in progress	<b>80,943</b>	22,287
Less: allowance for slow moving inventories	<b>(111,234)</b>	<u>(487,127)</u>
	<b><u>15,321,904</u></b>	<u>13,001,371</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 13 INVENTORIES continued

- (i) During the year, Aldar Properties PJSC, a subsidiary, acquired 3.4 million square meters of land plots on Al Fahid Island and 3 parcels of land in Dubai, for consideration of AED 2.5 billion and AED 2.08 billion respectively, which are payable over a period of 5 years. These lands are recognised at the present value of the consideration payable amounting to AED 3.86 billion (note 27).

Movement in allowance for slow moving inventories is as follows:

	2023 AED'000	2022 AED'000
At 1 January	<b>487,127</b>	281,658
Acquired in business combinations	<b>4,100</b>	215,575
Charge for the year	<b>57,201</b>	21,117
Write-off during the year	<b>(41,598)</b>	(31,223)
Derecognition of a subsidiary	<b>(395,596)</b>	—
At 31 December	<b><u>111,234</u></b>	<b><u>487,127</u></b>

As at 31 December 2023, inventories amounting to AED 56,445 thousand were pledged as security against borrowings (2022: AED 562,576 thousand) (note 24).

The determination of net realisable value (“NRV”) of land plots held for sale is based on external valuations using various valuation methodologies and techniques. Based on the NRV assessment conducted during the year, land plots held for sale were written down to its NRV by an amount of AED 109,198 thousand (note 32) (2022: AED 71,191 thousand).

During the year, completed properties with an aggregate value of AED 44,391 thousand were transferred to inventories from development work-in-progress (note 16) upon completion (2022: investment properties of AED 141,944 thousand (note 9) and development work-in progress of AED 206,280 thousand (note 16) were transferred to inventories).

During the year, land plots held for sale amounting to AED 882,063 (2022: AED 426,622 thousand) (note 16) were transferred to development work in progress, as management intends to develop these lands for future sale.

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

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	<b>1,061</b>	—
General and administrative expenses (note 32)	<b><u>56,140</u></b>	<b><u>21,117</u></b>
	<b><u>57,201</u></b>	<b><u>21,117</u></b>

As at 31 December 2023 and 31 December 2022, the Group determined the net realisable value of its inventories and conclude that they are stated at the lower of cost and net realisable value.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
 31 December 2023

**14 TRADE AND OTHER RECEIVABLES**

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Trade receivables	<b>14,156,121</b>	12,137,267
Due from policy holders	-	1,046,248
Less: allowance for expected credit losses	<b>(1,021,069)</b>	<b>(1,110,771)</b>
Advances to suppliers and sub-contractors	<b>13,135,052</b>	12,072,744
Margin receivables, net <sup>(i)</sup>	<b>4,167,584</b>	4,044,447
Receivable under sale purchase agreements <sup>(ii)</sup>	<b>2,736,987</b>	2,110,218
Prepayments	<b>1,210,905</b>	948,389
Retention receivables, net	<b>1,174,145</b>	734,838
Advances paid towards investments	<b>434,719</b>	720,478
Receivables relating to project finance	<b>140,263</b>	144,125
Unbilled revenue	<b>374,787</b>	145,804
Accrued interest/ profit receivable	<b>120,750</b>	54,410
Due from security markets	<b>4,938</b>	20,342
Government funded programs receivables	-	1,740,078
Subsidy receivable from Government <sup>(iii)</sup>	-	961,380
Reinsurance receivables	-	199,780
Deferred commission expense	-	33,481
Deposits and other receivables	<b>3,297,644</b>	2,901,210
Less: non-current portion	<b>28,383,723</b>	28,814,834
	<b>(2,922,578)</b>	<b>(2,674,851)</b>
	<b>25,461,145</b>	<b>26,139,983</b>

Non-current portion consists of the following:

Receivable under sale purchase agreement <sup>(ii)</sup>	<b>1,236,517</b>	1,647,558
Trade receivables, net of allowance for expected credit losses	<b>1,122,292</b>	761,571
Retention receivable, net	<b>266,012</b>	54,303
Receivables relating to project finance	<b>131,940</b>	135,262
Other non-current receivables	<b>165,817</b>	76,157
	<b>2,922,578</b>	<b>2,674,851</b>

- (i) Margin receivables relate to receivables from customers from margin trading services. As at 31 December 2023, the securities available in the margin trading account amounted to AED 7,794,556 thousand (2022: AED 6,849,921 thousand), which are held as collateral against the margin receivables. There were no provision for impairment on margin trade receivables as of 31 December 2023 (2022: AED 43 thousand).
- (ii) During 2022, the Group entered into an agreement to acquire equity shares. As per the agreement, the Group is entitled to receive a guaranteed return over a period of time reduced by any dividends that may be declared and paid by the investee. Accordingly, the Group recognised a non-current receivable of AED 1.94 billion on the transaction date, using a discount rate of 8%, with a corresponding deferred income.

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**14 TRADE AND OTHER RECEIVABLES** continued

- (iii) Movement in subsidy receivable from Government, relating to an insurance product offered by a subsidiary of the Group, is as follows:

	2023 AED '000	2022 AED '000
Balance at 1 January	<b>961,380</b>	-
Acquired in business combination	-	930,159
Subsidy earned	<b>239,903</b>	208,414
Funds collected	-	(177,193)
Derecognition of a subsidiary	<b>(1,201,283)</b>	-
 Balance at 31 December	 <b>961,380</b>	 <b>961,380</b>

The average credit period on sale of goods and rendering of services is 30 - 90 days. No interest is charged on the outstanding trade receivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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

	Total AED '000	Not past due AED '000	<30 days AED '000	31-60 days AED '000	61-120 days AED '000	121-360 days AED '000	>360 days AED '000
<b>31 December 2023</b>							
Expected credit loss rate		0.34%	1.08%	1.92%	1.68%	6.98%	38.72%
Estimated total gross carrying amount at default	<b>14,156,121</b>	<b>6,551,819</b>	<b>1,546,444</b>	<b>1,579,905</b>	<b>1,283,172</b>	<b>965,719</b>	<b>2,229,062</b>
Life time ECL	<b>1,021,069</b>	<b>22,073</b>	<b>16,750</b>	<b>30,269</b>	<b>21,582</b>	<b>67,363</b>	<b>863,032</b>
<b>31 December 2022</b>							
Expected credit loss rate		0.89%	1.01%	5.91%	5.32%	11.27%	38.31%
Estimated total gross carrying amount at default	13,183,515	5,300,508	1,511,656	982,605	1,423,494	2,237,250	1,728,002
Life time ECL	1,110,771	47,423	15,279	58,109	75,692	252,227	662,041

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	2023 AED '000	2022 AED '000
Balance at 1 January	<b>1,110,771</b>	433,312
Acquired in business combinations	<b>72,964</b>	507,566
Charge for the year (note 32)	<b>34,555</b>	266,994
Derecognition of subsidiaries	<b>(141,594)</b>	(3,602)
Transfer from ECL on balances due from related parties (note 35.1)	<b>2,985</b>	1,959
Written off during the year	<b>(58,612)</b>	<b>(95,458)</b>
 Balance at 31 December	 <b>1,021,069</b>	 <b>1,110,771</b>

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**15 BIOLOGICAL ASSETS**

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
<i>Immature livestock</i>		
- Cows	<b>39,377</b>	-
- Camels	<b>6,006</b>	-
	<b><u>45,383</u></b>	-
<i>Mature livestock</i>		
- Cows	<b>46,442</b>	-
- Camels	<b>5,598</b>	-
	<b><u>52,040</u></b>	-
Plants	-	273
Sheep	<b>19,039</b>	27,008
Chicken	<b>11,738</b>	6,140
Fish, caviar and shrimps	<b>67,873</b>	51,500
	<b><u>98,650</u></b>	84,921
	<b><u>196,073</u></b>	<u>84,921</u>

Movement in biological assets is as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
At 1 January	<b>84,921</b>	30,636
Acquired in business combinations (note 6.1)	<b>109,536</b>	22,916
Additions	<b>52,568</b>	7,691
Depreciation capitalised (note 7)	<b>16,314</b>	1,270
Disposals	<b>(42,915)</b>	(1,054)
Depreciation for the year (note 31)	<b>(16,982)</b>	(5,870)
Change in fair value, net of impairment losses (note 34)	<b><u>(7,369)</u></b>	<u>29,332</u>
At 31 December	<b><u>196,073</u></b>	<u>84,921</u>

Biological assets are classified in the consolidated statement of financial position as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Current	<b>40,643</b>	35,246
Non-current	<b>155,430</b>	49,675
	<b><u>196,073</u></b>	<u>84,921</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**16 DEVELOPMENT WORK-IN-PROGRESS**

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group is accounted for at nominal value.

Movement during the year is as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
At 1 January	<b>6,990,398</b>	1,737,183
Acquired in business combinations (note 6.2)	<b>1,152,558</b>	3,678,915
Development costs incurred during the year	<b>5,284,627</b>	2,651,727
Transferred from investment properties <sup>(i)</sup> (note 9)	-	1,393,699
Transferred from inventories (note 13)	<b>882,063</b>	426,622
Transferred to property, plant and equipment <sup>(ii)</sup> (note 7)	(22,597)	-
Transferred to investment properties <sup>(iii)</sup> (note 9)	<b>(316,531)</b>	(24,949)
Transferred to inventories (note 13)	(44,391)	(206,280)
Recognised in direct costs of properties sold	<b>(3,674,913)</b>	(1,804,757)
Project costs written-off <sup>(iv)</sup> (note 31)	(133,216)	(37,715)
Foreign exchange difference	<b>(443,679)</b>	<b>(824,047)</b>
	<b>9,674,319</b>	6,990,398
Less: provision for impairment	<b>(563,925)</b>	<b>(622,850)</b>
At 31 December	<b>9,110,394</b>	<b>6,367,548</b>

- (i) During 2022, investment properties with a carrying value of AED 1,393,699 thousand were transferred to development work-in-progress due to change in use, as the Group commenced development of such properties with a view to sell. There were no such transfers during the year.
- (ii) During the year, the Group transferred development work-in-progress with a carrying value of AED 22,597 thousand to property, plant and equipment due to change in use, as the Group intends to construct labor camps on the land.
- (iii) During the year, the Group transferred development work-in-progress with a carrying value of AED 316,531 thousand (2022: AED 24,949 thousand) to investment properties due to change in use, as these properties are under development for lease and management intends to lease these properties on completion.
- (iv) During the year, project costs of AED 133,216 thousand (AED 37,715 thousand) were written-off. These costs relate to non-viable design/ uses and other costs relating to projects under planning which management considers not feasible to continue.

There are no borrowing costs capitalised within development work-in-progress during the year (2022: nil).

Movement in provision for impairment is as follows:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
At 1 January	<b>622,850</b>	387,359
(Reversal) charge for the year, net <sup>(i)</sup> (note 31)	<b>(52,927)</b>	235,491
Write off during the year	<b>(5,998)</b>	-
At 31 December	<b>563,925</b>	<b>622,850</b>

## 16 DEVELOPMENT WORK-IN-PROGRESS continued

- (i) During the year, the Group determined the net realisable value of its development work in progress and concluded that the carrying value was lower than the net realisable value for certain projects and accordingly a net reversal of provision of impairment amounting to AED 52,927 thousand was recorded (2022: carrying value higher than net realisable value by AED 235,491 thousand). The estimates of net realisable values are based on the most reliable evidence available at the reporting date, of the amount that the Group is expected to realise in its ordinary course of business. These estimates also take into consideration the purpose for which the asset is held.

## 17 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

	2023 AED'000	2022 AED'000
Contract assets	<b>9,088,213</b>	6,115,434
Contract costs <sup>(i)</sup>	<b>1,047,327</b>	1,708,665
Reinsurance contract assets (note 28)	<u>-</u>	<u>394,127</u>
	<b>10,135,540</b>	8,218,226
Less: allowance for expected credit losses	<u>(158,925)</u>	<u>(89,970)</u>
	<b><u>9,976,615</u></b>	<b><u>8,128,256</u></b>

- (i) Contract costs represents costs incurred on projects, on which the Group is not contractually entitled to recognise revenue until various work packages are completed and handed over. While the work packages are yet to be handed over up to 31 December 2023, commencing from the year 2024, a number of packages are scheduled to be completed and handed over, which will result in winding down of the balance throughout the remaining contractual period.

The movement in the allowance for expected credit loss against contract assets during the year is as follows:

	2023 AED'000	2022 AED'000
At 1 January	<b>89,970</b>	103,478
Acquired in business combinations	<b>2,000</b>	-
Charge (reversal) for the year, net (note 32)	<b>69,573</b>	(14,285)
Transfer from allowance from expected credit losses against amounts due from related parties	<u>-</u>	777
Written off during the year	<u>(2,618)</u>	<u>-</u>
At 31 December	<b><u>158,925</u></b>	<b><u>89,970</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**18 CASH AND CASH EQUIVALENTS**

	2023 AED '000	2022 AED '000
Cash on hand	<b>45,112</b>	28,281
<i>Bank balances:</i>		
Current and call accounts	<b>16,618,902</b>	18,963,877
Group's bank accounts for clients' deposits <sup>(i)</sup>	<b>5,485,675</b>	4,741,008
Term deposits	<b>11,142,343</b>	13,287,836
Margin accounts	<b>94,242</b>	16,380
Wakala deposits with Islamic financial institutions	<b>563,286</b>	223,816
Less: allowance for expected credit loss	<b>(31,001)</b>	<b>(31,056)</b>
 Cash and bank balances	 <b>33,918,559</b>	37,230,142
Less: term deposits and margin accounts with an original maturity of more than three months	(3,335,165)	(4,097,079)
Less: restricted cash <sup>(ii)</sup>	<b>(8,020,227)</b>	(5,540,613)
Less: Wakala deposits with Islamic financial institutions	(242,572)	(171,617)
Less: Group's bank accounts for clients' deposits	<b>(5,485,675)</b>	(4,741,008)
Less: bank overdrafts (note 24)	<b>(787,676)</b>	<b>(38,688)</b>
 Add: cash and bank balances attributable to a subsidiary held for sale (note 19.2)	 <b>16,047,244</b>	22,641,137
 Cash and cash equivalents	 <b>36,394</b>	<b>2,048</b>
 Cash and cash equivalents	 <b>16,083,638</b>	<b>22,643,185</b>

(i) In accordance with the regulations issued by the Emirates Securities and Commodities Authority (“ESCA”), a subsidiary of the Group maintains separate bank accounts for advances received from its customers (“clients’ deposits”). The clients’ deposits are not available to the Group other than to settle transactions executed on behalf of the customers. Although the use of the clients’ deposits by the Group is restricted, they have been presented on the consolidated statement of financial position as notified by ESCA.

(ii) Restricted cash mainly includes an amount of AED 6,624,183 thousand (2022: AED 2,970,712 thousand), which are deposited into escrow accounts representing cash received from customers against the sale of development properties. The remaining balance of restricted cash mainly represent balances designated against government projects and dividends payable for which separate bank accounts are maintained.

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirham and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE**

	2023 AED '000	2022 AED '000
Assets held for sale – buildings (note 19.1)	-	1,256,424
Discontinued operations (note 19.2)	<u>1,348,827</u>	<u>683,327</u>
	<u>1,348,827</u>	<u>1,939,751</u>
Liabilities directly associated with discontinued operations (note 19.2)	<u>41,986</u>	<u>8,015</u>

**19.1 Assets held for sale – buildings**

*Buildings*

Al Tamouh Investments Company LLC, a subsidiary, entered into a sale and purchase agreement in respect of one of its assets, having a net book value of AED 385,119 thousand. As at 31 December 2023, the sale was finalised resulting in a gain on sale of AED 35,987 thousand.

*Property, plant and equipment and investment properties*

During 2022, Q Holding PSC, a subsidiary, committed based on a sale and purchase agreement to sell its property, plant and equipment and investment properties relating to the Traditional Souq project with carrying value of AED 137,215 thousand (note 7) and AED 734,090 thousand (note 9) respectively. As at 31 December 2023, the sale was finalised resulting in a gain on sale of AED 182,361 thousand.

Total gain on the completion of the above sale of assets resulted in a gain of AED 218,348 thousand (note 34).

The movement during the year is as follows:

	2023 AED '000	2022 AED '000
At 1 January	1,256,424	394,250
Transfer from investment properties (note 9)	-	734,090
Transfer from property, plant and equipment (note 7)	-	137,215
Completed sales during the year <sup>(i)</sup>	<u>(1,256,424)</u>	<u>(9,131)</u>
At 31 December	<u>—</u>	<u>1,256,424</u>

(i) During 2021, the Group entered into sale and purchase agreements for 5 commercial units that were previously classified under investment properties. During 2022, the units with a value of AED 9,131 thousand were sold in full.

**19.2 Discontinued operations**

*Paragon Malls LLC (“Paragon”)*

On 31 October 2020, the Group signed a sale and purchase agreement to sell a subsidiary, Paragon Mall LLC. During 2021, a loan amounting to AED 242,422 thousand was settled, in order to meet one of the conditions precedent set in the sale and purchase agreement. As at 31 December 2023, the sale was not completed.

*Holiday Inn Abu Dhabi (“Holiday Inn”)*

Holiday Inn Abu Dhabi, a subsidiary classified as held for sale, became part of the Group as a result of the acquisition of Q Holding PSC in 2021. Prior to acquisition, the buyer and Q Holding entered into a sale and purchase agreement for the sale of Holiday Inn and accordingly, the subsidiary was classified under discontinued operations. The sale of Holiday Inn was not completed at 31 December 2023.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

#### 19.2 Discontinued operations continued

##### *Transcend Blocker, INC ("Transcend")*

During the year, the Group decided to dispose of Transcend Blocker INC., a subsidiary, therefore classifying it under discontinued operations as at 31 December 2023. Subsequent to the year end, the sale of Transcend was completed on 9 January 2024.

The carrying value of the assets and liabilities of each discontinued operations as of 31 December 2023 and 2022 are as follows:

	Paragon 2023 AED'000	Holiday Inn 2023 AED'000	Transcend 2023 AED'000	Total 2023 AED'000	Paragon 2022 AED'000	Holiday Inn 2022 AED'000	Total 2022 AED'000
<b>ASSETS</b>							
Property, plant and equipment – building	503,096	162,080	-	665,176	503,096	162,080	665,176
Investment in associates and joint ventures	-	-	626,061	626,061	-	-	-
Trade and other receivables	9,859	5,930	5,093	20,882	9,859	5,930	15,789
Inventories	-	223	-	223	-	223	223
Due from related parties	-	91	-	91	-	91	91
Cash and bank balances	—	2,048	34,346	36,394	—	2,048	2,048
<b>TOTAL ASSETS</b>	<b>512,955</b>	<b>170,372</b>	<b>665,500</b>	<b>1,348,827</b>	<b>512,955</b>	<b>170,372</b>	<b>683,327</b>
<b>LIABILITIES</b>							
Employees' end of service benefits	-	867	-	867	-	867	867
Contract liabilities	408	-	-	408	408	-	408
Trade and other payables	—	6,740	33,971	40,711	—	6,740	6,740
<b>TOTAL LIABILITIES</b>	<b>408</b>	<b>7,607</b>	<b>33,971</b>	<b>41,986</b>	<b>408</b>	<b>7,607</b>	<b>8,015</b>
<b>NET ASSETS</b>	<b>512,547</b>	<b>162,765</b>	<b>631,529</b>	<b>1,306,841</b>	<b>512,547</b>	<b>162,765</b>	<b>675,312</b>

Building held for sale with a carrying value of AED 162,080 thousand (2022: AED 162,080 thousand) are mortgaged as security against borrowings (note 24).

The results of operations of the discontinued subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

### 20 SHARE CAPITAL

	2023 AED'000	2022 AED'000
<b>Authorised issued and fully paid</b>		
2,193,540 thousand shares of AED 1 each		
(31 December 2022: 2,193,540 thousand shares of AED 1 each)	<b>2,193,540</b>	<b>2,193,540</b>

In the General Assembly Meeting held on 9 November 2022, the shareholders approved to increase the share capital of the Company from AED 1,821,429 thousand to AED 2,193,540 thousand, through the issuance of 372,111 thousand new shares with a fair value of AED 151,560,938 thousand in order to acquire additional shareholding in existing subsidiaries, namely Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC (note 6.6(b)(E)). The issuance of the new shares resulted in a share premium of AED 151,188,827 thousand. The transaction was executed and completed on 25 November 2022.

During the year, in the Annual General Meeting held on 19 April 2023, the shareholders approved the transfer of AED 127,639,366 thousand from share premium to merger, acquisition and other reserves and the transfer of AED 23,549,461 thousand from share premium to retained earnings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### 21 STATUTORY RESERVE

In accordance with UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

### 22 HYBRID EQUITY INSTRUMENTS

Aldar Investment Properties LLC, a subsidiary, had issued hybrid equity instruments in two tranches to an investor ("Noteholder") worth USD 500 million (the "Notes"). The first tranche amounting to USD 310.5 million was received during March 2022 and the second tranche of USD 189.5 million was received during April 2022.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest of 5.625% with a reset after 15 years
April 2022	USD 189.5 million (AED 696 million)	Fixed interest of 5.625% with a reset after 15 years

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Note and the Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of *IAS 32 Financial Instruments: Presentation*.

Transaction costs of AED 20,604 thousand related to issuance of the Notes were recorded directly in equity.

The movement in hybrid equity instruments net off transaction costs is as follows:

	2023 AED'000	2022 AED'000
At 1 January	<b>1,815,646</b>	-
Acquired in business combinations (note 6.2(b))	-	1,126,639
Proceeds from issuance of second tranche	<u>-</u>	<u>689,007</u>
	<b><u>1,815,646</u></b>	<b><u>1,815,646</u></b>

During the year, the Group paid a coupon amounting to AED 103,289 thousand (2022: AED 51,645 thousand) on the hybrid instrument.

### 23 EMPLOYEES' END OF SERVICE BENEFITS

	2023 AED'000	2022 AED'000
At 1 January	<b>2,771,254</b>	809,804
Acquired in business combinations (note 6.1 & 6.2)	212,894	1,816,532
Charge for the year	335,696	303,005
Actuarial loss recognised in other comprehensive income	-	35,748
Derecognition on disposal of subsidiaries (note 6.4(a))	(1,541,480)	(2,858)
Paid during the year	(263,458)	(191,528)
Transfer from related parties	<u>681</u>	<u>551</u>
	<b><u>1,515,587</u></b>	<b><u>2,771,254</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 24 BORROWINGS

Movement in borrowings during the year is as follows:

	2023 AED '000	2022 AED '000
Balance at 1 January	<b>36,319,442</b>	8,421,423
Acquired in business combinations (note 6.1 & 6.2)	<b>913,801</b>	5,654,889
Drawdowns during the year	<b>18,088,956</b>	33,572,235
Derecognition of a subsidiaries (note 6.4)	(293,131)	(3,429)
Foreign exchange difference	(119,911)	(174,229)
Repayments during the year	<u>(11,914,130)</u>	<u>(11,151,447)</u>
	<b>42,995,027</b>	36,319,442
Less: unamortised transaction cost	<u>(59,711)</u>	<u>(52,725)</u>
Balance at 31 December	<b><u>42,935,316</u></b>	<b><u>36,266,717</u></b>

Disclosed in the consolidated statement of financial position as follows:

	2023 AED '000	2022 AED '000
Non-current portion	<b>36,613,733</b>	33,829,725
Current portion	<b><u>6,321,583</u></b>	<u>2,436,992</u>
	<b><u>42,935,316</u></b>	<b><u>36,266,717</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 1	EIBOR + 3%	March 2025	<b>25,790</b>	40,437	Quarterly	To finance the construction of a factory	Corporate guarantee and mortgage over the asset
Term loan 2	EIBOR + 1.85%	December 2023	-	10,640	Semi-annual	To finance the construction of a plant	Mortgage over the asset, including Mustaha rights over the plot and subordination of a loan from a related party
Term loan 3	EIBOR + 1.85%	December 2024	<b>74,864</b>	111,885	Annual	To finance the construction of a plant	Personal guarantee of a related party and mortgage of the asset
Term loan 4	EIBOR + 1.85%	September 2030	<b>83,656</b>	95,648	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 5	EIBOR + 1.85%	December 2027	<b>129,830</b>	139,106	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 6	3.25% - 4.41%	November 2025	<b>35,836</b>	33,517	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank, assignment of insurance policy over financed motorcycles and motor vehicles
Term loan 7	3.25%	November 2024	<b>1,069</b>	6,783	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 8	EIBOR + 2.4%	September 2024	<b>43,153</b>	100,753	Quarterly	Project financing	Assignment of project proceeds and first degree mortgage over certain properties
Term loan 9	EIBOR + 1.3%	March 2029	<b>192,049</b>	219,084	Quarterly	To finance the construction of residential apartments	Assignment of property proceeds and a first degree mortgage over the asset
Term Loan 10	EIBOR + 2%	September 2025	<b>21,344</b>	31,439	Semi- annual	Project financing	Corporate guarantees of related parties, mortgage over certain properties, including assignment of insurance policy of and rental proceeds from the mortgaged properties
Term Loan 11	3.75% up to 31 December 2023 and subsequently EIBOR + 2%	December 2028	<b>223,622</b>	239,708	Quarterly	General corporate purpose	First degree mortgage over a plot of land, irrevocable corporate guarantee and irrevocable assignment of project profits pertaining to the 1,500 Government Villa West Baniyas Project (as and when the project is awarded)

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<b>2023 AED '000</b>	<b>2022 AED '000</b>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term Loan 12	EIBOR + 2.5% (minimum 3%)	June 2030	<b>107,623</b>	110,608	Quarterly	General corporate purpose	Unsecured
Term Loan 13	EIBOR + 2.5%	October 2026	<b>54,613</b>	78,613	Quarterly	Construction of factory building	Irrevocable corporate guarantees and mortgage over certain properties, including assignment of insurance policy of the mortgaged properties
Term Loan 14	EIBOR + 2.25%	December 2023	<b>6,000</b>	24,000	Quarterly	Project financing	Projects proceeds
Term Loan 15	EIBOR + 2.65%	December 2026	-	441,698	Quarterly	Investment purpose	Projects proceeds
Term Loan 16	LIBOR + 0.90%	March 2027	<b>844,721</b>	1,109,155	Quarterly	Project financing	Mortgage of property, plant and equipment
Term Loan 17	EIBOR + 1.15%	December 2026	<b>185,414</b>	217,414	Quarterly	To finance the purchase of a machinery	Mortgage over the asset acquired and assignment of insurance policy of the asset acquired
Term Loan 18	2.75%	December 2025	<b>158,151</b>	194,295	Annual	To finance purchase of a hotel	Mortgage over the assets
Term Loan 19	2.5%	October 2028	<b>367,568</b>	367,500	Semi-annual	To finance construction of a factory	Unsecured
Term Loan 20	EIBOR + 1.85%	February 2028	<b>179,445</b>	234,445	Semi-annual	To finance purchase of a hotel	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 21	2%	April 2024	<b>1,500,000</b>	1,500,000	Bullet payment on maturity	To finance the investment in financial asset	Custody of financial instruments covering minimum of 200% of the facility amount and assignment of related dividend proceeds
Term loan 22	EIBOR + 2%	September 2025	-	30,557	Quarterly	To finance the purchase of machinery and equipment	Corporate guarantee
Term loan 23	3.6% - EIBOR + 1.9%	December 2029	<b>113,884</b>	85,821	Quarterly	To finance the purchase of equipment and vehicles	Corporate guarantees and mortgage over the assets
Term loan 24	EIBOR +2%	February 2027	<b>56,874</b>	69,999	Quarterly	To finance the construction of warehouse	Pledge and hypothecation of inventories and movables over stocks and deed of assignment of receivables

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 25	3.4%	September 2024	<b>71</b>	161	Monthly	To finance the purchase of vehicles	Mortgage over the asset
Term loan 26	LIBOR + 2.25%	January 2032	<b>191,298</b>	84,574	Quarterly	Project financing	Mortgage of investment property
Term loan 27	EIBOR + 3.5%	November 2036	-	294,316	Quarterly	Investment purposes	Secured on movable assets and shares
Term loan 28	2.85% - EIBOR + 3.5%	February 2027	<b>2,079,354</b>	1,819,354	Two equal instalments during 2025 and 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends
Term loan 29	EIBOR + 1.70%	May 2027	<b>4,500,000</b>	2,760,000	Two equal instalments during May 2025 and May 2027	Investment purposes	Pledge of shares covering minimum of 154% of the facility amount
Term loan 30	EIBOR + 0.88%	May 2032	<b>390,257</b>	436,169	Quarterly	Finance acquisition of vessels	Mortgage of vessel acquired
Term loan 31	EIBOR + 1%	March 2025	<b>419,949</b>	419,949	Revolving facility	General corporate purposes	Unsecured
Term loan 32	EIBOR + 2%	March 2025	<b>(3,995)</b>	295,305	Revolving facility	General corporate purposes	Unsecured
Term loan 33	EIBOR + 1.2%	March 2027	<b>(4,404)</b>	(4,427)	Revolving facility	General corporate purposes	Unsecured
Term loan 34	EIBOR + 1%	March 2025	<b>469,320</b>	469,166	Revolving facility	General corporate purposes	Unsecured
Term loan 35	EIBOR + 1%	March 2027	<b>(6,165)</b>	1,173,750	Revolving facility	General corporate purposes	Unsecured
Term loan 36	EIBOR + 1%	March 2027	<b>(4,237)</b>	(4,306)	Revolving facility	General corporate purposes	Unsecured
Term loan 37	EIBOR + 1%	June 2026	<b>298,104</b>	297,319	Revolving facility	General corporate purposes	Mortgage of retail and commercial properties

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 38	EIBOR + 2.25%	October 2027	-	94,626	Semi-annual	General corporate purposes	Assignment of receivables and insurance policies
Term loan 39	CBE Corridor + 0.9%	October 2027	<b>65,304</b>	81,578	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 40	CBE Corridor + 1.2% - 1.5%	December 2031	<b>149,241</b>	189,058	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 41	CBE Corridor + 0.7%	December 2024	<b>55,935</b>	29,814	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 42	CBE Corridor + 0.7% - 0.85%	June 2027	<b>31,342</b>	131,618	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 43	CBE Corridor + 1%	June 2028	<b>26,429</b>	37,172	Bullet payment on maturity	Project financing and general corporate purposes	Mortgage of property, assignment of receivables and insurance policies
Term loan 44	3.32%	December 2028	<b>845,960</b>	944,986	Semi-annual	To refinance existing debts	Mortgage of properties and pledge of shares
Term loan 45	EIBOR + 2.50%	January 2027	<b>99,776</b>	108,460	Semi-annual	To finance construction project	Mortgage of land plot
Term loan 46	EIBOR + 2.50%	January 2030	<b>63,951</b>	71,265	Semi-annual	To finance construction project	Mortgage of land plot
Term loan 47	EIBOR + 1.75%	February 2027	<b>309,268</b>	199,268	Two equal instalments one in 2025 and the second in 2027	Investment purposes	Pledge of shares covering minimum of 170% of the facility amount and assignment of related dividends
Term loan 48	3.5%	April 2027	<b>3,675,000</b>	3,675,000	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<b>2023 AED '000</b>	<b>2022 AED '000</b>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 49	3.5%	April 2027	<b>3,675,000</b>	3,675,000	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount
Term loan 50	SOFR + Variable Margin	October 2023	-	60,039	Bullet payment on maturity	Investment purposes and working capital purposes	Mortgage of assets.
Term loan 51	EIBOR +2%	October 2023	-	1,207	Revolving facility	To support working capital	Corporate guarantee
Term loan 52	EIBOR +0.95%	September 2027	<b>994,920</b>	995,055	Bullet payment on maturity	General corporate purposes	Unsecured
Term loan 53	EIBOR +0.9%	September 2027	<b>498,041</b>	497,560	Revolving facility	General corporate purposes	Unsecured
Term loan 54	EIBOR +0.95%	September 2027	<b>995,009</b>	995,250	Bullet payment on maturity	General corporate purposes	Unsecured
Term loan 55	5.5%	July 2024	<b>688</b>	1,307	Monthly	To support working capital	Post dated cheques.
Term loan 56	5.6%	September 2025	<b>16,308</b>	24,955	Monthly	To fund acquisition of new subsidiary	Corporate guarantee of subsidiaries of the Company
Term loan 57	2.25%	April 2025	<b>11,279</b>	1,162	Monthly	To finance purchase of motor vehicle	Mortgage over the asset.
Term loan 58	3.88%	July 2027	<b>5,996,988</b>	5,996,150	Two equal bullet payments on July 2025 and July 2027	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 59	3.88%	August 2025	<b>1,000,000</b>	1,000,000	Two equal bullet payments on February 2024 and August 2025	To finance the acquisition of investments.	Pledge of shares covering minimum of 200% of the facility amount.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 60	4.2%	August 2027	<b>496,744</b>	496,674	Two equal bullet payments on September 2025 and August 2027.	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 61	EIBOR + 0.85%	September 2025	<b>333,134</b>	499,684	Semi-annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 62	EIBOR + 2.25%	September 2026	-	5,600	Semi-annual	To finance the acquisition of properties	Mortgage of acquired properties
Term loan 63	4.99%	December 2027	<b>400,000</b>	500,000	Annual	Investment purposes	Mortgage over the acquired investment and assignment of related dividends
Term loan 64	EIBOR + 0.95%	September 2027	<b>398,058</b>	398,055	Bullet payment on maturity.	General corporate purposes	Unsecured
Term loan 65	EIBOR + 0.95%	November 2023	<b>499,555</b>	499,555	Bullet payment on maturity.	General corporate purposes	Mortgage of commercial properties
Term loan 66	EIBOR +1.55%	February 2027	<b>367,500</b>	367,500	Two equal instalments in February 2025 and February 2027	Acquisition of vessels	Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends
Term loan 67	5.03%	December 2027	<b>600,000</b>	750,000	Annual	Investment purposes	Pledge of acquired investments.
Term loan 68	EIBOR + 4.50 % (minimum of 6%)	September 2024	<b>303</b>	-	Monthly	To finance the working capital	Corporate and personal guarantee
Term loan 69	EIBOR + 1.50%	July 2030	<b>354,960</b>	-	Fixed Monthly.	Investment purposes	Pledge of shares and corporate guarantee
Term loan 70	EIBOR + 1.10%	January 2028	<b>400,000</b>	-	Bullet payment on maturity	To finance construction project	Pledge of shares
Term loan 71	2.75%	April 2027	<b>862</b>	-	Monthly	To finance purchase of motor vehicle	Mortgage of vehicles

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 72	EIBOR + 1.70%	May 2024	<b>447</b>	-	Bullet payment on maturity	General corporate purposes	Unsecured
Term loan 73	EIBOR + 1% +3%	May 2028	<b>1,545,000</b>	-	Two equal instalments during May 2026 and May 2028	Investment purposes	Pledge of shares.
Term loan 74	EIBOR + 1.5%	May 2028	<b>480,000</b>	-	Quarterly	Investment purposes	Pledge of shares
Term loan 75	EIBOR + 0.91% (minimum 3%)	December 2029	<b>490,000</b>	-	Annual	To finance the working capital	Pledge of shares covering minimum of 165% of the facility amount
Term loan 76	EIBOR + 0.91% (minimum 3%)	December 2029	<b>375,000</b>	-	Annual	Investment purposes	Pledge of shares covering minimum of 165% of the facility amount
Term loan 77	EIBOR +1.25%	September 2028	<b>150,000</b>	-	Annual	Finance the acquisition of a subsidiary	Unsecured
Term loan 78	5.5%	August 2027	<b>104</b>	-	Monthly	To finance the working capital	Post dated cheques
Term loan 79	SOFR + 2.3%	November 2026	<b>275,500</b>	-	Bullet payment on maturity	To finance the working capital	Mortgage over the asset
Term loan 80	EIBOR +0.85%	March 2026	<b>832,823</b>	-	Semi-annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 81	EIBOR +0.85%	June 2026	<b>158,226</b>	-	Semi annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 82	EIBOR +0.85%	September 2026	<b>309,803</b>	-	Semi annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 83	5.5%	October 2026	<b>3,040</b>	-	Monthly	To finance purchase of motor vehicle	Post dated cheques

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 84	EIBOR + 1.5%	November 2027	<b>38,300</b>	-	Quarterly	To finance the purchase of a factory premises	Mortgage over the assets
Term loan 85	CBE Corridor + 0.80%	December 2030	<b>54,619</b>	-	Quarterly	General corporate purposes	Commercial properties including land
Term loan 86	EIBOR + 0.85%	March 2029	<b>498,687</b>	-	Quarterly	General corporate purposes	Unsecured
Term loan 87	EIBOR + 0.70%	March 2024	<b>299,271</b>	-	Revolving facility	General corporate purposes	Unsecured
Term loan 88	EIBOR + 0.90%	June 2030	<b>197,593</b>	-	Quarterly	General corporate purposes	Unsecured
Term loan 89	SONIA + 2.95%	March 2024	<b>529,415</b>	-	Quarterly	General corporate purposes	Unsecured
Term loan 90	EIBOR + 0.70%	January 2024	<b>102</b>	-	Quarterly	General corporate purposes	Unsecured
Term loan 91	EIBOR + 0.75%	December 2028	<b>(4,917)</b>	-	Revolving facility	General corporate purposes	Unsecured
Term loan 92	20.00%	January 2026	<b>5,395</b>	-	Monthly	To fund the working capital	Equity terms placed upon the debt
Term loan 93	6.5%	April 2024	<b>245</b>	-	Monthly	Working capital requirements	Post dated cheques
Term loan 94	5%	January 2025	<b>2,369</b>	-	Monthly	Working capital requirements	Assignment of contractor's vehicle insurance policy in favour of the bank, mortgage of vehicle favoring the bank and a security cheque drawn in favour of the bank
Term loan 95	EIBOR + 1.85%	November 2029	<b>33,000</b>	-	Quarterly	To finance the construction of a plant	mortgage of plant and machineries of the district cooling plant and an irrevocable corporate guarantee
Term loan 96	4.95%	Jan 2024	<b>111,793</b>	-	Quarterly	General corporate purposes	Unsecured

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 97	EIBOR +0.91%	January 2028	<b>365,000</b>	-	Annual	Investment purposes	Mortgage over the acquired investment and assignment of related dividends
Short term loan I	EIBOR + 3%	150 days	<b>10,576</b>	9,582	Bullet payment on maturity	Working capital requirements	Corporate guarantee and assignment of insurance policy
Short term loan II	EIBOR + 3.5%	90-120 days	-	4,771	Bullet payment on maturity	Working capital requirements	Personal and corporate guarantees and assignment of receivables
Short term loan III	EIBOR + 3%	30-90 days	-	1,159	Bullet payment on maturity	To finance the construction of waste heat recovery plant	Pledge over the asset and assignment of comprehensive insurance policy on waste heat recovery plant
Short term loan IV	14%	May 2023	-	195	Monthly	To finance purchase of inventory	Cheque in favor of bank covering 120% of principal amount
Short term loan V	10%	April 2023	-	500	Bullet payment on maturity	Working capital requirement	Unsecured
Short term loan VI	SONIA+ Variable margin	October 2023	-	112,265	Bullet payment on maturity	Investment & working capital	Mortgage over assets
Short term loan VII	SOFR + Variable margin	October 2023	-	36,828	Bullet payment on maturity	Investment & working capital	Mortgage over assets
Short term loan VIII	SONIA+ Variable margin	October 2023	-	13,331	Quarterly	To support working capital	Mortgage over assets
Short term loan IX	EIBOR + 2.25%	April 2023	-	2,602	Quarterly	To support working capital	Corporate and personal guarantee
Short term loan X	EIBOR + 2.25%	March 2023	-	6,803	Annual	To support working capital	Corporate and personal guarantee
Short term loan XI	EIBOR + 3%	April 2023	-	2,613	Quarterly	To support working capital	Corporate and personal guarantee
Short term loan XII	4%	October 2023	-	8,887	Two equal instalments during April and October 2023	To support working capital	Unsecured

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **24 BORROWINGS continued**

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Short term loan XIII	EIBOR + 2.00% (minimum rate of 4.5 %)	April 2024	<b>8,024</b>	-	120 days Maturity from Invoice date	To support working capital	10% Cash margin to be maintained
Short term loan XIV	3%-5.51%	November 2027	<b>1,007</b>	-	Monthly	To finance purchase of motor vehicle	Mortgage over the assets
Trust receipts	Various rates	Various	<b>280,605</b>	166,460			
Bank overdraft	EIBOR + margin	90 to 180 days	<b>787,676</b>	38,688		To meet working capital requirements and daily operations	Partially secured against approved payment certificates
<b>Total borrowings</b>			<b><u>42,935,316</u></b>	<b><u>36,266,717</u></b>			

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 24 BORROWINGS continued

#### *Term loan 32,33,35, 36 and 91*

There were no drawdowns taken by the Group on these revolving loan facilities as at 31 December 2023. Further, the transaction costs relating to these loans were settled by the Group.

Borrowing cost included in the cost of qualifying assets for the year was AED 6,345 thousand (2022: AED 8,485 thousand).

Borrowings are denoted in the following currencies:

	2023 AED'000	2022 AED'000
United Arab Emirates Dirham (AED)	<b>40,072,934</b>	33,810,603
United States Dollar (USD)	<b>1,561,738</b>	1,755,524
Egyptian Pound (EGP)	<b>382,870</b>	469,240
Great Britain Pound (GBP)	<b>916,708</b>	231,350
Euro (EUR)	<b>447</b>	-
Indian Rupee (INR)	<b>619</b>	-
	<b><u>42,935,316</u></b>	<b><u>36,266,717</u></b>

Movement of unamortised transaction cost during the year is as follows:

	2023 AED'000	2022 AED'000
Balance at 1 January	<b>52,725</b>	13,486
Acquired in business combinations	-	28,372
Paid during the year	<b>11,146</b>	23,071
Amortised during the year (note 38)	<b>(4,151)</b>	(12,067)
Foreign exchange difference	<b>(9)</b>	(137)
	<b><u>59,711</u></b>	<b><u>52,725</u></b>

The following table details the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

	2023 AED'000	2022 AED'000
On demand	<b>787,676</b>	38,688
Less than 3 months	<b>1,079,408</b>	521,096
After 3 months but no more than 12 months	<b>5,965,776</b>	2,689,488
After one but not more than five years	<b>38,970,877</b>	35,769,955
More than 5 years	<b>856,917</b>	1,216,468
	<b><u>47,660,654</u></b>	<b><u>40,235,695</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 25 NON-CONVERTIBLE SUKUK

#### *Sukuk launched in 2018 (“Sukuk 1”)*

On 1 October 2018, Aldar Sukuk Ltd., a subsidiary acquired during the prior year, issued non-convertible sukuk for a total value of AED 1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 4.750% per annum payable semi-annually and due for repayment in September 2025.

	2023 AED'000	2022 AED'000
Balance at 1 January	<b>1,847,444</b>	-
Acquired in business combinations (note 6.2(b))	-	1,900,622
Accrued profit	<b>73,173</b>	58,164
Amortisation of issue costs	<b>4,706</b>	3,442
Other movement	-	(78,432)
Less: settled during the year	<b>(73,179)</b>	<b>(36,352)</b>
	<b><u>1,852,144</u></b>	<b><u>1,847,444</u></b>

#### *Sukuk launched in 2019 (“Sukuk 2”)*

On 22 October 2019, Aldar Sukuk (No.2) Ltd., a subsidiary acquired during the prior year, issued non-convertible sukuk for a total value of AED1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 3.875% per annum payable semi-annually and due for repayment in October 2029.

	2023 AED'000	2022 AED'000
Balance at 1 January	<b>1,834,472</b>	-
Acquired in business combinations (note 6.2(b))	-	1,831,759
Accrued profit	<b>41,511</b>	41,518
Amortisation of issue costs	<b>4,832</b>	1,418
Other movement	-	18,891
Less: settled during the year	<b>(41,713)</b>	<b>(59,114)</b>
	<b><u>1,839,102</u></b>	<b><u>1,834,472</u></b>

#### *Sukuk launched in 2023 (“Sukuk 3”)*

During the year, Aldar Investment Properties Sukuk 3 Limited, a subsidiary, issued non-convertible sukuk for a total value of AED 1,836,250 thousand (USD 500,000 thousand), carrying a profit rate of 4.875% per annum payable semi-annually and due for repayment in May 2033.

	2023 AED'000	2022 AED'000
Gross value of issue	<b>1,836,250</b>	-
Discount on issue	<b>(22,313)</b>	-
Net proceeds from issue	<b>1,813,937</b>	-
Issue costs	<b>(12,863)</b>	-
Accrued profit	<b>31,580</b>	-
Amortisation of issue costs	<b>1,434</b>	-
Less: settled during the year	<b>(22,380)</b>	-
	<b><u>1,811,708</u></b>	<b><u>-</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 25 NON-CONVERTIBLE SUKUK continued

Non-convertible sukuks are disclosed in the consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Current portion	<b>46,098</b>	37,104
Non-current portion	<b><u>5,456,856</u></b>	<u>3,644,812</u>
	<b><u>5,502,954</u></b>	<u>3,681,916</u>

### 26 DERIVATIVE FINANCIAL INSTRUMENTS

In order to reduce the Group's exposure to interest rate fluctuations on variable interest-bearing borrowings and to cover specific foreign currency payments and receipts, the Group has entered into interest rate swap and interest rate cap arrangements and forward currency contracts with counter-party banks, generally for amounts matching to those particular borrowings.

#### Derivatives designated as hedging instruments:

	<i>Fix leg on instrument</i>	<i>Notional amount AED'000</i>	<i>Assets AED'000</i>	<i>Liabilities AED'000</i>
<b><i>31 December 2023</i></b>				
- Foreign exchange forward contracts		164,255	-	(9,790)
- Interest rate swaps	0.80%	422,338	<u>24,602</u>	<u>—</u>
			<u>24,602</u>	<u>(9,790)</u>
<b><i>31 December 2022</i></b>				
- Foreign exchange forward contracts		644,445	-	(47,236)
- Interest rate swaps	0.80% - 2.82%	2,023,578	<u>248,792</u>	<u>—</u>
			<u>248,792</u>	<u>(47,236)</u>

#### Derivatives not designated as hedging instruments:

	<i>Fix leg on instrument</i>	<i>Notional amount AED'000</i>	<i>Assets AED'000</i>	<i>Liabilities AED'000</i>
<b><i>31 December 2023</i></b>				
- Interest rate swaps	4.27%	355,501	-	(2,348)
- Interest rate cap	2.52% - 3.00%	441,664	<u>8,311</u>	<u>—</u>
			<u>8,311</u>	<u>(2,348)</u>
<b><i>31 December 2022</i></b>				
- Interest rate swaps	4.27%	470,314	<u>—</u>	<u>(2,935)</u>

Derivative financial instruments are disclosed in the consolidated statement of financial position as follows:

	<i>Assets</i>		<i>Liabilities</i>	
	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>
Current	24,602	41,747	12,138	50,171
Non-current	<u>8,311</u>	<u>207,045</u>	<u>—</u>	<u>—</u>
	<u>32,913</u>	<u>248,792</u>	<u>12,138</u>	<u>50,171</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 27 TRADE AND OTHER PAYABLES

	2023 AED '000	2022 AED '000
Provisions, accruals and other payables	<b>16,844,426</b>	18,674,831
Trade payables	<b>6,951,331</b>	5,276,185
Payable to customers relating to brokerage business	<b>5,410,851</b>	4,123,980
Payable for the acquisition of land <sup>(i)</sup>	<b>3,602,076</b>	189,727
Retention payable	<b>2,210,846</b>	2,526,422
Deferred income	<b>1,500,003</b>	1,818,655
Payable to a government authority for purchase of lands	<b>695,829</b>	778,469
Payables related to government funded programs	-	1,870,024
Insurance and reinsurance payables	-	984,236
Deferred government grant	-	<u>42,143</u>
	<b>37,215,362</b>	36,284,672
Less: non-current portion	<b>(5,794,202)</b>	<u>(3,334,080)</u>
	<b><u>31,421,160</u></b>	<u>32,950,592</u>

Non-current portion consists of the following:

Payable for the acquisition of land <sup>(i)</sup>	<b>3,197,385</b>	184,557
Deferred income	<b>1,075,473</b>	1,431,594
Payable to a government authority for purchase of lands	<b>638,006</b>	713,253
Retention payable	<b>545,692</b>	678,996
Trade payables	<b>132,044</b>	15,013
Deferred government grant	-	42,143
Other payables	<b><u>205,602</u></b>	<u>268,524</u>
	<b><u>5,794,202</u></b>	<u>3,334,080</u>

- (i) Mainly represents the consideration payable for land plots on Al Fahid Island and 3 parcels of land in Dubai, which are payable over a period of 5 years and are recognised at the present value of the consideration payable (note 13).

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade payables.

### 28 CONTRACT LIABILITIES

Contract liabilities represent contracts for which consideration has been received by the Group, however, the performance obligation remains unsatisfied as at the reporting date, including construction contracts where a particular milestone payment exceeds the revenue recognised to date and contracts for goods or services where the transaction price is received by the Group before the control of promised goods or service is transferred to the customer.

	2023 AED '000	2022 AED '000
Amounts received in advance from customers	<b>6,464,979</b>	6,051,115
Amounts related to construction contracts	<b>9,310,380</b>	3,489,106
Amounts related to insurance contracts <sup>(i)</sup>	-	<u>2,482,806</u>
	<b><u>15,775,359</u></b>	<u>12,023,027</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 28 CONTRACT LIABILITIES continued

- (i) Amounts related to insurance contracts relate to a subsidiary derecognised during the year, National Health Insurance Company (Daman) PJSC.

	2023 AED'000	2022 AED'000
<b><i>Insurance contract liabilities</i></b>		
Claims incurred but not reported and claims reported but not approved	-	1,019,789
Unearned premiums	-	1,451,286
Unallocated loss adjustment expense reserve	<u>—</u>	<u>11,731</u>
Total liabilities as of year end	<u>—</u>	<u>2,482,806</u>
<b><i>Reinsurance contract assets</i></b>		
Reinsurance share of claims incurred but not reported and claims reported but not approved	-	(178,831)
Reinsurance share of profit commission	-	(7,799)
Reinsurance share of unearned premiums	<u>—</u>	<u>(207,497)</u>
Total reinsurance contract assets as of year end (note 17)	<u>—</u>	<u>(394,127)</u>
<b><i>Insurance contract liabilities - net</i></b>		
Claims incurred but not reported and claims reported but not approved (net)	-	840,958
Unearned premiums (net)	-	1,243,789
Unallocated loss adjustment expense reserve (net)	<u>—</u>	<u>11,731</u>
Net insurance contract liabilities	<u>—</u>	<u>2,096,478</u>

The gross and net claims incurred but not reported and claims reported but not approved, in addition to the unallocated loss adjustment expense reserve, were calculated by the Group's independent actuary.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

#### *Right-of-use assets:*

	Land AED '000	Warehouses, office spaces, shops and cinema halls AED '000	Others AED '000	Total AED '000
<b>2023</b>				
At 1 January 2023	<b>996,935</b>	<b>1,942,150</b>	<b>15,706</b>	<b>2,954,791</b>
Acquired in business combinations (note 6.1(a) & 6.2(a))	4,346	525,074	-	529,420
Additions <sup>(i)</sup>	112,667	204,332	5,470	322,469
Depreciation expense	(67,971)	(202,746)	(8,230)	(278,947)
Derecognition of a subsidiary <sup>(ii)</sup>	-	(1,362,872)	(5,768)	(1,368,640)
Termination of a lease	(5,054)	(6,623)	-	(11,677)
Lease modifications	(2,249)	(72,360)	1,195	(73,414)
Reclassification	19,362	(19,362)	-	-
Exchange difference	<u>594</u>	<u>3,347</u>	<u>(231)</u>	<u>3,710</u>
<b>At 31 December 2023</b>	<b><u>1,058,630</u></b>	<b><u>1,010,940</u></b>	<b><u>8,142</u></b>	<b><u>2,077,712</u></b>
<b>2022</b>				
At 1 January 2022	<b>600,214</b>	<b>369,838</b>	<b>761</b>	<b>970,813</b>
Acquired in business combinations (note 6.1(b) & 6.2(b))	381,950	337,447	7,291	726,688
Additions	70,837	1,482,774	12,613	1,566,224
Depreciation expense	(56,797)	(162,377)	(5,289)	(224,463)
Derecognition on disposal of subsidiaries (note 6.4(b))	-	(1,070)	-	(1,070)
Termination of a lease	(6,885)	(9,194)	(62)	(16,141)
Lease modifications	7,634	1,226	-	8,860
Eliminated on acquisition of subsidiary <sup>(iii)</sup>	-	(75,089)	-	(75,089)
Exchange difference	<u>(18)</u>	<u>(1,405)</u>	<u>392</u>	<u>(1,031)</u>
At 31 December 2022	<b><u>996,935</u></b>	<b><u>1,942,150</u></b>	<b><u>15,706</u></b>	<b><u>2,954,791</u></b>

Right of use assets with a carrying value of AED 51,000 thousand (2022: AED 54,232 thousand) are pledged as security against borrowings (note 24).

#### *Lease liabilities:*

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 AED '000	2022 AED '000
As at 1 January	<b>3,082,342</b>	1,004,432
Acquired in business combinations (note 6.1(a) & 6.2(a))	526,516	757,876
Additions during the year <sup>(i)</sup>	291,441	1,552,858
Interest expense (note 38)	98,450	89,491
Repayments made during the year	(281,891)	(228,178)
Derecognition of a subsidiary <sup>(ii)</sup>	(1,469,222)	(1,133)
Termination of a lease	(4,830)	(13,643)
Lease modifications	(93,531)	8,860
Eliminated on acquisition of a subsidiary <sup>(iii)</sup>	-	(83,479)
Covid-19 related rent concessions (note 34)	-	(386)
Exchange difference	<u>3,472</u>	<u>(4,356)</u>
As at 31 December	<b><u>2,152,747</u></b>	<b><u>3,082,342</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### **29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES** continued

- (i) During the year, ADMO Lifestyle Holding Limited, a subsidiary, acquired a 95% ownership interest in Monterock Investments Nedafushi Maldives, resulting in additions to right-of-use assets and lease liabilities of AED 56,947 thousand and AED 29,207 thousand respectively. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- (ii) These amounts presented are net of elimination at the group level (note 6.4(a)).
- (iii) Represents elimination of a lease of Pure Health Holding LLC (“Lessee”), which became an intercompany lease, after the acquisition of Aldar Properties PJSC (“Lessor”) in 2022.

Lease liabilities are disclosed in the consolidated statement of financial position as:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Non-current portion	<b>1,896,446</b>	2,814,243
Current portion	<b><u>256,301</u></b>	<u>268,099</u>
	<b><u>2,152,747</u></b>	<u>3,082,342</u>

Maturity analysis of lease liabilities is disclosed in note 43.

The following are the amounts recognised in the consolidated statement of profit or loss:

	<b>2023</b> <b>AED '000</b>	<b>2022</b> <b>AED '000</b>
Depreciation expense (included in cost of revenue) (note 31)	<b>57,336</b>	48,841
Depreciation expense (included in general and administrative expenses) (note 32)	<b>184,679</b>	146,974
Depreciation expense (included in selling and distribution expenses) (note 33)	<b>36,932</b>	28,648
Expense relating to short-term leases	<b>269,874</b>	324,308
Interest expense on lease liabilities (included in finance cost) (note 38)	<b>98,450</b>	89,491
Covid-19 related rent concessions adjustment (note 34)	<b><u>-</u></b>	<u>(386)</u>
	<b><u>647,271</u></b>	<u>637,876</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**30 REVENUE**

	<b>2023</b> <b>AED'000</b>	<b>2022</b> <b>AED'000</b>
<b><i>Type of goods or services</i></b>		
Marine and dredging revenue	<b>17,940,095</b>	11,797,360
Construction and related services revenue	<b>9,925,468</b>	7,519,993
Developing of properties	<b>6,401,343</b>	4,085,237
Food and related non-consumable items	<b>4,027,539</b>	2,386,566
Rental income	<b>3,823,022</b>	2,827,270
Management of properties, facilities and development projects	<b>3,309,837</b>	1,420,921
Healthcare and other medical supplies	<b>3,125,220</b>	13,315,778
Manpower and consultancy services	<b>2,131,054</b>	769,697
Information technology related revenue	<b>2,122,024</b>	810,237
Hospitality and leisure revenue	<b>1,553,797</b>	1,177,786
Premiums and other insurance related revenue	<b>1,466,282</b>	1,050,133
Education and related services	<b>686,579</b>	453,160
Coaching and training services	<b>673,295</b>	619,483
Sale of properties and land	<b>479,820</b>	714,088
Sale of cosmetics and related personal care services	<b>383,458</b>	360,500
Sale of furniture	<b>381,428</b>	311,249
Sale of cement and other related products	<b>315,503</b>	189,658
Revenue from brokerage services	<b>313,134</b>	213,106
District cooling services	<b>266,159</b>	271,580
Media and marketing services	<b>239,206</b>	107,362
Delivery services	<b>160,530</b>	110,274
Others	<b>364,647</b>	434,695
	<b><u>60,089,440</u></b>	<b><u>50,946,133</u></b>

***Timing of revenue recognition***

Revenue at a point in time	<b>16,175,991</b>	22,631,563
Revenue over time	<b>43,913,449</b>	28,314,570
<b><u>60,089,440</u></b>		

***Geographical markets***

UAE	<b>51,023,034</b>	44,061,745
Outside the UAE	<b>9,066,406</b>	6,884,388
<b><u>60,089,440</u></b>		

Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.

	<b>2023</b> <b>AED'000</b>	<b>2022</b> <b>AED'000</b>
Within one year	<b>40,416,467</b>	33,158,848
After one but no more than five years	<b>39,600,459</b>	24,254,532
More than five years	<b>29,516,562</b>	28,102,004
<b><u>109,533,488</u></b>		
<b><u>85,515,384</u></b>		

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 31 COST OF REVENUE

	2023 AED '000	2022 AED '000
Other direct materials and charges	<b>17,149,278</b>	14,646,803
Subcontracting and maintenance costs	<b>12,268,867</b>	8,881,773
Staff costs	<b>9,193,496</b>	6,299,365
Cost related to consumer products	<b>3,212,735</b>	1,772,195
Insurance claims incurred	<b>1,267,217</b>	1,014,506
Cost of healthcare and other medical supplies	<b>602,357</b>	2,890,209
Cost incurred on leased properties	<b>190,005</b>	78,927
Cost related to sale of furniture	<b>178,881</b>	164,211
Cost of properties and land sold	<b>173,708</b>	18,058
Royalty fees	<b>16,275</b>	14,929
Depreciation (note 7, 9, 15 & 29)	<b>1,975,530</b>	1,730,229
Amortisation (note 8)	<b>110,183</b>	109,569
(Reversal of) impairment of non-financial assets, net <sup>(i)</sup>	<b>(5,049)</b>	1,120,849
Allowance for slow moving inventories (note 13)	<b>1,061</b>	-
Supply of installation of water desalination	<b>-</b>	22,252
Others	<b><u>714,879</u></b>	<b><u>504,970</u></b>
	<b><u>47,049,423</u></b>	<b><u>39,268,845</u></b>

(i) The breakup of impairment of non-financial assets is as follows:

	2023 AED '000	2022 AED '000
Impairment loss on property, plant and equipment, net of reversals (note 7)	-	82,103
(Reversal of) impairment loss on investment properties (note 9)	<b>(85,338)</b>	765,540
(Reversal of) impairment loss on development work in progress (note 16)	<b>(52,927)</b>	235,491
Write-off of project costs in development work in progress (note 16)	<b><u>133,216</u></b>	<b><u>37,715</u></b>
	<b><u>(5,049)</u></b>	<b><u>1,120,849</u></b>

### 32 GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED '000	2022 AED '000
Staff costs	<b>2,814,620</b>	3,371,413
Rent, utilities and communication	<b>369,234</b>	443,366
Professional and legal expenses	<b>388,028</b>	384,013
Board of Directors remuneration (note 35.2)	<b>100,000</b>	-
Allowance for expected credit loss (note 14, 17 & 35)	<b>382,990</b>	450,628
Depreciation (note 7, 9 & 29)	<b>796,419</b>	611,579
Amortisation (note 8)	<b>238,814</b>	192,731
Allowance for slow moving inventories (note 13)	<b>56,140</b>	21,117
Impairment <sup>(i)</sup>	<b>127,258</b>	72,251
Other expenses	<b><u>826,325</u></b>	<b><u>1,908,974</u></b>
	<b><u>6,099,828</u></b>	<b><u>7,456,072</u></b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 32 GENERAL AND ADMINISTRATIVE EXPENSES continued

(i) The breakup of impairment of other assets is as follows:

	2023 AED'000	2022 AED'000
Impairment loss on property, plant and equipment (note 7)	7,006	-
Impairment loss on land plots held for sale (note 13)	<u>109,198</u>	71,191
Impairment loss on other assets	<u>11,054</u>	<u>1,060</u>
	<u><u>127,258</u></u>	<u><u>72,251</u></u>

### 33 SELLING AND DISTRIBUTION EXPENSES

	2023 AED'000	2022 AED'000
Staff cost	103,354	50,780
Sales promotion and marketing	272,463	457,444
Rent, utilities and communication	12,610	11,863
Freight and other direct selling expenses	57,001	14,800
Depreciation (note 7 & 29)	55,860	39,959
Reversal of impairment on property, plant and equipment (note 7)	(2,726)	-
Other expenses	<u>22,611</u>	<u>16,340</u>
	<u><u>521,173</u></u>	<u><u>591,186</u></u>

### 34 INVESTMENT AND OTHER INCOME

	2023 AED'000	2022 AED'000
Interest and dividends income	1,928,332	840,492
Reversal of excess provisions <sup>(i)</sup>	1,484,332	189,132
Change in the fair value of financial assets carried at fair value through profit or loss (note 11.2)	867,965	22,029,776
Gain on revaluation of equity accounted interest transferred to financial assets carried at fair value through profit or loss (note 10)	817,627	-
Amortisation of deferred income	387,061	116,647
Income from government grant	330,767	1,423,331
Gain on disposal of assets held for sale (note 19.1)	218,348	-
Unwinding of discounting of long-term receivables	146,225	47,808
Recovery of bad debts written off	23,925	71,496
Liabilities written back <sup>(ii)</sup>	91,317	-
Reversal of provision for infrastructure cost <sup>(iii)</sup>	114,283	-
Net gain on disposal of property, plant and equipment	41,883	326,871
Gain on disposal of investment properties	28,788	27,952
Fair value gain on remeasurement of a joint venture (note 10)	-	116,430
COVID-19 related rent concessions (note 29)	-	386
Change in fair value of biological assets, net of impairment losses (note 15)	(7,369)	29,332
Foreign exchange loss	(57,395)	(819,291)
Loss on reassessment of non-current receivables	(169,616)	-
Others	<u>515,666</u>	<u>393,080</u>
	<u><u>6,762,139</u></u>	<u><u>24,793,442</u></u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 34 INVESTMENT AND OTHER INCOME continued

- (i) Represents reversal of provisions which were no longer required following management's assessment at the reporting date of the estimated cash flows required based on the latest information.
- (ii) Liabilities written back represent project accruals previously recorded by the Group against development work performed by a related party on the Traditional Souq Project amounting to AED 47,953 thousand and work performed by contractors on residential development projects amounting to AED 43,364 thousand. During the year, the Group entered into settlement agreements with the related party and other contractors whereby all the amounts payable in connection with the projects were considered to be fully and finally settled leading to the reversals noted.
- (iii) During the year, the Group completed the required infrastructure works on certain sold plots of land accordingly the deferred revenue and the related excess provision for infrastructure work was released given that the required provisions were no longer required.

### 35 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

#### 35.1 Balances

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

	2023 AED '000	2022 AED '000
<b>Due from related parties:</b>		
<i>Current:</i>		
Entities under common control	564,200	481,888
Joint ventures	302,072	235,363
Joint operations	234	234
Associates	232,507	44,851
Entities managed by key management personnel	635,298	1,397,237
Ultimate Parent	4,161	2,025
Other related parties	<u>826,618</u>	<u>292,345</u>
	2,565,090	2,453,943
Less: allowance for expected credit losses on current portion	<u>(737,493)</u>	<u>(465,611)</u>
	<u>1,827,597</u>	<u>1,988,332</u>
<i>Non-current:</i>		
Joint ventures	210,999	210,918
Entities under common control <sup>(i)</sup>	<u>951</u>	<u>951</u>
	211,950	211,869
Less: allowance for expected credit losses on non-current portion	<u>(210,999)</u>	<u>(210,918)</u>
	<u>951</u>	<u>951</u>
Total due from related parties, net	<u>1,828,548</u>	<u>1,989,283</u>

(i) This balance pertains to retention receivables on contracts signed with related parties.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.1 Balances continued

*Due from related parties:* continued

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

	2023 AED'000	2022 AED'000
Balance at 1 January	676,529	301,331
Acquired in business combinations	-	184,416
Charge for the year (note 32)	278,862	197,919
Write-off during the year	-	(5,178)
Eliminated on derecognition of a subsidiary	(3,914)	-
Transfer to ECL on trade and other receivables (note 14)	<u>(2,985)</u>	<u>(1,959)</u>
Balance at 31 December	<u>948,492</u>	<u>676,529</u>

<i>Loans to related parties:</i>	<i>Nature of relationship</i>	2023 AED'000	2022 AED'000
Related party loan 1	Key management personnel	-	1,200
Related party loan 2 <sup>(i)</sup>	Joint venture	616,505	-
Related party loan 3 <sup>(ii)</sup>	Entities under common control	1,400	-
Related party loan 4 <sup>(iii)</sup>	Joint venture	<u>4,300</u>	<u>-</u>
		<u>622,205</u>	<u>1,200</u>

- (i) During the year, Multiply Group PJSC, a subsidiary, signed loan agreements with one of its joint venture's, Kalyon Enerjij Yatirimlari A.S amounting to AED 616,505 thousand (USD 128 million and EUR 36 million), in order to support their working capital requirements. The loans carry interest ranging from 8.25% to 10.5% per annum payable on a quarterly basis starting from 31 December 2023. The principle is repayable in full after 8 years from the date of the first drawdown (i.e. September 2031), being the maturity date.
- (ii) During the year, Palms Sports PJSC, a subsidiary, signed loan agreements with related parties carrying interest ranging from 2% to 3% per annum and repayable within one year.

Disclosed in the condensed consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Non-current	616,505	-
Current	<u>5,700</u>	<u>1,200</u>
	<u>622,205</u>	<u>1,200</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.1 Balances continued

	2023 AED'000	2022 AED'000
<b><i>Due to related parties:</i></b>		
<b><i>Current:</i></b>		
Entities under common control	<b>595,373</b>	723,265
Joint ventures	<b>11,181</b>	1,312,798
Associates	<b>74,962</b>	3,650
Entities managed by key management personnel	<b>81,945</b>	1,882,625
Ultimate Parent	<b>2,418</b>	4,183
Other related parties	<b>583,014</b>	<u>413,996</u>
	<b><u>1,348,893</u></b>	<u>4,340,517</u>
<b><i>Non-current:</i></b>		
Ultimate Parent	<b>2,520</b>	2,520
Entities under common control	<u>-</u>	<u>613</u>
	<b><u>2,520</u></b>	<u>3,133</u>
<b>Total due to related parties</b>	<b><u>1,351,413</u></b>	<u>4,343,650</u>

	<i>Nature of relationship</i>	2023 AED'000	2022 AED'000
<b><i>Loans from related parties:</i></b>			
Related party loan 1 <sup>(i)</sup>	Ultimate Parent	<b>31,785</b>	40,995
Related party loan 2 <sup>(ii)</sup>	Other related party	<b>34,860</b>	39,178
Related party loan 3 <sup>(iii)</sup>	Entity under common control	<b>13,300</b>	13,300
Related party loan 4 <sup>(iv)</sup>	Other related party	<b>78,571</b>	-
Related party loan 5 <sup>(v)</sup>	Other related party	<b>1,662</b>	<u>-</u>
		<b><u>160,178</u></b>	<u>93,473</u>

Disclosed in the consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Non-current	<b>122,118</b>	76,899
Current	<b><u>38,060</u></b>	<u>16,574</u>
	<b><u>160,178</u></b>	<u>93,473</u>

- (i) A subsidiary of the Group obtained a loan from Royal Group Holding LLC, to finance 20% of the total cost of a district cooling plant project in Abu Dhabi, carrying interest of 5%. The principal portion of the loan is repayable in 4 equal annual instalments starting from 31 December 2023 and the interest portion is repayable in 12 annual instalments starting 31 December 2018. The loan is secured by a mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment.
- (ii) A subsidiary of the Group obtained a loan from Aafaq Islamic Finance PSC, to finance the purchase of sharia compliant commodities. The loan carries interest of 2.5% per annum and is repayable on monthly instalments up until 2026. The loan is secured by a corporate guarantee.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### **35 RELATED PARTY BALANCES AND TRANSACTIONS** continued

#### **35.1 Balances** continued

*Loans from related parties:* continued

- (iii) A subsidiary of the Group obtained a loan from RG Treasury Holding LLC, to support the working capital requirements. The loan is repayable in 2025. The loan does not carry any interest.
- (iv) Prior to its acquisition by the Group, Al Ain Farms for Livestock Production, obtained a loan from one of its existing shareholders, Abu Dhabi Fund for Development. The loan carries interest of 2.5% per annum and is payable semi-annually over a period of ten years.
- (v) A subsidiary of the Group, LVL Technology Holding, obtained a loan from its existing shareholders, to support the working capital requirements. The loan carries interest of 13% per annum and is repayable in one bullet payment during April 2024.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 35 RELATED PARTY BALANCES AND TRANSACTIONS continued

#### 35.2 Transactions

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

	2023 AED'000	2022 AED'000
<b><i>Revenue:</i></b>		
Entities under common control	<b>240,410</b>	598,476
Joint ventures	<b>647,051</b>	335,534
Associates	<b>46,558</b>	41,976
Entities managed by key management personnel	<b>104,232</b>	50,368
Other related parties	<b><u>523,855</u></b>	<u>437,565</u>
	<b><u>1,562,106</u></b>	<u>1,463,919</u>
<b><i>Cost of revenue</i></b>		
Entities under common control	<b>15,484</b>	47,667
Joint ventures	<b>29,543</b>	1,534,456
Associates	<b>17,049</b>	5,542
Entities managed by key management personnel	<b>83,491</b>	10,603
Other related parties	<b><u>75,831</u></b>	<u>28,168</u>
	<b><u>221,398</u></b>	<u>1,626,436</u>
<b><i>General and administrative expenses</i></b>		
Entities under common control	<b>7,086</b>	5,009
Joint ventures	<b>10,360</b>	1,521
Entities managed by key management personnel	<b>621</b>	21,768
Other related parties	<b><u>1,154</u></b>	<u>20,948</u>
	<b><u>19,221</u></b>	<u>49,246</u>
<b><i>Investment and other income (interest income)</i></b>		
Joint ventures	<b><u>31,038</u></b>	<u>-</u>
Disposal of investment in a joint venture to a related party	<u>-</u>	<u>101,000</u>
Disposal of investment in a subsidiary to a related party	<b><u>31,275</u></b>	<u>114,300</u>

Refer to note 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets respectively, that fall under entities under common control.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### **35 RELATED PARTY BALANCES AND TRANSACTIONS** continued

#### **35.2 Transactions** continued

During the year, the Group made additional equity contributions to the following subsidiaries:

- Subsequent to the acquisition, the Group made an equity contribution of AED 140,000 thousand to Al Ain Farm against which no contribution was made by the non-controlling interest. The transaction resulted in an increase in non-controlling interest by AED 78,218 thousand, representing 49% of the contribution made.
- During the year, the Group made an equity contribution of AED 2,319 thousand, to Shory Technology LLC against which no contribution was made by the non-controlling interest. The transaction resulted in an increase in non-controlling interest by AED 696 thousand, representing 30% of the contribution made.

The above amounting to AED 78,914 thousand were recorded as other equity movement in the consolidated statement of changes in equity.

#### *Balances and transactions with a financial institution (other related party):*

##### *Balances:*

	<b>2023</b> <b>AED'000</b>	<b>2022</b> <b>AED'000</b>
Balances with a financial institution	<u>18,434,217</u>	<u>15,618,285</u>
Borrowings	<u>32,970,889</u>	<u>27,139,091</u>

##### *Transactions:*

	<b>2023</b> <b>AED'000</b>	<b>2022</b> <b>AED'000</b>
Interest expense	<u>1,118,713</u>	<u>581,662</u>
Interest income	<u>289,731</u>	<u>52,738</u>
Drawdowns of borrowings	<u>10,810,444</u>	<u>26,497,337</u>
Repayment of borrowings	<u>4,999,049</u>	<u>3,738,119</u>

Transactions with related parties were entered into on terms agreed with management.

##### **Key management remuneration**

	<b>2023</b> <b>AED'000</b>	<b>2022</b> <b>AED'000</b>
Salaries and other benefits – short term	<u>60,347</u>	<u>37,437</u>
End of service benefits and pension – long term	<u>2,508</u>	<u>1,083</u>
Board of Directors remuneration (note 32)	<u>100,000</u>	—

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 36 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments.

	2023	2022
Profit attributable to owners of the Company (AED'000)	<u>27,523,100</u>	<u>12,652,578</u>
Weighted average number of shares (shares in '000)	<u>2,193,540</u>	<u>1,859,149</u>
Basic and diluted earnings per share for the year (AED)	<u>12.55</u>	<u>6.81</u>

As of 31 December 2023 and 31 December 2022, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

### 37 CONTINGENT LIABILITIES AND COMMITMENTS

	2023 AED'000	2022 AED'000
Letters of guarantee	<u>29,642,137</u>	<u>19,567,353</u>
Letters of credit	<u>856,128</u>	<u>1,176,744</u>
Capital commitments	<u>53,522,340</u>	<u>46,514,089</u>

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that require to be accrued for as of 31 December 2023.

### 38 FINANCE COSTS

	2023 AED'000	2022 AED'000
Interest on borrowings	<u>2,143,183</u>	<u>1,051,191</u>
Interest on lease liabilities (note 29)	<u>98,450</u>	<u>89,491</u>
Amortisation of transaction costs (note 24)	<u>4,151</u>	<u>12,067</u>
Others	<u>31,582</u>	<u>35,510</u>
	<u><b>2,277,366</b></u>	<u><b>1,188,259</b></u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 39 TAXATION

#### *UAE Corporate Tax Law*

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the consolidated financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Accordingly, the Group has recorded a deferred tax liability of AED 826,368 thousand as at 31 December 2023.

The Group's subsidiaries in United States of America, India, Kingdom of Saudi Arabia, Russia, Maldives, Arab Republic of Egypt, Cyprus, Switzerland, Seychelles, United Kingdom and Greece are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

The major components of taxation for the years ended 31 December 2023 and 2022 are:

	2023 AED '000	2022 AED '000
<b>Consolidated statement of profit or loss</b>		
<i>Income tax:</i>		
Charge for the year	144,229	135,596
Adjustments in respect of current income tax of previous year	<u>(11,397)</u>	<u>(491)</u>
	132,832	135,105
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	<u>723,095</u>	<u>(46,231)</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>855,927</u>	<u>88,874</u>
<b>Consolidated other comprehensive income</b>		
<i>Deferred tax related to items recognised in OCI during the year:</i>		
Foreign exchange difference on translation of foreign operations	<u>4,760</u>	<u>13,991</u>
Deferred income tax charged to OCI	<u>4,760</u>	<u>13,991</u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 39 TAXATION continued

Reconciliation of tax expense and the accounting profit for 2023 and 2022:

	2023 AED '000	2022 AED '000
Accounting profit before tax	<u>33,810,175</u>	32,660,074
Income not subject to tax	<u>(32,781,148)</u>	<u>(31,933,426)</u>
Accounting profit subject to tax	<u><u>1,029,027</u></u>	<u><u>726,648</u></u>
At effective tax rate ranging from 10% to 33% (2022: 10% to 20%)	<u>152,584</u>	83,671
Tax losses	<u>(973)</u>	<u>(12,572)</u>
Temporary differences	<u>723,951</u>	<u>(3,729)</u>
Adjustment related to previous year	<u>(11,397)</u>	<u>(491)</u>
Permanent differences	<u><u>(8,238)</u></u>	<u><u>21,995</u></u>
Income tax benefit reported in the consolidated statement of profit or loss	<u><u>855,927</u></u>	<u><u>88,874</u></u>

### Deferred tax

Reconciliation of deferred tax (liabilities) assets:

	2023 AED '000	2022 AED '000
At 1 January	<u>41,209</u>	15,053
Acquired in business combination (note 6.2)	<u>(45,434)</u>	<u>(11,227)</u>
Foreign currency translation adjustment	<u>(16,923)</u>	<u>(22,839)</u>
Tax (expense) income recognised in profit or loss during the year	<u>(723,095)</u>	<u>46,231</u>
Tax income recognised in OCI during the year	<u><u>4,760</u></u>	<u><u>13,991</u></u>
<b>At 31 December – (liabilities) assets</b>	<b><u>(739,483)</u></b>	<b><u>41,209</u></b>

Deferred tax assets (liabilities) relate to the following:

	2023 AED '000	2022 AED '000
<i>Deferred tax assets</i>		
Foreign exchange difference on translation of foreign operations	<u>18,845</u>	9,853
Losses available for offsetting against future taxable income	<u>34,373</u>	<u>12,949</u>
Provisions and other	<u><u>82,341</u></u>	<u><u>83,555</u></u>
	<u><u>135,559</u></u>	<u><u>106,357</u></u>
<i>Deferred tax liabilities</i>		
Accelerated depreciation for tax purposes	<u>(48,674)</u>	(40,461)
Relating to business combinations prior to enactment of UAE CT Law	<u>(751,829)</u>	-
Relating to business combinations subsequent to enactment of UAE CT Law	<u>(74,539)</u>	-
Others	<u><u>-</u></u>	<u><u>(24,687)</u></u>
	<u><u>(875,042)</u></u>	<u><u>(65,148)</u></u>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 39 TAXATION continued

#### Deferred tax continued

Following is the deferred tax liability recorded on the application of UAE CT Law:

	2023 AED '000	2022 AED '000
Goodwill – prior to enactment of UAE CT Law	(236,231)	-
Intangible assets acquired as part of business combinations		
– prior to enactment of UAE CT Law	(317,605)	-
Intangible assets acquired as part of business combinations		
– subsequent to enactment of UAE CT Law	(74,539)	-
Investment properties	288,465	-
Inventory properties	(271,521)	-
Development work-in-progress	(169,903)	-
Property, plant and equipment	(44,639)	-
Others	<u>(395)</u>	<u>—</u>
	<u>(826,368)</u>	<u>—</u>

Furthermore, the UAE as a member of the OECD BEPS Inclusive Framework is committed to adopt Pillar Two rules (OECD Model Rules) in domestic legislation. OECD Pillar Two rules will apply to Multinational Enterprises (MNEs) such as the Group with consolidated revenues above EUR 750 million. The Pillar Two rules have not been yet adopted in the UAE or any foreign jurisdiction where the Group has presence.

Due to the uncertainties and on-going developments, the Group is not able to provide a reasonable estimation at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance. The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Group for the financial year beginning 1 January 2024.

### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2023	2022
Alpha Dhabi Holding PJSC	United Arab Emirates	<b>10.30%</b>	10.30%
Multiply Group PJSC	United Arab Emirates	<b>41.26%</b>	41.26%
Q Holding PSC	United Arab Emirates	<b>44.40%</b>	44.44%
Ghitha Holding PJSC	United Arab Emirates	<b>13.10%</b>	13.10%
Sirius International Holding Limited	United Arab Emirates	<b>16.31%</b>	20.00%

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	2023 AED '000	2022 AED '000
<b><i>Accumulated balances of material non-controlling interests:</i></b>		
Alpha Dhabi Holding PJSC	<b>34,320,904</b>	36,882,236
Multiply Group PJSC	<b>13,843,844</b>	13,004,655
Q Holding PSC	<b>7,793,841</b>	7,498,447
Ghitha Holding PJSC	<b>2,073,036</b>	1,499,061
Sirius International Holding Limited	<b>688,431</b>	424,942
	<b>58,720,056</b>	<b>59,309,341</b>
<b><i>Profit (loss) allocated to material non-controlling interests:</i></b>		
Alpha Dhabi Holding PJSC	<b>3,747,163</b>	5,954,817
Multiply Group PJSC	<b>354,659</b>	12,884,871
Q Holding PSC	<b>208,737</b>	161,593
Ghitha Holding PJSC	<b>16,944</b>	87,535
Sirius International Holding Limited	<b>250,901</b>	(38,428)
	<b>4,578,404</b>	<b>19,050,388</b>

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

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

	Alpha Dhabi AED '000	Multiply AED '000	Q Holding AED '000	Ghitha AED '000	Sirius AED '000
<b><i>31 December 2023</i></b>					
Revenue	45,415,595	1,293,883	882,396	4,566,913	444,383
Cost of revenue	(36,068,092)	(630,486)	(398,157)	(3,793,674)	(269,609)
General and administrative expenses	(4,389,381)	(302,772)	(276,426)	(406,980)	(109,698)
Selling and distribution expenses	-	-	(27,942)	(189,545)	(853)
Gain on acquisition of subsidiaries	1,502	-	-	-	-
Gain on derecognition of subsidiaries	7,457,394	-	-	-	-
Share of profit (loss) from equity accounted investments	458,239	228,558	(697)	38,686	69,845
Finance cost	(1,125,913)	(415,637)	(89,469)	(71,189)	(103,274)
Investment and other income	2,161,332	407,329	563,753	(69,127)	1,170,522
Taxation	(629,426)	(28,887)	(79,504)	(31,895)	(15,976)
<b>Profit for the year</b>	<b>13,281,250</b>	<b>551,988</b>	<b>573,954</b>	<b>43,189</b>	<b>1,185,340</b>
<b>Attributable to non-controlling interests</b>	<b>3,747,163</b>	<b>354,659</b>	<b>208,737</b>	<b>16,944</b>	<b>250,901</b>
<b><i>31 December 2022</i></b>					
Revenue	40,049,989	1,125,509	682,407	2,278,565	22,620
Cost of revenue	(30,312,280)	(556,351)	(917,530)	(1,895,244)	(48,866)
General and administrative expenses	(5,216,475)	(237,564)	(298,085)	(192,594)	(54,859)
Selling and distribution expenses	-	-	(17,839)	(48,758)	-
Gain on acquisition of subsidiaries	-	-	1,865,900	-	-
Loss on disposal of subsidiaries	-	-	(16,253)	-	-
Fair value gain on previously held equity interest	3,879,900	-	-	90,000	-
Share of profit (loss) from equity accounted investments	58,817	(14,533)	(7,421)	8,784	(99,834)
Finance cost	(583,798)	(150,081)	(116,443)	(13,382)	(1,907)
Investment and other income	2,799,753	18,395,968	(352,085)	104,774	2,186
Taxation	(68,532)	-	-	356	-
<b>Profit (loss) for the year</b>	<b>10,607,374</b>	<b>18,562,948</b>	<b>822,651</b>	<b>332,501</b>	<b>(180,660)</b>
<b>Attributable to non-controlling interests</b>	<b>5,954,817</b>	<b>12,884,871</b>	<b>161,593</b>	<b>87,535</b>	<b>(38,428)</b>

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

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

	<i>Alpha Dhabi</i> AED '000	<i>Multiply</i> AED '000	<i>Q Holding</i> AED '000	<i>Ghitha</i> AED '000	<i>Sirius</i> AED '000
<b><i>31 December 2023</i></b>					
Non-current assets	66,871,591	24,085,999	9,862,633	3,480,997	2,060,568
Current assets	73,482,096	18,072,650	11,448,448	3,584,374	9,503,733
Non-current liabilities	(27,000,537)	(9,574,954)	(2,075,730)	(900,328)	(7,886,834)
Current liabilities	(37,376,119)	(2,397,119)	(4,316,691)	(1,750,237)	(514,007)
<b>Total equity</b>	<b>75,977,031</b>	<b>30,186,576</b>	<b>14,918,660</b>	<b>4,414,806</b>	<b>3,163,460</b>
Less: non-controlling interest	32,142,748	1,277,745	1,149,566	1,678,622	173,353
Less: hybrid equity instruments	<u>1,815,646</u>	—	—	—	—
Equity attributable to the owners of the subsidiaries	<u>42,018,637</u>	<u>28,908,831</u>	<u>13,769,094</u>	<u>2,736,184</u>	<u>2,990,107</u>
Attributable to:					
Equity holders of parent	<u>39,840,481</u>	<u>16,342,732</u>	<u>7,124,819</u>	<u>2,341,770</u>	<u>2,475,029</u>
Non-controlling interest	<u>34,320,904</u>	<u>13,843,844</u>	<u>7,793,841</u>	<u>2,073,036</u>	<u>688,431</u>
 <b><i>31 December 2022</i></b>					
Non-current assets	56,145,804	28,125,027	8,906,345	2,498,353	1,832,898
Current assets	74,883,420	13,080,855	10,635,399	2,867,862	1,141,962
Non-current liabilities	(23,461,806)	(9,787,108)	(1,709,480)	(543,303)	(643,229)
Current liabilities	(37,528,458)	(2,038,067)	(3,584,411)	(1,025,799)	(283,207)
Total equity	70,038,960	29,380,707	14,247,853	3,797,113	2,048,424
Less: non-controlling interest	36,328,703	853,219	955,255	1,271,296	9,272
Less: hybrid equity instruments	<u>1,815,646</u>	—	—	—	—
Equity attributable to the owners of the subsidiaries	<u>31,894,611</u>	<u>28,527,488</u>	<u>13,292,598</u>	<u>2,525,817</u>	<u>2,039,152</u>
Attributable to:					
Equity holders of parent	<u>31,341,078</u>	<u>16,376,052</u>	<u>6,749,406</u>	<u>2,298,052</u>	<u>1,623,482</u>
Non-controlling interest	<u>36,882,236</u>	<u>13,004,655</u>	<u>7,498,447</u>	<u>1,499,061</u>	<u>424,942</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**40 MATERIAL PARTLY-OWNED SUBSIDIARIES** continued

**Summarised cash flow information of material partly-owned subsidiaries:**

	<i>Alpha Dhabi</i> AED '000	<i>Multiply</i> AED '000	<i>Q Holding</i> AED '000	<i>Ghitha</i> AED '000	<i>Sirius</i> AED '000
<b><i>31 December 2023</i></b>					
Operating	5,966,471	996,624	82,062	633,123	(1,368,724)
Investing	(13,206,832)	(1,755,097)	(323,918)	(568,142)	1,349,672
Financing	<u>2,210,450</u>	<u>1,041,285</u>	<u>18,102</u>	<u>255,329</u>	<u>699,187</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b><u>(5,029,911)</u></b>	<b><u>282,812</u></b>	<b><u>(223,754)</u></b>	<b><u>320,310</u></b>	<b><u>680,135</u></b>
 <b><i>31 December 2022</i></b>					
Operating	13,479,250	857,155	711,484	162,744	(668,931)
Investing	(10,206,023)	(11,536,617)	(557,851)	(432,269)	752,253
Financing	<u>6,452,035</u>	<u>8,070,277</u>	<u>(791,928)</u>	<u>561,820</u>	<u>744,238</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b><u>9,725,262</u></b>	<b><u>(2,609,185)</u></b>	<b><u>(638,295)</u></b>	<b><u>292,295</u></b>	<b><u>827,560</u></b>

**41 FAIR VALUE MEASUREMENT**

**Fair value of the Group's assets that are measured at fair value on recurring basis**

Some of the Group's financial assets are measured at fair value at the end of the reporting year. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
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**41 FAIR VALUE MEASUREMENT** continued

**Fair value of the Group's assets that are measured at fair value on recurring basis** continued

Following is the information on how the fair value of the financial assets, financial liabilities and biological assets are determined.

	<i>Fair value as at</i>		<i>Fair value hierarchy</i>	<i>Valuation techniques and key inputs</i>	<i>Significant unobservable input</i>	<i>Relationship of unobservable inputs to fair value</i>
	<i>31 December 2023</i>	<i>31 December 2022</i>				
	<i>AED'000</i>	<i>AED'000</i>				
<b><i>Financial assets</i></b>						
Quoted equity investments – investment in financial assets	<b>47,236,145</b>	46,620,069	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	<b>14,079,503</b>	11,757,497	Level 3	Discounted cash flow method and latest transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value
Unquoted debt investments – investment in financial assets	<b>313,152</b>	185,136	Level 3	Discounted cash flow method and latest transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value
Derivative financial assets	<b>32,913</b>	248,792	Level 2	Significant observable inputs	None	Not applicable
Derivative financial liabilities	<b>12,138</b>	50,171	Level 2	Significant observable inputs	None	Not applicable
<b><i>Non-financial assets</i></b>						
Biological assets	<b>50,450</b>	78,781	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of the levels during the year. The fair values of all other financial assets and liabilities, other than the below, are not materially different from their carrying values at the reporting date.

***Financial liabilities at amortised cost:***

	<i>2023 AED'000</i>		<i>2022 AED'000</i>	
	<i>Gross carrying amount</i>	<i>Fair value</i>	<i>Gross carrying amount</i>	<i>Fair value</i>
Sukuk 1 (note 25)	<b>1,852,144</b>	<b>1,820,844</b>	1,847,444	1,803,119
Sukuk 2 (note 25)	<b>1,839,102</b>	<b>1,722,890</b>	1,834,472	1,683,694
Sukuk 3 (note 25)	<b>1,811,708</b>	<b>1,782,319</b>	—	—
	<b>5,502,954</b>	<b>5,326,053</b>	<u>3,681,916</u>	<u>3,486,813</u>

The non-convertible sukuk are categorised under Level 1 in the fair value hierarchy.

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 42 SEGMENTAL ANALYSIS

**Real estate and construction** includes construction, development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

**Food** includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

**Technology** includes the supply and maintenance of computer equipment, in addition to cyber risk management services.

**Financial services** includes brokerage services provided with respect to securities, in addition to health insurance solutions provided in UAE.

**Marine and dredging** includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included are dredging and its associated land reclamation works.

**Healthcare** includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

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

**Services and other segments** mainly comprise of education, leisure & hospitality, communication and entertainment segments, investments in financial assets and its related financing activities, as well as other ancillary activities (i.e. retail trade of household and office furniture and other head office expenses).

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2023

### 42 SEGMENTAL ANALYSIS continued

	Real estate and construction		Food		Technology		Financial services		Marine and dredging		Healthcare		Utilities		Services and other segments		Inter-segment elimination		Total	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Revenue	20,621,098	14,562,138	4,163,065	2,286,433	2,416,517	952,097	1,729,415	1,177,156	17,969,429	11,904,218	3,187,108	13,485,666	309,321	313,656	10,377,416	7,261,043	(683,929)	(996,274)	60,089,440	50,946,133
Cost of sales	(15,626,334)	(12,340,913)	(3,469,799)	(1,803,761)	(1,812,791)	(786,296)	(1,307,099)	(973,355)	(15,678,986)	(10,835,171)	(2,461,982)	(8,423,536)	(154,868)	(174,387)	(7,033,254)	(4,804,327)	495,690	872,901	(47,049,423)	(39,268,845)
<b>Gross profit</b>	<b>4,994,764</b>	<b>2,221,225</b>	<b>693,266</b>	<b>482,672</b>	<b>603,726</b>	<b>165,801</b>	<b>422,316</b>	<b>203,801</b>	<b>2,290,443</b>	<b>1,069,047</b>	<b>725,126</b>	<b>5,062,130</b>	<b>154,453</b>	<b>139,269</b>	<b>3,344,162</b>	<b>2,456,716</b>	<b>(188,239)</b>	<b>(123,373)</b>	<b>13,040,017</b>	<b>11,677,288</b>
Selling and distribution expenses	(140,102)	(373,761)	(189,722)	(55,172)	(4,127)	(7,364)	-	-	-	-	(16,135)	(29,645)	-	(434)	(162,253)	(117,865)	(8,834)	(6,945)	(521,173)	(591,186)
General and administrative expenses	(1,497,010)	(1,806,854)	(359,998)	(149,120)	(273,880)	(113,493)	(75,868)	(201,333)	(329,942)	(186,246)	(1,012,013)	(2,338,591)	(30,818)	(54,484)	(2,588,479)	(2,650,916)	68,180	44,965	(6,099,828)	(7,456,072)
Investment and other income	1,218,059	2,302	54,587	95,810	1,502,328	6,115	373,897	343,472	963,253	1,508,790	381,751	1,621,035	43,934	4,817	2,316,952	21,261,576	(92,622)	(50,475)	6,762,139	24,793,442
Share of profit (loss) from investment in associates and joint ventures	103,557	(107,848)	52,218	34,215	120,432	2,771	-	322	52,012	4,234	294,263	425,152	257,065	(14,535)	12,353,671	(98,491)	-	-	13,233,218	245,820
Gain on acquisition of subsidiaries	825	1,743,900	-	-	-	19,521	-	-	-	-	-	249	-	-	2,173	419,614	-	-	2,998	2,183,284
(Loss) gain on derecognition of subsidiaries	-	(16,253)	-	-	-	-	-	-	-	-	-	-	28,234	-	8,830,127	107,297	-	-	8,858,361	91,044
Fair value gain on revaluation of previously held equity interest	316,931	2,742,265	-	90,000	-	16,414	-	-	-	-	-	-	-	-	1,768	-	-	-	318,699	2,848,679
Gain (loss) on disposal of investment in a joint venture and an associate	417,279	(6,152)	-	37,379	-	-	-	-	-	-	-	591	32,895	-	42,936	31,293	-	-	493,110	63,111
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	-	-	-	(7,077)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,077)	
Finance costs	(574,724)	(507,500)	(68,260)	(11,201)	(62,549)	(19,137)	(50,034)	(28,873)	(220,977)	(127,684)	(68,551)	(45,109)	(20,841)	(10,946)	(1,244,194)	(462,549)	32,764	24,740	(2,277,366)	(1,188,259)
Taxation	(191,021)	(21,344)	(31,895)	356	(6,613)	(11,357)	-	-	(33,640)	(41,982)	(53,684)	-	-	-	(539,074)	(14,547)	-	-	(855,927)	(88,874)
<b>Profit (loss) for the year</b>	<b>4,648,558</b>	<b>3,869,980</b>	<b>150,196</b>	<b>517,862</b>	<b>1,879,317</b>	<b>50,271</b>	<b>670,311</b>	<b>317,389</b>	<b>2,721,149</b>	<b>2,276,159</b>	<b>250,757</b>	<b>4,695,812</b>	<b>464,922</b>	<b>63,687</b>	<b>22,357,789</b>	<b>20,932,178</b>	<b>(188,751)</b>	<b>(111,088)</b>	<b>32,954,248</b>	<b>32,571,200</b>
	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>	<b>2023 AED'000</b>	<b>2022 AED'000</b>
Segment assets	106,234,666	82,834,355	5,857,068	4,078,838	5,980,547	2,184,474	9,313,525	14,828,737	28,758,291	21,865,850	8,561,073	27,243,693	4,310,681	3,291,313	112,690,090	87,222,769	(17,430,988)	(15,515,535)	264,274,953	228,034,494
Segment liabilities	45,415,595	35,108,472	3,062,183	2,588,037	3,622,915	1,753,023	7,581,582	12,108,112	17,503,900	13,145,878	1,024,648	9,696,323	1,218,742	1,608,309	45,324,659	38,108,901	(17,216,142)	(15,446,670)	107,538,082	98,670,385

\* Gain from derecognition of Pure Health Holding PJSC and gain on acquisition of Modon amounting to AED 8,830,127 thousand and AED 12,194,173 thousand respectively, have been included within "services and other segments."

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT

#### **Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by net debt and equity. Net debt is calculated as borrowings, non-convertible sukuk, lease liabilities, loan from related parties, trade and other payables, contract liabilities, due to related parties less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2023 AED '000	2022 AED '000
Borrowings	<b>42,935,316</b>	36,266,717
Lease liabilities	<b>2,152,747</b>	3,082,342
Loan from related parties	<b>160,178</b>	93,473
Trade and other payables	<b>37,215,362</b>	36,284,672
Non-convertible sukuk	<b>5,502,954</b>	3,681,916
Contract liabilities	<b>15,775,359</b>	12,023,027
Due to related parties	<b>1,351,413</b>	4,343,650
Cash and bank balances	<b>(33,918,559)</b>	(37,230,142)
 Net debt	 <b>71,174,770</b>	 58,545,655
Equity	<b>156,736,871</b>	<b>129,364,109</b>
 Net debt and equity (capital)	 <b>227,911,641</b>	 <b>187,909,764</b>
 Gearing ratio	 <b>0.31</b>	 0.31

#### **Financial instruments risk management objectives and policies**

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group's financial performance.

The Board of Directors of the Company establishes and oversees the Company's risk management framework, while the management and respective boards of certain companies within the Group takes responsibility for the establishment and oversight of risk management frameworks at the entities' levels.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit, Risk and Compliance Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT continued

#### **Market risk management**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk and interest rate risk. Financial instruments affected by market risk include investment in financial assets, borrowings and derivative financial instruments.

#### *Foreign exchange risk:*

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency), investment in financial assets and the Group's net investments in foreign subsidiaries, associates and joint ventures.

The carrying amounts of the Group's monetary assets and liabilities in major foreign currencies at the reporting date are as follows:

	Assets 2023 AED '000	Liabilities 2023 AED '000	Net Exposure 2023 AED '000	Assets 2022 AED '000	Liabilities 2022 AED '000	Net Exposure 2022 AED '000
Egyptian Pound ('EGP')	<b>5,550,932</b>	<b>4,036,112</b>	<b>1,514,820</b>	5,920,099	3,816,710	2,103,389
Euro ('Eur')	<b>1,822,918</b>	<b>443,630</b>	<b>1,379,288</b>	163,213	50,191	113,022
Great Britain Pound ('GBP')	<b>2,937,181</b>	<b>1,941,297</b>	<b>995,884</b>	1,193,875	672,998	520,877
Moroccan Dirham ('MD')	<b>369,688</b>	<b>374,312</b>	<b>(4,624)</b>	221,401	223,376	(1,975)
Indian Rupees ('INR')	<b>7,240,853</b>	<b>11</b>	<b>7,240,842</b>	10,410,562	-	10,410,562
Others	<b>437,427</b>	<b>428,227</b>	<b>9,200</b>	202,525	369,282	(166,757)

#### *Foreign currency sensitivity analysis*

The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. The major exposure to foreign currencies at the end of reporting period relates to EGP, Euro, GBP, MD and INR. The following table demonstrates the sensitivity of AED on the Group's equity to a reasonably possible change by 5% against following foreign currencies, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on Equity 2023 AED '000	Effect on Equity 2022 AED '000
Egyptian Pound ('EGP')	<b>75,741</b>	105,169
Euro ('Eur')	<b>68,964</b>	5,651
Great Britain Pound ('GBP')	<b>49,794</b>	26,044
Moroccan Dirham ('MD')	<b>(231)</b>	(99)
Indian Rupees ('INR')	<b>362,042</b>	520,528
Others	<b>460</b>	(8,338)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 43 FINANCIAL RISK MANAGEMENT continued

#### **Market risk management** continued

##### *Price risk*

The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 47,236,145 thousand (2022: AED 46,620,069 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2023 AED '000	2022 AED '000
Impact on the Group's profit for the year (increase/decrease)	<u>2,352,964</u>	<u>2,313,221</u>
Impact on the Group's other comprehensive income for the year (increase/decrease)	<u>8,844</u>	<u>17,783</u>

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

At 31 December 2023, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 220,614 thousand (2022: AED 151,976 thousand).

##### *Interest rate swap contracts*

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract. The notional principal amounts are disclosed in note 26.

##### *Interest rate cap contracts*

The Group is exposed to interest rate risk on interest bearing debt and manages its exposure to interest rate risk through the proportion of fixed and variable rate debt in its total net debt portfolio.

As part of the London Square business acquisition, the Group acquired interest rate cap contracts with counterparties operating in England and Wales, which manage the exposure to variable rate interest on borrowings. The interest rate cap contracts derivatives are not designated as hedges, with the fair value changes being recognised in the Group's consolidated statement of profit or loss. The notional principal amounts are disclosed in note 26.

#### **Credit risk management**

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group's policy is to place cash and cash equivalents and short term deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
31 December 2023

**43 FINANCIAL RISK MANAGEMENT** continued

**Liquidity risk management**

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	<i>On demand</i> AED '000	<i>Less than 3 months</i> AED '000	<i>3 to 12 months</i> AED '000	<i>1 to 5 years</i> AED '000	<i>More than 5 years</i> AED '000	<i>Total</i> AED '000
<b><i>At 31 December 2023</i></b>						
Borrowings	<b>787,676</b>	<b>1,079,408</b>	<b>5,965,776</b>	<b>38,970,877</b>	<b>856,917</b>	<b>47,660,654</b>
Lease liabilities	<b>12,062</b>	<b>60,117</b>	<b>252,409</b>	<b>863,001</b>	<b>1,862,850</b>	<b>3,050,439</b>
Due to related parties	<b>380,251</b>	<b>460,415</b>	<b>508,227</b>	<b>-</b>	<b>2,520</b>	<b>1,351,413</b>
Loan from related parties	-	-	<b>38,060</b>	<b>122,118</b>	-	<b>160,178</b>
Derivative financial instruments	-	<b>12,138</b>	-	-	-	<b>12,138</b>
Non-convertible sukuk	-	-	<b>46,098</b>	<b>2,792,886</b>	<b>4,127,679</b>	<b>6,966,663</b>
Trade and other payables	<b>434,964</b>	<b>11,345,458</b>	<b>16,754,618</b>	<b>4,520,863</b>	<b>-</b>	<b>33,055,903</b>
<b>Total</b>	<b><u>1,614,953</u></b>	<b><u>12,957,536</u></b>	<b><u>23,565,188</u></b>	<b><u>47,269,745</u></b>	<b><u>6,849,966</u></b>	<b><u>92,257,388</u></b>
<b><i>At 31 December 2022</i></b>						
Borrowings	38,688	521,096	2,689,488	35,769,955	1,216,468	40,235,695
Lease liabilities	6,504	103,139	193,561	1,460,037	2,114,888	3,878,129
Due to related parties	663,068	687,596	2,989,853	3,133	-	4,343,650
Loan from related parties	-	-	16,574	76,899	-	93,473
Derivative financial instruments	-	50,171	-	-	-	50,171
Non-convertible sukuk	-	-	37,104	2,161,743	2,161,742	4,360,589
Trade and other payables	<b>103,595</b>	<b>17,398,992</b>	<b>12,098,024</b>	<b>1,793,928</b>	<b>-</b>	<b>31,394,539</b>
<b>Total</b>	<b><u>811,855</u></b>	<b><u>18,760,994</u></b>	<b><u>18,024,604</u></b>	<b><u>41,265,695</u></b>	<b><u>5,493,098</u></b>	<b><u>84,356,246</u></b>

**44 DIVIDENDS**

Dividends attributable to non-controlling interest amounting to AED 1,209,205 thousand was declared in 2023 (2022: AED 1,849,124 thousand).

# International Holding Company PJSC

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

### 45 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.

### 46 SUBSEQUENT EVENTS

Subsequent to the year end, the Group acquired shareholding interests in the following:

- Alpha Mind Holding Limited (“Alpha Mind”) - 51% equity interest  
*(Alpha Mind is involved in the hospitality business)*
- Learn Education Investment LLC (“Learn”) - 100% equity interest  
*(Learn is an education services enterprise, dealing in investment and management of educational institutes)*

Further, subsequent to the year end, the Group entered into the following transactions:

- The transfer of 2PointZero to the Group was completed. 2PointZero, a holding company incorporated in UAE, invests in companies across a multitude of sectors, with a focus on financial services, investment banking, technology & AI, mining & resource management and digital & crypto ecosystems.
- Tamween Companies Management LLC sold 3% of its ownership interest in Apex Investment PSC (“Apex”).

In addition, the Group entered into the following major agreements:

- The Group and ADQ Real Estate and Hospitality Investments LLC entered into a share purchase agreement (“Agreement”) to combine Modon Properties PJSC, Abu Dhabi National Exhibition Company (ADNEC) PJSC and other assets, with Q Holding PSC. The shareholders approved the transaction in the General Assembly meeting held on 28 November 2023, and the transaction is subject to completion upon the satisfaction of the associated conditions precedents set in the Agreement.
- Subsequent to year end, the Group formed a joint venture, Enersol Rsc Ltd, in collaboration with ADNOC Drilling Company PJSC, wherein ownership stakes are distributed as 49% and 51% respectively. The principal objective of this venture is to spearhead the development of an oil field services technology platform, with a total commitment amounting to USD 1,500 million. As an integral part of this endeavour, the Group contributed its 25% stake in Gordon Technologies LLC to Enersol Rsc Ltd, for a consideration of USD 87 million.