Easy Lease Motor Cycle Rental P.S.C and its Subsidiaries

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS PERIOD ENDED 31 MARCH 2024

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF

EASY LEASE MOTOR CYCLE RENTAL P.S.C

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Easy Lease Motor Cycle Rental P.S.C (the "Company") and its subsidiaries (together referred to as the "Group") as at 31 March 2024, comprising of the interim consolidated statement of financial position as at 31 March 2024, and the related interim consolidated statements of comprehensive income, changes in equity and cash flows for the three months period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Signed by:
Walid Joseph Nakfour
Partner
Ernst & Young
Registration No 5479

26 April 2024
Abu Dhabi

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2024

	Notes	*Three months period ended 31 March*	
		(Unaudited) 2024 AED	*(Unaudited) 2023 AED*
Revenue from contracts with customers	5	**97,356,623**	70,201,783
Direct costs		**(64,220,009)**	(51,378,936)
GROSS PROFIT		**33,136,614**	18,822,847
General and administrative expenses		**(16,739,273)**	(11,345,512)
Change in fair value of investments carried at fair value through profit or loss	8	**(3,692,231)**	(3,741,549)
Share of profit from investment in an associate		**-**	33,891
Other income		**3,144,785**	2,588,916
Finance costs		**(1,758,415)**	(859,193)
PROFIT BEFORE TAX FOR THE PERIOD		**14,091,480**	5,499,400
Income tax expense	6	**(1,084,292)**	-
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**13,007,188**	5,499,400
Attributable to:			
Owners of the Company		**8,646,902**	4,546,488
Non-controlling interests		**4,360,286**	952,912
		13,007,188	5,499,400
Basic earnings per share	13	**0.29**	0.15

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2024

	Notes	*(Unaudited) 31 March 2024 AED*	*(Audited) 31 December 2023 AED*
ASSETS			
Non-current assets			
Property and equipment	7	**123,426,013**	127,338,766
Intangible assets and goodwill		**109,183,830**	95,769,884
Right-of-use assets		**12,410,424**	9,151,738
		245,020,267	232,260,388
Current assets			
Inventories - spare parts and consumables		**6,730,585**	6,372,034
Investments carried at fair value through profit or loss	8	**18,488,991**	23,998,311
Trade and other receivables	9	**108,526,871**	82,280,685
Amounts due from related parties	17	**434,464**	373,547
Bank balances and cash	10	**78,894,237**	30,922,352
		213,075,148	143,946,929
TOTAL ASSETS		**458,095,415**	376,207,317
EQUITY AND LIABILITIES			
Equity			
Share capital	11	**30,000,000**	30,000,000
Statutory reserve	12	**12,973,768**	12,973,768
Retained earnings		**122,867,092**	114,220,190
Merger reserve		**1,177,749**	1,177,749
Equity attributable to equity holders of the Company		**167,018,609**	158,371,707
Non-controlling interests		**41,349,244**	35,914,893
Total equity		**208,367,853**	194,286,600
Non-current liabilities			
Employees' end of service benefits		**6,316,505**	5,300,507
Bank loans	14	**55,427,704**	32,972,063
Deferred tax liabilities		**5,438,917**	6,012,951
Loan from a related party	17	**50,000,000**	-
Lease liabilities		**8,748,014**	6,314,974
		125,931,140	50,600,495
Current liabilities			
Trade and other payables	15	**77,133,007**	82,182,356
Amounts due to related parties	17	**6,860,316**	10,451,776
Bank loans	14	**33,582,879**	35,351,919
Lease liabilities		**4,561,894**	3,334,171
Income tax payable		**1,658,326**	-
		123,796,422	131,320,222
Total liabilities		**249,727,562**	181,920,717
TOTAL EQUITY AND LIABILITIES		**458,095,415**	376,207,317

Chairman

CEO and Board Member

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2024

	Attributable to equity holders of the parent						
	Share capital AED	*Statutory reserve AED*	*Merger reserve AED*	*Retained earnings AED*	*Total AED*	*Non-controlling interests AED*	*Total equity AED*
Balance at 1 January 2023 (audited)	30,000,000	10,003,741	1,177,749	86,145,948	127,327,438	18,243,836	145,571,274
Total comprehensive income for the period	-	-	-	4,546,488	4,546,488	952,912	5,499,400
Balance at 31 March 2023 (unaudited)	30,000,000	10,003,741	1,177,749	90,692,436	131,873,926	19,196,748	151,070,674
Balance at 1 January 2024 (audited)	30,000,000	12,973,768	1,177,749	114,220,190	158,371,707	35,914,893	194,286,600
Total comprehensive income for the period	-	-	-	8,646,902	8,646,902	4,360,286	13,007,188
Acquisition of subsidiary	-	-	-	-	-	1,274,065	1,274,065
Repayment of contributed capital to non-controlling interest	-	-	-	-	-	(200,000)	(200,000)
Balance at 31 March 2024 (unaudited)	**30,000,000**	**12,973,768**	**1,177,749**	**122,867,092**	**167,018,609**	**41,349,244**	**208,367,853**

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
At 31 March 2024

	Notes	*Three months period ended 31 March*	
		(Unaudited) 2024	*(Unaudited) 2023*
		AED	*AED*
OPERATING ACTIVITIES			
Profit for the period		**14,091,480**	5,499,400
Adjustments for:			
Depreciation of property and equipment	7	**8,958,578**	7,617,582
Depreciation of right-of-use assets		**1,013,819**	489,249
Amortisation of intangible assets		**1,808,489**	490,143
Provision for employees' end of service benefits		**360,252**	584,833
Share of profit from investment in an associate		**-**	(33,891)
Gain on disposal of property and equipment	7	**(663,030)**	(675,822)
Change in fair value of investments carried at fair value through profit or loss	8	**3,692,231**	3,741,549
Finance costs		**1,758,415**	893,124
Provision for expected credit losses	9	**1,356,420**	45,507
		32,376,654	18,651,674
Working capital changes:			
Trade and other receivables		**(19,137,497)**	548,252
Amounts due from related parties		**(60,917)**	(152)
Amounts due to related parties		**(3,591,460)**	(20,567)
Trade and other payables		**(27,149,368)**	547,003
Inventories – spare parts and consumables		**(358,551)**	(1,931,411)
Cash (used in) flows from operations		**(17,921,139)**	17,794,799
Employees' end of service benefits paid		**(224,250)**	(29,130)
Finance costs paid		**(1,662,282)**	(859,193)
Net cash (used in) flows from operating activities		**(19,807,671)**	16,906,476
INVESTING ACTIVITIES			
Purchase of property and equipment	7	**(6,065,654)**	(6,925,247)
Purchase of intangible assets		**(115,934)**	(196,733)
Purchase of investments carried at fair value through profit or loss	8	**(1,995,000)**	(6,710,951)
Proceeds from disposal of investments carried at fair value through profit or loss	8	**3,812,089**	378,383
Proceeds from disposal of property and equipment		**1,746,674**	1,244,986
Acquisition of a subsidiary, net of cash acquired		**671,946**	-
Net cash used in investing activities		**(1,945,879)**	(12,209,562)
FINANCING ACTIVITIES			
Proceeds from bank loans	14	**30,053,761**	1,097,673
Repayments of bank loans	14	**(9,367,160)**	(8,954,349)
Proceeds from loan obtained from a related party	17	**50,000,000**	-
Payment against lease liabilities		**(761,166)**	(604,643)
Repayment of contributed capital to non-controlling interest		**(200,000)**	-
Net cash flows from (used in) financing activities		**69,725,435**	(8,461,319)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**47,971,885**	(3,764,405)
Cash and cash equivalents at 1 January		**30,922,352**	19,710,663
CASH AND CASH EQUIVALENTS AT 31 MARCH	10	**78,894,237**	15,946,258

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Easy Lease Motor Cycle Rental P.S.C (the "Company") is a private joint stock company incorporated under the UAE Federal Law. The Company's registered address is P.O. Box 333367, Deira, Dubai, United Arab Emirates. International Holding Company PJSC is the Parent and Royal Group Holding LLC is the Ultimate Parent of the Company.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). Group is engaged in motorcycles trading, motorcycles repairing, motorcycles and car park rental, delivery services, marine sports club and wholesale trading of ships and boats, computer systems and communication equipment software trading, trains and railway construction & fabrication, trains spare parts & security system trading.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 26 April 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. In addition, results for the three months period ended 31 March 2024 are not necessarily indicative of the results for the year ending 31 December 2024.

The interim condensed consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the presentation currency of the Group and the functional currency of the Company.

The interim condensed consolidated financial statements are prepared under the historical cost convention, except for investments carried at fair value through profit or loss which are stated at fair value.

2.2 Basis of consolidation

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

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its 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.

2 BASIS OF PREPARATION continued

2.2 Basis of consolidation continued

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 period are included in the interim condensed 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.

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

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2 BASIS OF PREPARATION continued

2.2 Basis of consolidation continued

The subsidiaries included in the interim condensed consolidated financial statements are as follows:

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2024	*2023*
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	**67%**	67%
1885 Delivery Services LLC	United Arab Emirates	Delivery services.	**70%**	70%
Yallow Tenchnologies LLC	United Arab Emirates	Computer systems & communication equipment software trading.	**80%**	80%
The Captain Boats and Ships Trading LLC	United Arab Emirates	Marine sports club and wholesale trading of ships and boats.	**55%**	55%
Qube Car Park Management LLC	United Arab Emirates	Car park rental and management valet parking services	**70%**	70%
Easy Lease Motor Cycle Rental WLL	Bahrain	Motorcycle rental and trading of motor cycle and accessories including motorpeds	**100%**	100%
Easy Lease Vehicle Rental LLC	United Arab Emirates	Rental of vehicles and repairs and maintenance services	**100%**	100%
Easy Lease Limousine Luxury Motor Vehicle Services LLC	United Arab Emirates	Rental of Limousine and luxury vehicles	**100%**	100%
Easy Lease Transport Services One Person Company LLC	Kingdom of Saudia Arabia	Mobility services	**100%**	100%
Ripe Exhibition Organizer Co LLC	United Arab Emirates	Event management	**60%**	60%
Fully Charge Electrical Fitting Contracting	United Arab Emirates	Electrical charging of vehicles	**60%**	60%
Lynx Technology Group Ltd	British Virgin Island	IT services	**49%**	49%
United Trans General Trading LLC*	United Arab Emirates	Trains and railway construction, fabrication, trains spare parts & security system trading	**60%**	-
Mobility Hub FZE**	United Arab Emirates	Spare Parts and Motor Vehicles Trading	**100%**	-
Mobility Spares Trading FZCO**	United Arab Emirates	Spare Parts and Motor Vehicles Trading	**70%**	-

*Subsidiary acquired during the period.

**Subsidiaries incorporated during the period.

Below are the subsidiaries of The Captain Boats and Ships Trading LLC:

Delta Marine Equipment LLC	United Arab Emirates	Boats repairing and retail sale of marine equipments and machinery	**70%**	70%
Nautica Marine Services Navy – Soleproprietership LLC	United Arab Emirates	Boats repairing and services to onshore and offshore oil and gas facilities	**100%**	100%

2 BASIS OF PREPARATION continued

2.2 Basis of consolidation continued

Name of subsidiary	*Place of incorporation and operation*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2024	*2023*
Below is the subsidiary of Qube Car Park Management LLC:				
Al Khaleej Cars Parking Management LLC Soleproprietership	United Arab Emirates	Car park rental and management valet parking services	**100%**	100%
Below is the subsidiary of Easy Lease Vehicle Rental LLC:				
Sheel Vehicle Transport Towing LLC	United Arab Emirates	Recovery services	**100%**	100%
Below is the subsidiary of 1885 Delivery Services LLC:				
Infinity Logistics Transport LLC	United Arab Emirates	Logistic services	**60%**	60%
Below is the subsidiary of Uplift Delivery Services LLC:				
Uplift Transport Services LLC	Kingdom of Saudia Arabia	Delivery Services	**100%**	100%

3 CHANGES IN ACCOUNTING POLICIES

3.1 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of liabilities as Current or Non-current

3.2 Significant accounting estimates and judgements

The preparation of the interim condensed consolidated financial statements in conformity with International Financial Reporting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2023.

4 BUSINESS COMBINATIONS

4.1 Acquisitions under IFRS 3 Business Combination during the period

During the period, the Group acquired the United Trans General Trading LLC which were accounted for using the acquisition method under IFRS 3 Business Combination:

United Trans General Trading LLC
Effective 1 March 2024, the Group acquired a 60% interest in United Trans General Trading LLC for a consideration of AED 17,017,597. United Trans General Trading LLC is a limited liability company, registered in the Emirate of Dubai and is engaged in trains and railway construction & fabrication, trains spare parts trading & maintenance and security systems & equipment trading. From the date of acquisition, United Trans General Trading LLC contributed revenue and profit to the Group amounting to AED 7,093,953 and AED 5,226,936 respectively. If the acquisition had taken place at the beginning of the year, United Trans General Trading LLC would have contributed revenue and profit to the Group amounting to AED 8,471,211 and AED 4,764,231 respectively.

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:

	United Trans General Trading LLC AED
Assets	
Property and equipment	63,815
Right-of-use assets	2,551,413
Trade and other receivables	8,465,109
Bank balances and cash	671,946
Total assets	**11,752,283**
Liabilities	
Employees' end of service benefit	879,995
Trade and other payables	5,082,422
Lease liabilities	2,604,704
Total liabilities	**8,567,121**
Net assets	3,185,162
Total identifiable net assets at fair value	**3,185,162**
Proportionate share of identifiable net assets acquired	1,911,097
Goodwill arising on acquisition	15,106,500
Purchase consideration	17,017,597
Non-controlling interest	1,274,065

The breakup of purchase consideration is as follows:

Purchase consideration payable	15,000,000
Fair value of contingent consideration	2,017,597
Total purchase consideration	**17,017,597**

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 exercises of these acquisitions within one year from the respective acquisition dates.

4 BUSINESS COMBINATIONS continued

4.1 Acquisitions under IFRS 3 Business Combination during the year continued

Assets acquired and liabilities assumed continued
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 22.4%.
- A terminal value, calculated based on long-term sustainable growth rates for the industry of 3, which has been used to determine income for the future years.

Analysis of cashflow on acquisition:

	United Trans General Trading LLC AED
Analysis of cashflows on acquisition:	
Net cash acquired on business combination	(671,946)
Acquisition of operating business (acquired) (Included in cash flows from investing activities)	(671,946)

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Three months period ended 31 March	
	(Unaudited) 2024 AED	*(Unaudited) 2023 AED*
Type of revenue		
Rental income	**26,165,309**	23,343,987
Delivery services	**41,405,018**	38,245,108
Event management services	**9,697,808**	-
Membership and admission fees	**6,533,918**	5,939,723
Commission income	**5,982,900**	-
Service income	**5,805,248**	2,131,804
Sale of goods	**1,766,422**	541,161
	97,356,623	70,201,783
Geographical markets		
United Arab Emirates	**96,278,801**	70,201,783
Outside the United Arab Emirates	**1,077,822**	-
	97,356,623	70,201,783

5 REVENUE FROM CONTRACTS WITH CUSTOMERS continued

	Three months period ended 31 March	
	(Unaudited) 2024 AED	*(Unaudited) 2023 AED*
Timing of revenue recognition		
Rental income and delivery services over period of time	**67,570,327**	61,589,095
Event management services over period of time	**9,697,808**	-
Commission income at a point in time	**5,982,900**	-
Membership fees over period of time	**5,950,203**	4,797,391
Services at a point in time	**5,805,248**	2,131,804
Goods transferred at a point in time	**1,766,422**	541,161
Admission fees at a point in time	**583,715**	1,142,332
	97,356,623	70,201,783

6 INCOME TAX

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

	Three month period ended 31 March	
	2024 AED (unaudited)	*2023 AED (unaudited)*
Current tax expense	**1,658,326**	-
Deferred tax income	**(574,034)**	-
Income tax expense recognized in the interim consolidated statement of comprehensive income	**1,084,292**	-

7 PROPERTY AND EQUIPMENT

During the period, additions to property and equipment amounted to AED 6,065,654 (three months period ended 31 March 2023: AED 6,925,247). Depreciation for the three months period ended 31 March 2024 amounted to AED 8,958,578 (three months period ended 31 March 2023: AED 7,617,582). During the period, assets with a net book value of AED 1,083,644 were disposed of, resulting in a net gain on disposal of AED 663,030 (period ended 31 March 2023, assets with a net book value of AED 569,164 were disposed, resulting in a net gain on disposal of AED 675,822).

8 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

	(Unaudited) *31 March 2024 AED*	*(Audited)* *31 December 2023 AED*
Quoted and inside the UAE	**18,488,991**	23,998,311

The investment in equity instruments is held for trading with an intention of recognising short-term fluctuations in the investment. Fair value of the quoted investment is determined by reference to published price quotations in an active market.

The investment is recorded at fair value using the valuation techniques as disclosed in. Movement in investment carried at fair value through profit or loss is as follows:

	(Unaudited) *31 March 2024 AED*	*(Audited)* *31 December 2023 AED*
At the beginning of the period / year	**23,998,311**	20,669,416
Additions during the period / year	**1,995,000**	23,687,999
Disposal during the period / year	**(3,812,089)**	(18,761,281)
Changes in fair value, net	**(3,692,231)**	(1,597,823)
At the end of the period / year	**18,488,991**	23,998,311

9 TRADE AND OTHER RECEIVABLES

	(Unaudited) *31 March 2024 AED*	*(Audited)* *31 December 2023 AED*
Trade receivable	**85,234,361**	65,983,581
Less: allowance for expected credit losses	**(13,383,462)**	(12,027,042)
	71,850,899	53,956,539
Staff receivables	**12,735,496**	10,793,166
Deposits and prepayments	**15,346,407**	12,373,240
Advances to suppliers	**4,881,621**	2,099,266
Other receivables	**3,712,448**	3,058,474
	108,526,871	82,280,685

9 TRADE AND OTHER RECEIVABLES continued

Movements in the allowance for expected credit losses were as follows:

	(Unaudited) ***31 March 2024 AED***	*(Audited) 31 December 2023 AED*
At the beginning of the period / year	**12,027,042**	10,238,235
Acquired in business combination	**472,990**	189,829
Charge for the period / year	**883,430**	1,983,748
Written off	**-**	(384,770)
At the end of the period / year	**13,383,462**	12,027,042

10 BANK BALANCES AND CASH

	(Unaudited) ***31 March 2024 AED***	*(Audited) 31 December 2023 AED*
Cash on hand	**234,523**	429,575
Bank balances	**78,659,714**	30,492,777
Cash and cash equivalents	**78,894,237**	30,922,352

Cash and cash equivalents as at 31 March 2023 (unaudited) amounted to AED 15,946,258.

11 SHARE CAPITAL

	(Unaudited) ***31 March 2024 AED***	*(Audited) 31 December 2023 AED*
Authorised, issued and fully paid 30,000,000 of AED 1 each (2023: 30,000,000 of AED 1 each)	**30,000,000**	30,000,000

12 STATUTORY RESERVE

As required by the UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, 10% of the profit for the year has been transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of paid-up share capital.

13 BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the period attributable to the owners of the Company by the weighted average number of shares in issue throughout the period as follows:

	Three months period ended 31 March	
	(Unaudited) 2024 AED	*(Unaudited) 2023 AED*
Profit attributable to the owners of the Company (AED)	**8,646,902**	4,546,488
Weighted average number of shares (shares)	**30,000,000**	30,000,000
Basic earnings per share for the period (AED)	**0.29**	0.15

14 BANK LOANS

Movement in bank loans during the period / year is as follows:

	(Unaudited) 31 March 2024 AED	*(Audited) 31 December 2023 AED*
At the beginning of the period / year	**68,323,982**	67,724,502
Acquired in business combinations	**-**	110,585
Drawdowns during the period / year	**30,053,761**	32,629,835
Repayments during the period / year	**(9,367,160)**	(32,140,940)
	89,010,583	68,323,982

Disclosed in the consolidated statement of financial position as follows:

	(Unaudited) 31 March 2024 AED	*(Audited) 31 December 2023 AED*
Current portion	**33,582,879**	35,351,919
Non-current portion	**55,427,704**	32,972,063
	89,010,583	68,323,982

15 TRADE AND OTHER PAYABLES

	(Unaudited) 31 March 2024 AED	*(Audited) 31 December 2023 AED*
Trade payables	**20,621,674**	14,826,485
Payable for acquisition	**17,017,597**	33,420,000
Deferred revenue	**13,511,541**	13,234,386
Advances from customers	**2,922,941**	2,603,780
Accruals and other payables	**23,059,254**	18,097,705
	77,133,007	82,182,356

16 CONTINGENT LIABILITIES

	(Unaudited) 31 March 2024 AED	*(Audited) 31 December 2023 AED*
Letters of guarantees	**5,879,215**	2,422,423

The above bank guarantees have been issued from a local bank in the ordinary course of business.

17 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*.

Related parties represent partners, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

17.1 Transactions

Transactions with related parties included in the interim condensed consolidated statement of comprehensive income are as follows:

	Three months period ended 31 March	
	2024 (Unaudited) AED	*2023 (Unaudited) AED*
Parent Company		
Professional fee	**-**	6,941
Interest expense on loan due from a related party	**611,111**	-
Transactions with other related parties		
Interest expense on bank loans	**7,976**	52,056
Service income	**98,844**	9,000
Rental income	**28,200**	-
Commission and margin interest	**157,992**	-

Transactions with related parties were entered into on terms agreed with the management.

17 RELATED PARTY TRANSACTIONS AND BALANCES continued

17.2 Balances

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

	Nature of relationship	*(Unaudited) 31 March 2024 AED*	*(Audited) 31 December 2023 AED*
Amounts due from related parties:			
Affiliates	Other related parties	**434,464**	373,547
		434,464	373,547
Amounts due to related parties:			
Citadel Properties	Entity under common control	**191,995**	209,269
International Holdings Company PJSC	Parent entity	**584,178**	512,377
International Securities LLC	Entity under common control	**3,431,897**	7,077,883
Sampi Holding FZ LLC	Other related party	**2,652,246**	2,652,247
		6,860,316	10,451,776
Balances with a financial institution	Other related party	**4,415,952**	4,021,565
Loans from a financial institution	Other related party	**763,629**	1,069,234
Investments carried at fair value through profit or loss	Entity under common control	**14,982,951**	6,137,670
Loan from a related party:			
Loan from International Holdings Company PJSC	Parent entity	**50,000,000**	-

In January 2024, the Group obtained a loan from International Holdings Company PSC (Parent Company) amounting to AED 50,000,000 to finance future investments and other business operations having a maturity of November 2028. The loan is unsecured and repayable in full on or before maturity. The loan carries interest rate at 5% per annum.

Terms and conditions of transactions with related parties
Outstanding balances at the period end arise in the normal course of business, these are unsecured, interest free (excluding loan) and settlement occurs in cash. For the period ended 31 March 2024, there was no impairment of amounts owed by related parties (31 December 2023: nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Compensation of key management personnel

	(Unaudited) 31 March 2024 AED	*(Unaudited) 31 March 2023 AED*
Salaries and employee benefits	**1,221,441**	840,315

18 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group measures financial instruments at fair value at the end of the reporting period. 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 to 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. All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

	Fair value as at					
	(Unaudited) 31 March 2024	*(Audited) 31 December 2023*		*Valuation techniques and*	*Significant unobservable*	*Relationship of unobservable inputs*
Financial assets	***AED***	*AED*	*Fair value hierarchy*	*key inputs*	*input*	*to fair value*
Quoted equity investments – investment in financial assets	**18,488,991**	23,998,311	Level 1	Quoted bid prices in an active market.	None	Not applicable

19 SEASONALITY OF RESULTS

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

20 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on its products and services and has three reportable segments, as follows:

Motorcycle business segment, which represents motorcycle leasing solutions offered to customers and sale of related items, including delivery boxes.

Delivery services segment, the group provides turnkey logistic solutions through bike messengers and delivery squads.

Marine sports club, the group manages marine sports club and wholesale trading of ships and boats.

Event Management, the group organizes exhibitions, fashion shows, conferences & seminar, auctions and ripe market events.

No operating segments have been aggregated to form the above reportable operating segments.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

20 SEGMENT REPORTING continued

Period ended 31 March 2024 (unaudited)

	Motorcycle business AED	*Delivery services AED*	*Marine Sports Club AED*	*Event management AED*	*Mobility and Others AED*	*Total segments AED*	*Eliminations AED*	*Consolidated AED*
Revenue from contracts with customers								
External customers	28,753,906	41,609,658	6,696,825	9,697,808	10,598,426	97,356,623	-	97,356,623
Inter-segment	4,918,123	4,022	-	-	258,350	5,180,495	(5,180,495)	-
Total	33,672,029	41,613,680	6,696,825	9,697,808	10,856,776	102,537,118	(5,180,495)	97,356,623
Expense								
Direct costs	(20,393,383)	(36,356,080)	(3,854,810)	(4,782,541)	(3,935,419)	(69,322,233)	5,102,224	(64,220,009)
General and administrative expenses	(7,694,206)	(3,009,009)	(1,892,265)	(700,872)	(2,157,736)	(15,454,088)	(1,285,185)	(16,739,273)
Segment profit	5,584,440	2,248,591	949,750	4,214,395	10,422,566	17,760,797	(1,363,456)	16,397,341
Total assets	346,854,397	62,110,826	37,363,833	20,784,980	44,034,000	511,148,036	(53,052,621)	458,095,415
Total liabilities	199,182,976	32,800,920	17,685,550	13,099,254	31,870,605	294,639,305	(44,911,743)	249,727,562

20 SEGMENT REPORTING continued

Period ended 31 March 2023 (unaudited)

	Motorcycle business AED	*Delivery services AED*	*Marine Sports Club AED*	*Event management AED*	*Mobility and others AED*	*segments AED*	*Total Eliminations AED*	*Consolidated AED*
Revenue from contracts with customers								
External customers	25,734,680	38,527,380	5,939,723			70,201,783	-	70,201,783
Inter-segment	4,605,173	-	-	-	-	4,605,173	(4,605,173)	-
Total	30,339,853	38,527,380	5,939,723			74,806,956	(4,605,173)	70,201,783
Expense								
Direct costs	(18,075,040)	(34,980,193)	(3,433,140)			(56,488,373)	5,109,437	(51,378,936)
General and administrative expenses	(7,898,318)	(1,846,082)	(1,519,308)	-	-	(11,263,708)	(81,804)	(11,345,512)
Segment profit	4,366,495	1,701,105	987,275	-	-	7,054,875	422,460	7,477,335
Total assets	232,357,907	44,786,653	32,690,584	-	-	309,835,144	(39,516,232)	270,318,912
Total liabilities	108,088,624	27,001,109	16,242,049	-	-	151,331,782	(32,083,544)	119,248,238

Change in fair value of investments carried at fair value through profit or loss, finance costs and other income are not allocated to individual segments as the underlying instruments are managed on a group basis.

20 SEGMENT REPORTING continued

Reconciliation of profit

		(Unaudited) ***31 March 2024 AED***	*(Unaudited) 31 March 2023 AED*
Segment profit		**16,397,341**	7,477,335
Change in fair value of investments carried at fair value through profit or loss	8	**(3,692,231)**	(3,741,549)
Finance costs		**(1,758,415)**	(859,193)
Other income		**3,144,785**	2,588,916
Corporate tax	6	**(1,084,292)**	-
Share of loss from investment in an Associate		**-**	33,891
Profit for the period		**13,007,188**	5,499,400