Modon Holding PSC and its subsidiaries

(Formerly "Q Holding PSC")

REVIEW REPORT AND INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2024 (UNAUDITED)

Building a better working world

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

MODON HOLDING PSC (FORMERLY "Q HOLDING PSC")

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Modon Holding PSC (formerly "Q Holding PSC") (the "Company") and its subsidiaries (collectively referred to as the "Group") as at 30 June 2024, comprising of the interim consolidated statement of financial position as at 30 June 2024, and the related interim consolidated statement of profit or loss, and interim consolidated statement of comprehensive income for the three month and six month periods then ended, and the related interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six 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 of the Group are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young

Walid J Nakfour
Registration No: 5479

30 July 2024
Abu Dhabi, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three months and six months period ended 30 June 2024

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 AED '000	2023 AED '000	2024 AED '000	2023 AED '000
Revenues	5	**1,647,574**	394,651	**2,188,004**	505,251
Direct costs	6	**(1,054,719)**	(238,462)	**(1,354,821)**	(284,120)
GROSS PROFIT		**592,855**	156,189	**833,183**	221,131
General and administrative expenses	7	**(193,604)**	(31,405)	**(433,026)**	(65,378)
Selling and marketing expenses		**(20,335)**	(276)	**(29,442)**	(1,547)
Changes in fair value of investments carried at fair value through profit or loss	17	**(75,219)**	116,427	**(243,218)**	(374,764)
Changes in fair value of investment properties	14	**-**	-	**(20,367)**	-
Provision for impairment loss on property, plant and equipment	13	**-**	(23)	**(416,213)**	(23)
Provision for impairment loss on development work-in-progress	19	**-**	-	**(54,581)**	-
Provisional bargain purchase gain on acquisition of subsidiaries	4.1	**-**	-	**8,973,556**	-
Loss on disposal of an associate	16	**(1,623)**	-	**(1,623)**	-
Share of profit (loss) from investments in associates and joint ventures	16	**38,627**	(43)	**44,562**	(871)
Gain on disposal of asset held for sale		**-**	182,361	**-**	182,361
Investment and other income	8	**64,064**	94,556	**193,122**	259,682
Finance income	9	**33,446**	26,733	**59,331**	37,953
Finance costs	10	**(76,247)**	(22,607)	**(120,146)**	(44,092)
PROFIT FOR THE PERIOD BEFORE TAX		**361,964**	521,912	**8,785,138**	214,452
Income tax expense	11	**(33,083)**	-	**(49,546)**	-
PROFIT FOR THE PERIOD		**328,881**	521,912	**8,735,592**	214,452
Profit attributable to:					
Owners of the Parent		**324,856**	511,548	**8,721,816**	196,989
Non-controlling interests		**4,025**	10,364	**13,776**	17,463
		328,881	521,912	**8,735,592**	214,452
BASIC AND DILUTED EARNINGS PER SHARE (AED)	26	**0.02**	0.07	**0.65**	0.03

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months and six months period ended 30 June 2024

	Notes	Three months ended 30 June		Six months ended 30 June	
		2024 AED '000	2023 AED '000	**2024 AED '000**	2023 AED '000
PROFIT FOR THE PERIOD		**328,881**	521,912	**8,735,592**	214,452
Other comprehensive (loss) income					
Items that may be reclassified subsequently to profit or loss, net of tax					
Exchange difference on translation of foreign operations		**(199,648)**	(212)	**(207,203)**	(402)
Share of other comprehensive (loss) income of associates and joint ventures	16	**(172,556)**	-	**(172,556)**	920
		(372,204)	(212)	**(379,759)**	518
Items that will not be reclassified to profit or loss, net of tax					
Changes in the fair value of investments carried at fair value through other comprehensive income		**(34,178)**	66,180	**14,018**	25,049
Other comprehensive (loss) income for the period		**(406,382)**	65,968	**(365,741)**	25,567
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD		**(77,501)**	587,880	**8,369,851**	240,019
Total comprehensive (loss) income attributable to:					
Owners of the Parent		**(81,526)**	577,516	**8,356,075**	222,556
Non-controlling interests		**4,025**	10,364	**13,776**	17,463
		(77,501)	587,880	**8,369,851**	240,019

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

	Notes	*30 June 2024 AED '000 (Unaudited)*	*31 December 2023 AED '000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	13	**6,676,166**	789,463
Investment properties	14	**32,132,943**	7,536,858
Intangible assets and goodwill	15	**555,037**	194,932
Right-of-use assets		**291,018**	86,912
Investments in associates and joint ventures	16	**2,251,631**	102,964
Investments in financial assets	17	**506,052**	505,897
Trade and other receivables	20	**651,982**	645,607
Deferred tax assets		**27,652**	-
		43,092,481	9,862,633
Current assets			
Inventories	18	**7,589,310**	2,246,917
Development work-in-progress	19	**1,574,635**	1,489,727
Trade and other receivables	20	**2,829,315**	1,039,926
Investments in financial assets	17	**2,291,786**	2,558,234
Amounts due from related parties	25	**6,283,545**	1,190,414
Cash and bank balances	21	**4,940,818**	2,259,902
		25,509,409	10,785,120
Assets held for sale		**663,328**	663,328
		26,172,737	11,448,448
TOTAL ASSETS		**69,265,218**	21,311,081
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**16,347,080**	6,855,599
Share premium		**22,398,819**	4,459,919
Legal reserve		**398,795**	398,795
Merger reserves		**(189,234)**	(189,234)
Other reserves		**(141,869)**	237,890
Cumulative changes in fair value of investments		**32,243**	18,225
Retained earnings		**10,709,716**	1,987,900
Equity attributable to owners of the Parent		**49,555,550**	13,769,094
Non-controlling interests		**1,232,718**	1,149,566
Total equity		**50,788,268**	14,918,660

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

At 30 June 2024

	Notes	*30 June 2024 AED '000 (Unaudited)*	*31 December 2023 AED '000 (Audited)*
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Trade and other payables	23	**929,453**	132,044
Deferred tax liabilities		**473,445**	79,504
Loans and borrowings	24	**2,896,221**	1,758,963
Loan from a related party	25	**1,652,713**	-
Amounts due to related parties	25	**578,977**	-
Lease liabilities		**319,469**	91,094
Employees' end of service benefits		**98,871**	14,125
		6,949,149	2,075,730
Current liabilities			
Trade and other payables	23	**6,290,016**	3,438,270
Income tax payable	11	**58,384**	-
Loans and borrowings	24	**295,096**	217,172
Lease liabilities		**62,280**	33,189
Amounts due to related parties	25	**4,814,010**	620,045
		11,519,786	4,308,676
Liabilities directly associated with assets held for sale		**8,015**	8,015
		11,527,801	4,316,691
Total liabilities		**18,476,950**	6,392,421
TOTAL EQUITY AND LIABILITIES		**69,265,218**	21,311,081

Group Chief Financial Officer

Group Chief Executive Officer

Director

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2024 (Unaudited)

	Equity attributable to Owners of the Parent									
	Share capital AED '000	*Share premium AED '000*	*Legal reserve AED '000*	*Merger reserves AED '000*	*Other reserves AED '000*	*Cumulative changes in fair value of investments AED '000*	*Retained earnings AED '000*	*Total equity attributable to Owners of the Parent AED '000*	*Non-controlling interests AED '000*	*Total equity AED '000*
Balance at 1 January 2023 (Audited)	6,855,599	4,459,919	353,732	(189,234)	238,056	2,832	1,571,694	13,292,598	955,255	14,247,853
Profit for the period	-	-	-	-	-	-	196,989	196,989	17,463	214,452
Other comprehensive income for the period	-	-	-	-	518	25,049	-	25,567	-	25,567
Total comprehensive income for the period	-	-	-	-	518	25,049	196,989	222,556	17,463	240,019
Balance at 30 June 2023 (Unaudited)	6,855,599	4,459,919	353,732	(189,234)	238,574	27,881	1,768,683	13,515,154	972,718	14,487,872
Balance at 1 January 2024 (Audited)	6,855,599	4,459,919	398,795	(189,234)	237,890	18,225	1,987,900	13,769,094	1,149,566	14,918,660
Profit for the period	-	-	-	-	-	-	8,721,816	8,721,816	13,776	8,735,592
Other comprehensive (loss) income for the period	-	-	-	-	(379,759)	14,018	-	(365,741)	-	(365,741)
Total comprehensive (loss) income for the period	-	-	-	-	(379,759)	14,018	8,721,816	8,356,075	13,776	8,369,851
Increase in share capital on acquisition of subsidiaries (note 22)	9,491,481	17,938,900	-	-	-	-	-	27,430,381	-	27,430,381
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	69,376	69,376
Balance at 30 June 2024 (Unaudited)	**16,347,080**	**22,398,819**	**398,795**	**(189,234)**	**(141,869)**	**32,243**	**10,709,716**	**49,555,550**	**1,232,718**	**50,788,268**

The attached notes 1 to 30 form part of these interim condensed consolidated financial statement.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2024 (Unaudited)

	Notes	*Six months period ended 30 June* 2024 AED '000 (Unaudited)	2023 AED '000 (Unaudited)
OPERATING ACTIVITIES			
Profit for the period		**8,785,138**	214,452
Adjustments for:			
Depreciation on property, plant and equipment	7	**69,133**	10,158
Amortisation of intangible assets	6 & 7	**18,650**	1,778
Depreciation on right-of-use assets	6 & 7	**9,784**	1,708
Dividend income	8	**(128,470)**	(104,789)
Finance income	9	**(59,331)**	(37,953)
Amortisation of loan	24	**1,705**	-
Finance costs	10	**120,146**	44,092
Changes in fair value of investments carried at fair value through profit or loss	17	**243,218**	374,764
Change in fair value of investment properties	14	**20,367**	-
Provision for employees' end of service benefits		**8,647**	715
Provision for expected credit loss on trade and other receivables and amounts due from related parties		**116,920**	17,495
Provision for impairment loss on property, plant and equipment	13	**416,213**	23
Provision for impairment loss on development work-in-progress	19	**54,581**	-
Reversal of provision for infrastructure cost	8	**-**	(38,455)
Net gain on disposal of property, plant and equipment		**(71)**	-
Loss on disposal of an associate	16	**1,623**	-
Share of (profit) loss from associates	16	**(44,562)**	871
Gain on disposal of assets held-for-sale		**-**	(182,361)
Amortisation expense on investments carried at amortised cost	17	**(155)**	148
Gain on disposal of investments carried at amortised cost	-	**-**	(365)
Provisional bargain purchase gain on acquisition of subsidiaries	4.1	**(8,973,556)**	-
Gain on transfer of land to an associate			(45,040)
Liabilities written back	8	**(22,335)**	(68,093)
Operating cash flows before movements in working capital		**637,645**	189,148
Changes in working capital:			
Inventories		**(13,511)**	(364)
Development work-in-progress		**(139,489)**	78,325
Trade and other receivables		**44,029**	(118,514)
Trade and other payables		**(2,386,627)**	14,537
Amounts due from related parties		**(2,729,560)**	(108,026)
Amounts due to related parties		**4,736,324**	(30,973)
Cash generated from operations		**148,811**	24,133
Income tax paid	11	**(156)**	-
Employees' end of service benefits paid		**(4,010)**	(259)
Net cash generated from operating activities		**144,645**	23,874

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the six months period ended 30 June 2024 (Unaudited)

	Notes	*Six months period ended 30 June* 2024 AED '000 (Unaudited)	2023 AED '000 (Unaudited)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	13	**(522,941)**	(66,281)
Purchase of intangible assets	15	**(297)**	-
Purchase of investment properties	14	**(55,090)**	(13,311)
Purchase of investments carried at fair value through profit or loss	17	**(7,730)**	(10,926)
Purchase of investments carried at fair value through amortised cost	17	**(1)**	-
Dividends received		**96,882**	105,300
Interest income received		**62,446**	22,868
Proceeds from disposal of investments carried at fair value through profit or loss	17	**30,960**	59,824
Proceeds from disposal and maturity of investments carried at amortised cost	17	**9,424**	16,828
Investment made in associate and joint venture	16	**(1,661,768)**	-
Proceeds from disposal of investment in an associate	16	**27,007**	-
Proceeds from disposal of property, plant and equipment		**71**	-
Net cash acquired in business combination	4.1	**2,696,480**	-
Net movement in margin deposits		**-**	(38,228)
Net movement in restricted cash account		**(1,311,028)**	(350,575)
Net movement in term deposits		**(742,265)**	(444,107)
Net cash used in investing activities		**(1,377,850)**	(718,608)
FINANCING ACTIVITIES			
Payment of lease liabilities		**(24,665)**	-
Proceeds from loan obtained from a related party	25	**1,652,713**	-
Proceeds from loans and borrowings	24	**412,600**	-
Repayment of loans and borrowings		**(109,151)**	(99,059)
Finance costs paid		**(67,441)**	(33,948)
Net cash flows from (used in) financing activities		**1,864,056**	(133,007)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**630,851**	(827,741)
Cash and cash equivalents at beginning of the period		**825,014**	1,038,322
Effect of foreign exchange rate changes		**(3,228)**	(12,530)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	21	**1,452,637**	198,051

The attached notes 1 to 30 form part of these interim condensed consolidated financial statement.

1 GENERAL INFORMATION

Modon Holding PSC (formerly "Q Holding PSC) (the "Company" or the "Modon Holding") is a private joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE). The Company is registered on the secondary market in Abu Dhabi Stock Exchange.

In the annual general assembly meeting held on 18 March 2024, the shareholders of the Company approved to change its trade name from "Q Holding PSC" to "Modon Holding PSC".

The Company is registered under commercial license No. CN-1002912 issued from the Department of Economic Development in Abu Dhabi, UAE. The registered office of the Company is at P.O. Box 48111, Abu Dhabi, U.A.E. The Company and its subsidiaries together are referred to as ("the Group").

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

The Group is principally engaged in investing in pioneering business ideas and forming strategic partnerships emanating from focused research and the expertise of its founders. The Group envisages subscribing as a founder in potentially successful companies, and focuses its main business activities in the development, management, sales and leasing of real estate projects. Moreover, the Group participates in the launch and management of hospitality projects, and engage in operating venues for international and local exhibitions and events mainly in the Emirate of Abu Dhabi and London which includes provision of catering at exhibitions and acquisition of controlling interests in strategic companies.

These interim condensed consolidated financial statements were authorised for issue on 30 July 2024.

2.1 BASIS OF PREPARATION

Statement of compliance
The interim condensed consolidated financial statements for the six months period ended 30 June 2024 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and also comply with the applicable requirements of laws in the UAE. The interim condensed consolidated financial statements do not include all 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 for the year ended 31 December 2023. In addition, results for the period ended 30 June 2024 are not necessarily indicative of the results for the year ending 31 December 2024.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (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.

Accounting convention
The interim condensed consolidated financial statements have been prepared under the historical cost convention except for investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income and investment properties which have been measured at fair value.

2.2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2.2 BASIS OF CONSOLIDATION continued

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.

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

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 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 Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

2.2 BASIS OF CONSOLIDATION continued

Details of the Company's subsidiaries as at 30 June 2024 and 31 December 2023 are as follows:

Name of subsidiary	*Principal activity*	*Country of incorporation*	*Percentage of holding*	
			30 June 2024	*31 December 2023*
Ain Al Fayda Real Estate	Real estate management	United Arab Emirates	**100%**	100%
Al Qudra Real Estate LLC	Real estate management	United Arab Emirates	**100%**	100%
Al Qudra Holding – Syria	General investment	Syria	**100%**	100%
Al Qudra Real Estate - Syria	Real estate management	Syria	**100%**	100%
Al Qudra Holding - Morocco	General investment	Morocco	**100%**	100%
Kasr Al Bahr	Hospitality	Morocco	**100%**	100%
Atlantic Coast Hospitality	General investment	Morocco	**100%**	100%
Smart Hotel Management	Hotel management	Morocco	**100%**	100%
Smart Hotel Properties	Hotel management	Morocco	**100%**	100%
Al Qudra Holding Offshore	Holding company	Morocco	**100%**	100%
Barary Ain Al Fayda Development LLC	Real estate management	United Arab Emirates	**100%**	100%
Insignia One Investment – Sole Proprietorship L.L.C.	Real estate management	United Arab Emirates	**100%**	100%
Q & Elevate L.L.C.	Hospitality services	United Arab Emirates	**70%**	70%
Q Construction LLC	General contracting	United Arab Emirates	**100%**	100%
Q Hospitality L.L.C.	Real estate management	United Arab Emirates	**100%**	100%
Q Properties L.L.C.	Real estate management	United Arab Emirates	**100%**	100%
Viva Tourism Investment - L.L.C.	Hospitality services	United Arab Emirates	**100%**	100%
Al Qudra Holding International LLC	Industrial enterprises and financial management	United Arab Emirates	**100%**	100%
Al Qudra Trading LLC	Commercial project investment	United Arab Emirates	**100%**	100%
Buhyarat Ain Al Fayda Real Estate LLC	Real estate management	United Arab Emirates	**100%**	100%
Dana Hospitality LLC***	Hotel management	United Arab Emirates	**100%**	100%
Manarah Bay Real Estate LLC	Real estate management	United Arab Emirates	**100%**	100%
Q Companies Management L.L.C.	Real estate management	United Arab Emirates	**100%**	100%
Q General Investment Ltd.	General investment	British Virgin Islands	**100%**	100%
Q International Limited	General investment	Cayman Islands	**100%**	100%
Q Investment RSC Ltd.	Real estate investment	United Arab Emirates	**100%**	100%
ABNIA for Industrial Holding LLC*	Activities of cement, glass, iron, wood and electromechanical industries	United Arab Emirates	**50%**	50%
Al Qudra Industrial LLC	Consultancy in alternative power and industrial projects	United Arab Emirates	**100%**	100%

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	*Principal activity*	*Country of incorporation*	*Percentage of holding*	
			30 June 2024	*31 December 2023*
Al Qudra Belarus Ltd.	General investment	Belarus	**100%**	100%
Al Qudra for Agricultural and Development Company	Agricultural development	United Arab Emirates	**100%**	100%
Al Qudra Health care LLC	Health care and hospitality	United Arab Emirates	**100%**	100%
Al Qudra Holding - Yemen	General investment	Yemen	**100%**	100%
Q Active for Technologies LLC	Telecommunication system installation and maintenance	United Arab Emirates	**51%**	51%
Q For Commercial Markets Management	Setup, ownership and development of commercial markets	United Arab Emirates	**60%**	60%
Q Malls – Sole Proprietorship LLC	Real estate lease and management	United Arab Emirates	**100%**	100%
Q Parks Establishment	Touristic resort management & entertainment investment	United Arab Emirates	**100%**	100%
Al Qudra Holding - Algeria	General investment	Algeria	**100%**	100%
Emirates Simulation Academy LLC	Education and investment	United Arab Emirates	**60%**	60%
QP International LLC	Project management	United Arab Emirates	**60%**	60%
Q Link Transport LLC	Transportation	United Arab Emirates	**85%**	85%
Al Tamouh Investments Company LLC	Real estate management	United Arab Emirates	**100%**	100%
Al Ain Adventures LLC	Adventure park	United Arab Emirates	**100%**	100%
Green Mubazzarah Chalets LLC	Resort and furnished residences leasing	United Arab Emirates	**100%**	100%
Reem Hills - Sole Proprietorship LLC	Real estate management	United Arab Emirates	**100%**	100%
TSL Properties LLC	Real estate management	United Arab Emirates	**100%**	100%
Arch Models Abu Dhabi LLC	Designing and constructing architectural models	United Arab Emirates	**60%**	60%
Island Villas LLC	Real estate management	United Arab Emirates	**100%**	100%
Marina Square Community Real Estate LLC	Real estate management	United Arab Emirates	**100%**	100%
Tamouh National Contracting LLC	Building projects contracting	United Arab Emirates	**51%**	51%
Team Builders LLC	Design, engineering and construction	United Arab Emirates	**51%**	51%
Tamouh Hotels & Resorts L.L.C	Hotel management	United Arab Emirates	**99%**	99%
Paragon Malls LLC***	Ownership and leasing of retail property	United Arab Emirates	**100%**	100%
Al Rayan Investment PSC	Develop, manage and invest in real estate enterprises	United Arab Emirates	**99.97%**	99.97%
Construction Workers Residential City LLC	Real estate investment	United Arab Emirates	**65%**	65%

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	*Principal activity*	*Country of incorporation*	*Percentage of holding* 30 June 2024	31 December 2023
Moon Flower Real Estate Development LLC	Real estate investment	United Arab Emirates	**100%**	100%
Winds Laundry – Sole Proprietorship LLC	Laundry services	United Arab Emirates	**100%**	100%
Al Rayan Global Real Estate LLC	Real estate investment	United Arab Emirates	**100%**	100%
Apex Residential LLC	Real estate investment	United Arab Emirates	**100%**	100%
Radiant & Moonflower Real Estate Development LLC	Real estate investment	United Arab Emirates	**65%**	65%
Green Precast Systems Technology LLC	General contracting	United Arab Emirates	**60%**	60%
Reem Developers – Sole Proprietorship L.L.C.	Real estate management	United Arab Emirates	**100%**	100%
Reem for Energy Investment Services - Sole Proprietorship L.L.C.	Oil and gas projects	United Arab Emirates	**100%**	100%
Reem Investments – Sole Proprietorship PJSC	Real estate management	United Arab Emirates	**100%**	100%
Modon Properties PJSC**	Real estate, Tourism, Hospitality, Sports	United Arab Emirates	**100%**	-
Bab Al Nojoum Camp LLC**	Tourism and Hospitality	United Arab Emirates	**100%**	-
Bab Al Nojoum Camp LLC-Ban Mirfa**	Tourism and Hospitality	United Arab Emirates	**100%**	-
Bab Al Nojoum Camp LLC-Liwa**	Tourism and Hospitality	United Arab Emirates	**100%**	-
Modon Leisure and Hospitality LLC**	Tourism and Hospitality	United Arab Emirates	**100%**	-
Modon Real Estate Leasing Management LLC**	Real estate	United Arab Emirates	**100%**	-
Modon Restaurants LLC OPC**	Tourism and Hospitality	United Arab Emirates	**100%**	-
Modon Restaurants- L.L.C – O.P.C – Branch**	Tourism and Hospitality	United Arab Emirates	**100%**	-
Hudayriyat Sports LLC**	Sports	United Arab Emirates	**100%**	-
Surf Abu Dhabi LLC**	Hospitality, Tourism, Sports	United Arab Emirates	**100%**	-
Hudayriyat Development LLC**	Real estate	United Arab Emirates	**100%**	-
MQREC RSC LLC**	Investments	United Arab Emirates	**60%**	-
Sahel 1 Restricted Limited**	Special purpose company for professional investment institutions	United Arab Emirates	**100%**	-
Sahel 2 Restricted Limited**	Special purpose company for professional investment institutions	United Arab Emirates	**100%**	-

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	*Principal activity*	*Country of incorporation*	*Percentage of holding* 30 June 2024	31 December 2023
MMP for Real Estate Development**	Establishing tourist villages, hotels, motels, apartments and complementary activities including recreational, sports, commercial and cultural activities	Egypt	100%	-
MIZA Investments LLC**	Exhibitions organization and management, Commercial enterprises investment, institution and management	United Arab Emirates	100%	-
Abu Dhabi National Exhibitions Company (ADNEC) **	Venues, Events, Exhibitions	United Arab Emirates	100%	-
ADCG Real Estate – Sole Proprietorship L.L.C. **	Investments, Real estate	United Arab Emirates	100%	-
ADNEC Exhibitions & Conferences LLC**	Venues	United Arab Emirates	100%	-
ADNEC Services LLC**	Events, Real estate	United Arab Emirates	100%	-
LITE Consulting and Development LLC**	Real estate	United Arab Emirates	100%	-
Royal Arabian Management Consultancy LLC**	Real estate	United Arab Emirates	100%	-
ADCG Holdings (Jersey) LTD**	Investments	British Virgin Islands	100%	-
ADCG (UK) LTD**	Investments, Real estate	United Kingdom	100%	-
London International Exhibition Centre PLC**	Investments, Real estate	United Kingdom	100%	-
Excel London Eastern Hotel LTD**	Hotels	United Kingdom	100%	-
ADCG Hotels LTD**	Hotels	United Kingdom	100%	-
Capital Events LLC**	Events	United Arab Emirates	100%	-
Capital Catering & Services SP LLC**	Catering	United Arab Emirates	100%	-
Tourism 365 SP LLC**	Tourism	United Arab Emirates	100%	-
Capital Experience - SP LLC**	Tourism	United Arab Emirates	100%	-
Capital Experience Limited SP**	Tourism	Kingdom of Saudi Arabia	100%	-
Capital Experience Jordan LLC**	Tourism	Jordan	100%	-
Capital Holidays - SP LLC**	Tourism	United Arab Emirates	100%	-
Capital Holidays (International) – SP LLC**	Tourism	United Arab Emirates	100%	-
Capital Holidays (Europe) GMBH**	Tourism	Germany	100%	-
Capital Drive - SP LLC**	Tourism	United Arab Emirates	100%	-
TwoFour54 – FZ LLC**	Media	United Arab Emirates	100%	-
Tourism Investment Assets – SP LLC**	Investments, Tourism, Hotels	United Arab Emirates	100%	-
Qasr Al Sarab Hotel – SP LLC**	Hotels	United Arab Emirates	100%	-

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	*Principal activity*	*Country of incorporation*	*Percentage of holding* 30 June 2024	31 December 2023
Al Liwan Qasr Al Sarab Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Ghadeer Bar – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Suhail Qasr Al Sarab Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Al Waha Qasr Al Sarab Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Suhail Bar – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Qasr Al Sarab Cold Storage – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Ghadeer Qasr Al Sarab Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Qasr Al Falaj Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Qasr Al Sarab Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Desert Island Resort and Spa – SP LLC**	Hotels	United Arab Emirates	**100%**	-
Desert Island Resort and Spa The Palm Restaurant – SP LLC**	Hotels	United Arab Emirates	**100%**	-
Al Shams Bar – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Amwaj Restaurant Desert Islands – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Anantara – Sir Bani Yas Island – Al Yamm Villa Resort – SP LLC**	Hotels	United Arab Emirates	**100%**	-
Al Yamm Lounge – SP LLC**	Hotels	United Arab Emirates	**100%**	-
Olio Restaurant Desert Islands – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Savanah Grill Restaurant – SP LLC**	Restaurant	United Arab Emirates	**100%**	-
Anantara - Sir Bani Yas Island – Al Sahel Villa Resort - SP LLC**	Hotels	United Arab Emirates	**100%**	-
Al Sahel Lounge - SP LLC**	Restaurant	United Arab Emirates	**100%**	-
TFA FZ - LLC**	Media	United Arab Emirates	**100%**	-
Media Zone Investments FZ - LLC**	Media	United Arab Emirates	**100%**	-
Silla LLC**	Media	United Arab Emirates	**100%**	-
ADNEC Investments – Sole Proprietorship LLC**	Commercial enterprises investment and institution and management	United Arab Emirates	**100%**	-
Orbis Sphere Limited**	Special purpose vehicle	United Arab Emirates	**100%**	-
Orbis Sphere Limited Jordan**	Owning and leasing transferrable and non-transferrable assets – Taking loans - Providing media and marketing advice – Preparing economic and management / administrative studies and consultations	Jordan	**100%**	-

2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	*Principal activity*	*Country of incorporation*	*Percentage of holding* 30 June 2024	31 December 2023
KXL Acquisition LTD**	Investment and management services	United Kingdom	100%	-
KXL (France) LTD**	Investment and management services	France	100%	-
Riviera RSC Limited**	Special purpose vehicle for investments	United Arab Emirates	100%	-
Capital Holidays (Ireland) Ltd**	Tourism	Ireland	100%	-
Media Zone Real Estate FZ - LLC**	Real Estate	United Arab Emirates	100%	-
Storytrain Limited**	Media	United Kingdom	100%	-
Story Train Distribution FZ – LLC**	Content Production – Digital and Rights Management – Publications and Content	United Arab Emirates	100%	-
Twofour54 Intaj FZ-LLC**	Media	United Arab Emirates	100%	-
Twofour54 Events FZ - LLC**	Events	United Arab Emirates	100%	-
Aurora RSC LTD**	Special purpose vehicle for investments	United Arab Emirates	100%	-
London International Exhibition Centre Holdings PLC**	Venues	United Kingdom	100%	-
Excel London Hotel Group LTD**	Hotels	United Kingdom	100%	-
King LEP LTD**	Real Estate	British Virgin Islands	100%	-
LIEC Phase 3 EE1 LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 EE2 LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 EE4A LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 EE4B LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 WE4A LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 WE4B LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 WE8 LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 WE9A LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 WE9B LTD**	Commercial	United Kingdom	100%	-
LIEC Phase 3 WE9C LTD**	Commercial	United Kingdom	100%	-
Capital Protocol LLC**	Hospitality	United Arab Emirates	40%	-
Netherlands Plaza Venture Company B.V.**	Commercial	Netherlands	83.55%	-

*Although the Group owns 50% of the outstanding shares of ABNIA for Industrial Holding LLC and 40% of Capital Protocol LLC, the investment in both has been classified as a subsidiary by virtue of control over the investee.

** Subsidiaries acquired during the period.

*** Classified as discontinued operations under asset held for held.

2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2023, except for the adoption of the following new standards effective as of 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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

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

Impact on the adoption of UAE Corporate Tax Law disclosures
The Group has adopted the Federal corporate tax (CT) regime as implemented by the UAE Ministry of Finance through release of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or the "Law") to enact a Corporate Tax ("CT") regime in the UAE. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The Group has adopted the CT regime from with effect from 1 January 2024, and accordingly, it has recorded an income tax expense of AED 49,546 thousand in interim condensed consolidated statement of profit or loss.

It is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in the financial year 2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) – Pillar Two rules by the countries where the Group operates and the enactment of Pillar Two rules by the UAE MoF.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION

New accounting policies adopted by the Group

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 amounts 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 recognized directly in equity is recognized in equity and not in the 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.

2.4 MATERIAL ACCOUNTING POLICY INFORMATION continued

New accounting policies adopted by the Group continued

Deferred tax continued

- 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.

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.

Development management fee

The Group managers construction of properties under long term contracts with customers. Development management fee income is recognised over time using input method to recognise revenue on the basis of entity's effort 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 measure 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.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgements, 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 judgements estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

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

In preparing these interim condensed consolidated financial statements, the significant judgements, estimates and assumptions made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the condensed consolidated financial statements as at and for the year ended 31 December 2023 except as given below:

Classification of investment in Riviera RSC Limited
As disclosed in note 16, the Group has made an investment representing 51% interest in Riviera RSC Limited being recorded as an investment a joint venture based on the joint control in Riviera RSC Limited. In determining the joint control, the Group has considered that as per the shareholders' agreement, all the significant decisions requiring board and shareholder resolutions must be reached unanimously. Further, in case of a deadlock or failure to agree on a decision unanimously, the status quo with respect to the relevant deadlock matter as existed prior to the consideration by shareholder shall prevail.

Business combination under IFRS 3
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 licenses and other assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Impairment assessment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such 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 to sell and its value in use and 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. Where 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.

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.

Based on the assessment performed, management has recorded an of impairment loss on its property, plant and equipment AED 416,213 thousand for the six months period ended 30 June 2024.

Identifying whether an acquisition is a business or an asset
As disclosed in note 4.2, the Group has assessed whether the acquisition of Oryx Action Restricted Limited ("Oryx"), Sahel 1 Restricted Limited ("Sahel 1") and Sahel 2 Restricted Limited ("Sahel 2") constitutes a business or acquisition of assets under IFRS 3. In making the assessment, the Group applied 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 processes that together significantly contribute to the ability to create outputs. Accordingly, the Group has assessed that the entities acquired do not have substantive process that together significantly contribute to the ability to create outputs, hence classified as acquisition of assets.

4 BUSINESS COMBINATIONS

4.1 ACQUISITIONS UNDER IFRS 3 BUSINESS COMBINATIONS

During the period, the Group acquired the following entities, which are accounted for using the acquisition method under IFRS 3 *Business Combinations*.

Modon Properties PJSC ("Modon"), Abu Dhabi National Exhibitions Company PJSC ("ADNEC"), and Miza Investments LLC ("MIZA")
Effective 27 February 2024, Modon Holding PSC (formerly "Q Holding PSC"), acquired a 100% equity interest in Modon Properties PJSC ("Modon"), Abu Dhabi National Exhibitions Company (ADNEC) PJSC ("ADNEC"), MIZA Investments LLC ("Miza") and other real estate assets (note 4.2) for a consideration in the form of 9,491,481 thousand new shares of Modon Holding PSC (formerly "Q Holding PSC") issued as follows:

- 3,162,678 thousand shares issued to IHC Real Estate Holding LLC to acquire 49% holding of Modon and 3,291,766 thousand shares issued to ADQ Real Estate and Hospitality Investments LLC (ADQRE) to acquire remaining 51% holding of Modon having total fair value of AED 18,653,344 thousand.
- remaining 3,037,037 thousand shares issued to ADQRE to acquire 100% ownership interest in ADNEC and other subsidiaries, which includes AED 827,000 thousand allocated to acquisition of other real estate assets being the fair value of the net assets at transaction date is based on the fair value of AED 8,777,037 thousand.

(i) Modon Properties PJSC ("Modon")

Modon Properties PJSC is a public joint stock company incorporated in Abu Dhabi, United Arab Emirates in 2001 and is engaged in real estate development and the sale and investment in real estate in the UAE. From the date of its acquisition, Modon contributed revenue and profit to the Group amounting to AED 157,793 thousand and AED 78,266 thousand respectively. If the acquisition had taken place at the beginning of the period, Modon would have contributed revenue and profit to the Group amounting to AED 232,232 thousand and AED 120,594 thousand respectively.

(ii) Abu Dhabi National Exhibitions Company PJSC ("ADNEC")

ADNEC is a public joint stock company incorporated in Abu Dhabi, United Arab Emirates on 3 August 2005 and is engaged in operating venues for international and local exhibitions events in the UAE and London including provision of catering at exhibitions and third parties. It has ownership in hotels, and is engaged in tourism business, media, protocol, production and rigging, and consultancy services. From the date of its acquisition, ADNEC contributed revenue and profit to the Group amounting to AED 1,108,346 thousand and AED 143,084 thousand respectively. If the acquisition had taken place at the beginning of the period, ADNEC would have contributed revenue and profit to the Group amounting to AED 1,792,673 thousand and AED 231,924 thousand respectively.

(iii) MIZA Investments LLC ("MIZA")

MIZA Investments LLC was incorporated in Abu Dhabi, United Arab Emirates on 30 December 2019 and is currently engaged in development activities within the Mina Zayed region of Abu Dhabi. The Government has mandated MIZA to develop the Mina Zayed area while maintaining low commercial rates. From the date of acquisition, MIZA has not contributed any revenue and profit to the Group till 30 June 2024.

4 BUSINESS COMBINATIONS continued

4.1 ACQUISITIONS UNDER IFRS 3 BUSINESS COMBINATIONS continued

Modon Properties PJSC ("Modon"), Abu Dhabi National Exhibitions Company PJSC ("ADNEC"), and Miza Investments LLC ("MIZA") continued

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

Assets acquired and liabilities assumed

	Modon Properties PJSC (i) AED '000	*Abu Dhabi National Exhibitions Company PJSC (ii) AED '000*	*MIZA investments LLC (iii) AED '000*	*Total AED '000*
ASSETS				
Property and equipment	14,397	5,634,481	204,429	**5,853,307**
Investment properties	22,701,744	1,859,661	-	**24,561,405**
Right-of-use assets	3,326	206,819	-	**210,145**
Inventory properties	3,813,645	615,237	-	**4,428,882**
Amounts due from related parties	2,359,658	-	-	**2,359,658**
Investments in associates and joint ventures	-	848,737	-	**848,737**
Intangible assets	4,573	374,065	-	**378,638**
Trade and other receivables	518,685	1,413,048	420	**1,932,153**
Deferred tax assets	-	25,017	-	**25,017**
Cash and bank balances	852,000	1,407,356	437,124	**2,696,480**
TOTAL ASSETS	30,268,028	12,384,421	641,973	**43,294,422**
Liabilities				
Employees' end of service benefit	6,353	73,630	126	**80,109**
Loans and borrowings	33,814	878,555	-	**912,369**
Amounts due to related parties	35,573	-	1,045	**36,618**
Trade and other payables	3,423,162	1,879,265	2,307	**5,304,734**
Lease liabilities	3,244	269,374	-	**272,618**
Deferred tax liabilities	-	403,166	-	**403,166**
Government grants	-	-	638,495	**638,495**
Total liabilities	**3,502,146**	**3,503,990**	**641,973**	**7,648,109**
Less: Non-controlling interests	-	(69,376)	-	(69,376)
Total identifiable net assets at provisional fair value	26,765,882	8,811,055	-	35,576,937
Purchase consideration	18,653,344	7,950,037	-	26,603,381
Provisional gain on bargain purchase	8,112,538	861,018	-	8,973,556

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 these acquisitions within one year from the respective acquisition date.

Intangible assets of AED 372,634 thousand have been recognised as a result of aforementioned acquisition, which comprise of customer relationships, catering contracts and cooling concession agreements. Customer relationship are amortized over an estimated useful life of 3 to 20 years.

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 ranging from 8.5%-13.4%; and
- Terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1.7% - 2% which has been used to determine income for the future years.

4 BUSINESS COMBINATIONS continued

4.1 ACQUISITIONS UNDER IFRS 3 BUSINESS COMBINATIONS continued

Modon Properties PJSC ("Modon"), Abu Dhabi National Exhibitions Company PJSC ("ADNEC"), and Miza Investments LLC ("MIZA") continued

Analysis of cashflow on acquisition:

	Modon Properties PJSC (i) AED '000	*Abu Dhabi National Exhibitions Company PJSC (ii) AED '000*	*MIZA investments LLC (iii) AED '000*	*Total AED '000*
Cash acquired on acquisition	**852,000**	**1,407,356**	**437,124**	**2,696,480**

4.2 ACQUISITIONS OF ASSETS

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

	Oryx Action Restricted Limited AED '000	*Sahel 1 Restricted Limited and Sahel 2 Restricted Limited AED '000*	*Total AED '000*
Inventory properties	300,000	600,000	900,000
Trade and other payables	(73,000)	-	(73,000)
Total identifiable net assets at provisional fair value	**227,000**	**600,000**	**827,000**
Less: Purchase consideration	227,000	600,000	827,000
Net of consideration	-	-	-

The real estate assets acquired are land parcels in Egypt, which are recorded as inventory properties. The acquisition of Oryx Action Restricted Limited, resulted in an amount of AED 73,000 thousand being recorded as trade and other payables. Purchase consideration of AED 827,000 thousand against acquisition of these assets has been included in the total fair value of AED 8,777,037 thousand of share issued to ADQRE (note 4.1) above.

5 REVENUES

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Revenues				
Exhibitions and events revenue	**149,841**	-	**291,076**	-
Catering and laundry services	**239,145**	3,655	**326,925**	5,488
Properties development	**669,141**	232,493	**733,940**	232,493
Hospitality and leisure revenue	**282,184**	3,346	**338,391**	6,122
Development management fees	**126,530**	-	**171,957**	-
Sale of properties and land	-	39,500	-	39,500
Facility management revenue	**3,915**	16,828	**12,186**	28,375
	1,470,756	295,822	1,874,475	311,978
Rental income				
Leasing income	**176,818**	98,829	**313,529**	193,273
	1,647,574	394,651	**2,188,004**	505,251
Timing of revenue recognition				
Services transferred at a point in time	**771,119**	3,346	**827,235**	6,122
Services transferred over time	**699,637**	292,476	**1,047,240**	305,856
	1,470,756	295,822	1,874,475	311,978
Geographical markets				
Within UAE	**1,402,075**	393,857	**1,847,645**	504,457
Outside UAE	**245,499**	794	**340,359**	794
	1,647,574	394,651	**2,188,004**	505,251

6 DIRECT COSTS

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Properties development	**420,576**	190,646	**481,488**	190,646
Staff costs	**254,432**	9,813	**337,357**	21,339
Hospitality and leisure cost	**176,047**	2,236	**192,291**	4,080
Exhibitions and events costs	**43,225**	-	**119,964**	-
Catering and laundry services	**74,469**	2,931	**110,803**	12,958
Rent, utilities and communication	**33,227**	9,666	**38,646**	18,347
Leasing cost	**11,363**	13,558	**26,846**	25,393
Facility management cost	**7,564**	7,871	**9,666**	7,871
Depreciation on right-of-use assets	**938**	924	**1,876**	1,778
Amortisation of intangible assets (note 15)	**1,738**	817	**1,742**	1,708
Others	**31,140**	-	**34,142**	-
	1,054,719	238,462	1,354,821	284,120

7 GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Staff costs	**49,535**	8,790	**72,684**	17,961
Office expenses	**17,880**	3,315	**56,587**	5,766
Rent, utilities and communication	**24,246**	809	**29,654**	1,441
Repair and maintenance	**1,640**	-	**5,875**	2,697
Allowance for expected credit losses	**9,537**	8,587	**116,920**	17,341
Depreciation on property, plant and equipment (note 13)	**33,481**	5,124	**69,133**	10,158
Depreciation on right-of-use assets	**2,867**	-	**7,908**	-
Amortisation of intangible assets (note 15)	**11,793**	-	**16,908**	-
Professional and legal expenses	**42,625**	4,780	**57,357**	10,014
	193,604	31,405	**433,026**	65,378

8 INVESTMENT AND OTHER INCOME

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Dividend income	**34,118**	33,021	**128,470**	104,789
Reversal of provision for infrastructure	**-**	38,455	**-**	38,455
Liabilities written back	**22,335**	20,140	**22,335**	68,093
Gain on transfer of land to an associate	**-**	-	**-**	45,040
Penalty income	**83**	-	**26,227**	-
Others	**7,528**	2,940	**16,090**	3,305
	64,064	94,556	**193,122**	259,682

9 FINANCE INCOME

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Interest income on term deposits	**21,661**	23,496	**41,860**	32,633
Interest income on current and call accounts	**10,784**	2,627	**15,450**	3,997
Interest income on investments carried at amortised cost	**1,001**	610	**2,021**	1,323
	33,446	26,733	**59,331**	37,953

10 FINANCE COSTS

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Interest on loans and borrowings (note 24)	**40,518**	21,135	**67,440**	41,148
Interest on loan from a related party	**28,763**	-	**44,261**	-
Interest expense on lease liabilities	**4,259**	1,472	**5,530**	2,944
Others	**2,707**	-	**2,915**	-
	76,247	22,607	**120,146**	44,092

11 INCOME TAX EXPENSE

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

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Current tax expense	**48,105**	-	**54,302**	-
Deferred income benefit	**(15,022)**	-	**(4,756)**	-
Total deferred tax	**33,083**	-	**49,546**	-

Reconciliation of deferred tax liabilities:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**79,504**	-
Acquired through business combination (note 4.1)	**403,166**	-
Tax income (expense) recognised in profit or loss during the period / year	**(4,630)**	79,504
Tax income (expense) recognised in OCI during the period / year	**(4,595)**	-
Balance at the end of the period / year	**473,445**	79,504

11 INCOME TAX EXPENSE continued

Reconciliation of deferred tax assets

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	-	-
Acquired through business combination	-	-
Losses available for	-	-
offsetting against future taxable income	27,652	-
Balance at the end of the period / year	27,652	-

The movement of income tax payable is as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	-	-
Acquired through business combination	4,238	-
Charge for the period / year	54,302	-
Income tax paid during the period / year	(156)	-
Balance at the end of the period / year	58,384	-

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	*2024 AED '000 (Unaudited)*	*2023 AED '000 (Unaudited)*
The tax charge is based on the other comprehensive income for the period and comprises of:				
Other comprehensive income (item that will not be reclassified subsequently to profit or loss)				
Equity investments at FVOCI – net change in fair value	(38,773)	66,180	9,423	25,049
Less: income tax expense	4,595	-	4,595	-
Other comprehensive (loss) income (after tax) for the period	(34,178)	66,180	14,018	25,049

12 SEASONALITY OF OPERATIONS

The results for the period ended 30 June 2024 reflect the results of the Group's continuing projects and new projects which commenced during the period and are not significantly affected by any seasonal or cyclical operations, except for International Defence Exhibition and Conference (IDEX) which is a defence related exhibition and event. It is held every alternate year in the Emirate of Abu Dhabi. The event is scheduled during the year 2025.

Management has concluded that this does not constitute "highly seasonal" as considered by IAS 34 *Interim Financial Reporting*. Notwithstanding, the results for the six months period ended 30 June 2024 are not necessarily indicative of the results that might be expected for the period ending 31 December 2024.

13 PROPERTY, PLANT AND EQUIPMENT

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**789,463**	454,968
Acquired through business combination (note 4.1)	**5,853,307**	-
Additions during the period / year	**522,941**	348,302
Transfer from investment properties	**-**	9,578
Disposals during the period / year	**-**	(7,739)
Depreciation charge for the period / year (note 7)	**(69,133)**	(20,756)
Impairment loss on property, plant and equipment	**(416,213)**	(7,006)
Foreign exchange translation	**(4,199)**	12,116
Balance at the end of the period / year	**6,676,166**	789,463

14 INVESTMENT PROPERTIES

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**7,536,858**	7,239,241
Acquired through business combination (note 4.1)	**24,561,405**	-
Additions during the period / year	**55,090**	321,016
Transfer to property, plant and equipment	**-**	(9,578)
Disposals during the period / year	**-**	(206,151)
Foreign exchange translation	**(43)**	-
Changes in fair value	**(20,367)**	192,330
Balance at the end of the period / year	**32,132,943**	7,536,858

At the reporting date, the Group has assessed the fair value of its major investment properties and concluded that there is no significant change observed in significant estimates and judgements used in the valuation of investment properties as compared with 31 December 2023. In its assessment, management has concluded that for the investment properties (plots of land) valued using comparable method there is currently no comparable evidence in the market which suggest a change in the valuation for investment properties (plots of land). For the investment properties valued using discounted cash flow (camps, buildings etc), the Group did not observe any significant change in the estimates in terms of change in rental tariff or occupancy rate.

During the period ended 30 June 2024, the Group acquired investment properties in business combination amounting to AED 24,561,405 thousand, being recorded based on provisional assessment of their fair values as at acquisition date, which have been arrived by management by reference to valuation carried out on the acquisition date 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.

15 INTANGIBLE ASSETS AND GOODWILL

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**194,932**	198,471
Acquired through business combination* (note 4.1)	**378,638**	-
Additions during the period / year	**297**	-
Amortisation for the period / year (note 6 & 7)	**(18,650)**	(3,539)
Foreign exchange translation	**(180)**	-
Balance at the end of the period / year	**555,037**	194,932

*These include intangible assets such as customer relationships, catering contracts and cooling concession agreements (note 4.1).

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The movement of investments in associates and joint ventures are as follows:

	Century Village Real Estate Investment LLC AED '000	*Sawaeed Employment LLC (i) AED '000*	*ORA Developers Investment Holding Limited (ii) AED '000*	*Al Qudra Addoha pour L'Investissement Immobiliter AED '000*	*Mount Anvil AED '000*	*B2B Hotels & Properties LLC AED '000*	*Park Hospitality Investment LLC AED '000*	*Aldar Estate Holding Limited AED '000*	*Narrative Visualization OU AED '000*	*ICON Hotel Investment Ltd (iii) AED '000*	*Bunya Enterprises LLC (iv) AED '000*	***30 June 2024 Total AED '000***	*31 December 2023 Total AED '000*
Balance at the beginning of the period / year	60,821	30,662	11,023	458	-	-	-	-	-	-	-	**102,964**	32,010
Acquired through business Combination (note 4.1)	-	-	-	-	148,573	131,885	94,973	472,203	1,103	-	-	**848,737**	-
Additions during the period / year	-	-	-	-	9,055	-	-	-	-	1,652,713	-	**1,661,768**	71,754
Disposal during the period / year	-	(28,632)	-	-	-	-	-	-	-	-	-	**(28,632)**	-
Share of profit (loss) for the period / year	-	-	-	-	(580)	1,791	(1,196)	9,245	(1,103)	36,405	-	**44,562**	(697)
Share of other comprehensive (loss) income for the period / year	-	(2,030)	-	-	-	-	-	-	-	(170,526)	-	**(172,556)**	408
Foreign exchange translation	-	-	-	(9)	(116)	-	-	-	-	(205,087)	-	**(205,212)**	-
Dividend received during the period / year	-	-	-	-	-	-	-	-	-	-	-	**-**	(511)
Balance at the end of the period / year	60,821	-	11,023	449	156,932	133,676	93,777	481,448	-	1,313,505	-	**2,251,631**	102,964

i) During the six months period ended 30 June 2024, the Group disposed-off its investment in Sawaeed Employment LLC to a related party for a consideration of AED 27,007 thousand which resulted in loss of AED 1,623 thousand.

ii) During the year ended 31 December 2023, the Group incorporated a joint venture, Ora Developers Investment Holding Limited with a third party. The principal activities of the joint venture are to develop, finance, own and operate, lease or sell directly or indirectly, certain plots of land or any of their components. During the period ended 30 June 2024, the Group shareholding changed from 30% to 20% as a result of dilution of share capital investment in the joint venture.

iii) During the six months period ended 30 June 2024, ADNEC Riviera Investco RSC Limited, a fully owned subsidiary of the Group, entered into a Shareholders' Agreement with Gamma Oryx Limited to jointly own its investment in Riviera RSC Limited ("Riviera"). Riviera is a private company limited by shares incorporated in the Abu Dhabi Global Market (the "ADGM"), which is owned 51% by ADNEC Riviera Investco RSC Limited and 49% by Gamma Oryx Limited. Riviera owns 40.5% shareholding in Icon Hotel Investment LTD ("ICON"), an Egyptian tourism and hospitality sector and is a leading player in Egypt's luxury and upscale hospitality market in Egypt. Based on the contractual terms, the Group contributed AED 1,652,713 thousand, representing its 51% portion of the aggregate consideration for acquiring shares in ICON. The initial recognition of investment in joint venture is based on a provisional assessment of the fair value while the Group sought an independent valuation for the investment in joint venture.

Since making the initial investment, the Group has recorded share of other comprehensive loss amounting to AED 170,526 thousand and foreign exchange translation loss of AED 205,087 thousand in the interim condensed consolidated financial statements, resulting from the substantial devaluation of the Egyptian Pound relative to the United Arab Emirates Dirhams.

iv) Bunya Enterprises LLC ("Bunya") is a limited liability company incorporated in the Emirate of Abu Dhabi and is engaged in consultancy and management of civil works and development of properties. Bunya is treated as an associate, even though the Group holds 66% of equity investee, given that all decisions have to be approved via unanimous consent of all the shareholders.

In addition, the Group has already recognised in prior years its share in general and administrative expenses and accordingly its investment in Bunya has already been eroded. Accordingly, the Group is not recognizing any additional share of Bunya losses during the period ended 30 June 2024.

17 INVESTMENTS IN FINANCIAL ASSETS

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Investments carried at fair value through profit or loss (i)	**2,291,786**	2,558,234
Investments carried at fair value through other comprehensive income (ii)	**453,899**	444,476
Investments carried at amortised cost (iii)	**52,153**	61,421
	2,797,838	3,064,131
Non-current	**506,052**	505,897
Current	**2,291,786**	2,558,234
	2,797,838	3,064,131

(i) Investments carried at fair value through profit or loss comprise:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Within UAE		
Quoted equity securities	**2,012,936**	2,187,652
Unquoted equity securities	**-**	3,772
Managed funds	**-**	481
	2,012,936	2,191,905
Outside UAE		
Quoted equity securities	**121,174**	126,062
Unquoted equity securities	**-**	5,292
Managed funds	**157,676**	234,975
	278,850	366,329
	2,291,786	2,558,234

(ii) Investments carried at fair value through other comprehensive income comprise:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Within UAE		
Quoted equity securities	**30,784**	31,543
Unquoted equity securities	**423,115**	412,933
	453,899	444,476

17 INVESTMENTS IN FINANCIAL ASSETS continued

(iii) Investments carried at amortised cost comprise:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Bonds	**52,153**	61,421
Total	**52,153**	61,421

The movement in investments in financial assets is as follows:

	Investments carried at fair value through profit or loss AED '000	*Investments carried at fair value through other comprehensive income AED '000*	*Investment carried at amortised cost AED '000*	*Total AED '000*
Balance at 1 January 2024 (Audited)	**2,558,234**	**444,476**	**61,421**	**3,064,131**
Additions during the period	**7,730**	**-**	**1**	**7,731**
Disposals during the period	**(30,960)**	**-**	**-**	**(30,960)**
Matured during the period	**-**	**-**	**(9,424)**	**(9,424)**
Amortisation during the period	**-**	**-**	**155**	**155**
Changes in fair value	**(243,218)**	**9,423**	**-**	**(233,795)**
Balance at 30 June 2024 (Unaudited)	**2,291,786**	**453,899**	**52,153**	**2,797,838**
Balance at 1 January 2023 (Audited)	2,951,614	430,217	49,316	3,431,147
Additions during the year	331,041	-	28,494	359,535
Disposals during the year	(390,987)	(1,134)	(10,714)	(402,835)
Matured during the year	-	-	(5,985)	(5,985)
Amortisation during the year	-	-	310	310
Change in fair value	(333,434)	15,393	-	(318,041)
Balance at 31 December 2023 (Audited)	2,558,234	444,476	61,421	3,064,131

18 INVENTORIES

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Land plots held for sale	**5,500,409**	193,214
Real estate properties	**2,052,722**	2,051,882
Spares and consumables	**36,179**	1,821
	7,589,310	2,246,917

18 INVENTORIES continued

The movement in inventories is as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**2,246,917**	2,053,230
Acquired through business combination (note 4.1 and 4.2)	**5,328,882**	-
Additions during the period / year	**45,287**	196,997
Disposal / consumed during the period / year	**(31,776)**	(3,310)
Balance at the end of the period / year	**7,589,310**	2,246,917

Inventories comprise of completed properties held for sale in the ordinary course of business and other operating inventories. Inventories are stated at the lower of cost and net realizable value. Further, the Group acquired inventories through business combination amounting to AED 4,428,882 thousand and asset acquisition amounting to AED 900,000 thousand, comprising mainly of partial developed and undeveloped lands in UAE and Egypt, being recorded based on provisional assessment of their fair values as at acquisition date.

19 DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale in the ordinary course of business.

The movement during the period / year is as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**1,979,839**	1,826,308
Additions during the period / year	**599,085**	378,575
Transferred to associate during the period / year	**-**	(15,691)
Recognised in direct cost of properties development during the period / year	**(459,596)**	(209,353)
	2,119,328	1,979,839
Less: provision for impairment	**(544,693)**	(490,112)
Balance at the end of the period / year	**1,574,635**	1,489,727

The movement in provision for impairment:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**490,112**	549,517
Charge for the period / year	**54,581**	-
Reversal during the period /year	**-**	(53,407)
Write-off during the period / year	**-**	(5,998)
Balance at the end of the period / year	**544,693**	490,112

20 TRADE AND OTHER RECEIVABLES

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Trade receivables	**2,047,780**	1,352,938
Unbilled revenue	**611,675**	128,757
Less: allowance for expected credit losses on trade receivables	**(387,318)**	(286,210)
	2,272,137	1,195,485
Advances to contractors	**201,188**	80,766
Prepayments and other advances	**565,086**	141,856
Dividend receivables	**31,588**	-
Retention receivables	**11,614**	13,959
Accrued income	**7,888**	11,003
Other receivables	**444,499**	246,184
Less: allowance for expected credit losses on other receivables	**(52,703)**	(3,720)
	3,481,297	1,685,533
Non-current	**651,982**	645,607
Current	**2,829,315**	1,039,926
	3,481,297	1,685,533

The movements in the provision for expected credit losses on trade receivables were as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**286,210**	200,966
Acquired through business combination	**39,397**	-
Charge for the period / year	**72,045**	89,415
Reversal for the period / year	**(195)**	(764)
Foreign exchange translation for the period / year	**4,176**	-
Write off during the period / year	**(14,315)**	(3,407)
Balance at the end of the period / year	**387,318**	286,210

The movements in the provision for expected credit losses on other receivables were as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**3,720**	3,720
Charge for the period / year	**48,983**	-
Balance at the end of the period / year	**52,703**	3,720

21 CASH AND BANK BALANCES

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Current and call accounts	**2,996,408**	1,177,939
Term deposits*	**1,892,885**	1,030,438
Margin deposits	**51,525**	51,525
Cash and bank balances	**4,940,818**	2,259,902
Less: term deposits with an original maturity of more than three months	**(1,203,128)**	(460,863)
Less: margin deposits with an original maturity of more than three months	**(51,525)**	(51,525)
Less: restricted cash**	**(2,235,576)**	(924,548)
	1,450,589	822,966
Add: cash and bank balances attributable to discontinued operations	**2,048**	2,048
Cash and cash equivalents	**1,452,637**	825,014

*Term deposits are placed with commercial banks. These are mainly denominated in the AED and earn interest at market rates. These deposits have original maturity between 3 to 12 months.

**Restricted cash include balances amounting to AED 1,946,331 thousand (31 December 2023 AED: 924,548 thousand) which are deposited into escrow accounts representing cash received as advances against sale of plots, villas and apartments in Reem Island, Al Ain and Hudariyat Island. The remaining balance of restricted cash amounting to AED 289,245 thousand represents cash designated for development of specific projects for which separate bank accounts are maintained.

Cash and cash equivalents as at 30 June 2023 (unaudited) amounted to AED 198,051 thousand.

22 SHARE CAPITAL

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Authorised, issued and fully paid		
16,347,080 thousand shares of AED 1 each (31 December 2023: 6,855,599 thousand shares of AED 1 each)	**16,347,080**	6,855,599

During the period, the Group acquired 100% interest in Modon Properties PJSC, ADNEC, MIZA and other entities for a purchase consideration of AED 27,430,381 thousand which comprised of 9,491,481 thousand shares of AED 1 each which resulted in an increase in share capital by AED 9,491,481 thousand and share premium of AED 17,938,900 thousand (note 4.1).

23 TRADE AND OTHER PAYABLES

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Trade payables	**882,186**	355,932
Advance from customers	**2,785,572**	2,340,930
Retention payables	**276,617**	78,121
Provision for infrastructure construction cost	**76,964**	99,710
Deferred revenue	**782,588**	345,799
Accrued expenses	**1,072,607**	164,127
Dividend payable	**24,448**	24,448
Accrued interest	**30,834**	11,281
Other payables	**650,748**	149,966
Deferred grants*	**636,905**	-
	7,219,469	3,570,314
Non-current	**929,453**	132,044
Current	**6,290,016**	3,438,270
	7,219,469	3,570,314

*These represent the amounts received for the development of specific projects classified under property, plant and equipment and the remaining funds have been appropriately classified as restricted bank balances.

24 LOANS AND BORROWINGS

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Term loans	**2,908,763**	1,784,086
Islamic financing facilities	**282,554**	192,049
	3,191,317	1,976,135
Non-current	**2,896,221**	1,758,963
Current	**295,096**	217,172
	3,191,317	1,976,135

The above facilities are taken from banks in the UAE and are repayable in quarterly and semi-annual instalments of various amounts.

24 LOANS AND BORROWINGS continued

The movement in loans and borrowings during the period / year is as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**1,976,135**	1,794,864
Acquired through business combination (note 4.1)	**912,369**	-
Amounts drawn during the period / year	**412,600**	404,934
Interest expense	**67,440**	84,864
Unamortised transaction cost	**1,705**	-
Foreign exchange translation	**(2,341)**	-
Repayments during the period / year	**(176,591)**	(308,527)
Balance at the end of the period / year	**3,191,317**	1,976,135

25 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as defined in 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.

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

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Amounts due from related parties		
Entities under common control	**2,031,643**	1,473,584
Department of Finance	**4,535,861**	-
Other related parties	**12,797**	17,499
	6,580,301	1,491,083
Less: allowance for expected credit losses	**(296,756)**	(300,669)
	6,283,545	1,190,414

25 RELATED PARTY BALANCES AND TRANSACTIONS continued

Related party balances continued
The movements in the provision for expected credit losses were as follows:

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Balance at the beginning of the period / year	**300,669**	293,119
Charge for the period / year	**1,992**	7,550
Reversal for the period / year	**(5,905)**	-
Balance at the end of the period / year	**296,756**	300,669
Amounts due to related parties		
Entities under common control	**5,343,659**	570,717
Other related parties	**49,328**	49,328
	5,392,987	620,045
Non-current	**578,977**	-
Current	**4,814,010**	620,045
	5,392,987	620,045
Other related parties		
Balances with a financial institution	**2,969,988**	1,536,033
Loans from a financial institution	**1,797,720**	1,384,086
Investments in financial assets	**2,211,093**	2,321,594
Loan from a related party	**1,652,713**	-

During the six months period 30 June 2024, the Group obtained a loan from ADQ amounting to AED 1,652,713 thousand to finance future investments and other business operations having a maturity of February 2033. The loan is unsecured and repayable in full on or before maturity. The loan carries fixed interest rate at 7% per annum payable starting from June 2025, and the principal amount is repayable at maturity in 2033.

Related party transactions
Transactions with related parties included in the interim consolidated statement of profit or loss are as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	*2024 AED '000 (Unaudited)*	*2023 AED '000 (Unaudited)*
Gain on transfer of land plots to a related party	-	39,500	-	39,500
Gain on transfer of land plots to an associate	-	-	-	45,040
Revenues	**116,789**	3,756	**165,767**	8,740
Direct costs	**34,449**	59,072	**38,780**	72,669
Finance cost	**50,066**	15,719	**86,033**	31,062

25 RELATED PARTY BALANCES AND TRANSACTIONS continued

Compensation of key management personnel
The remuneration of key management personnel during the six months period was as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000 (Unaudited)	*2023 AED '000 (Unaudited)*	***2024 AED '000 (Unaudited)***	*2023 AED '000 (Unaudited)*
Management compensation	**2,245**	540	**4,525**	1,080
Employees' end of service benefits	**121**	25	**238**	50
	2,366	565	**4,763**	1,130

26 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to Owner of the Parent by the weighted average number of shares outstanding during the period.

The following reflects the profit and share data used in the basic and diluted earnings per share computations:

	Three months ended 30 June		*Six months ended 30 June*	
	2024 AED '000	*2023 AED '000*	***2024 AED '000***	*2023 AED '000*
Profit attributable to Owners of the parent	**324,856**	511,548	**8,721,816**	196,989
Weighted average number of ordinary shares issued (shares in '000)	**16,347,080**	6,855,599	**13,358,050**	6,855,599
Earnings per share	**0.02**	0.07	**0.65**	0.03

27 CONTINGENCIES AND COMMITMENTS

	30 June 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Contingencies:		
As at reporting date, the following contingent liabilities were outstanding:		
Bank guarantees	**91,605**	77,531
Capital commitments:		
As at reporting date, the capital commitments relate to the following:		
Construction of infrastructure	**5,624,652**	3,529,054
Investment commitments	**4,382**	5,264

27 CONTINGENCIES AND COMMITMENTS continued

Litigations
One of the Group's subsidiaries is a defendant in a lawsuit in Egypt where the plaintiff asserts that it is entitled to receive the remaining purchase price in respect of the alleged breach of a contract for the sale of a number of units in a touristic development project. The Court of First Instance in Egypt has rendered a judgement against that subsidiary to deliver its contractual obligations; the subsidiary is currently appealing the judgement in the Egyptian Court of Appeals. The subsidiary sought legal advice on the claim and the related judgement and has been advised by its legal counsel that the claim lacks merit and has a relatively high probability of success of being overturned via the appeals process or any of the litigation proceedings. Whilst the quantum of damages sought are significant, the appointed law firm defending the Group's subsidiary is confident that the judgement will be overturned in the Court of Appeals and, in the unlikely event that the judgement is not overturned, and becomes at a later stage final and enforceable, the subsidiary will receive the units in the touristic development.

28 SEGMENT REPORTING

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

Real estate – includes construction, development and management of real estate, sale of properties contracting services, landscaping design and execution, leasing income and related costs on investment properties, and district cooling and air conditioning.

Hospitality – includes commercial and contracting services relating to local and international hotel businesses, local and international exhibitions and events, tourism businesses, provision of media, production and rigging, and consultancy services.

Labour accommodation – includes providing services with respect to labour camp rental, management services, sale of food and cafeteria items.

Investments – include the dividend income, related costs and fair value changes of financial investments in equity securities, managed funds, bonds and other investments and securities within UAE and abroad.

Others (unallocated) – includes head office expenses, income, other assets and liabilities and provisional gain on bargain purchase on acquisition of subsidiaries not allocated to any segment.

28 SEGMENT REPORTING continued

	Real estate 30 June 2024 AED '000	*Real estate 30 June 2023 AED '000*	***Hospitality 30 June 2024 AED '000***	*Hospitality 30 June 2023 AED '000*	***Labour accomo-dation 30 June 2024 AED '000***	*Labour accomo-dation 30 June 2023 AED '000*	***Investment 30 June 2024 AED '000***	*Investment 30 June 2023 AED '000*	***Others 30 June 2024 AED '000***	*Others 30 June 2023 AED '000*	***30 June 2024 Total AED '000***	*30 June 2023 Total AED '000*
Revenues	**934,495**	356,294	**1,122,017**	6,565	**131,492**	142,392	**-**	**-**	**-**	**-**	**2,188,004**	505,251
Direct costs	**(522,767)**	(222,626)	**(797,740)**	(8,536)	**(34,314)**	(52,958)	**-**	**-**	**-**	**-**	**(1,354,821)**	(284,120)
GROSS PROFIT (LOSS)	**411,728**	133,668	**324,277**	(1,971)	**97,178**	89,434	**-**	**-**	**-**	**-**	**833,183**	221,131
General and administrative expenses	**(198,340)**	(38,894)	**(182,972)**	(6,912)	**(51,714)**	(19,572)	**-**	**-**	**-**	**-**	**(433,026)**	(65,378)
Selling and marketing expenses	**(29,002)**	(1,134)	**(433)**	(413)	**(7)**	-	**-**	**-**	**-**	**-**	**(29,442)**	(1,547)
Changes in fair value of investments carried at fair value through profit or loss	**-**	-	**-**	-	**-**	-	**(243,218)**	(374,764)	**-**	-	**(243,218)**	(374,764)
Changes in fair value of investment properties	**(20,367)**	-	**-**	-	**-**	-	**-**	-	**-**	**-**	**(20,367)**	-
Provision for impairment loss on property and equipment	**-**	(23)	**(416,213)**	-	**-**	-	**-**	-	**-**	-	**(416,213)**	(23)
Provision for impairment loss on development work-in progress	**(54,581)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(54,581)**	-
Provisional bargain purchase gain on acquisition of subsidiaries	**-**	-	**-**	-	**-**	-	**-**	-	**8,973,556**	-	**8,973,556**	-
Gain on disposal of associate	**-**	-	**-**	-	**-**	-	**(1,623)**	-	**-**	-	**(1,623)**	-
Share of loss from investments in associates and joint ventures	**-**	-	**-**	-	**-**	-	**44,562**	(871)	**-**	-	**44,562**	(871)
Gain on disposal of asset held for sale	**-**	182,361		-		-		-		-		182,361
Investment and other income, net	**35,897**	154,853	**24,819**	40	**3,936**	-	**128,470**	104,789	**-**		**193,122**	259,682
Finance income	**-**	-	**-**	-	**-**	-	**59,331**	37,953	**-**	-	**59,331**	37,953
Finance costs	**(31,445)**	(25,865)	**(68,761)**	(8)	**(19,940)**	(18,219)	**-**	-	**-**	-	**(120,146)**	(44,092)
Income tax expense	**(28,119)**	-	**(15,562)**	-	**(5,865)**	-	**-**	-	**-**	-	**(49,546)**	-
PROFIT (LOSS) FOR THE PERIOD AFTER TAX	**85,771**	404,966	**(334,845)**	(9,264)	**23,588**	51,643	**(12,478)**	(232,893)	**8,973,556**	-	**8,735,592**	214,452
As at 30 June 2024 (Unaudited)												
Segment assets	**56,625,452**		**3,786,758**		**3,731,484**		**5,049,469**		**72,055**		**69,265,218**	
Segment liabilities	**11,007,620**		**6,064,713**		**1,213,352**		**-**		**191,265**		**18,476,950**	
As at 31 December 2023 (Audited)												
Segment assets	12,411,910		732,859		3,745,512		4,197,533		223,267		21,311,081	
Segment liabilities	3,803,294		1,110,444		1,254,777		24,448		199,458		6,392,421	

29 FINANCIAL RISK MANAGEMENT

29.1 Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities. The Group manages liquidity risk by maintaining adequate bank balances and credit facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

29.2 Fair value estimation

Some of the Group's financial assets are measured at fair value at the end of the reporting period. 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).

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 *AED '000*	*Level 2* *AED '000*	*Level 3* *AED '000*	*Total* *AED '000*
Balance at 30 June 2024 (Unaudited)				
Investments carried at fair value through other comprehensive income				
Quoted shares	**30,784**	-	-	**30,784**
Unquoted shares	-	**423,115**	-	**423,115**
	30,784	**423,115**	-	**453,899**
Investments carried at fair value through profit or loss				
Quoted shares	**2,134,110**	-	-	**2,134,110**
Unquoted shares	-	-	-	-
Managed funds	-	**157,676**	-	**157,676**
	2,134,110	**157,676**	-	**2,291,786**
Balance at 31 December 2023 (Audited)				
Investments carried at fair value through other comprehensive income				
Quoted shares	31,543	-	-	31,543
Unquoted shares	-	362,653	50,280	412,933
	31,543	362,653	50,280	444,476
Investments carried at fair value through profit or loss				
Quoted shares	2,313,714	-	-	2,313,714
Unquoted shares	-	-	9,064	9,064
Managed funds	-	235,456	-	235,456
	2,313,714	235,456	9,064	2,558,234

During the six months period ended 30 June 2024, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

30 CHANGES IN PRESENTATION OF COMPARITIVES

The Group has initially adopted IAS 1, the presentation of the statement of profit or loss to be presented "by nature" method. During the period, management elected to apply the "by function" method and re-present the statement of profit or loss retrospectively as it is more relevant to the users of the consolidated financial statements.

The Group has re-presented its prior period as a result of the change in presentation as follows:

	Three months ended		
	As previously reported AED '000 (Unaudited)	*Reclassification AED '000 (Unaudited)*	*As presented AED '000 (Unaudited)*
For the period ended 30 June 2023			
Revenue from contracts with customers	**295,822**	**(295,822)**	**-**
Rental income	**98,829**	**(98,829)**	**-**
Revenues	**-**	**394,651**	**394,651**
Contract costs	**(218,806)**	**218,806**	**-**
Depreciation on right-of-use assets	**(854)**	**854**	**-**
Amortisation of intangible assets	**(887)**	**887**	**-**
Other expenses	**(8,334)**	**8,334**	**-**
Rent expenses	**(1,351)**	**1,351**	**-**
Staff costs	**(17,039)**	**17,039**	**-**
Utilities	**(8,884)**	**8,884**	**-**
Depreciation on property, plant and equipment	**(5,124)**	**5,124**	**-**
Provision for expected credit loss on financial assets	**(8,741)**	**8,741**	**-**
Direct costs	**-**	**(238,462)**	**(238,462)**
General and administrative expenses	**-**	**(31,405)**	**(31,405)**
Investment and other income	**-**	**(153)**	**(153)**
Marketing expenses	**(276)**	**276**	**-**
Selling and marketing expenses	**-**	**(276)**	**(276)**
Changes in fair value of investments carried at fair value through profit or loss	**116,427**	**-**	**116,427**
Provision for impairment loss on property, plant and equipment	**(23)**	**-**	**(23)**
Share of loss from investments in associates and joint ventures	**(43)**	**-**	**(43)**
Gain on disposal of asset held for sale	**182,361**	**-**	**182,361**
Dividend income	**33,021**	**(33,021)**	**-**
Other income	**61,688**	**(61,688)**	**-**
Investment and other income	**-**	**94,709**	**94,709**
Finance costs, net	**4,126**	**4,126**	**-**
Finance income	**-**	**26,733**	**26,733**
Finance costs	**-**	**(22,607)**	**(22,607)**
PROFIT FOR THE PERIOD	**521,912**	**-**	**521,912**

30 CHANGES IN PRESENTATION OF COMPARITIVES continued

	Six months ended		
	As previously reported AED '000 (Unaudited)	*Reclassification AED '000 (Unaudited)*	*As presented AED '000 (Unaudited)*
For the period ended 30 June 2023			
Revenue from contracts with customers	311,978	(311,978)	-
Rental income	193,273	(193,273)	-
Revenues	-	505,251	505,251
Contract costs	(243,858)	243,858	-
Depreciation on right-of-use assets	(1,708)	1,708	-
Amortisation of intangible assets	(1,778)	1,778	-
Other expenses	(18,931)	18,931	-
Rent expenses	(2,719)	2,719	-
Staff costs	(36,390)	36,390	-
Utilities	(16,614)	16,614	-
Depreciation on property, plant and equipment	(10,158)	10,158	-
Provision for expected credit loss on financial assets	(17,495)	17,495	-
Direct costs	-	(284,120)	(284,120)
General and administrative expenses	-	(65,378)	(65,378)
Investment and other income	-	(153)	(153)
Marketing expenses	(1,547)	1,547	-
Selling and marketing expenses	-	(1,547)	(1,547)
Changes in fair value of investments carried at fair value through profit or loss	(374,764)	-	(374,764)
Provision for impairment loss on property, plant and equipment	(23)	-	(23)
Share of loss from investments in associates and joint ventures	(871)	-	(871)
Gain on disposal of asset held for sale	182,361	-	182,361
Dividend income	104,789	(104,789)	-
Other income	155,046	(155,046)	-
Investment and other income	-	259,835	259,835
Finance costs, net	(6,139)	6,139	-
Finance income	-	37,953	37,953
Finance costs	-	(44,092)	(44,092)
PROFIT FOR THE PERIOD	214,452	-	214,452