National Corporation for Tourism and Hotels

Review report and condensed consolidated financial statements for the nine-month period ended 30 September 2024 (Unaudited)

NATIONAL CORPORATION FOR TOURISM AND HOTELS

Review report and condensed consolidated financial statements for the nine-month period ended 30 September 2024 (Unaudited)

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF NATIONAL CORPORATION FOR TOURISM AND HOTELS

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of National Corporation for Tourism and Hotels (the "Company") and its subsidiaries (together the "Corporation" or the "Group") as at 30 September 2024 and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine-month period then ended, and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34, '*Interim Financial Reporting'* ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information 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 financial information is not prepared, in all material respects in accordance with IAS 34.

Other Matter

The interim financial information of the Group for the nine-month period ended 30 September 2023 and the consolidated financial statements of the Group for the year ended 31 December 2023 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion on that information and an unmodified opinion on those statements on 31 October 2023 and 5 March 2024 respectively.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
28 October 2024
Abu Dhabi
United Arab Emirates

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Condensed consolidated statement of financial position

	Notes	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
ASSETS			
Non-current assets			
Property and equipment	5	**1,961,651,164**	1,981,535,760
Investment in joint ventures	6	**304,112,617**	288,566,221
		2,265,763,781	2,270,101,981
Current assets			
Financial assets at fair value through profit or loss	7	**24,617,215**	26,134,090
Inventories		**23,328,805**	22,749,567
Trade and other receivables	8	**193,589,417**	170,395,594
Short term deposits	9	**67,636,295**	239,076,349
Cash and cash equivalents	9	**306,188,032**	119,416,972
		615,359,764	577,772,572
Total assets		**2,881,123,545**	2,847,874,553
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	**899,026,128**	899,026,128
Statutory reserve		**204,052,397**	204,052,397
General reserve		**6,493,970**	6,493,970
Properties revaluation reserve		**1,162,925,000**	1,162,925,000
Retained earnings / (accumulated losses)		**21,144,353**	(19,653,182)
Net/total equity		**2,293,641,848**	2,252,844,313
LIABILITIES			
Non-current liabilities			
Term loans	11	**323,738,626**	350,749,437
Provision for employees' end of service benefits		**33,899,796**	30,720,750
Lease liability		**205,467**	254,424
		357,843,889	381,724,611
Current liabilities			
Trade and other payables	12	**189,609,975**	177,564,641
Term loans	11	**36,849,120**	35,679,120
Income tax payable	21	**3,116,845**	-
Lease liability		**61,868**	61,868
		229,637,808	213,305,629
Total liabilities		**587,481,697**	595,030,240
Total equity and liabilities		**2,881,123,545**	2,847,874,553

To the best of our knowledge, the condensed consolidated financial statements present fairly in all material respects the financial condition, results of operations and cashflows of the Group as of, and for, the periods presented therein.

Chairman | Chief Executive Officer | Finance Director

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of profit or loss and other comprehensive income

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024 (unaudited) AED	2023 (unaudited) AED	**2024 (unaudited) AED**	2023 (unaudited) AED
Revenue	15	**160,533,287**	151,776,662	**495,636,569**	485,596,348
Direct operating expenses	15	**(145,674,581)**	(139,840,869)	**(436,709,363)**	(424,684,489)
Gross profit		**14,858,706**	11,935,793	**58,927,206**	60,911,859
General and administrative expenses		**(5,166,362)**	(5,041,839)	**(15,117,941)**	(17,400,088)
Share of results of joint ventures accounted for using the equity method	6	**2,410,754**	1,802,221	**8,052,482**	2,633,799
Fair value gain / (loss) on financial assets at fair value through profit or loss	7	**1,713,041**	130,010	**(1,516,875)**	(5,775,560)
Other income		**887,064**	879,303	**4,384,032**	3,763,560
Operating profit		**14,703,203**	9,705,488	**54,728,904**	44,133,570
Interest income		**4,029,640**	3,012,928	**11,763,272**	8,936,638
Finance costs		**(7,306,851)**	(7,737,537)	**(22,577,796)**	(12,213,325)
Finance costs - net		**(3,277,211)**	(4,724,609)	**(10,814,524)**	(3,276,687)
Profit before income tax		**11,425,992**	4,980,879	**43,914,380**	40,856,883
Income tax expense	21	**(814,413)**	-	**(3,116,845)**	-
Profit for the period		**10,611,579**	4,980,879	**40,797,535**	40,856,883
Other comprehensive income for the period		**-**	-	**-**	-
Total comprehensive income for the period		**10,611,579**	4,980,879	**40,797,535**	40,856,883
Basic and diluted earnings per share	14	**0.01**	0.01	**0.05**	0.05

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of changes in equity

	Share capital AED	Statutory reserve AED	General reserve AED	Properties revaluation reserve AED	Retained earnings / (accumulated losses) AED	Total equity AED
Balance at 1 January 2023 (audited)	817,296,480	197,244,239	15,000,000	1,155,310,000	6,560,845	2,191,411,564
Total comprehensive income for the period	-	-	-	-	40,856,883	40,856,883
Bonus shares issued (note 19)	81,729,648	-	-	-	(81,729,648)	-
Directors' remuneration paid (note 20)	-	-	-	-	(5,757,805)	(5,757,805)
Release of reserve (note 12)	-	-	(8,506,030)	-	8,506,030	-
Transfer of unclaimed dividends	-	-	-	-	(8,506,030)	(8,506,030)
Balance at 30 September 2023 (unaudited)	899,026,128	197,244,239	6,493,970	1,155,310,000	(40,069,725)	2,218,004,612
Balance at 1 January 2024 (audited)	**899,026,128**	**204,052,397**	**6,493,970**	**1,162,925,000**	**(19,653,182)**	**2,252,844,313**
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**40,797,535**	**40,797,535**
Balance at 30 September 2024 (unaudited)	**899,026,128**	**204,052,397**	**6,493,970**	**1,162,925,000**	**21,144,353**	**2,293,641,848**

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows

	Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED
Cash flows from operating activities		
Profit before income tax	**43,914,380**	40,856,883
Adjustments for:		
Depreciation of property and equipment	**28,826,223**	18,887,407
Share of results of joint ventures accounted for using the equity method	**(8,052,482)**	(2,633,799)
Provision for employees' end of service benefits	**5,722,402**	6,890,070
Gain on disposal of property and equipment	**(105,840)**	(563,888)
Reversal of impairment of trade receivables	**-**	(79,352)
Finance costs	**22,577,796**	12,213,325
Interest income	**(11,763,272)**	(8,936,638)
Fair value losses on financial assets at fair value through profit or loss	**1,516,875**	5,775,560
Dividend income	**(968,321)**	(1,419,179)
Operating cash flows before employees' end of service benefits payment and changes in working capital	**81,667,761**	70,990,389
Employees' end of service benefits paid	**(2,543,356)**	(12,485,106)
Changes in working capital:		
Inventories	**(579,238)**	497,197
Trade and other receivables	**(25,374,067)**	(10,424,554)
Trade and other payables	**12,228,015**	(28,878,719)
Net cash generated from operating activities	**65,399,115**	19,699,207
Cash flows from investing activities		
Net redemption / (placement) of deposits with original maturity of more than three months	**171,440,054**	(56,499,616)
Purchase of property and equipment	**(9,047,609)**	(35,731,434)
Proceeds from disposal of property and equipment	**211,822**	778,856
Interest income received	**13,943,516**	5,143,301
Purchase of financial assets at fair value through profit or loss	**-**	(2,388,956)
Additional investment in joint venture	**(8,493,914)**	(18,045,470)
Dividend received from joint venture	**1,000,000**	-
Dividend received	**968,321**	1,419,179
Net cash generated from / (used in) investing activities	**170,022,190**	(105,324,140)

The accompanying notes form an integral part of these condensed consolidated financial statements.

Condensed consolidated statement of cash flows (continued)

	Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED
Cash flows from financing activities		
Repayment of term loans during the period	**(26,508,585)**	(21,544,585)
Receipt of term loans	**-**	12,989,568
Transfer of unclaimed dividends	**-**	(5,678,755)
Directors' remuneration paid	**-**	(5,757,805)
Finance costs paid	**(22,079,792)**	(10,949,111)
Principal elements of lease payments	**(48,957)**	(46,964)
Finance cost paid on lease liabilities	**(12,911)**	(14,904)
Net cash used in financing activities	**(48,650,245)**	(31,002,556)
Net increase / (decrease) in cash and cash equivalents	**186,771,060**	(116,627,489)
Cash and cash equivalents at beginning of the period	**119,416,972**	187,117,427
Cash and cash equivalents at end of the period (note 9)	**306,188,032**	70,489,938
Non-cash transactions		
Accrual for purchase of property and equipment	**-**	2,153,383
Bonus shares issued	**-**	81,729,648

The accompanying notes form an integral part of these condensed consolidated financial statements.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024

1 General information

National Corporation for Tourism and Hotels (the "Corporation"), a public shareholding company, was incorporated in Abu Dhabi, United Arab Emirates ("UAE") on 11 December 1996 by Law No. (7) of 1996, to own, manage and invest in hotels and leisure complexes and to undertake other related business. The Corporation's shares are listed in Abu Dhabi Securities Exchange. The Corporation's registered address is P O Box 6942, Abu Dhabi, UAE.

The major shareholder of the Group is Alpha Dhabi Holding PJSC which is listed on Abu Dhabi Securities Exchange.

The condensed consolidated financial statements include the results of operations and financial position of the Group and its interests in equity accounted investees.

The Corporation owns five hotels within the UAE: (a) Intercontinental Hotel Abu Dhabi – Sole Proprietorship LLC ("Abu Dhabi Intercontinental Hotel"), Intercontinental Residences Abu Dhabi Hotel Apartments – Sole Proprietorship LLC ("Intercontinental Residences Abu Dhabi"), both of which are managed by an international hotel operating company; and (b) Danat Al Ain Resort – Sole Proprietorship LLC ("Danat Al Ain Resort"), Al Dhafra Beach Hotel – Sole Proprietorship LLC ("Al Dhafra Beach Hotel") and Danat Jabal Al Dhanna Resort – Sole Proprietorship LLC ("Danat Resort – Jebel Dhanna") directly operated and managed by the Corporation. In addition, the Corporation provides catering services and retail services and has investments in the following entities:

Name	Nature	Country of operation	Principal activity	Ownership Interest	
				30 September 2024	31 December 2023
Intercontinental Hotel Abu Dhabi – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Danat Al Ain Resort – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Danat Jabal Al Dhanna Resort – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Al Dhafra Beach Hotel – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
Intercontinental Residences Abu Dhabi Hotel Apartments – Sole Proprietorship LLC	Hotel	UAE	Hospitality	100.00%	100.00%
National Transportation Company LLC ("NTC")	Joint venture	UAE	Transport services	50.00%	50.00%
Velocity Property Development LLC*	Joint venture	UAE	Real Estate	60.12%	60.12%

* As at 30 September 2024, the effective percentage ownership of the Corporation over Velocity Property Development LLC is 63.86% (31 December 2023: 63.86%) (note 6).

As at 30 September 2024, the Corporation operates three hotel properties and rest houses through management agreements (31 December 2023: the Corporation operates four hotel properties and rest houses through management agreements), all owned by other parties.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

2 Application of new and revised International Financial Reporting Standards ("IFRS Accounting Standards") (IFRS)

2.1 New and revised IFRS applied with no material effect on the condensed consolidated financial statements

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in this condensed consolidated financial statements. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IFRS 16 *Leases* relating to Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* relating to Supplier Finance Arrangements	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements* relating to Non-current Liabilities with Covenants	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements* relating to Classification of Liabilities as Current or Non-Current	1 January 2024

2.2 New and revised IFRS in issue but not yet effective and not early adopted

The following new and revised IFRSs, that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* relating to Lack of Exchangeability	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability	1 January 2025
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Subject to adoption by the jurisdiction
IFRS S2 — Climate-related Disclosures	Subject to adoption by the jurisdiction
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in associates and joint ventures (2011)*	Effective date deferred indefinitely. Early adoption is permitted
Amendments to IAS 1 – Amendments to IFRS Practice Statement 2 Making Materiality Judgements Disclosure of Accounting Policies	Effective date deferred indefinitely. Early adoption is permitted
IFRS 18 *Presentation and Disclosures in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

3 Material accounting policy information

3.1 Basis of preparation

The condensed consolidated financial statements has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and also comply with the applicable requirements of the laws in the UAE.

The condensed consolidated financial statements has been prepared on the historical cost basis, except for the remeasurement of investment securities and the revaluation of land which are at fair value or revalued amounts. This condensed consolidated financial statements are presented in UAE Dirhams (AED), which is the functional currency of the Corporation.

The condensed consolidated financial statements does not include all of the information required for full consolidated financial statements and should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended 31 December 2023. In addition, results for the nine-month ended 30 September 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

Except as described in note 3.2 below, the accounting policies applied by the Corporation in this condensed consolidated financial statements are the same as those applied by the Corporation in its consolidated financial statements as at and for the year ended 31 December 2023.

3.2 Income taxes

Income taxes have been provided for in the condensed consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

3 Material accounting policy information (continued)

3.2 Income taxes (continued)

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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

5 Property and equipment

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Property and equipment at net carrying amount	**1,961,651,164**	1,981,535,760

Movement of the property and equipment were as follows:

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	**1,981,535,760**	1,958,562,966
Additions	**9,047,609**	43,881,008
Revaluation of land	**-**	7,615,000
Disposals	**(105,982)**	(346,532)
Depreciation charge for the period / year	**(28,826,223)**	(28,176,682)
At 30 September / 31 December	**1,961,651,164**	1,981,535,760

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

5 Property and equipment (continued)

The depreciation and amortisation charges have been allocated in the condensed consolidated interim statement of profit or loss as follows:

	Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED
Direct operating expenses	**28,204,849**	18,283,517
General and administrative expenses	**621,374**	603,890
	28,826,223	18,887,407

During July 2023, the new hotel property InterContinental Residences Abu Dhabi, which was previously under construction, was handed over to the Corporation and started its commercial operations.

Revaluation of land

Included in property and equipment is land stated at the revalued amount of AED 1.16 billion as at 30 September 2024 (31 December 2023: AED 1.16 billion) based on the revaluation model.

The valuations were determined by using the market (sales comparison) valuation approach. The approach involves measuring the present value of the business resources based on the flow of prices of these resources on the free market and exchange between willing persons (seller and buyer) on such market. The date of the revaluation was 31 December 2023.

The inputs used in the valuation are not based on observable market data, and thus, the valuation techniques were considered to be Level 3 fair value measurement.

If land was stated on the historical cost basis, the carrying amount of land would be nil as at 30 September 2024 (31 December 2023: nil).

6 Investment in joint ventures

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	**288,566,221**	264,561,838
Additional investment	**8,493,914**	19,229,470
Share of results for the period/year	**8,052,482**	4,774,913
Dividend received	**(1,000,000)**	-
At 30 September / 31 December	**304,112,617**	288,566,221

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

6 Investment in joint ventures (continued)

In addition to the in-kind contribution for the land and works, the Corporation made additional cash contributions to Velocity Property Development LLC ("Velocity"), increasing the effective percentage shareholding of the Corporation. As per the terms of the shareholders' agreement of Velocity, the final percentage ownership of each shareholder is to be recalculated and adjusted upon the occurrence of the Project Completion Date. The Corporation, together with the other shareholder of Velocity, is in discussion to finalise the percentage ownership of each party over Velocity in accordance with the shareholders' agreement. As at 30 September 2024, the effective percentage ownership of the Corporation over Velocity is 63.86% (31 December 2023: 63.86%). As at 30 September 2024, the Corporation has contributed land and existing works with fair value of AED 218.6 million and cash contributions of AED 61.2 million to Velocity.

For the period ended 30 September 2024, the Corporation recorded its share of results in the net profits of NTC and Velocity amounting to AED 2,982,696 and AED 5,069,786, respectively (for the year ended 31 December 2023: share of results in the net profits of NTC and Velocity amounting to AED 4,093,929 and AED 680,984, respectively).

7 Financial assets at fair value through profit or loss

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Investments in quoted shares	**24,617,215**	26,134,090

Movement of the financial assets at fair value through profit or loss were as follows:

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	**26,134,090**	30,559,901
Purchase of quoted securities	**-**	2,388,956
Decrease in fair value	**(1,516,875)**	(6,814,767)
At 30 September / 31 December	**24,617,215**	26,134,090

During the period, the Corporation did not purchase any additional quoted shares (2023: the Corporation purchased shares amounting to AED 2.4 million). Based on the business model of the Corporation, the management classified these securities as financial assets at fair value through profit or loss. The inputs used are based on observable market data, and thus, the valuation techniques were considered to be Level 1 fair value measurement. All investments carried at fair value through profit or loss are located inside the UAE.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

8 Trade and other receivables

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Trade receivables	**137,655,410**	115,601,358
Less: allowance for impairment	**(7,185,403)**	(7,185,403)
	130,470,007	108,415,955
Prepayments and advances	**40,941,628**	34,873,997
Interest receivable	**3,868,362**	6,048,606
Due from related parties (note 13)	**7,769,468**	9,118,642
Other receivables	**10,539,952**	11,938,394
	193,589,417	170,395,594

Movements in the allowance for impairment of receivables were as follows:

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
At 1 January	**7,185,403**	7,264,755
Net remeasurement of loss allowance	**-**	(79,352)
At 30 September / 31 December	**7,185,403**	7,185,403

9 Cash and bank balances

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents are comprised of the following:

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Cash at bank and on hand	**91,616,947**	104,416,972
Short term deposits	**282,207,380**	254,076,349
	373,824,327	358,493,321
Less: short-term deposits with original maturity over three months	**(67,636,295)**	(239,076,349)
Cash and cash equivalents	**306,188,032**	119,416,972

Short-term deposits represent deposits held with financial institutions in the UAE and denominated in AED. As at 30 September 2024, these deposits carry an interest rate of 4.70% - 5.80% (31 December 2023: 5.35% - 5.90%) per annum.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

10 Share capital

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Authorised capital		
899,026,128 ordinary shares of AED 1 each (31 December 2023: 899,026,128 ordinary shares of AED 1 each)	**899,026,128**	899,026,128
Issued, subscribed and paid up capital		
At 1 January	**899,026,128**	817,296,480
No bonus shares issued (year ended 31 December 2023: 81,729,648 bonus shares issued of AED 1 each)	**-**	81,729,648
At 30 September / 31 December	**899,026,128**	899,026,128

11 Term loans

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Term loan 1	**290,467,894**	294,831,894
Term loan 2	**56,219,852**	73,596,663
Term loan 3	**1,000,000**	3,000,000
Term loan 4	**7,500,000**	9,000,000
Term loan 5	**5,400,000**	6,000,000
	360,587,746	386,428,557
Less: Amount due for settlement after 12 months from the end of reporting period/year (classified under non-current liabilities)	**(323,738,626)**	(350,749,437)
Amount due for settlement within 12 months from the end of reporting period/year (classified under current liabilities)	**36,849,120**	35,679,120

The term loans comprise the following:

Term loan 1

In 2013, the Corporation obtained a loan facility from a local bank amounting to AED 220.0 million. In 2021, the Corporation and the local bank agreed to increase the available facility amount to AED 320.0 million. The loan was utilised for the construction of a new hotel, InterContinental Residences Abu Dhabi. Total drawdown as at 30 September 2024 amounted to AED 294.8 million. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 9 years by 36 quarterly installments beginning from June 2024. Additional drawdown of AED 25.2 million is available for this loan as at 30 September 2024.

The loan facility is secured by the following:

(i) Mortgage over the land plots and buildings of Abu Dhabi Intercontinental Hotel and InterContinental Residences Abu Dhabi;
(ii) Assignment of revenues of Abu Dhabi Intercontinental Hotel
(iii) Assignment of revenues up to AED 20 million of Danat Resort – Jebel Dhanna
(iv) Assignment of entire revenue of the new hotel InterContinental Residences Abu Dhabi; and
(v) Assignment of insurance in relation to the above properties.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

11 Term loans (continued)

Term loan 2

During 2015, the Corporation obtained a loan facility from a local bank amounting to AED 600.0 million which are split into two facilities of: (i) Facility A for AED 131.6 million which is utilized to repay two existing loans from the same local bank and (ii) Facility B for AED 468.4 million which will be utilised to repay another existing loan from the same local bank and to meet future investment opportunities. Facility A was fully utilized as at 31 December 2015, while Facility B drawdown amounted to AED 68.4 million. Total drawdown for both facilities as at 30 September 2024 amounted to AED 200.0 million. Total outstanding loan balance for both facilities as at 30 September 2024 amounted to AED 57.3 million (31 December 2023: AED 75.4 million). Facilities A and B carry interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). The Facilities A and B are to be repaid in 10 years from the date of the Loan Facility Agreement through semi-annual installments and one final payment on the final repayment date. Interest is to be paid on quarterly basis.

The loan facility is secured by the following:

(i) Mortgage over the land plots and buildings of Abu Dhabi Intercontinental Hotel and InterContinental Residences Abu Dhabi;
(ii) Assignment of insurances of Abu Dhabi Intercontinental Hotel and InterContinental Residences Abu Dhabi;
(iii) Assignment of receivables from Abu Dhabi Intercontinental Hotel, Danat Al Ain Resort, Danat Resort – Jebel Dhanna, Al Dhafra Beach Hotel and InterContinental Residences Abu Dhabi; and
(iv) Pledge over bank accounts of the Corporation and its divisions, Abu Dhabi Intercontinental Hotel, Danat Al Ain Resort, Danat Resort – Jebel Dhanna, Al Dhafra Beach Hotel and InterContinental Residences Abu Dhabi.

In July 2017, the Corporation voluntarily cancelled part of the available facility amounting to AED 400.0 million of the Facility B.

As at 30 September 2024, the Corporation has an unamortised loan arrangement fee of AED 1.1 million (31 December 2023: AED 1.8 million) related to the loan and is netted off from the loan balance.

In 2020, the Corporation obtained approval to defer the payment of four principal instalments due from May 2020 to January 2021 until for a period from May 2026 to November 2026. The principal instalment payments due after January 2021 remained unchanged.

Term loan 3

During 2019, the Corporation obtained a loan facility from a local bank amounting to AED 10.0 million. The loan was for the general corporate requirements particularly for the renovation of Al Dhafra Beach Hotel. As of 30 September 2024, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 1.0 million. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 5 years by semi-annual installments from September 2020.

The loan facility is secured by the common security as Term loan 1 and all other related assignments.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

11 Term loans (continued)

Term loan 4

During 2020, the Corporation obtained a loan facility from a local bank amounting to AED 15.0 million. The loan will be utilised for the renovation activities of Al Dhafra Beach Hotel. As of 30 September 2024, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 7.5 million. Repayment of the loan is due after 18 months from the date of initial utilisation. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 5 years by semi-annual instalments from April 2022.

The loan facility is secured by the common security as Term loan 1 and all other related assignments.

Term loan 5

During 2022, the Corporation obtained a loan facility from a local bank amounting to AED 6.0 million. The loan will be utilised for the renovation activities of the marina at Abu Dhabi InterContinental Hotel. As of 30 September 2024, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 5.4 million. Repayment of the loan is due after 18 months from the date of initial utilisation. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2023: 2.5% over 3-months EIBOR). Interest is paid on a quarterly basis. The loan is to be repaid over 5 years by semi-annual instalments from April 2024.

The loan facility is secured by the same security as Term loan 1 and all other related assignments.

As at 30 September 2024, there is no noncompliance of financial covenants as the debt covenants compliance is tested by the bank on semi-annual basis (30 June and 31 December). There was no noncompliance of financial covenants as of 30 June 2024.

12 Trade and other payables

	30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Trade payables	**107,160,954**	100,118,362
Accrued liabilities	**25,519,411**	25,879,432
Retentions payable	**19,074,816**	19,074,816
Retail fees payable	**8,609,562**	8,609,562
Deferred income	**8,439,119**	6,402,308
Dividend payable	**2,827,275**	2,827,275
Value added tax payable	**1,130,448**	411,539
Due to related parties (note 13)	**4,548,923**	1,977,205
Interest payable	**651,421**	834,102
Other payables	**11,648,046**	11,430,040
	189,609,975	177,564,641

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

12 Trade and other payables (continued)

In 2023, following a directive from the Securities and Commodities Authority ("SCA"), the Corporation has paid an amount of AED 5.7 million to SCA for the unclaimed dividends of the Corporation's shareholders as of a cutoff date as notified by the SCA. Since the Corporation has reversed all previous year's unclaimed dividends in the books, the Board of Directors of the Corporation have decided to charge the "Accumulated losses" for the amount of AED 5.7 million, which has been paid to SCA, in addition to the remaining unclaimed dividends amounting to AED 2.8 million, hence the total charges made against the accumulated losses amounted to AED 8.5 million. The remaining unclaimed dividends amounting to AED 2.8 million was recorded under "Trade and other payables" in the condensed consolidated statement of financial position. In addition, based on the approval of the Board of Directors of the Corporation, the "General Reserve" has been released to "Accumulated losses", in 2023, to cover the unclaimed dividends totalling to AED 8.5 million.

13 Related parties balances and transactions

Related parties represent the associated companies, directors and key management personnel of the Corporation, and companies of which they are principal owners and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Corporation's management.

For the period ended 30 September 2024 and the year ended 31 December 2023, the Corporation has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each reporting date through examining the financial position of the related party and the market in which the related party operates.

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

		30 September 2024 (unaudited) AED	31 December 2023 (audited) AED
Due from related parties (note 8)			
Velocity Property Development LLC	Joint Venture	**2,180,937**	2,319,899
National Transportation Company LLC (NTC)	Joint Venture	**15,609**	29,394
Others	Managed Hotels	**1,072,922**	1,769,349
		3,269,468	4,118,642
*Loan to related parties**			
National Transport Company LLC ("NTC")	Joint Venture	**4,500,000**	5,000,000
		7,769,468	9,118,642
Due to related parties (note 12)			
National Transportation Company LLC ("NTC")	Joint Venture	**1,695,809**	1,825,355
Velocity Property Development LLC	Joint Venture	**2,853,114**	-
Others	Managed Hotels	**-**	151,850
		4,548,923	1,977,205

* In 2023, a loan to NTC amounting to AED 5.0 million was provided by the Corporation to support the mobilisation of projects of NTC, the loan is short term, interest free and repayable on or before December 2024. The other shareholder of NTC has also provided NTC with a similar amount. During the period, NTC has paid back an amount of AED 0.5 million to the Corporation.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

13 Related parties balances and transactions (continued)

Significant transactions with related parties are as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED	**2024 (unaudited) AED**	2023 (unaudited) AED
Directors' remuneration paid	**-**	-	**2,500,000**	5,757,805
Management fee income from managed Hotels	**612,283**	442,483	**2,494,236**	1,677,069
Other expenses charged by NTC	**1,477,744**	1,764,190	**4,559,828**	4,764,296
Rental and other income received from related parties	**125,321**	14,683	**383,963**	58,156
Additional investment in Velocity Property Development LLC	**6,726,897**	4,603,470	**8,493,914**	18,045,470

	Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED
Key management personnel compensation		
Short term benefits	**5,899,252**	5,030,979
Post-employment benefits	**404,609**	371,868
	6,303,861	5,402,847
Number of key management personnel	**7**	5

There were no loans provided to directors for the nine-month period ended 2024 and 2023.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

14 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period.

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED	**2024 (unaudited) AED**	2023 (unaudited) AED
Profit for the period (AED)	**10,611,579**	4,980,879	**40,797,535**	40,856,883
Weighted average number of shares in issue	**899,026,128**	899,026,128	**899,026,128**	899,026,128
Basic and diluted earnings per share (AED)	**0.01**	0.01	**0.05**	0.05

As at 30 September 2024, the Corporation issued no (30 September 2023: 81,729,648) bonus shares to its existing shareholders. The calculation of basic and diluted earnings per shares held for previous periods has also been adjusted to reflect the impact of bonus shares.

15 Segment information

The primary segment reporting format is determined to be operating segments as the Corporation's risks and rates of return are affected predominantly by differences in the products and services produced. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

Operating segments

For management purposes, the Corporation is currently organised into four major operating segments. These segments are the basis on which the Corporation reports its primary segmental information. These are:

- Hotels
- Retail services
- Catering services
- Holding

Segment performance is measured based on profit or loss.

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

15 Segment information (continued)

Information regarding these segments is presented below:

30 September 2024 (unaudited)	Hotels AED	Retail services AED	Catering services AED	Holding AED	Eliminations AED	Total AED
Revenue						
Timing of revenue recognition						
At a point in time	**149,869,298**	**37,795,442**	**313,538,845**	**-**	**(5,567,016)**	**495,636,569**
Direct operating expenses	**(115,880,696)**	**(31,171,494)**	**(273,552,048)**	**-**	**12,099,724**	**(408,504,514)**
Depreciation	**(24,698,531)**	**(425,525)**	**(3,080,793)**	**-**	**-**	**(28,204,849)**
	(140,579,227)	**(31,597,019)**	**(276,632,841)**	**-**	**12,099,724**	**(436,709,363)**
Gross profit	**9,290,071**	**6,198,423**	**36,906,004**	**-**	**6,532,708**	**58,927,206**
General and administrative expenses	**-**	**-**	**-**	**(15,117,941)**	**-**	**(15,117,941)**
Share of results of joint ventures accounted for using the equity method	**-**	**-**	**-**	**8,052,482**	**-**	**8,052,482**
Fair value losses on financial assets at fair value through profit or loss	**-**	**-**	**-**	**(1,516,875)**	**-**	**(1,516,875)**
Other income	**-**	**-**	**106,609**	**10,810,131**	**(6,532,708)**	**4,384,032**
Interest income	**29,208**	**-**	**5,830**	**11,728,234**	**-**	**11,763,272**
Finance costs	**-**	**-**	**-**	**(22,577,796)**	**-**	**(22,577,796)**
Income tax (expense) / benefit	**(3,354,678)**	**-**	**-**	**237,833**	**-**	**(3,116,845)**
Profit / (loss) for the period	**5,964,601**	**6,198,423**	**37,018,443**	**(8,383,932)**	**-**	**40,797,535**
At 30 September 2024 (unaudited)						
Total assets	**1,977,816,396**	**25,710,590**	**194,893,915**	**739,983,048**	**(57,280,404)**	**2,881,123,545**
Total liabilities	**54,837,351**	**20,668,330**	**129,980,679**	**440,326,597**	**(58,331,260)**	**587,481,697**

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

15 Segment information (continued)

30 September 2023 (unaudited)	Hotels AED	Retail services AED	Catering services AED	Holding AED	Eliminations AED	Total AED
Revenue						
Timing of revenue recognition						
At a point in time	130,922,339	34,732,143	325,532,039	-	(5,590,173)	485,596,348
Direct operating expenses	(102,677,129)	(29,621,115)	(285,502,473)	-	11,399,745	(406,400,972)
Depreciation	(15,021,342)	(319,730)	(2,942,445)	-	-	(18,283,517)
	(117,698,471)	(29,940,845)	(288,444,918)	-	11,399,745	(424,684,489)
Gross profit	13,223,868	4,791,298	37,087,121	-	5,809,572	60,911,859
General and administrative expenses	-	-	-	(17,400,088)	-	(17,400,088)
Share of results of joint ventures accounted for using the equity method	-	-	-	2,633,799	-	2,633,799
Fair value losses on financial assets at fair value through profit or loss	-	-	-	(5,775,560)	-	(5,775,560)
Other income	-	-	469,887	9,103,245	(5,809,572)	3,763,560
Interest income	-	-	-	8,936,638	-	8,936,638
Finance costs	-	-	-	(12,213,325)	-	(12,213,325)
Profit / (loss) for the period	13,223,868	4,791,298	37,557,008	(14,715,291)	-	40,856,883
At 31 December 2023 (audited)						
Total assets	2,001,291,820	22,171,578	191,438,892	711,189,390	(78,217,127)	2,847,874,553
Total liabilities	53,737,464	20,666,905	115,412,299	467,692,048	(62,478,476)	595,030,240

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

16 Seasonality of results

The seasonal nature of the Corporation's activities only concerns the hotel division, whose revenue has variability during the first and last quarters of the year.

17 Fair value of financial instruments

The Corporation's management considers that the fair values of financial assets and financial liabilities approximates to their carrying amounts as stated in this condensed consolidated financial statements.

The following table provides an analysis of assets that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

- 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 (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
30 September 2024 (Unaudited)				
Land	**-**	**-**	**1,162,925,000**	**1,162,925,000**
Financial assets at fair value through profit or loss	**24,617,215**	**-**	**-**	**24,617,215**
	24,617,215	**-**	**1,162,925,000**	**1,187,542,215**
31 December 2023 (Audited)				
Land	-	-	1,162,925,000	1,162,925,000
Financial assets at fair value through profit or loss	26,134,090	-	-	26,134,090
	26,134,090	-	1,162,925,000	1,189,059,090

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

18 Contingencies and commitments

Contingencies

Bank guarantees

At 30 September 2024, the Corporation had outstanding contingent liabilities in respect of letters of guarantee of AED 30.3 million (31 December 2023: AED 51.5 million).

Capital commitments

At 30 September 2024, the Corporation had estimated commitments for other hotel renovation of AED 0.5 million (31 December 2024: AED 1.5 million).

19 Dividends

During the period, no bonus shares were proposed by the Board of Directors in the AGM held on 17 April 2024 (2023: 81.7 million bonus shares were proposed by the Board of Directors and approved in the AGM held on 17 April 2023).

20 Board of Directors remuneration

For the year ended 31 December 2023, the remuneration of the Board of Directors amounting to AED 2.5 million was approved in the AGM held on 17 April 2024 (31 December 2023: remuneration of the Board of Directors for the year ended 31 December 2022 amounting to AED 5.8 million was approved in the AGM held on 17 April 2023).

21 Taxation

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. 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 taxable income of the entities that are in scope for UAE CT purposes will be subject to the rate of 9% corporate tax. 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 FY2024. 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.

The Group had performed an assessment of the potential impact of the UAE CT Law. Based on this assessment, there were no material temporary differences on which deferred taxes should be accounted for as of 30 September 2024 and accordingly the implementation of the UAE CT Law had no impact on the condensed consolidated statement of financial position of the Group as at 30 September 2024 nor on the condensed consolidated statement of profit or loss and other comprehensive income of the Group for the period ended 30 September 2024, except on the recognition of current income tax expense.

Notes to the condensed consolidated financial statements for the nine-month period ended 30 September 2024 (continued)

21 Taxation (continued)

a. Components of income tax expense

Income tax expense recorded in the condensed consolidated statement of profit or loss and other comprehensive income comprises the following:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED	**2024 (unaudited) AED**	2023 (unaudited) AED
Current tax	**814,413**	-	**3,116,845**	-
Deferred tax	**-**	-	**-**	-
	814,413	-	**3,116,845**	-

b. Reconciliation between the tax expense and profit or loss multiplied by applicable tax rate

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 (unaudited) AED	2023 (unaudited) AED	**2024 (unaudited) AED**	2023 (unaudited) AED
Profit before income tax	**11,425,992**	4,980,879	**43,914,380**	40,856,883
Theoretical tax charge at statutory rate of 9.0%	**1,028,339**	-	**3,952,294**	-
Tax effects of items which are not deductible or assessable for taxation purposes:				
- Income which is exempt from taxation:				
(i) Share of results of joint ventures accounted for using the equity method	**(216,968)**	-	**(724,723)**	-
(ii) Dividend income from investments in UAE entities classified as financial assets at fair value through profit or loss	**-**	-	**(87,149)**	-
(iii) Income threshold as per the Tax Law	**-**	-	**(33,750)**	-
- Non-deductible expenses	**3,042**	-	**10,173**	-
Income tax expense for the period	**814,413**	-	**3,116,845**	-

Notes to the condensed consolidated financial statements
for the nine-month period ended 30 September 2024 (continued)

22 Other matter

On 10 July 2024, the Corporation's Annual General Meeting (AGM) was held, during which the shareholders approved the following resolutions:

Acquisition of Subsidiaries:
The Corporation will acquire the entire shareholding of Alpha Dhabi Holding PJSC's subsidiaries: namely, Alpha Dhabi Hospitality Holding LLC and Murban Energy Limited in the following companies (a) ADH Hospitality RSC LTD; (b) Murban (BVI) Holding Inc.; (c) Hill View Resort (Seychelles) Limited (the "Target Companies") in consideration of the issuance of newly issued shares in the Corporation's share capital to Alpha Dhabi Holding PJSC, or any of its subsidiaries, related, allied or sister companies, as determined by Alpha Dhabi Holding PJSC.

Increase in Share Capital:
The Corporation's capital will be increased from AED 899,026,128 to AED 2,176,933,385 through the issuance of 1,277,907,257 shares with a nominal value of AED 1 each. These shares will be allocated to Alpha Dhabi Holding PJSC, or any of its subsidiaries, related, allied, or sister companies, as determined by Alpha Dhabi Holding PJSC, as consideration for acquiring the Target Companies.

The management of the Corporation expects that the above transactions will be completed before the end of 2024.

23 Approval of condensed interim financial information

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 28 October 2024.