# MAIR Group P.J.S.C.
(Formerly known as Abu Dhabi Co-operative Society)

Independent auditor's review report and Condensed Consolidated Interim Financial Statements

*for the nine-month period ended 30 September 2024*

**Principal business address:**
P O Box 833
Abu Dhabi
UAE

# MAIR Group P.J.S.C.
## (formerly Abu Dhabi Co-operative Society)

Condensed consolidated interim financial statements
for the nine-month period ended 30 September 2024

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# Independent auditors' report on review of condensed consolidated interim financial statements

# Independent auditors' report on review of condensed consolidated interim financial statements

# MAIR Group P.J.S.C.
## (formerly Abu Dhabi Co-operative Society)

### Condensed consolidated statement of profit or loss
*for the nine-month period ended 30 September*

| | Notes | **2024 AED'000** *(unaudited)* | 2023 AED'000 *(unreviewed)* *(unaudited)* |
|---|---|---|---|
| **Continuing operations** | | | |
| Revenue | *6* | **1,545,118** | 943,343 |
| Cost of sales | *7* | **(1,301,647)** | (780,385) |
| **Gross profit** | | **243,471** | 162,958 |
| General and administrative expenses | *9* | **(153,491)** | (53,308) |
| Impairment loss on trade and other receivables | *22* | **(6,905)** | (4,902) |
| Selling and distribution expense | *9* | **(7,188)** | (3,053) |
| Other operating income/ (expenses) | *11* | **112,668** | (8,808) |
| **Operating profit** | | **188,555** | 92,887 |
| Share in the profit of equity-accounted investees | *19* | **9,458** | - |
| Other income | | **3,922** | 489 |
| Finance costs | *10* | **(72,046)** | (60,403) |
| Finance income | *10* | **21,278** | 1,599 |
| **Profit before tax from continuing operations** | | **151,167** | 34,572 |
| Income tax expense | *30* | **(10,658)** | - |
| **Profit after tax for the period from continuing operations** | | **140,509** | 34,572 |
| **Discontinued operations** | | | |
| Profit from discontinued operations, net of tax | *12* | **16,234** | - |
| **Profit for the period** | | **156,743** | 34,572 |
| **Basic and diluted earnings per share *(in dirhams)*** | *13* | **0.07** | 0.05 |
| Basic and diluted earnings per share from continuing operations *(in dirhams)* | *13* | **0.06** | 0.05 |

The notes on pages 10 to 40 are an integral part of these condensed consolidated interim financial statements.
The review report is set out on pages 1 to 2.

# MAIR Group P.J.S.C.
(formerly Abu Dhabi Co-operative Society)

## Condensed consolidated statement of other comprehensive income
*for the nine-month period ended 30 September*

| | **2024** **AED'000** *(unaudited)* | 2023 AED'000 *(unreviewed)* *(unaudited)* |
|---|---|---|
| **Profit for the period** | **156,743** | 34,572 |
| **Other comprehensive income:** | | |
| *Items that may be subsequently reclassified to profit or loss:* | | |
| Fair value gains on debt investments designated at fair value through other comprehensive income (FVTOCI) | **2,112** | **-** |
| *Items that will not be subsequently reclassified to profit or loss:* | | |
| Fair value gain/ (loss) on equity investments designated at FVTOCI | **2,166** | (790) |
| **Other comprehensive income/ (loss) for the period** | **4,278** | (790) |
| **Total comprehensive income for the period** | **161,021** | 33,782 |

The notes on pages 10 to 40 are an integral part of these condensed consolidated interim financial statements.
The review report is set out on pages 1 to 2.

# MAIR Group P.J.S.C.
(formerly Abu Dhabi Co-operative Society)

## Condensed consolidated statement of financial position
*as at 30 September 2024*

| | Notes | **30 September 2024 AED'000** *(unaudited)* | 31 December 2023 AED'000 *(audited)* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property and equipment | *14* | **868,833** | 821,732 |
| Investment properties | *15* | **1,785,690** | 1,770,487 |
| Right-of-use assets | *18* | **643,897** | 538,385 |
| Intangible assets | *16* | **73,671** | 77,553 |
| Goodwill | *17* | **930,014** | 1,009,204 |
| Investment in equity-accounted investees | *19* | **85,102** | 29,684 |
| Investments at fair value through other comprehensive income (FVTOCI) | *20* | **285,120** | 280,842 |
| Investments designated at fair value through profit or loss (FVTPL) | *20* | **52,264** | - |
| **Total non-current assets** | | **4,724,591** | 4,527,887 |
| **Current assets** | | | |
| Inventories | *21* | **247,043** | 247,576 |
| Investments designated at fair value through profit or loss (FVTPL) | *20* | **37,359** | 89,135 |
| Trade and other receivables | *22* | **384,365** | 238,331 |
| Cash and cash equivalents | *23* | **927,734** | 776,618 |
| Assets classified as held for sale | *12* | **-** | 223,749 |
| **Total current assets** | | **1,596,501** | 1,575,409 |
| **Total assets** | | **6,321,092** | 6,103,296 |

# MAIR Group P.J.S.C.
(formerly Abu Dhabi Co-operative Society)

## Condensed consolidated statement of financial position (continued)
*as at 30 September 2024*

| | Notes | **30 September 2024 AED'000** *(unaudited)* | 31 December 2023 AED'000 *(audited)* |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | *26* | **899,190** | 899,190 |
| Share premium | | **1,593,136** | 1,593,136 |
| Shares to be issued | | **922,996** | 922,996 |
| Statutory reserve | *27* | **539,693** | 539,693 |
| Investment fair value reserve | | **(144,251)** | (148,529) |
| Revaluation reserve | | **29,229** | 29,229 |
| Retained earnings | | **484,522** | 327,779 |
| **Total equity** | | **4,324,515** | 4,163,494 |
| **Non-current liabilities** | | | |
| Employees' end of service benefits | | **32,751** | 33,500 |
| Lease liabilities | *18* | **635,710** | 560,379 |
| Borrowings | *25* | **708,708** | 723,049 |
| **Total non-current liabilities** | | **1,377,169** | 1,316,928 |
| **Current liabilities** | | | |
| Trade and other payables | *24* | **506,385** | 504,139 |
| Lease liabilities | *18* | **79,500** | 65,563 |
| Bank overdraft | *23* | **20,923** | 43,425 |
| Borrowings | *25* | **12,600** | 2,050 |
| Liabilities directly associated with assets held for sale | *12* | **-** | 7,697 |
| **Total current liabilities** | | **619,408** | 622,874 |
| **Total liabilities** | | **1,996,577** | 1,939,802 |
| **Total equity and liabilities** | | **6,321,092** | 6,103,296 |

To the best of our knowledge, the condensed consolidated interim financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Group as of, and for, the nine-month period ended 30 September 2024.

These condensed consolidated interim financial statements were authorised and approved for issue by the Board of Directors on, and signed on their behalf by:

**Mr. Mohamed Juma Alshamsi**
Chairman

**Mr. Nehayan Hamad Alameri**
Managing Director & Group CEO

The notes on pages 10 to 40 are an integral part of these condensed consolidated interim financial statements.
The review report is set out on pages 1 to 2.

# MAIR Group P.J.S.C.
(formerly Abu Dhabi Co-operative Society)

## Condensed consolidated statement of changes in equity
*for the nine-month period ended 30 September*

| | Share capital AED'000 | Share premium AED'000 | Shares to be issued AED'000 | Statutory reserve AED'000 | Investment fair value reserve AED'000 | Revaluation reserve AED'000 | Retained earnings AED'000 | Total AED'000 |
|---|---|---|---|---|---|---|---|---|
| Balance at 1 January 2023 *(Audited)* | 381,403 | 289,500 | - | 533,418 | (155,267) | 27,974 | 366,615 | 1,443,643 |
| Profit for the period | - | - | - | - | - | - | 34,572 | 34,572 |
| Other comprehensive income for the period | - | - | - | - | (790) | - | - | (790) |
| Total comprehensive income for the period | - | - | - | - | (790) | - | 34,572 | 33,782 |
| Dividends declared during the period *(note 31)* | - | - | - | - | - | - | (57,210) | (57,210) |
| Balance at 30 September 2023 *(unreviewed) (unaudited)* | 381,403 | 289,500 | - | 533,418 | (156,057) | 27,974 | 343,977 | 1,420,215 |
| Balance at 1 January 2024 | **899,190** | **1,593,136** | **922,996** | **539,693** | **(148,529)** | **29,229** | **327,779** | **4,163,494** |
| Profit for the period | **-** | **-** | **-** | **-** | **-** | **-** | **156,743** | **156,743** |
| Other comprehensive income for the period | **-** | **-** | **-** | **-** | **4,278** | **-** | **-** | **4,278** |
| Total comprehensive income for the period | **-** | **-** | **-** | **-** | **4,278** | **-** | **156,743** | **161,021** |
| **Balance at 30 September 2024 (unaudited)** | **899,190** | **1,593,136** | **922,996** | **539,693** | **(144,251)** | **29,229** | **484,522** | **4,324,515** |

The notes on pages 10 to 40 are an integral part of these condensed consolidated interim financial statements.

# MAIR Group P.J.S.C.
(formerly Abu Dhabi Co-operative Society)

## Condensed consolidated statement of cash flows
*for the nine-month period ended 30 September*

| | Notes | **2024 AED'000** *(unaudited)* | 2023 AED'000 *(unreviewed)* *(unaudited)* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| After tax profit for the period | | **156,743** | 34,572 |
| *Adjustments for:* | | | |
| Gain from investments designated at FVTPL | *11* | **(489)** | (7,355) |
| Share in the profit of associates | *19* | **(9,458)** | - |
| Finance costs | *10* | **46,636** | 41,935 |
| Finance income | *10* | **(21,278)** | (1,599) |
| Dividend income | *11* | **(13,202)** | - |
| Depreciation of property and equipment | *14* | **39,365** | 15,308 |
| Amortisation of intangible assets | *16* | **4,840** | - |
| Changes in fair value of investment properties | | **-** | 10,364 |
| Gain on disposal of investment properties | *11* | **(45,420)** | - |
| Loss on disposal of property and equipment | | **171** | 4,823 |
| Gain on disposal of held for sale assets and liabilities | *12* | **(49,241)** | - |
| Gain on sale of discontinued operation, net of tax | *12* | **(16,234)** | - |
| Provision for employees' end of service benefits | | **3,721** | 2,447 |
| Depreciation of right-of-use assets | *18* | **50,398** | 39,200 |
| Interest expense on lease liabilities | *18* | **25,410** | 13,546 |
| Gain from derecognition of lease contracts under IFRS 16 | | **(29)** | - |
| Impairment loss on trade and other receivables | *22* | **6,905** | 4,902 |
| provision for net realisable value on inventory | *21* | **(2,627)** | - |
| Income tax expense | *30* | **10,658** | - |
| | | **186,869** | 158,143 |
| *Changes in:* | | | |
| Inventories | | **3,160** | 26,608 |
| Trade and other receivables | | **(14,122)** | 13,722 |
| Trade and other payables | | **(10,630)** | 44,907 |
| **Cash generated from operations** | | **165,277** | 243,380 |
| Employees' end of service benefits paid | | **(4,470)** | (3,389) |
| **Net cash generated from operating activities** | | **160,807** | 239,991 |
| **Cash flows from investing activities** | | | |
| Acquisition of property and equipment | *14* | **(85,723)** | (95,075) |
| Acquisition of investment properties | *15* | **(18,627)** | - |
| Acquisition of intangible assets | | **(958)** | - |
| Proceeds from disposal of property and equipment | | **156** | - |
| Proceeds from disposal of investment properties | | **78,750** | - |
| Proceeds from disposals of held for sale assets | | **150,000** | - |
| Acquisition of investments designated at FVTPL | | **-** | (12,000) |
| Proceeds from sale of investments | | **-** | 9,258 |
| Dividends received from investments | *11* | **13,202** | 3,343 |
| Interest received | *10* | **21,278** | 1,599 |
| **Net cash from / (used in) investing activities** | | **158,078** | (92,875) |

# MAIR Group P.J.S.C.
(formerly Abu Dhabi Co-operative Society)

## Condensed consolidated statement of cash flows
*for the nine-month period ended 30 September (continued)*

| | Notes | **2024 AED'000** *(unaudited)* | 2023 AED'000 *(unreviewed)* *(unaudited)* |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Dividends paid | | **(412)** | (46,247) |
| Payment of lease liabilities | | **(57,601)** | (56,060) |
| Interest paid on lease liabilities | | **(25,410)** | (7,688) |
| Interest paid on borrowings and other finance costs | | **(58,053)** | (41,935) |
| Repayment of borrowings | *25* | **(3,791)** | (12,200) |
| **Net cash used in financing activities** | | **(145,267)** | (164,130) |
| **Net increase / (decrease) in cash and cash equivalents** | | **173,618** | (17,014) |
| Cash and cash equivalents at 1 January | | **733,193** | 200,789 |
| **Cash and cash equivalents at 30 September** | | **906,811** | 183,775 |

The notes on pages 10 to 40 are an integral part of these condensed consolidated interim financial statements.
The review report is set out on pages 1 to 2.

## Notes to the condensed consolidated interim financial statements

### 1 General information

MAIR Group P.J.S.C. (formerly known as "Abu Dhabi Co-operative Society" or "ADCOOP"), was established under the Ministry of Labour and Social Affairs (the "Ministry") Decree No. 21/1 of 1980, dated 6 May 1980, and is registered in the records of the Co-operative Department at the Ministry under the name Abu Dhabi Co-operative Society.

Pursuant to the resolution issued by Department of Economic Development on 6 February 2024, the legal structure of ADCOOP has been changed to a Public Joint Stock Company ("P.J.S.C."), its legal name was then changed to MAIR Group P.J.S.C. ("MAIR Group").

MAIR Group's registered address is P.O. Box 833, Abu Dhabi, United Arab Emirates.

Its principal activities are the import and sale of food stuff, household equipment and general retail items, real estate lease, management services and vessel leasing.

These condensed consolidated interim financial statements ('interim financial statements') include the financial position and the results of operations as at and for the nine months period ended 30 September 2024 of MAIR Group and its subsidiaries (together referred to as the "Group"), as shown below:

| Name | Country of Incorporation | Principal activities | % interest held 30 September 2024 | % interest held 31 December 2023 |
|---|---|---|---|---|
| Makani Real Estate Sole Proprietorship | United Arab Emirates | Real estate lease and management services, real estate enterprise investment, development, institution and management | 100 | 100 |
| Earth Supermarket | United Arab Emirates | Supermarket, retail sale of fresh fish and marine animals and retail sale of fresh meat. | 100 | 100 |
| Wahat al Masah Trading Company | United Arab Emirates | General trading, wholesale of animal, poultry farm, and fodder trading, exporting, and importing. | 40 | 100 |
| Al Masah Flour Mill | United Arab Emirates | Grain and crop milling and trading | 40 | 100 |

On 10 January 2024, The Group has signed an agreement with Emirates Farm for Livestock & Agriculture Production – Sole Proprietorship LLC to sell the controlling interest in two subsidiaries; 60% of the Group's shares in What Al Masa and 60% in Al Masa Flour Mill. Accordingly, the remaining 40% interest in each of the two companies are accounted for as investment in associate and equity method is applied. Refer to note 12 for more details.

## 2 Basis of preparation

### *(a) Statement of compliance*

The condensed consolidated interim financial statements for the nine months ended 30 September 2024 have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting". They do not include all the information required for a complete set of consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2023 ('last annual financial statements'), which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors on _____.

### *(b) Going concern*

The Board of Directors, have at the time of approving these condensed consolidated interim financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### *(d) Basis of measurement*

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following items, which are measured at fair value on each reporting date:

- Equity investments at fair value through other comprehensive income;
- Equity investments at fair value through profit and loss;
- Land and buildings under property and equipment; and
- Investment properties.

### *(e) Functional and presentation currency*

These condensed consolidated interim financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Parent company's functional currency. Unless otherwise indicated. financial information has been presented in AED and rounded to the nearest thousand.

### *(f) Use of estimates and judgments*

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

## 3 Material accounting policy information

The accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2023.

## 4 New standards or amendments

Several amendments may apply for the first time in 2024 but do not have any material impact on the Group's condensed consolidated interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

a) New and amended standards that are effective for the current period

In the current period, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these condensed consolidated interim financial statements.

- Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants.
- Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures relating to Supplier Finance Arrangements

b) New and revised IFRS Standards in issue but not yet effective

- Amendments to IAS 21 – Lack of exchangeability *(effective 1 January 2025).*
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture *(Available for optional adoption/ effective date deferred indefinitely).*

The above stated new standards and amendments are not expected to have any significant impact on the condensed consolidated interim financial statements of the Group.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed consolidated interim financial statements of the Group.

## 5 Government-mandated merger

On 9 November 2023, the Department of Economic Development in Abu Dhabi issued Administrative Resolution no. 59 (Resolution 59) to merge three cooperative societies – Al Ain Cooperative Society (AACS), Delma Cooperative Society (DCS), and the Al Dhafra Cooperative Society (ADCS) (together, the "Subject Entities") into MAIR Group P.J.S.C. (formerly known as "Abu Dhabi Co-operative Society" or "ADCOOP").

As per Resolution 59, the Subject Entities were dissolved, by cancelling their licenses and have their assets and liabilities merged to ADCOOP. The Subject Entities will cease to exist and will become retail stores of ADCOOP. Certain operating segments of ADCS and DCS will be carved out and will not be considered in the merger (i.e., 'Oil and gas' and 'Al Wara' operating segments for ADCS, and 'Car rental' operating segment for DCS).

In addition to the three Subject Entities mentioned above:

- a 100% interest in Earth Supermarket ("Earth"), which was previously held 50% by AACS (as a result of the Acquisition Transaction, has been acquired by ADCOOP) and remaining 50% acquired directly from Ealco International Investments-Sole Proprietorship L.L.C. ("Ealco").
- a land plot in Al Mushrif which was owned by another party, which was acquired by AACS and as a result of the merger transaction, has been acquired by ADCOOP.

The table below shows the respective purchase considerations, fair value of identifiable net assets, and the resulting goodwill from the merger with the Subject Entities:

| | AACS** | DCS | ADCS | **Total** |
|---|---|---|---|---|
| | AED'000 | AED'000 | AED'000 | **AED'000** |
| Total purchase consideration | 1,714,853 | 434,471 | 586,194 | 2,735,518 |
| Total fair value of identifiable net assets | (761,675) | (429,927) | (584,712) | (1,776,314) |
| **Goodwill – 9 November 2023** | **953,178** | **4,544** | **1,482** | **959,204** |

**AACS balances include Earth, Wahat Al Masa ("WAM") and Al Masa Flour Mill ("AMM").

## 6 Revenue

| | ***(unaudited)*** **30 September 2024** **AED'000** | *(unreviewed)* *(unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| **Revenue from contracts with customers:** | | |
| Sale of goods | **1,278,073** | 767,739 |
| Other operating revenue | **101,302** | 65,842 |
| Others | **11,329** | - |
| | **1,390,704** | 833,581 |
| **Revenue from Investment properties rentals:** | | |
| Real estate leasing | **154,414** | 109,762 |
| **Total revenue** | **1,545,118** | 943,343 |

The group leases out its investment property. The group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The group has estimated the contractual lease payments to be received within 1 year to be AED 298,982 thousand.

***Timing of revenue recognition***

| | ***(unaudited)*** **30 September 2024** **AED'000** | *(unreviewed)* *(unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Revenue recognised at point in time | **1,283,463** | 767,739 |
| Revenue recognised over time (services) | **107,241** | 65,842 |
| | **1,390,704** | 833,581 |

Notes to the condensed consolidated interim financial statements

## 7 Cost of sales

| | ***(unaudited)*** **30 September 2024** | *(unreviewed)* *(unaudited)* 30 September 2023 |
|---|---|---|
| | **AED'000** | AED'000 |
| Cost of sales – retail | | |
| Cost of goods sold | **1,149,462** | 702,592 |
| Rebates | **(104,180)** | (101,476) |
| Staff cost | **96,873** | 77,533 |
| ROU amortization | **44,597** | 33,349 |
| Utilities | **18,954** | 11,687 |
| Repairs | **9,221** | 4,358 |
| Rental | **9,021** | 5,548 |
| Depreciation | **6,762** | 7,233 |
| Other expenses | **19,984** | 3,217 |
| | **1,250,694** | 744,041 |
| Cost of sales – real estate leasing | | |
| Staff cost | **10,631** | 9,924 |
| Utilities | **8,388** | 9,223 |
| Cleaning | **5,330** | 2,786 |
| Security | **4,148** | 2,471 |
| ROU amortization | **4,890** | 5,331 |
| Depreciation | **1,962** | 1,588 |
| Repairs | **438** | - |
| Other expenses | **6,778** | 5,021 |
| | **42,565** | 36,344 |
| Cost sales – others | **8,388** | - |
| **Total Cost of sales** | **1,301,647** | 780,385 |

## 8 Operating segments

For management purposes, the Group is organized into business units based on its products and services and has two reportable segments – Retail and Real Estate. The Group also operates in other industries such as fisheries, recruitment, motel and others, which are considered to be smaller business activities in comparison to Retail and Real Estate to be monitored separately. In accordance with IFRS 8, the details of these segments are as follows:

| | |
|---|---|
| Retail | Which includes supermarkets and hypermarkets and involves the sale of retail goods to customers. Monitoring of financial information is at a brand level. Each such brand generates revenues and incur expenses largely independently from other business activities. |
| Real estate | Which includes lands and buildings and involves the sale or rent of real estate properties. Monitoring of financial information is based on either: properties held for sale in the ordinary course of business; or land or buildings held to earn rental income or for capital appreciation or both.<br><br>Each such property would be generating revenues and incurring expenses largely independently from other operating segments. |
| Others | Other operations include:<br><br>• Feed and flour mill activities;<br>• Marine transportation; Car workshop, car driving school;<br>• Motel and barber shop;<br>• Fish net manufacturing, air conditioning workshops, ice factory and contracting and general maintenance; and<br>• Recruitment services.<br><br>The Other operations presented above are not considered to be reportable segments, as each of these businesses are not separately included in the reports provided to the Chief Operating Decision Maker. |

## 8 Operating segments *(continued)*

The following tables present revenue and profit information for the Group's operating segments for the nine-month period ended 30 September 2024 and 2023, respectively:

| | Segment revenue | | Segment profit | |
|---|---|---|---|---|
| | ***(unaudited)*** | *(unreviewed)* | ***(unaudited)*** | *(unreviewed)* |
| | ***(unaudited)*** | *(unaudited)* | ***(unaudited)*** | *(unaudited)* |
| | **2024** | 2023 | **2024** | 2023 |
| | **AED'000** | AED'000 | **AED'000** | AED'000 |
| Retail | **1,379,374** | 833,581 | **91,603** | 64,953 |
| Real estate | **154,414** | 109,762 | **76,880** | 37,601 |
| Others | **11,330** | - | **2,942** | - |
| **Total** | **1,545,118** | 943,343 | **171,425** | 102,554 |
| Central administration costs | | | **(153,491)** | (53,307) |
| Selling and distribution expenses | | | **(7,188)** | (3,053) |
| Impairment loss on trade and other receivables | | | **(6,905)** | (4,902) |
| Other income / (expenses) | | | **116,590** | (8,319) |
| Finance income | | | **21,278** | 1,599 |
| Share in the profit of associates | | | **9,458** | - |
| Profit before tax for the period | | | **151,167** | 34,572 |
| Income tax expense | | | **(10,658)** | - |
| Profit after tax for the period | | | **140,509** | 34,572 |
| Profit from discontinued operations, net of tax | | | **16,234** | - |
| Profit for the period | | | **156,743** | 34,572 |

Segment profit represents the profit earned by each segment without allocation of the share of profits of associates, central administration costs including Board of Directors' remuneration, finance income, non-operating gains and losses in respect of financial instruments and profit from discontinued operations, net of tax. The profit before tax is the measure reported to the Group's Chief Executive Officer, considered to be Chief Operating Decision Maker ("CODM"), for the purpose of resource allocation and assessment of segment performance.

## 8 Operating segments *(continued)*

*Segment assets:*

| | ***(Unaudited)*** ***30 September*** **2024** **AED'000** | *(Audited)* 31 December 2023 AED'000 |
|---|---|---|
| Retail | **2,834,706** | 2,556,911 |
| Real estate | **2,093,033** | 2,086,212 |
| Others | **120,721** | 42,199 |
| Total segment assets | **5,048,460** | 4,685,322 |
| **Unallocated assets** | | |
| Cash and cash equivalents | **446,503** | 594,128 |
| Right-of-use assets | **277,554** | 295,147 |
| Investments at fair value through other comprehensive income (FVTOCI) | **230,351** | 226,434 |
| Property and equipment | **147,897** | 152,711 |
| Trade and other receivables | **81,447** | 76,133 |
| Intangible assets | **74,764** | 54,537 |
| Investment in equity-accounted investees | **14,116** | 18,884 |
| **Total assets** | **6,321,092** | 6,103,296 |

For the purposes of monitoring segment performance and allocating resources between segments, the Group's Chief Executive Officer monitors the revenues, costs and profits attributable to each segment.

*Information about major customers*
No single customers contributed 10 per cent or more to the Group's revenue for the nine-month operations of both 2024 and 2023.

## 9 General and administrative expenses

| | ***(unaudited)*** **30 September 2024 AED'000** | *(unreviewed) (unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Professional fees* | **31,714** | 1,922 |
| Depreciation of property and equipment *(note 14)* | **30,641** | 6,518 |
| Salaries and wages | **29,327** | 17,448 |
| Directors' remuneration | **9,296** | - |
| Other benefits | **4,985** | 647 |
| Amortisation of intangible assets | **4,840** | - |
| Cleaning services | **4,421** | 3,738 |
| Security services | **4,252** | 4,819 |
| Insurance | **3,862** | 1,519 |
| Repair and maintenance | **2,436** | 549 |
| Rent on low value and short-term lease | **1,932** | 1,448 |
| Utilities | **1,931** | 1,393 |
| Consumables | **1,464** | 254 |
| Depreciation of right-of-use assets *(note 18)* | **911** | 520 |
| Bank charges | **632** | 19 |
| Employees' end of service benefits | **176** | 592 |
| Other expenses | **20,671** | 11,922 |
| | **153,491** | 53,308 |

*Selling and distribution expenses*

| | ***(unaudited)*** **30 September 2024 AED'000** | *(unreviewed) (unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Loyalty and promotion | **2,555** | 1,530 |
| Advertisements | **4,633** | 1,523 |
| | **7,188** | 3,053 |

*Professional fees include consultancy, advisory, accounting, strategic planning, valuation expenses incurred by the Group entities.

Notes to the condensed consolidated interim financial statements

## 10 Finance income and costs

| | ***(unaudited)*** **30 September 2024 AED'000** | *(unreviewed)* *(unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Interest income | **21,278** | 1,599 |
| Interest expense on borrowings | **37,739** | 36,008 |
| Interest expense on lease liabilities | **25,410** | 13,546 |
| Other finance cost | **8,897** | 10,849 |
| | **72,046** | 60,403 |

## 11 Other operating income / (expenses)

| | ***(unaudited)*** **30 September 2024 AED'000** | *(unreviewed)* *(unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Gain / (loss) on disposal of fixed assets and assets held for sale | **49,070** | (4,823) |
| Gain on disposal of investment properties | **45,420** | - |
| Dividends from investments | **13,202** | 3,344 |
| Gain from recovery of written-off receivables | **4,487** | - |
| Change in fair value of investments designated at FVTPL | **489** | 3,035 |
| Change in fair value of investment properties *(note 15)* | **-** | (10,364) |
| | **112,668** | (8,808) |

## 12 Assets classified as held for sale and discontinued operations

On 31 December 2023, the Group had a plan to sell certain assets and properties with a carrying value of AED 223,749 thousand and liabilities associated with those assets having carrying value of AED 7,696 thousand, accordingly these were classified as assets / liabilities as held for sale.

Outcome of the transactions disclosed as held for sale/discontinued operations on the last annual financial statements:

1. During the period ended 30 September 2024, the Group sold its effective 60% shareholding in both WAM and AMM, which were wholly owned subsidiaries of the Group. These are collectively referred to as the "Entities". Due to this divestment, the Group lost control of the Entities. The Group's remaining effective stake in the Entities (i.e., 40% in both WAM and AMM) has been retained at fair value and is accounted for using the equity method, effective from the date of divestment. This divestment resulted in a loss of AED 9,865 thousand for WAM and a gain of AED 27,705 thousand for AMM.

2. During the period ended 30 September 2024, the Group sold its effective 10% shareholding in Al Masa Animal Feed ("AAF"), leaving it with a remaining effective stake of 40% in AAF. This divestment resulted in a gain of AED 3,185 thousand.

3. In March 2024, the Group successfully sold the Kezad warehouse resulting in a gain of AED 46,056 thousand.

4. During the period ended 30 September 2024, management changed its intention regarding the sale of the Khalifa staff accommodation and certain buildings and land plots. This led to a change in the accounting, presentation and transfer of assets amounting to AED 29,907 thousand from assets held for sale to investment property.

| | **WAM** | **AMM** | **AAF** | **Kezad Warehouse** | **Staff Accom. & others** | **Total** |
|---|---|---|---|---|---|---|
| | AED'000 | AED'000 | AED'000 | AED'000 | AED'000 | **AED'000** |
| Assets held for sale – January 1, 2024 | 39,505 | 48,069 | 1,255 | 105,013 | 29,907 | **223,749** |
| Transfers to PPE | - | - | - | (1,069) | - | **(1,069)** |
| Transfers to Investment Properties | - | - | - | - | (29,907) | **(29,907)** |
| Associated goodwill | 16,610 | 62,580 | - | - | - | **79,190** |
| Liabilities directly associated with assets held for sale | (7,252) | (445) | - | - | - | **(7,697)** |
| Net assets held for sale | 48,863 | 110,204 | 1,255 | 103,944 | - | **264,266** |
| Less: Adjusted sales proceeds | (29,358) | (101,589) | (4,440) | (150,000) | - | **(285,387)** |
| Less: Fair value of retained stake in equity accounted investee | (9,640) | (36,320) | - | - | - | **(45,960)** |
| **(Gain) / loss on disposal** | **9,865** | **(27,705)** | **(3,185)** | **(46,056)** | **-** | **(67,081)** |

## 12 Assets classified as held for sale and discontinued operations *(continued)*

The net gain recognized from sale of discontinued operations (WAM and AMM) have been reported separately in the statement of profit and loss as profit from discontinued operations, net of tax.

Subsequent to the loss of control over the Entities, the Group has continued to purchase from and sell goods to the Entities.

## 13 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

| | ***(unaudited)*** **30 September 2024** | *(unreviewed)* *(unaudited)* 30 September 2023 |
|---|---|---|
| **Profit / (loss) – AED '000** | | |
| Continued operations | **140,509** | 34,572 |
| Discontinued operations | **16,234** | - |
| Total profit for the period | **156,743** | 34,572 |
| **Weighted average number of shares (thousands) post 1:20 share split** | **2,230,720** | 762,800 |
| **Earnings per share** | | |
| Continuing operations *(in dirhams)* | **0.06** | 0.05 |
| Discontinued operations *(in dirhams)* | **0.01** | - |
| Basic and diluted earnings per share *(in dirhams)* | **0.07** | 0.05 |

For the period ended 30 September 2023, the weighted-average number of shares outstanding was represented for the purpose of comparability before and after the share split transaction *(refer note 31).*

## 14 Property and equipment

| | Total AED'000 |
|---|---|
| Cost or revaluation: | |
| As at 1 January 2023 | 648,726 |
| Additions | 130,241 |
| Acquisition through merger | 518,221 |
| Transfers from investment property *(note 15)* | 4,102 |
| Transfers to investment property | (3,870) |
| Capitalization of borrowing costs | 1,071 |
| Transfers to assets held for sale *(note 12)* | (146,313) |
| Disposals | (13,331) |
| Gain on revaluation | 757 |
| Write off | (25,033) |
| As at 31 December 2023 *(audited)* | 1,114,571 |
| Additions | 85,723 |
| Transfers from assets held for sale | 1,115 |
| Disposals | (12,212) |
| **As at 30 September 2024 *(unaudited)*** | **1,189,197** |
| Accumulated depreciation: | |
| As at 1 January 2023 | 287,704 |
| Charge for the year | 26,653 |
| Disposals | (7,029) |
| Transfers to held for sale *(note 12)* | (1,874) |
| Write off | (12,615) |
| As at 31 December 2023 *(audited)* | 292,839 |
| Charge for the year | 39,365 |
| Disposals | (11,885) |
| Transfers from assets held for sale *(note 12)* | 45 |
| **As at 30 September 2024 *(unaudited)*** | **320,364** |
| Carrying amount: | |
| As at 31 December 2023 *(audited)* | 821,732 |
| **As at 30 September 2024 *(unaudited)*** | **868,833** |

The company applies the fair value model for the valuation of Property and Equipment – Land and buildings (except for warehouse, refer note below) and Investment Properties (refer note 15) in accordance with applicable accounting standards.

The Warehouse is subsequently measured at cost less accumulated depreciation and any impairment losses.

## 14 Property and equipment *(continued)*

The fair valuation of investment properties and PPE (land and building) have not changed significantly since the beginning of the period.

During the nine months ended 30 September 2024, the Group acquired assets with a cost of AED 31,886 thousand (30 September 2023: AED 90,252 thousand) excluding properties under construction.

As of 30 September 2024, the Group has not commenced construction of any new projects, while as of September 2023, the capital work in progress pertaining to new project commenced in the year amounted to AED 373 thousand. The total working progress as of 30 September 2024 is AED 204,370 thousand (30 September 2023: AED 80,951 thousand total capital work in progress).

Assets (other than those classified as held for sale) with a net book value of AED 327 thousand were disposed by the Group during the nine months ended 30 September 2024 (30 September 2023: AED Nil), resulting in a net loss on disposal of AED 171 thousand (30 September 2023: AED 4,823 thousand).

## 15 Investment properties

| | **Total AED'000** |
|---|---|
| At 1 January 2023 | 1,499,444 |
| Additions during the year | 15,998 |
| Acquisition through merger | 264,728 |
| Transfers to held for sale *(note 12)* | (13,606) |
| Transfers from ROU asset *(note 18)* | 12,162 |
| Transfers to property and equipment *(note 14)* | (4,102) |
| Changes in fair value | (4,137) |
| At 31 December 2023 | 1,770,487 |
| At 1 January 2024 | 1,770,487 |
| Additions during the year – at cost | 18,627 |
| Disposals during the year | (33,330) |
| Transfers from assets held for sale *(note 12)* | 29,906 |
| **At 30 September 2024** | **1,785,690** |

The rental income and direct operating expenses relating to investment properties during the reporting period are as follows:

| | ***(unaudited)* 30 September 2024 AED'000** | *(unreviewed) (unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Rental income from investment properties | **154,414** | 109,762 |
| Direct operating expenses for investment properties | **42,565** | 36,344 |

## 16 Intangible assets

| | Total AED'000 |
|---|---|
| Cost: | |
| As at 1 January 2023 | - |
| Additions | 1,308 |
| Acquisition through merger | 77,665 |
| Transfers to assets held for sale *(note 12)* | (410) |
| Write off | (50) |
| As at 31 December 2023 *(audited)* | 78,513 |
| Additions | 1,838 |
| Disposals | (880) |
| **As at 30 September 2024 *(unaudited)*** | **79,471** |
| Accumulated amortization: | |
| As at 1 January 2023 | - |
| Charge for the year | 988 |
| Transfers to assets held for sale *(note 12)* | (13) |
| Write off | (15) |
| As at 31 December 2023 *(audited)* | 960 |
| Charge for the year | 4,840 |
| **As at 30 September 2024 *(unaudited)*** | **5,800** |
| Carrying amount: | |
| As at 31 December 2023 *(audited)* | 77,553 |
| **As at 30 September 2024 *(unaudited)*** | **73,671** |

## 17 Goodwill

| Name | Date of acquisition | Business activity | *(unaudited)* **30 September 2024 AED'000** | *(Audited)* 31 December 2023 AED'000 |
|---|---|---|---|---|
| Mega Mart LLC | 15 March 2014 | Retail | **50,000** | 50,000 |
| Al Ain Cooperative Society *(note 5)* | 9 November 2023 | Retail/Real estate | **873,988** | 953,178 |
| Delma Cooperative Society *(note 5)* | 9 November 2023 | Retail | **4,544** | 4,544 |
| Al Dhafra Cooperative Society *(note 5)* | 9 November 2023 | Retail | **1,482** | 1,482 |
| **As at period/year end** | | | **930,014** | 1,009,204 |

During 2014, ADCOOP entered into an agreement with Mega Mart LLC ("Mega Mart") for the acquisition of Mega Mart's supermarkets, effective from 15 March 2014 ("the Agreement"). As per the Agreement, ADCOOP acquired all rights and entitlements of Mega Mart from contracts and licenses existing on transaction date; the assets and liabilities stipulated in the Agreement; and full undisputed ownership of Mega Mart, including the trade name.

The table below shows the movement of the Goodwill for the nine-month period ended 30 September 2024:

| | Mega Mart AED'000 | AACS AED'000 | DCS AED'000 | ADCS AED'000 | **Total AED'000** |
|---|---|---|---|---|---|
| As at January 1, 2023 | 50,000 | - | - | - | 50,000 |
| Acquisition of Subject Entities *(note 5)* | - | 953,178 | 4,544 | 1,482 | 959,204 |
| **As at January 1, 2024** | **50,000** | **953,178** | **4,544** | **1,482** | **1,009,204** |
| Disposal of WAM, and AMM | **-** | **(79,190)** | **-** | **-** | **(79,190)** |
| **As at 30 September 2024 (Unaudited)** | **50,000** | **873,988** | **4,544** | **1,482** | **930,014** |

The AED 79,190 thousand decrease in the Goodwill was caused by the disposal of ownership interests in WAM (60%) and AMM (60%) during the period ended 30 September 2024. The Group now holds only 40% stake on each of the WAM and AMM. Refer to note 12 for more details.

All Cash Generating Units ("CGU") were not tested for impairment because there were no impairment indicators as at 30 September 2024.

## 18 Leases

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

| | ***(unaudited)*** **2024** **AED'000** | *(audited)* 2023 AED'000 |
|---|---|---|
| ***Cost*** | | |
| At 1 January | 802,800 | 525,406 |
| Additions during the year | 164,268 | 38,342 |
| Acquisition through merger | - | 287,533 |
| Derecognition | (18,171) | (36,319) |
| Transfers to investment property *(note 15)* | - | (12,162) |
| **As at period/year end** | **948,897** | 802,800 |
| ***Accumulated depreciation*** | | |
| At 1 January | 264,415 | 239,839 |
| Charge for the year | 50,398 | 49,074 |
| Derecognition | (9,813) | (24,498) |
| **As at period/year end** | **305,000** | 264,415 |
| **Carrying amount** | **643,897** | 538,385 |

## 18 Leases *(continued)*

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

The Group leases shopping centers, land and stores. The lease terms range from 2 to 50 years *(2023: 2 to 50 years)*.

Amounts recognised in profit and loss for the period ended 30 September:

| | **(unaudited) 2024 AED'000** | *(unreviewed) (unaudited)* 2023 AED'000 |
|---|---|---|
| Depreciation of right-of-use assets recognised under: | | |
| Cost of sales - retail | **44,597** | 33,349 |
| Cost of sales – real estate | **4,890** | 5,331 |
| General and administrative expenses | **911** | 520 |
| Rent on low value and short-term lease | **1,932** | 1,448 |
| Interest expense on lease liabilities | **25,410** | 18,469 |

### *Lease liabilities*

| | ***(unaudited)* 2024 AED'000** | *(audited)* 2023 AED'000 |
|---|---|---|
| At 1 January | **625,942** | 348,683 |
| Additions during the year | **155,256** | 37,072 |
| Acquisition through merger *(note 5)* | **-** | 301,876 |
| Interest expense on lease liabilities | **25,410** | 19,323 |
| Payments during the year | **(83,011)** | (68,400) |
| Derecognition of lease liability | **(8,387)** | (12,612) |
| **Balance as at period/year-end** | **715,210** | 625,942 |
| Current | **79,500** | 65,563 |
| Non-current | **635,710** | 560,379 |
| | **715,210** | 625,942 |

During the period, the Group derecognised lease liabilities amounting to AED 8,387 thousand *(2023: AED 12,612 thousand)* as a result of termination of lease contracts prior to the end of the lease term.

## 19 Investment in equity-accounted investees

Details of the Group's investment in equity-accounted investees are as follows:

| Name of the associate | Principal activity | Place of incorporation | Ownership interest | |
|---|---|---|---|---|
| | | | **30 September 2024 %** | 31 December 2023 % |
| Wahat al Masah Trading Company | Trading | United Arab Emirates | **40.0** | **100.0** |
| Al Masah Flour Mill | Milling and Trading | United Arab Emirates | **40.0** | **100.0** |
| Al Masa Animal Feed | Trading | United Arab Emirates | **40.0** | **50.0** |
| Consumer Cooperative Union | Trading | United Arab Emirates | **51.3** | **51.3** |

The movement in the investment in equity-accounted investees is as follows:

| | WAM AED'000 | AMM AED'000 | AAF AED'000 | CCU AED'000 | **Total AED'000** |
|---|---|---|---|---|---|
| As at January 1, 2023 | - | - | - | 10,653 | 10,653 |
| Acquisition from merged Entities | - | - | 6,923 | 13,830 | 20,753 |
| Transfer to assets held for Sale | - | - | (1,255) | - | (1,255) |
| Share of profit/(loss) | - | - | (646) | 179 | (467) |
| **As at January 1, 2024** | **-** | **-** | **5,022** | **24,662** | **29,684** |
| Transferred from investment in subsidiaries | **9,640** | **36,320** | **-** | **-** | **45,960** |
| Share of profit/(loss) | **11,391** | **7** | **(2,366)** | **426** | **9,458** |
| **As at 30 September 2024 (Unaudited)** | **21,031** | **36,327** | **2,656** | **25,088** | **85,102** |

During the period, the Group sold its effective 60% shareholding in both Wahat Al Masa ("WAM") and Al Masa Flour Mill ("AMM"), which were wholly owned subsidiaries of the Group. In addition to selling a 10% shareholding in Al Masa Animal Feed ("AAF"), leaving it with a remaining effective stake of 40%. Refer to note 12.

## 20 Investments in securities designated at fair value

### Composition of investments in securities designated at fair value

The Group's investments at the end of the reporting period are detailed below:

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| **Investments at FVTOCI** | | |
| Quoted UAE equity securities | **180,323** | 174,766 |
| Quoted non-UAE equity securities | **2,615** | 2,772 |
| Unquoted UAE equity securities | **625** | 1,355 |
| Unquoted non-UAE equity securities | **38,710** | 38,710 |
| Quoted UAE debt securities | **62,847** | 63,239 |
| | **285,120** | 280,842 |

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| **Investments at FVTPL** | | |
| Quoted UAE equity securities | **37,359** | 36,872 |
| Unquoted UAE equity securities | **14,466** | 14,465 |
| Unquoted non-UAE equity securities | **37,798** | 37,798 |
| | **89,623** | 89,135 |

| | | |
|---|---|---|
| **Investments at FVTPL** | | |
| Current | **37,359** | 89,135 |
| Non-current | **52,264** | - |
| | **89,623** | 89,135 |

## 20 Investments in securities designated at fair value *(continued)*

### Composition of investments in securities designated at fair value *(continued)*

The geographical distribution of investments is as follows:

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| **Within UAE** | | |
| Investments designated at FVTOCI | **243,795** | 239,360 |
| Investments designated at FVTPL | **51,825** | 51,337 |
| | **295,620** | 290,697 |
| **Outside UAE** | | |
| Investments designated at FVTOCI | **41,325** | 41,482 |
| Investments designated at FVTPL | **37,798** | 37,798 |
| | **79,123** | 79,280 |
| | **374,743** | 369,977 |

The Group uses the following hierarchy for determining and disclosing the fair value of investments designated at FVTPL and FVTOCI:

*Level 1:* quoted (unadjusted) prices in active markets for identical assets;

*Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

*Level 3:* techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

| | **Level 1 AED'000** | **Level 2 AED'000** | **Level 3 AED'000** | **Total AED'000** |
|---|---|---|---|---|
| ***30 September 2024*** | | | | |
| Investments at FVTOCI | | | | |
| *Equity securities* | **182,938** | **-** | **39,335** | **222,273** |
| *Debt securities* | **62,847** | **-** | **-** | **62,847** |
| Investments at FVTPL | | | | |
| *Equity securities* | **37,359** | **-** | **52,264** | **89,623** |
| | **283,144** | **-** | **91,599** | **374,743** |

## 20 Investments in securities designated at fair value *(continued)*

| | Level 1 AED'000 | Level 2 AED'000 | Level 3 AED'000 | Total AED'000 |
|---|---|---|---|---|
| *31 December 2023* | | | | |
| Investments at FVTOCI | | | | |
| *Equity securities* | 177,538 | - | 40,065 | 217,603 |
| *Debt securities* | 63,239 | - | - | 63,239 |
| Investments at FVTPL | | | | |
| *Equity securities* | 36,872 | - | 52,263 | 89,135 |
| | 277,649 | - | 92,328 | 369,977 |

## 21 Inventories

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| Goods located in warehouse | **65,205** | 123,129 |
| Goods located in supermarkets | **185,533** | 125,498 |
| Others | **1,263** | 1,280 |
| | **252,001** | 249,907 |
| *Less:* provision for net realisable value on inventories | **(4,958)** | (2,331) |
| As at period/year end | **247,043** | 247,576 |

## 22 Trade and other receivables

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| Trade receivables | **66,179** | 61,272 |
| Rent receivables | **52,581** | 57,299 |
| Prepayments | **39,048** | 40,426 |
| Advances | **55,519** | 48,583 |
| Deposits | **11,972** | 11,509 |
| Due from related parties *(note 28)* | **105,908** | 40,567 |
| Other receivables** | **107,624** | 26,520 |
| | **438,831** | 286,176 |
| *Less: allowance for expected credit losses* | **(54,466)** | (47,845) |
| | **384,365** | 238,331 |

## 22 Trade and other receivables (*continued)*

Other receivables include a balance due from Emirates Farm amounting AED 74,484 thousand resulting from the disposal of 60% equity stake or both WAM and AAM and 10% for AAF.

Movement in provision for impairment of trade and other receivables is as follows:

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| At 1 January | **47,845** | 22,217 |
| Provided during the year | **6,905** | 25,628 |
| Write-off during the period | **(284)** | - |
| At period/year end | **54,466** | 47,845 |

Provision for impairment of trade and other receivables includes impairment allowance of AED 13,610 thousand *(2023: AED 13,610 thousand)* against advances to suppliers. The provision for expected credit losses (ECL) for trade and other receivables *(including receivables from tenants and others)* amounts to AED 54,466 thousand as at 30 September 2024 *(2023: AED 47,845 thousand)*.

## 23 Cash and cash equivalents

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| Cash on hand | **4,878** | **5,727** |
| Cash at banks | **922,856** | **770,891** |
| Total cash and bank balances in the statement of financial position | **927,734** | **776,618** |
| Less: Bank overdraft | **(20,923)** | **(43,425)** |
| **Cash and cash equivalents in the statement of cash flow** | **906,811** | **733,193** |

Cash at banks include call accounts that carries interest rate of 0% - 5.47% per annum *(2023: 0% - 5.47% per annum)*. Cash balances are held with banks within UAE.

## 24 Trade and other payables

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| Trade payables | **223,376** | 240,338 |
| Provisions and accruals | **77,008** | 54,285 |
| Unearned rent | **52,744** | 40,430 |
| Dividend payable | **32,949** | 33,361 |
| Advance from customers | **19,746** | 20,931 |
| Security deposit | **16,570** | 16,063 |
| Directors' remuneration | **14,635** | 13,420 |
| Due to related parties | **9,014** | 458 |
| Donations to charities | **7,879** | 7,879 |
| Provision against legal claims | **2,123** | 2,118 |
| Unearned revenue | **-** | 1,909 |
| Other payables and accruals | **50,341** | 72,947 |
| | **506,385** | 504,139 |

The average credit period on purchases of goods is 60 days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

## 25 Borrowings

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| *Non-current liabilities:* | | |
| Secured bank loans | **708,708** | 723,049 |
| *Current liabilities:* | | |
| Secured bank loans | **12,600** | 2,050 |

Bank loans are secured through properties, letter of undertaking from point-of-sale (POS) machines collection agents, rental proceeds from the secured properties.

## 25 Borrowings (*continued)*

Movement in borrowings during the year is as follows:

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| At 1 January | **725,099** | 738,825 |
| Repayments | **(3,791)** | (13,726) |
| At period/year end | **721,308** | 725,099 |

*Bank loans*

The Group has multiple bank loans amounting to AED 721,308 thousand *(2023: AED 725,099 thousand)* from a bank in the UAE. The terms and conditions of outstanding loans are as follows:

| | **Effective interest rate** | ***(Unaudited)*** **30 September 2024 AED'000** | | *(Audited)* 31 December 2023 AED'000 | |
|---|---|---|---|---|---|
| | | **Face value** | **Carrying value** | Face value | Carrying value |
| ***Secured bank loan a)*** | 1.28% plus 3-Months EIBOR | **543,200** | **534,533** | 543,200 | 535,920 |
| ***Secured bank loan b)*** | 1.28% plus 3-Months EIBOR | **175,000** | **166,350** | 175,000 | 167,230 |
| ***Secured bank loan c)*** | 1.5% plus 3-Months EIBOR | **25,000** | **20,425** | 25,000 | 21,949 |
| | | **743,200** | **721,308** | 743,200 | 725,099 |

The loans are repayable on semi-annual basis for a period of 6 to 7 years *(2023: 7 to 8 years)*.

*Collaterals*

| **Borrowing** | **Collateral** |
|---|---|
| Secured bank loan a) | The loan is secured by an investment property with a fair value of AED 898,100 thousand *(2023: AED 898,100 thousand)*. |
| Secured bank loan b) | The loan is secured by an investment property with a fair value of AED 254,800 thousand *(2023: AED 254,800 thousand)*. |
| Secured bank loan c) | The bank loan is secured against the letter of undertaking form the point-of sale (POS) collection agent, to deposit minimum AED 200,000 thousand per annum sale proceeds (collections) of the POS machines for the Group, to the Group's bank account maintained with the bank. |

## 26 Share capital and share premium

| | *(unaudited)* **30 September 2024 No. of shares** | *(unaudited)* **30 September 2024 AED'000** | *(audited)* 31 December 2023 No. of shares | *(audited)* 31 December 2023 AED'000 |
|---|---|---|---|---|
| Shares of AED 10 each | **89,919,005** | **899,190** | 89,919,005 | 899,190 |

The share capital as at 30 September 2024 comprises of 89,919,005 *(2023: 89,919,005)* authorised, issued and fully paid ordinary shares with a par value of AED 10 each.

On 9 November 2023, 51,778,725 ordinary shares with a par value of AED 10 were issued as part of the merger transaction, resulting in the recognition of share premium amounting to AED 1,692,630 thousand. As part of the purchase consideration, ADCOOP is also obliged to issue 12,506,639 additional shares to the shareholders of the acquired entities with a par value of AED 10, amounting to AED 125,066 thousand as a share capital and resulting in an additional share premium of AED 408,936 thousand accounted together under shares to be issued. The merger also gave rise to an additional 9,110,513 shares to be issued to the existing shareholders of ADCOOP with a par value of AED 10, amounting to AED 91,105 thousand and resulting in an additional share premium of AED 297,889 thousand. The obligation to issue additional shares to the existing shareholders of ADCOOP amounting to AED 388,994 thousand is recognised against share premium. The combined effect of the merger transaction resulted in an additional total share premium of AED 1,303,636 thousand as at 31 December 2023.

## 27 Statutory reserve

Given that the Group has changed its legal structure from a co-operative society to a P.J.S.C., the Group is required, in accordance with UAE Federal Decree Law No. 32 of 2021 and the respective articles of association of various entities within the Group, to transfer 5% of the profit for the period to the legal reserve. Transfers to this reserve must continue until it equals 50% of the paid-up share capital of the respective entities. This reserve is not available for distribution.

There were no transfers to statutory reserve during the nine-month period ended 30 September 2024 *(2023: nil)*.

## 28 Related party transactions

The Group, in the ordinary course of business, enters into a variety of transactions at agreed terms and conditions with related parties that fall within the definition of a related party contained in International Accounting Standard 24.

Details of material transactions with such parties in the normal course of business are as follows:

| | ***(unaudited)*** | *(unreviewed)* |
|---|---|---|
| | | *(unaudited)* |
| | **30 September** | 30 September |
| | **2024** | 2023 |
| | **AED'000** | AED'000 |
| *Purchase of goods:* | | |
| Consumer Cooperative Union (associate) | **-** | 717 |
| Wahat al Masah Trading Company (associate) | **81,113** | - |
| Al Masah Flour Mill (associate) | **3** | - |
| Al Masah Animal Feed Mill (associate) | **266** | - |
| | **81,382** | 717 |
| *Sale of goods:* | | |
| Wahat al Masah Trading Company (associate) | **69,835** | - |
| Al Masah Flour Mill (associate) | **10,988** | - |
| Al Masah Animal Feed Mill (associate) | **44,331** | - |
| | **125,154** | - |
| *Other income* | | |
| Wahat al Masah Trading Company (associate) | **194** | - |
| Al Masah Flour Mill (associate) | **2,084** | - |
| | **2,278** | - |
| *Other expense* | | |
| Wahat al Masah Trading Company (associate) | **15,210** | - |

## 28 Related party transactions (*continued)*

### Compensation of key management personnel

The remuneration of members of key management during the period/year was as follows:

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 30 September 2023 AED'000 |
|---|---|---|
| Short-term benefits | **19,789** | 9,623 |
| Employees' end of service benefits | **326** | 123 |
| Payment of end of service benefits | **657** | 261 |
| | **11,476** | 10,007 |
| Number of key management personnel | **23** | 17 |

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| **Due from related parties** | | |
| Al Masah Animal Feed Mill (associate) | **45,407** | 40,567 |
| Al Masah Flour Mill (associate) | **60,501** | - |
| | **105,908** | 40,567 |
| **Due to related parties** | | |
| Consumption Cooperative Union (associate) | **568** | 458 |
| Wahat al Masah Trading Company (associate) | **8,446** | - |
| | **9,014** | 458 |

## 29 Contingencies and commitments

| | ***(unaudited)*** **30 September 2024 AED'000** | *(audited)* 31 December 2023 AED'000 |
|---|---|---|
| Capital commitments | **26,519** | 49,785 |
| *Contingent liabilities* | | |
| Bank guarantees | **37,476** | 40,483 |
| Legal cases | **2,505** | 2,505 |
| | **39,981** | **42,988** |

## 30 Taxation

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116/2022 effective from January 2023, has confirmed the threshold of income over which the 9% tax rate would apply, and the Law is considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000. A rate of 0% will apply to taxable income not exceeding AED 375,000.

For the Group, current taxes shall be accounted for as appropriate in the condensed consolidated interim financial information for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact has been considered for the period ended 30 September 2024. The tax charged for the period ended 30 September 2024 is AED 12,264 thousand (30 September 2023: AED Nil).

The income tax expense is recognized at an amount determined by multiplying the profit before tax for the reporting period ended 30 September 2024 by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the period.

Tax for the period is charged at 9% (2023: NA), representing the best estimate of the average annual effective tax rate expected for the full year, applied to the pre-tax income of the nine-month period. Based on this assessment performed, the Group has assessed that the impact of the deferred tax will be immaterial.

## 30 Taxation *(continued)*

| | ***(unaudited)*** **30 September 2024 AED'000** | *(unreviewed)* *(unaudited)* 30 September 2023 AED'000 |
|---|---|---|
| Condensed consolidated statement of profit or loss | | |
| Current tax expense/income: | | |
| Current tax expense – continuing operations | **(10,658)** | - |
| Current tax expense – discontinued operations | **(1,606)** | |
| Deferred tax expense/income: | | |
| Relating to origination and reversal of temporary differences | - | - |
| Relating to enactment of UAE corporate income tax | - | - |
| Tax expense for the period reported in Condensed consolidated statement of profit or loss | - | - |
| | **(12,264)** | - |

Tax expenses on continuing operations excludes the income tax expense on gain on sale of discontinued operations amounting to AED 1,606 thousand (2023: Nil).

## 31 Events after reporting date

On 9 September 2024, MAIR Group sent a communication to the Department of Economic Development requesting an increase of its share capital from AED 899,190 thousand *(89,919,005 shares)* to AED 1,115,362 thousand *(111,536,157 shares)*, reflecting the addition of AED 216,172 thousand *(21,617,152 shares)*. Such additional shares were reported under 'Shares to be issued' on 31 December 2023 as a result of the merger transaction.

The Department of Economic Development approved the request on 26 September 2024 but shares were actually issued on 17 October 2024.

On 3 October 2024, the Shareholders at the Annual General Meeting approved the stock split of 1:20, increasing MAIR Group's number of shares from 111,536,157 to 2,230,723,140 and reducing the par value per share from *10 dirhams* to *50 fils*.

The Board of Directors in their meeting held on 21 August 2024, have proposed a cash dividend for the year ended 31 December 2023 of AED 135,070 thousand representing 12.11% of the share capital (2023: AED 57,210 thousand representing 15% of the share capital). The proposal was approved by the Shareholders at the Annual General meetings held on 3rd of October 2024.