

**National Corporation for Tourism
and Hotels**

**Review report and condensed
consolidated interim financial statements
for the three-month period ended
31 March 2025**

NATIONAL CORPORATION FOR TOURISM AND HOTELS

Review report and condensed consolidated financial statements for the three-month period ended 31 March 2025 (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 interim financial information of National Corporation for Tourism and Hotels (the “Company”) and its subsidiaries (together the “Corporation” or the “Group”) as at 31 March 2025 and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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 comparative information in the condensed consolidated statements of comprehensive income, changes in equity and cash flows and the related explanatory notes have not been reviewed.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
1 May 2025
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
as at 31 March 2025**

	Notes	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,675,152	1,687,471
Intangible assets	6	160,999	1,516
Goodwill		451,672	451,672
Investment properties	7	307,663	309,379
Investment in joint ventures	8	316,194	-
Right-of-use assets		52,102	52,715
Deferred tax asset	24	10,898	10,666
Total non-current assets		4,974,680	2,513,419
Current assets			
Financial assets at fair value through profit or loss	9	39,546	14,203
Inventories		43,788	24,867
Trade and other receivables	10	429,959	271,433
Contract assets		28,007	20,720
Due from related parties	16	94,201	82,177
Cash and bank balances	11	725,960	339,913
Total current assets		1,361,461	753,313
Total assets		6,336,141	3,266,732
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	2,176,933	474,455
Share premium	12	1,980,756	-
Statutory reserve	13	150	150
Merger reserve	13	(404,945)	985,772
Retained earnings		1,050,155	357,817
Total equity		4,803,049	1,818,194

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

**Condensed consolidated statement of financial position
as at 31 March 2025 (continued)**

	Notes	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
LIABILITIES			
Non-current liabilities			
Borrowings	14	492,801	-
Provision for employees' end of service benefits		58,862	21,605
Lease liabilities		42,551	42,562
Deferred tax liabilities	24	14,365	-
Loans from shareholder	16	-	615,113
Total non-current liabilities		608,579	679,280
Current liabilities			
Borrowings	14	360,601	216,237
Trade and other payables	15	370,881	250,926
Contract liabilities		81,605	88,311
Due to related parties	16	71,185	49,072
Current tax liabilities	24	37,373	18,419
Lease liabilities		2,868	3,129
Loans from shareholder	16	-	143,164
Total current liabilities		924,513	769,258
Total liabilities		1,533,092	1,448,538
Total equity and liabilities		6,336,141	3,266,732

To the best of our knowledge, and in accordance with the applicable reporting principles for the interim financial reporting, the condensed consolidated financial statements present fairly in all material respects the condensed consolidated financial position, financial performance and cash flows 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
for the three-month period ended 31 March 2025 (Unaudited)**

	Notes	Three-month period ended 31 March	
		2025 (unaudited) AED '000	2024 (unaudited) AED '000
Revenue	19	568,284	327,866
Direct operating expenses	19	(357,877)	(168,981)
Gross profit		210,407	158,885
General and administrative expenses	17	(104,805)	(75,007)
Share of results of joint ventures accounted for using the equity method	8	(1,859)	-
Fair value gains on financial assets at fair value through profit or loss	9	1,013	-
Other income		2,983	2,895
Finance costs, net		(8,494)	(3,258)
Gain on bargain purchase	1	178,530	-
Profit before income tax		277,775	83,515
Income tax expense	24	(15,518)	(9,923)
Profit for the period		262,257	73,592
Other comprehensive income for the period		-	-
Total comprehensive income for the period		262,257	73,592
Basic and diluted earnings per share	18	0.12	0.06

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

**Condensed consolidated statement of changes in equity
for the three-month period ended 31 March 2025 (Unaudited)**

	Share capital AED '000	Share premium AED '000	Statutory reserve AED '000	Contributed capital AED '000	Restricted reserve AED '000	Merger reserve AED '000	Retained earnings AED '000	Total equity AED '000
Balance at 1 January 2024 (audited)	474,455	-	150	818,861	120,000	-	200,860	1,614,326
Additional capital contributed during the period	-	-	-	46,911	-	-	-	46,911
Total comprehensive income for the period	-	-	-	-	-	-	73,592	73,592
Transfer	-	-	-	(865,772)	(120,000)	985,772	-	-
At 31 March 2024 (unaudited)	474,455	-	150	-	-	985,772	274,452	1,734,829
Balance at 1 January 2025 (audited)	474,455	-	150	-	-	985,772	357,817	1,818,194
Retrospective adjustment relating to the share capital of the Company (Note 12)	899,026	-	-	-	-	(899,026)	-	-
Retrospective adjustment arising from business combinations under reverse acquisition (Note 1)	803,452	1,980,756	-	-	-	(491,691)	-	2,292,517
Transaction with Ultimate Parent, net (Note 16)	-	-	-	-	-	-	430,081	430,081
Total comprehensive income for the period	-	-	-	-	-	-	262,257	262,257
At 31 March 2025 (unaudited)	2,176,933	1,980,756	150	-	-	(404,945)	1,050,155	4,803,049

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

**Condensed consolidated statement of cash flows
for the three-month period ended 31 March 2025 (Unaudited)**

	Notes	Three-month period ended 31 March	
		2025 (unaudited) AED '000	2024 (unaudited) AED '000
Cash flows from operating activities			
Profit before income tax		277,775	83,515
Adjustments for:			
Depreciation of property, plant and equipment	5	31,393	13,535
Depreciation of investment properties	7	1,716	1,716
Depreciation of right-of-use assets		849	899
Amortisation of intangible assets	6	6,080	132
Share of results of joint ventures	8	1,859	-
Provision for employees' end of service benefits		4,946	2,167
Net reversal of impairment losses on financial assets	10	(36)	-
Gain on sale of property, plant and equipment		(1)	(14)
Finance costs	19	14,033	5,973
Interest income	19	(5,539)	(2,715)
Fair value gains on financial assets at fair value through profit or loss	9	(1,013)	-
Gain on bargain purchase	1	(178,530)	-
Loss on lease modifications		-	86
Operating cash flows before employees' end of service benefits payment, income taxes paid and changes in working capital		153,532	105,294
Employees' end of service benefits paid		(2,502)	(969)
Income taxes paid		(3,277)	(2,962)
Changes in working capital:			
Inventories		2,170	3,037
Trade and other receivables and contract assets		(20,813)	(55,068)
Due from related parties		(12,024)	(30,726)
Trade and other payables		(66,369)	35,569
Contract liabilities		(6,706)	(22,704)
Due to related parties		22,169	27,822
Net cash generated from operating activities		66,180	59,293
Cash flows from investing activities			
Net placement of deposits with original maturity of more than three months		(61,522)	(7,500)
Purchase of property, plant and equipment	5	(60,485)	(57,464)
Proceeds from sale of property, plant and equipment		1	17
Interest received		9,582	2,389
Cash and cash equivalents acquired from business combinations under reverse acquisition	1	166,519	-
Net cash generated from/(used in) investing activities		54,095	(62,558)

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

**Condensed consolidated statement of cash flows
for the three-month period ended 31 March 2025 (Unaudited) (continued)**

	Notes	Three-month period ended 31 March	
		2025 (unaudited) AED '000	2024 (unaudited) AED '000
Cash flows from financing activities			
Repayment of borrowings	14	(292,989)	(8,747)
Receipt of borrowings	14	247,576	-
Receipt of loans from shareholders		-	22,035
Finance costs paid		(16,127)	(6,712)
Payment of lease liabilities		(1,196)	(1,383)
Net cash (used in)/generated from financing activities		(62,736)	5,193
Net increase in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		227,881	169,681
Cash and cash equivalents at the end of the period	11	285,420	171,609

Non-cash transactions

	Notes	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Waiver of loan from shareholders	16	758,277	-
Borrowings assumed from shareholders	16	314,964	-
Finance cost payable and other liabilities assumed from shareholders		13,232	-

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

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)****1 General information**

National Corporation for Tourism and Hotels (“NCTH”, the “Company” or 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 Company’s shares are listed on Abu Dhabi Securities Exchange. The Company’s registered address is P.O. Box 6942, Abu Dhabi, UAE.

The principal activities of the Company and its subsidiaries (together referred to as “the Group”) carried out both in the UAE and abroad include:

- Hotels ownership and management, restaurant management and tourism and hospitality-related investments;
- Hospitality services, cleaning services, facility management services and catering services; and
- Retail services and sale of goods.

In 2024, the shareholders of NCTH approved to 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:

1. ADH Hospitality RSC LTD;
2. Murban (BVI) Holding Inc; and
3. Hill View Resort (Seychelles) Limited (together referred to as the “Target Companies”)

in consideration of the issuance of newly issued shares in NCTH share capital to Alpha Dhabi Holding PJSC, or any of its subsidiaries, related, allied or sister companies, as determined by Alpha Dhabi Holding PJSC (the “Ultimate Parent Company), and approved to increase the Company's capital 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.

On 6 January 2025, NCTH obtained approval from the Securities & Commodities Authority for the issuance of 1,277,907,257 shares with a nominal value of AED 1 each and the shares issuance to Alpha Dhabi Hospitality Holding LLC was completed and the acquisition of the Target Companies was concluded.

As a result of this transaction, Alpha Dhabi Hospitality Holding LLC (“ADHH”) received 1,277,907,257 shares of NCTH securing 58.70% stake in NCTH.

The primary reasons for the business combination include:

- Strategic consolidation of Alpha Dhabi's hospitality assets under NCTH.
- Leveraging potential operational efficiencies and synergies.
- Utilising NCTH's listed platform for future growth and value creation.
- Strengthening the market position of the combined hospitality portfolio.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited) (continued)**

1 General information (continued)

Business combination accounted for as reverse acquisition

IFRS 3 requires the identification of the accounting acquirer being the entity that obtains control of the acquiree, and in some cases, the accounting acquirer may not be the same as the legal acquirer. The overall transaction is deemed to have substance, given different businesses are coming together. IFRS 3 provides guidance on the considerations that are relevant for identifying the acquirer. As per the standard, the acquirer is usually the combining entity whose relative size is significantly greater than that of the other combining entities. In this transaction, the Target Companies was determined to be the accounting acquirer (or the legal acquiree) given its relative size within the combining entities and NCTH was determined to be the accounting acquiree (or the legal acquirer) resulting in a reverse acquisition.

The principles of reverse acquisition were used to reflect the acquisition of NCTH by the Target Companies, effective 6 January 2025. As a result, the information presented in these condensed consolidated financial statements - in the comparative period and the period prior to the acquisition were those of the accounting acquirer, the Target Companies and not NCTH, the legal acquirer. Furthermore, the number of shares as required under IFRS 3 is that of NCTH (as legal acquirer) and not the Target Companies and therefore the share capital in the condensed consolidated statement of changes in equity is that of NCTH. This resulted in an adjustment within equity of AED 803,452 thousand. This also resulted in adjustment to earnings per share for the previous year. These condensed consolidated financial statements are therefore a continuation of the financial statements of the Target Companies (the accounting acquirer) and the comparatives in these consolidated financial statements are also of the Target Companies. Despite the Target Companies being deemed as the accounting acquirer, NCTH will be used to refer to the Group throughout these condensed consolidated financial statements.

In accordance with IFRS 3 *Business Combinations*, the transaction is accounted for as a reverse acquisition with the Target Companies being deemed the accounting acquirer and NCTH is deemed the accounting acquiree for accounting purposes.

1.1 Consideration transferred

The transaction is considered a reverse acquisition, and the consideration transferred under this reverse acquisition should be the fair value of the equity interests that the Target Companies (the accounting acquirer) would have issued to give the owners of the NCTH (accounting acquiree) the same ownership interest in the combined entity. However, in a business combination, the consideration effectively transferred should be based on the most reliable measure. Given that the shares of NCTH are quoted in an active market, the consideration transferred is determined based on the fair value of the outstanding shares of NCTH before the reverse acquisition.

Based on the above, the market capitalisation of NCTH (with pre-reverse acquisition number of shares outstanding) as on the transaction date is considered as deemed consideration transferred.

	Amount AED '000
Market capitalization of NCTH before the reverse acquisition (899,026,128 outstanding shares at market price per share of AED 2.55)	2,292,517
Consideration transferred for the reverse acquisition	<u>2,292,517</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited) (continued)**

1 General information (continued)

1.2 Consideration and purchase price allocation

The consideration paid to effect the business combination was based on the report of an external appraisal of the businesses taken as a whole.

	Attributed provisional fair value as at 6 January 2025 AED '000
ASSETS	
Non-current assets	
Property, plant and equipment	1,958,589
Intangible assets	165,563
Right-of-use assets	236
Investment in joint ventures	318,053
	<u>2,442,441</u>
Current assets	
Financial assets at fair value through profit or loss	24,330
Inventories	21,091
Trade and other receivables	149,007
Cash and bank balances	433,505
	<u>627,933</u>
Total Assets Acquired	<u>3,070,374</u>
LIABILITIES	
Non-current liabilities	
Borrowings	317,419
Provision for employees' end of service benefits	34,813
Lease liabilities	210
Deferred tax liabilities	14,900
	<u>367,342</u>
Current liabilities	
Borrowings	49,972
Current tax liabilities	5,946
Trade and other payables	176,005
Lease liabilities	62
	<u>231,985</u>
Total Liabilities Acquired	<u>599,327</u>
Fair value of identifiable net assets acquired	<u>2,471,047</u>
Gain on bargain purchase	<u>(178,530)</u>
Consideration transferred for the reverse acquisition	<u>2,292,517</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited) (continued)**

1 General information (continued)

1.3 Goodwill

No goodwill arose from this specific reverse acquisition transaction. The goodwill amounting to AED 451,672 thousand recognised in the condensed consolidated statement of financial position relates to historical acquisitions undertaken by the Target Companies (accounting acquirer) prior to the reverse acquisition with NCTH. This pre-existing goodwill continues to be recognised in the condensed consolidated financial statements.

1.4 Impact on equity structure

The adjustments recorded in the condensed consolidated statement of changes in equity reflect the elimination of the accounting acquirer's pre-acquisition equity and the recognition of the legal capital structure of NCTH, including the deemed share issuance, in accordance with reverse acquisition accounting principles.

The condensed consolidated financial statements includes the results of operations and financial position of the Company, its subsidiaries and its interests in equity accounted investees. The Company has investments in the following entities:

Subsidiaries:

Name	Country of operation	Principal activity	Ownership Interest	
			31 March 2025	31 December 2024
ADH Hospitality RSC Limited	UAE	Hospitality	100%	100%
Abu Dhabi United Hospitality - SP LLC	UAE	Hospitality	100%	100%
Al Wathba A Luxury Collection Desert Resort & Spa - SP LLC	UAE	Hospitality	100%	100%
Mazi Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Buddha Bar Beach Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Terra Secca Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Al Mesayan Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Panache Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Al Mabeet Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Hayaakom Restaurant - SP LLC	UAE	Café and Restaurants	100%	100%
Bait Al Hanine - SP LLC	UAE	Café and Restaurants	100%	100%
Le Noir Café - SP LLC	UAE	Retail sale of food and beverages	100%	100%
Etihad International Hospitality (EIH) LLC - SP LLC	UAE	Hospitality and cleaning services	100%	100%
Intl Fresh Harvest Fruits and Vegetables Trading - SP LLC	UAE	Trading of fresh food stuff	100%	100%
Murban (BVI) Holding Inc.	British Virgin Island	Hospitality	100%	100%
Hill View Resorts (Seychelles) Limited	Seychelles	Hospitality	100%	100%
Sitax Holding Ltd	British Virgin Island	Hospitality	100%	100%
Sitax Investment Ltd	British Virgin Island	Hospitality	100%	100%

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited) (continued)**

1 General information (continued)

1.4 Impact on equity structure (continued)

Subsidiaries: (continued)

Name	Country of operation	Principal activity	Ownership Interest	
			31 March 2025	31 December 2024
I&T Management Pvt Ltd	Maldives	Hospitality	100%	100%
Intercontinental Hotel Abu Dhabi – Sole Proprietorship LLC*	UAE	Hospitality	100%	-
Danat Al Ain Resort – Sole Proprietorship LLC*	UAE	Hospitality	100%	-
Danat Jabal Al Dhanna Resort – Sole Proprietorship LLC*	UAE	Hospitality	100%	-
Al Dhafra Beach Hotel – Sole Proprietorship LLC*	UAE	Hospitality	100%	-
Intercontinental Residences Abu Dhabi Hotel Apartments – Sole Proprietorship LLC*	UAE	Hospitality	100%	-

Joint ventures

Name	Country of operation	Principal activity	Ownership Interest	
			31 March 2025	31 December 2024
National Transportation Company L.L.C (“NTC”)*	UAE	Transport services	50%	-
Velocity Property Development LLC*	UAE	Real Estate	63.86%	-

*Acquired during the period.

As at 31 March 2025, the Corporation also operates four hotel properties and rest houses through management agreements along with one hotel property through asset management agreement, all owned by other parties.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited) (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 2025, 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.

<u>New and revised IFRSs</u>	Effective for annual periods beginning on or after
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> relating to Lack of Exchangeability	1 January 2025

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

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:

<u>New and revised IFRSs</u>	Effective for annual periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments	1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

2 Application of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”) (IFRS) (continued)

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

<u>New and revised IFRSs</u>	Effective for annual periods beginning on or after
Annual improvements to IFRS Accounting Standards - Volume 11 The pronouncement comprises the following amendments: <ul style="list-style-type: none"> • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a “de facto agent” • IAS 7: Cost method 	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Effective date not yet decided
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

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 certain financial assets at fair value and the assets and liabilities of the accounting acquiree (NCTH) recognised at fair value upon the reverse acquisition (note 1). This condensed consolidated interim financial information are presented in UAE Dirhams (AED), which is the presentation currency of the Group.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)**3 Material accounting policy information** (continued)**3.1 Basis of preparation** (continued)

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 Group's audited financial statements for the year ended 31 December 2024 and note 1 on business combination. In addition, results for the three-month ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The accounting policies used in the preparation of these condensed consolidated financial statements are consistent with those applied to the audited annual consolidated financial statements of the accounting acquirer for the year ended 31 December 2024, except for the adoption of new standards and interpretations effective 1 January 2025.

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 Group'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 2024, with the addition of significant judgements and estimates related to the reverse acquisition effective 6 January 2025 (Note 1). These include:

- Identification of the accounting acquirer: Determining that the legal subsidiaries acquired were the accounting acquirer under IFRS 3 based on an assessment of control factors.
- Determination of the acquisition date: Establishing 6 January 2025 as the date on which control was effectively transferred.
- Measurement of deemed purchase consideration: Calculating the fair value of the equity interest the accounting acquirer would have had to issue to give the owners of the accounting acquiree (NCTH) the same percentage equity interest in the combined entity.
- Fair valuation of identifiable assets acquired and liabilities assumed: Measuring the fair value of the identifiable assets and liabilities of the accounting acquiree (NCTH) at the acquisition date. This involved significant estimates.
- Accounting acquirer: Recognising and measuring identifiable intangible assets existing within the accounting acquirer's subsidiaries (such as customer relationships and contracts) at fair value as part of the business combination accounting, using valuation techniques like the Multi-Period Excess Earnings Method (MPEEM). This required estimates regarding future revenues, customer churn, discount rates, and contributory asset charges.
- Calculation and recognition of the gain on bargain purchase: Determining the excess of the fair value of the identifiable net assets of the accounting acquiree (NCTH) over the deemed purchase consideration.

Further details on the estimates and judgements related to the reverse acquisition are provided in note 1.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

5 Property, plant and equipment

Movement in the property, plant and equipment is as follows:

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
At 1 January	1,687,471	1,418,896
Recognised as part of business combination (Note 1)	1,958,589	-
Additions during the period/year	60,485	326,383
Disposals during the period/year	-	(92)
Depreciation charge for the period/year	(31,393)	(57,319)
Exchange difference	-	(397)
Balance at the end of the period/year	<u>3,675,152</u>	<u>1,687,471</u>

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

	Three-month period ended 31 March	
	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Direct operating expenses	31,075	13,315
General and administrative expenses	318	220
	<u>31,393</u>	<u>13,535</u>

6 Intangible assets

Movement in the intangible assets is as follows:

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
At 1 January	1,516	1,502
Recognised as part of business combination (Note 1)	165,563	-
Additions during the period/year	-	558
Amortisation charge for the period/year	(6,080)	(544)
Balance at the end of the period/year	<u>160,999</u>	<u>1,516</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

6 Intangible assets (continued)

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

	Three-month period ended 31 March	
	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Direct operating expenses	22	23
General and administrative expenses	6,058	109
	6,080	132

Intangible assets as on 31 March 2025 comprise of computer software, customer contracts and customer relationships (31 December 2024: intangible assets comprise of computer software).

7 Investment properties

Movement in the investment properties is as follows:

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
At 1 January	309,379	316,243
Depreciation charge for the period/year	(1,716)	(6,864)
Balance at the end of the period/year	307,663	309,379

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

	Three-month period ended 31 March	
	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Direct operating expenses	1,716	1,716

Investment properties as on 31 March 2025 and 31 December 2024 comprise of land and residential properties in Seychelles and United Arab Emirates. Rental income received from these investment properties amounted to AED 11,375 thousand (for the three-month period ended 31 March 2024: AED 10,387 thousand).

The Group performed fair valuation for its certain investment properties as at 31 March 2025 and 31 December 2024 and concluded that carrying amount is representative for the fair value at each reporting date.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

7 Investment properties (continued)

The fair value of the investment properties are arrived at on the basis of a valuation carried out by accredited independent valuers not connected with the Group. The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the fair value of the investment properties, the highest and best use of the properties are their current use. The valuations were mainly determined by using the comparable transactions or current market prices of similar assets for the plots of lands and income capitalisation method for apartments/buildings. The valuation has been conducted as at 1 December 2024. Management believes that there have been no significant changes to the fair values of investment properties between valuation date and 31 March 2025. There has been no change to the valuation techniques during the period.

8 Investment in joint ventures

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
National Transport Company LLC	30,296	-
Velocity Property Development LLC	285,898	-
Balance at the end of the period/year	<u>316,194</u>	<u>-</u>

Investment in joint ventures includes the Group's investment in National Transport Company LLC and Velocity Property Development LLC of 50.0% and 63.86%, respectively.

Movements in the investment in joint ventures are as follows:

	31 March 2025 (unaudited) AED '000
At 1 January	-
Recognised as part of business combination (Note 1)	318,053
Share of results for the period/year	(1,859)
Balance at the end of the period/year	<u>316,194</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

8 Investment in joint ventures (continued)

The latest available financial information in respect of the Group's joint ventures up to the period ended 31 March 2025 are recognised below:

	31 March 2025	
	National Transport Company LLC (unaudited) AED '000	Velocity Property Development LLC (unaudited) AED '000
Non-current assets	62,670	784,129
Current assets	20,753	27,045
Non-current liabilities	(2,791)	(346,652)
Current liabilities	(20,040)	(48,714)
Net assets	60,592	415,808
Group's share of net assets	30,296	265,535
Goodwill	-	20,363
At 31 March 2025	30,296	285,898

The share of results of the Group's joint ventures recognised during the period are as follows:

	Three-month period ended 31 March 2025	
	National Transport Company LLC (unaudited) AED '000	Velocity Property Development LLC (unaudited) AED '000
Revenue	13,588	14,216
Profit/(loss) for the period	2,363	(4,762)
Group's share of profit/(loss) for the period	1,182	(3,041)

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

9 Financial assets at fair value through profit or loss

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Investments in quoted equity instruments	24,033	-
Investment in unquoted equity instruments	15,513	14,203
	39,546	14,203

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

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
At 1 January	14,203	6,994
Recognised as part of business combination (Note 1)	24,330	-
Changes in the fair value	1,013	7,209
Balance at the end of the period/year	39,546	14,203

10 Trade and other receivables

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Trade receivables	255,250	115,179
Less: loss allowance	(10,630)	(3,903)
	244,620	111,276
Prepayments and advances	82,783	55,149
Refundable deposits	55,904	55,618
VAT receivables, net	18,329	22,892
Interest receivables	6,127	8,936
Other receivables	22,196	17,562
	429,959	271,433

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)**

10 Trade and other receivables (continued)

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

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
At 1 January	3,903	2,696
Recognised as part of business combination (Note 1)	7,027	-
Net (reversal)/provision of loss allowance	(36)	1,224
Amounts written off	(264)	(17)
Balance at the end of the period/year	<u>10,630</u>	<u>3,903</u>

11 Cash and bank balances

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

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Cash at bank and on hand	262,421	180,614
Short term deposits	463,539	159,299
	<u>725,960</u>	<u>339,913</u>
Less: short-term deposits with original maturity of more than three months	(440,540)	(112,032)
Cash and cash equivalents	<u>285,420</u>	<u>227,881</u>

Short-term deposits represent deposits held with financial institutions inside and outside the UAE and denominated in AED and USD. As at 31 March 2025, these deposits carry an interest rate of 3.44% to 4.97% per annum (31 December 2024: 4.00% to 5.70% per annum).

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)**

12 Share capital and share premium

(i) Share capital

The transaction between NCTH and the Target Companies (Note 1) was effected by the issuance of 1,277,907,257 ordinary shares of AED 1.0 par value by NCTH to the existing shareholders of the Target Companies. The newly issued shares added to the existing share capital of NCTH (i.e. 899,026,128 shares) constitutes the share capital of the legal entity / acquirer after the merger. The table below represents the effect of the transaction on the share capital of the Group as of the date of the transaction:

	Shares	%
Number of shares issued by NCTH to the existing shareholders of the Target Companies	1,277,907,257	58.7
Initial share capital of NCTH	899,026,128	41.3
Total shares of NCTH post combination	2,176,933,385	100.0

	31 March 2025 AED '000	31 December 2024 AED '000
Share capital		
Authorized, issued and fully paid		
2,176,933,385 ordinary shares of AED 1 each (31 December 2024: 474,455,000 ordinary shares of AED 1 each)	2,176,933	474,455

As described in note 1 to these consolidated financial statements, the transaction between NCTH and the Target Companies is recognised as a reverse acquisition as per IFRS 3 *Business Combination*. Accordingly, the share capital is adjusted retroactively to reflect the number of shares of NCTH.

	Amount AED '000
Share capital of accounting acquirer	474,455
Retrospective adjustment as per IFRS 3	803,452
Retrospective adjusted share capital of the Company	1,277,907
Previous share capital of accounting acquiree	899,026
Adjusted share capital as of acquisition date	2,176,933

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited) (continued)**

12 Share capital and share premium

(ii) Share premium

The share premium represents the difference between the fair value of AED 2.55 and the par value of AED 1.0 of the 1,277,907,257 shares issued by NCTH to the existing shareholders of the Target Companies.

	Amount AED '000
1,277,907,257 shares issued at a premium of AED 1.55 per share	<u>1,980,756</u>

13 Statutory and merger reserves

Statutory reserve

In accordance with Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, 10% of the annual profits are transferred to the statutory reserve that is non-distributable. Transfers to this reserve may be suspended whenever the reserve reaches 50% of the paid-up share capital of the Company.

Merger reserve

In accordance with IFRS 3 and per the principles of reverse acquisition, the equity structure appearing in these condensed consolidated financial statements reflects the capital structure (number of shares) of the Accounting Acquiree (NCTH), including the shares issued by NCTH to the shareholders of the Target Companies to effect the business combination. This results in the creation of a 'Merger reserve'. The Merger reserve is calculated as below:

	Amount AED '000
Share issued to the existing shareholders of the Target Companies at par value	1,277,907
Share premium to the existing shareholders of the Target Companies	1,980,756
Less: Purchase consideration (Note 1)	(2,292,517)
Less: Share capital of the legal acquirer	<u>(474,455)</u>
Net merger reserve required to be created for the reverse acquisition	<u>491,691</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

14 Borrowings

Movement in the borrowings is as follows:

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
At 1 January	216,237	179,445
Recognised as part of business combination	367,391	-
Borrowing assumed from the shareholders	314,964	-
Receipt of borrowings for the period/year	247,576	71,595
Repayment of borrowings for the period/year	(292,989)	(34,803)
Amortisation of transaction costs	223	-
Balance at the end of the period/year	<u>853,402</u>	<u>216,237</u>
	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Term loan 1	301,855	-
Term loan 2	45,199	-
Term loan 3	-	-
Term loan 4	6,000	-
Term loan 5	4,800	-
Term loan 6	225,886	-
Term loan 7	78,529	-
Term loan 8	191,133	-
Term loan 9	-	144,642
Bank overdraft	-	71,595
	<u>853,402</u>	<u>216,237</u>
Less: Amount due for settlement after 12 months from the end of reporting period/year (classified under non-current liabilities)	<u>(492,801)</u>	-
Amount due for settlement within 12 months from the end of reporting period/year (classified under current liabilities)	<u>360,601</u>	<u>216,237</u>

The borrowings comprise the following:

Term loan 1

In 2013, the Group obtained a loan facility from a local bank amounting to AED 220.0 million. In 2021, the Group 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 31 March 2025 amounted to AED 310.6 million. The loan carries interest at the rate of 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. Total undrawn balance on this facility amounts to AED 9.4 million as at 31 March 2025.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)**14 Borrowings** (continued)

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 revenue of Abu Dhabi Intercontinental Hotel;
- (iii) Assignment of revenue 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.

During the period, there was no drawdown on Term loan 1 and total amount repaid amounted to AED 2,182 thousand.

Term loan 2

During 2015, the Group 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 utilised 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 utilised as at 31 December 2015, while Facility B drawdown amounted to AED 68.4 million. Total drawdown for both facilities as at 31 March 2025 amounted to AED 200.0 million. Total outstanding loan balance for both facilities as at 31 March 2025 amounted to AED 45.9 million. Facilities A and B carry interest at the rate of 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 Company 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 Group voluntarily cancelled part of the available facility amounting to AED 400.0 million of the Facility B.

As at 31 March 2025, the Group has an unamortised loan arrangement fee of AED 0.7 million related to the loan and is netted off from the loan balance.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)**14 Borrowings** (continued)**Term loan 2** (continued)

In 2020, the Group 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.

During the period, there was no drawdown on Term loan 2 and total amount repaid amounted to AED 6,578 thousand.

Term loan 3

The loan facility was obtained 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 31 March 2025, the facility is fully drawdown and the outstanding balance as of reporting date amounted to nil. The loan carried interest at the rate of 2.5% over 3-months EIBOR. Interest is paid on a quarterly basis. The loan has been fully repaid as of the reporting date.

During the period, there was no drawdown on Term loan 3 and total amount repaid amounted to AED 1,000 thousand.

Term loan 4

The loan facility was obtained 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 31 March 2025, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 6.0 million. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2024: 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.

During the period, there was no drawdown on Term loan 4 and nil amount repaid.

Term loan 5

The loan facility was obtained 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 31 March 2025, the facility is fully drawdown and the outstanding balance as of reporting date amounted to AED 4.8 million. The loan carries interest at the rate of 2.5% over 3-months EIBOR (31 December 2024: 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.

During the period, there was no drawdown on Term loan 5 and nil amount repaid.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

14 Borrowings (continued)

Term loan 6

During the period, the Group obtained a loan facility from a local bank amounting to AED 600.0 million. The loan is taken to refinance an existing loan and to fund the mixed-use development project of the Group. Total drawdown as at 31 March 2025 amounted to AED 246.9 million. The loan carries interest at the rate of 1.45% over 3-months EIBOR. Interest is paid on a quarterly basis. The loan is to be repaid over 7 years by semi-annual instalments from March 2025. Additional drawdown of AED 353.1 million is available for this loan as at 31 March 2025.

The loan facility is secured by a mortgage over property, plant and equipment and investment properties of the Group and all other related assignments.

During the period, total drawdown on Term loan 6 amounted to AED 246,886 thousand and total amount repaid amounted to AED 21,000 thousand.

Term loan 7

The Group has taken over a loan facility from a local bank as part of the transaction for the acquisition of the Target Companies. The loan carries interest at the rate of 2.75% over 3-months LIBOR. Interest is paid on a quarterly basis. As of the reporting date, outstanding balance of this loan facility amounted to AED 78.5 million.

The loan facility is secured by a mortgage over property, plant and equipment of the Group and all other related assignments.

During the period, there was no drawdown on Term loan 7 and total amount repaid amounted to AED 45,302 thousand.

Term loan 8

The Group has taken over a loan facility from a local bank as part of the transaction for the acquisition of the Target Companies. The loan carries interest at the rate of 2.25% over 3-months LIBOR. Interest is paid on a quarterly basis. As of the reporting date, outstanding balance of this loan facility amounted to AED 191.1 million.

The loan facility is secured by a mortgage over property, plant and equipment of the Group and all other related assignments.

During the period, there was no drawdown on Term loan 8 and nil amount repaid.

Term loan 9

The Group has taken a loan facility from a local bank for the purchase of the St. Regis Saadiyat Island Resort Hotel and investment properties of the Group. The loan carries interest at the rate of 1.85% over 3-months EIBOR. Interest is paid on a semi-annual basis. In 2025, the entire outstanding balance of this loan facility was settled in full from the utilization of Term loan 6.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

14 Borrowings (continued)

Term loan 9 (continued)

During the period, there was no drawdown on Term loan 9 and total amount repaid amounted to AED 144,642 thousand.

As at 31 March 2025, there is no noncompliance of financial covenants as the debt covenants compliance is tested by the bank on semi-annual basis (31 March and 31 December). As at 31 December 2024, the Group is in compliance with the required financial covenants.

As at 31 March 2025, the total undrawn committed facility amount for all the term loans of the Group is AED 362.5 million.

15 Trade and other payables

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Trade payables	139,495	88,792
Accrued liabilities	124,389	96,597
Management fee payable	20,369	9,931
Interest payable	14,394	3,320
Retentions payable	14,447	14,436
Other payables	57,787	37,850
	<u>370,881</u>	<u>250,926</u>

16 Related parties balances and transactions

Related parties represent the associated companies, directors and key management personnel of the Company, 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 Company's management.

For the period ended 31 March 2025 and the year ended 31 December 2024, the Group 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.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

16 Related parties balances and transactions (continued)

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

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Due from related parties		
Entities under common control	86,758	82,177
Joint ventures	2,092	-
Others	1,351	-
	90,201	82,177
Loan to a related party*	4,000	-
	94,201	82,177
Due to related parties		
Parent company	-	56
Entities under common control	69,767	49,016
Joint ventures	1,418	-
	71,185	49,072
Loan from shareholders	-	758,277
	71,185	807,349

Loans from shareholder are classified as follows:

	31 March 2025 (unaudited) AED '000	31 December 2024 (audited) AED '000
Non-current	-	615,113
Current	-	143,164
	-	758,277

The loans from shareholders balance of AED 758,277 thousand outstanding at 31 December 2024 was waived off during the period and assumed borrowings of AED 314,964 thousand as part of the overall reverse acquisition transaction.

* In 2023, the loan to National Transport Company LLC (“NTC”) amounting to AED 5.0 million was provided by the Group to support the mobilisation of projects of NTC, the loan is short term and interest free. The other shareholder of NTC has also provided NTC with a similar amount. As at the reporting date, NTC has repaid AED 1.0 million to the Group.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

16 Related parties balances and transactions (continued)

Significant transactions with related parties are as follows:

	Three-month period ended 31 March	
	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Revenue	29,319	33,785
Purchase of goods and services	54,229	17,448
	Three-month period ended 31 March	
	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Key management personnel compensation		
Short term benefits	2,601	1,796
Post-employment benefits	811	130
	3,412	1,926
Number of key management personnel	7	6

There were no loans provided to directors for the three-month period ended 2025 and 2024.

17 General and administrative expenses

	Three-month period ended 31 March	
	2025 (unaudited) AED '000	2024 (unaudited) AED '000
Payroll and employee related costs	34,249	20,817
Management and incentive fees	16,225	14,919
Utilities	10,402	11,149
Depreciation and amortization	6,449	414
Marketing and selling expenses	5,745	4,126
Repairs and maintenance	5,643	4,707
Others	26,092	18,875
	104,805	75,007

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (Unaudited)** (continued)

18 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 31 March	
	2025 (unaudited)	2024 (unaudited)
Profit for the period (AED '000)	<u>262,257</u>	<u>73,592</u>
Weighted average number of shares in issue ('000)	<u>2,176,933</u>	<u>1,277,907</u>
Basic and diluted earnings per share (AED)	<u>0.12</u>	<u>0.06</u>

As at 31 March 2025 and 2024, the Company has not issued any instruments that have an impact on earnings per share when exercised.

19 Segment information

The primary segment reporting format is determined to be operating segments as the Company'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

During the period, the Group realigned its operating segments to reflect the changes made in the internal reporting as a result of the reverse acquisition (Note 1). Accordingly, the Group is organised into six major operating segments. These segments are the basis on which the Group's reports its primary segmental information. These are:

- Hotels
- Retail services
- Catering services
- Investment properties
- Other services
- Holding company

Segment performance is measured based on profit or loss.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (continued)**

19 Segment information (continued)

Information regarding these segments is presented below:

	Hotels AED '000	Retail services AED '000	Catering services AED '000	Investment properties AED '000	Other services AED '000	Holding company AED '000	Eliminations AED '000	Total AED '000
31 March 2025 (unaudited)								
Revenue								
<i>Timing of revenue recognition</i>								
Over time	217,143	-	-	11,133	134,994	-	(3,581)	359,689
At a point in time	71,912	12,484	112,683	242	13,056	-	(1,782)	208,595
	<u>289,055</u>	<u>12,484</u>	<u>112,683</u>	<u>11,375</u>	<u>148,050</u>	-	<u>(5,363)</u>	<u>568,284</u>
Direct operating expenses	(92,474)	(9,950)	(97,286)	-	(131,042)	-	6,772	(323,980)
Depreciation	(30,425)	(123)	(818)	(1,716)	(815)	-	-	(33,897)
	<u>(122,899)</u>	<u>(10,073)</u>	<u>(98,104)</u>	<u>(1,716)</u>	<u>(131,857)</u>	-	<u>6,772</u>	<u>(357,877)</u>
Gross profit	166,156	2,411	14,579	9,659	16,193	-	1,409	210,407
General and administrative expenses	(77,880)	-	-	(3,873)	(10,248)	(14,369)	1,565	(104,805)
Share of results of joint ventures accounted for using the equity method	-	-	-	-	-	(1,859)	-	(1,859)
Fair value losses on financial assets at fair value through profit or loss	-	-	-	-	-	1,013	-	1,013
Other income	1,078	-	-	-	76	4,807	(2,978)	2,983
Interest income	157	-	13	32	2,372	7,067	(4,102)	5,539
Finance costs	(4,057)	-	-	-	(729)	(13,356)	4,109	(14,033)
Gain on bargain purchase	-	-	-	-	-	178,530	-	178,530
Income tax expense	(7,195)	-	-	-	(1,130)	(7,193)	-	(15,518)
Profit for the period	<u>78,259</u>	<u>2,411</u>	<u>14,592</u>	<u>5,818</u>	<u>6,534</u>	<u>154,640</u>	<u>3</u>	<u>262,257</u>
At 31 March 2025 (unaudited)								
Total assets	<u>4,140,364</u>	<u>19,171</u>	<u>193,694</u>	<u>274,233</u>	<u>384,056</u>	<u>2,197,331</u>	<u>(872,708)</u>	<u>6,336,141</u>
Total liabilities	<u>1,032,291</u>	<u>16,977</u>	<u>120,626</u>	<u>23,919</u>	<u>125,053</u>	<u>1,016,505</u>	<u>(802,279)</u>	<u>1,533,092</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (continued)**

19 Segment information (continued)

	Hotels AED '000	Retail services AED '000	Catering services AED '000	Investment Properties AED '000	Other Services AED '000	Holding AED '000	Eliminations AED '000	Total AED '000
31 March 2024 (unaudited)								
Revenue								
<i>Timing of revenue recognition</i>								
Over time	187,113	-	-	10,147	113,179	-	(3,204)	307,235
At a point in time	3,154	-	-	240	17,237	-	-	20,631
	<u>190,267</u>	<u>-</u>	<u>-</u>	<u>10,387</u>	<u>130,416</u>	<u>-</u>	<u>(3,204)</u>	<u>327,866</u>
Direct operating expenses	(42,089)	-	-	-	(112,526)	-	1,915	(152,700)
Depreciation	(13,736)	-	-	(1,716)	(829)	-	-	(16,281)
	<u>(55,825)</u>	<u>-</u>	<u>-</u>	<u>(1,716)</u>	<u>(113,355)</u>	<u>-</u>	<u>1,915</u>	<u>(168,981)</u>
Gross profit	134,442	-	-	8,671	17,061	-	(1,289)	158,885
General and administrative expenses	(62,912)	-	-	(3,837)	(8,007)	(1,539)	1,288	(75,007)
Share of results of joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-
Fair value losses on financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-
Other income	629	-	-	-	182	2,143	(59)	2,895
Interest income	177	-	-	57	2,008	493	(20)	2,715
Finance costs	(2,815)	-	-	-	(34)	(3,144)	20	(5,973)
Income tax expense	(5,409)	-	-	-	(1,002)	(3,512)	-	(9,923)
Profit/(loss) for the period	<u>64,112</u>	<u>-</u>	<u>-</u>	<u>4,891</u>	<u>10,208</u>	<u>(5,559)</u>	<u>(60)</u>	<u>73,592</u>
At 31 December 2024 (audited)								
Total assets	<u>2,199,002</u>	<u>-</u>	<u>-</u>	<u>270,817</u>	<u>463,025</u>	<u>502,029</u>	<u>(168,141)</u>	<u>3,266,732</u>
Total liabilities	<u>1,030,141</u>	<u>-</u>	<u>-</u>	<u>21,496</u>	<u>210,558</u>	<u>292,054</u>	<u>(105,711)</u>	<u>1,448,538</u>

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025** (continued)

19 Segment information (continued)

The Group has aggregated its geographical segments into the UAE and overseas. Overseas includes operations in Maldives and Seychelles.

	UAE AED '000	Overseas AED '000	Total AED '000
31 March 2025			
Revenue	452,983	115,301	568,284
Gross Profit	127,685	82,722	210,407
31 March 2024			
Revenue	233,672	94,194	327,866
Gross Profit	85,680	73,205	158,885
31 March 2025			
Non-current assets	3,641,483	1,333,197	4,974,680
31 December 2024			
Non-current assets	1,169,471	1,343,948	2,513,419

20 Seasonality of results

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

21 Fair value of financial instruments

The Company'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).

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (continued)**

21 Fair value of financial instruments (continued)

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
31 March 2025 (Unaudited)				
Financial assets at fair value through profit or loss	24,033	15,513	-	39,546
	<u>24,033</u>	<u>15,513</u>	<u>-</u>	<u>39,546</u>
31 December 2024 (Audited)				
Financial assets at fair value through profit or loss	-	14,203	-	14,203
	<u>-</u>	<u>14,203</u>	<u>-</u>	<u>14,203</u>

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.

22 Contingencies and commitments

Contingencies

Bank guarantees

At 31 March 2025, the Company had outstanding contingent liabilities in respect of letters of guarantee of AED 74.1 million (31 December 2024: AED 44.6 million).

Capital commitments

At 31 March 2025, the Company had estimated commitments for other hotel renovation of AED 35.7 million (31 December 2024: AED 38.8 million).

23 Board of Directors remuneration

For the year ended 31 December 2024, the remuneration of the Board of Directors amounting to AED 2.5 million was approved in the Annual General Meeting held on 17 April 2025 (31 December 2024: remuneration of the Board of Directors for the year ended 31 December 2023 amounting to AED 2.5 million was approved in the Annual General Meeting held on 17 April 2024).

24 Taxation

The Group recognised income tax expense for the interim period based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year that would be applicable to the expected total annual earnings, adjusted for certain items fully applicable to the interim period, if needed, to profit or loss before tax. Effective 1 January 2024, the Group operations in UAE are subject to income tax.

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025** (continued)

24 Taxation (continued)

The UAE Ministry of Finance (MoF) released Domestic Minimum Top-up Tax (DMTT), in line with the Pillar Two OECD Global Anti-Base Erosion (“GloBE”) Model Rules. As at reporting date, DMTT has been substantially enacted and will be effective in the UAE for financial years starting on or after 1 January 2025. DMTT of 15% will apply to multinational enterprises operating in the UAE with consolidated global revenues of EUR 750 million or more in at least two out of the four financial years immediately preceding the financial year in which the DMTT applies.

The estimated average annual effective tax rate (ETR) used relating to UAE operations for the period ended 31 March 2025 is 5.6%. The lower ETR than headline tax rate of 15% is due to the gain on bargain purchase recognised on the acquisition of business (Note 1) during the period.

For the period ended 31 March 2025, the Group has applied the IASB amendment to IAS 12 *Income Taxes*, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

	Three-month period ended 31 March	
	2025	2024
	(unaudited)	(unaudited)
	AED ‘000	AED ‘000
Current tax expense	16,285	10,188
Deferred tax income	(767)	(265)
	15,518	9,923

a. Deferred tax asset

	31 March 2025	31 December 2024
	(unaudited)	(audited)
	AED ‘000	AED ‘000
At 1 January	10,666	9,814
Deferred tax expense during the period/year	232	852
Balance at the end of the period/year	10,898	10,666

b. Deferred tax liabilities

	31 March 2025	31 December 2024
	(unaudited)	(audited)
	AED ‘000	AED ‘000
At 1 January	-	-
Recognised as part of business combination (Note 1)	14,900	-
Deferred tax income during the period/year	(535)	-
Balance at the end of the period/year	14,365	-

**Notes to the condensed consolidated financial statements
for the three-month period ended 31 March 2025 (continued)**

25 Approval of condensed consolidated financial statements

These condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 1 May 2025.