



Integrated Report 2023

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1.0 Management Discussion & Analysis Report

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Financial Highlights

IHC Key Figures as of 31 December 2023

Total Assets

264.3
Billion

+15.9% increase¹

Revenue

60.1
Billion

+17.9% growth¹

Profit After Tax

32.95
Billion

+1.2% increase¹

Net Profit Margin

54.8%

63.9% in FY22

Net Debt

14.5
Billion

2.7bn as at Dec-22

Cash & Bank Balance

33.9
Billion

8.9% decrease²

Total Debt

48.4
Billion

+21.3% increase²

Earnings Per Share

12.55

+84.3% increase¹

Return on Assets

13.4%

20.5% in FY22

Return on Equity³

33.8%

26.6% in FY22

Total Liabilities

107.5
Billion

+9.0% increase²

Quick Ratio

2.2x

2.2x as at Dec-22

Total Equity

156.7
Billion

+21.2% growth²

Note: Figures in AED

1: FY23 vs. FY22

2: Dec-23 vs Dec-22

3: Owner's Profit over average Owner's equity as of Dec-23 and Dec-22



Tahnoon bin Zayed Al Nahyan
Chairman, International Holding Company

1.1

Chairman's Message

Reflecting on 2023, International Holding Company (IHC) has steered a course of transformative growth and global impact. A key enabler of IHC's sustained growth has been the partnerships we have forged, both within the UAE and internationally. The diverse nature of our portfolio has allowed us to navigate economic challenges, with flexibility at our core. IHC's commitment to deepening international ties aligns with our overarching goal – to contribute significantly to the UAE's burgeoning recognition as an international financial center, an innovation hub, and a flourishing business environment.

The trust bestowed upon us by our shareholders is our most valued asset. It drives our ambitions and inspires us to deliver sustained, long-term value. Our strategic initiatives and growth have fuelled a stellar Earnings per Share of AED 12.55, representing nearly a 2x growth in the past year. In tandem with increased profitability and the fortification of our balance sheets, IHC's total assets have risen to an impressive AED 264.3 Billion.

The UAE has demonstrated a strong commitment to sustainability, particularly through the extension of the 'Year of Sustainability' into 2024. At COP28, our subsidiaries not only showcased our commitment to climate change solutions, but also forged pivotal partnerships that mark a significant step towards our vision of a greener future.

Our early planning has positioned us well to embrace the next frontier of innovation. Artificial Intelligence (AI) is already transforming IHC's operations exponentially, enriching our

daily activities and streamlining processes. Coupled with our advances in technology and climate finance, AI will propel us toward a future where IHC sustains growth across diverse industries and generates enduring value. Our unwavering commitment to sustainability, robust partnerships, and shareholder trust continues to be the cornerstone of our success.

I wish to express our appreciation to the shareholders and our partners for their unwavering backing, and I commend the dedication of IHC team. Together we embark on a journey shaping a brighter, more sustainable future.

Looking forward, the Board remains steadfast in its pledge to advance the company's future strategies, ensuring a trajectory of sustainable growth and resilience. This collective commitment fortifies our confidence that, together, we will continue to shape a future of enduring prosperity for International Holding Company.

Tahnoon bin Zayed Al Nahyan
Chairman

1.2

Board of Directors



Dr. Mhd Somar Ajalyaqin

Vice Chairman,
Independent/
Non-Executive

Chairman – Nomination &
Remuneration Committee

Vice Chairman – Audit
Committee

Dr. Mhd Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020, bringing to the company almost two decades of exemplary business experience in a multitude of advisory roles in the UAE. He is also Chairman of Ghitha Holding PJSC, an IHC subsidiary.

Dr. Ajalyaqin's solid corporate knowledge and expertise focuses on merger and acquisition strategies and the tactical growth of companies, integral to the successful overall performance of IHC.

He holds a degree in DAA from Syria, and during his tenure at IHC, he has been instrumental at Board level in all matters relating to business acquisitions and dynamic investment opportunities.



Mr. Syed Basar Shueb

Board Member,
Chief Executive Officer
& Managing Director

Chairman – Follow-up &
Insiders Transaction
Supervision Committee

Syed Basar Shueb has been CEO, Managing Director and a member of the Board of Directors of IHC since July, 2019. Alongside his tenure at IHC, Syed Basar has held the position of Group CEO of the Pal Group of Companies since 2000 and holds leadership positions on several other high-profile companies, including Reem Finance PJSC, Chimera Investments, and Keyhole TIG (K-TIG) Limited, and is one of the key players in the UAE's utilities services sector through PAL District Cooling.

In addition to being Vice Chairman of Alpha Dhabi Holding (ADH), Syed Basar was elected to the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry, besides his Board membership in Invictus Investment PLC.

An accomplished and respected senior executive, he has substantial and diversified experience in the processing, manufacturing, construction, finance and service industries, and was listed in the Top 10 Middle East's CEOs by Forbes in 2023; Basar is known to be a decisive and pragmatic leader, and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines. He has played an integral part in IHC continually being in the top performers of the Abu Dhabi Bourse's listed companies.



Ms. Sofia Abdellatif Lasky

Board Member,
Independent/
Non-Executive

Chairwoman of Audit
Committee

Vice Chairwoman -
Nomination & Remuneration
Committee

Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 19-year tenure at Royal Group.

She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.

She holds a bachelor's degree in management information technology from the United Kingdom and has held and continues to occupy a position on the Board of Directors of a number of companies, including Alpha Dhabi Holding (ADH), Aldar Properties and National Corporation for Tourism and Hotels. Sofia has also served as a Board Member of Macquarie Capital Middle East LLC.



Mr. Mohammed Nasser Al Shamsi

Board Member,
Independent/
Non-Executive

Member – Audit Committee

Member - Nomination &
Remuneration Committee

Member - Follow-up
&W Insiders Transaction
Supervision Committee

Mohammed Nasser Al Shamsi was appointed as Board member of IHC in April 2020. Mohammed is an International Affairs Specialist at Presidential Level in the UAE Ministry of Presidential Affairs. His role involves managing the strategic relationships with foreign governments, diplomatic missions and international institutions.

Mohammed holds a bachelor's degree in Business Management from the United Arab Emirates

University and began his professional career in 2010 at Abu Dhabi Police. There, he held several posts and played an active role in international relations.

Mohammed is also a Board Member of the Abu Dhabi Stem Cell Centre, Rabdan Petroleum Trading and TALC Investments.



Mr. Syed Basar Shueb

CEO & Managing Director,
International Holding Company

1.3

CEO's Message

In 2023, IHC charted a course of remarkable growth, recognising record net profits of AED 32.95 billion, underpinned by our unwavering commitment to operational excellence, sustainability, and strong financial performance.

The resounding performance by the portfolio propelled us to new heights, in the realms of Real Estate & Construction and Marine Dredging, we celebrated record sales, that contributed to an expansion that, along with major regional and international investments, led to a 17.9% increase in revenue, reaching AED 60.1 billion.

Our strategic vision ignited a foray into new industry sectors, with an objective in Asset Management, of harnessing our expertise; in Luxury Hospitality, of setting global benchmarks for guest loyalty, and in Financial Services, of enhancing client offerings that unlock improved financial outcomes. The Group embraced the transformative power of Artificial Intelligence and Technology, revealing enhanced operations across teams, and revealed unprecedented financial opportunities, all paving our own path for innovation and progress.

At the core of an extraordinary year of financial growth was the tireless dedication and effort of our 155,000+ workforce. In 2023, and looking forward to next year, we redoubled our commitment to creating supportive work environments that nurture professional and holistic employee wellness – which continues to remain at the center of the Group's ethos.

In 2023, UAE's 'Year of Sustainability,' we inaugurated the ProSeed Sustainability Hub, which advanced our ESG framework and culminated in a successful multi-sectoral

exhibition at COP28. The intrapreneurial spirit of our business leaders, inspired the creation of new subsidiaries like Sirius International Holding and S3, targeting critical areas of industrial digital transformation and the climate economy focusing on - Methane, Carbon, Circularity, and Water Efficiency. Moreover, our portfolio of companies in Healthcare, Mobility, and Real Estate, all committed to achieving Net Zero by 2050.

I extend my gratitude to our Executive and partner employees for their unwavering support. I applaud the dedication of our teams, whose collective efforts have propelled IHC's performance to new heights. We forge ahead, together with purposeful action for shaping a better future that propels IHC to new heights.

As we navigate the future, our focus sharpens on driving sustainable growth through the development of large intrapreneurial projects, capitalizing on ecosystem synergies, and expanding into new geographies and sectors. Anchored by our commitment to prudent financial management, and operational governance, IHC is poised to enhance our global presence and deliver stronger financial returns.

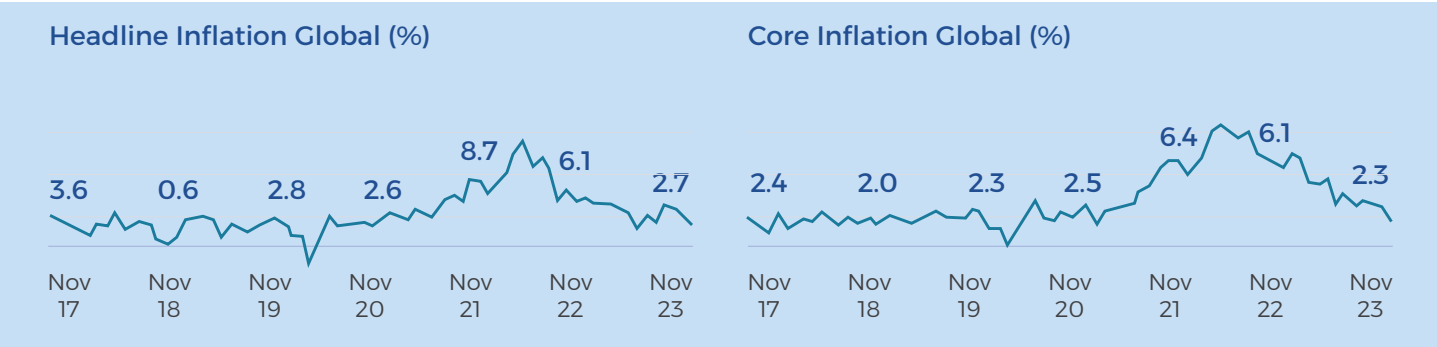
Mr. Syed Basar Shueb
CEO & Managing Director

1.4 Economic Outlook

Global Resilience Amidst Challenges in 2023

The global economy has displayed resilience in its recovery from the COVID-19 pandemic, Ukraine- Russia conflict and the cost- of- living crisis. Inflation has been declining faster than anticipated since its peak in 2022, with a less severe impact on unemployment and economic activity, which can be attributable to favorable developments on the supply-side and tightening policies implemented by the central bank, to ensure inflation expectations remain stable. However, the persistence of high interest rates to combat inflation and the reduction of fiscal support due to increasing debt levels are expected to exert a dampening effect on the growth in 2024.

Major economies have been demonstrating resilience in their growth trajectories, surpassing expectations in the latter half of 2023. The United States, along with several significant emerging market and developing economies, experienced stronger-than-anticipated economic growth. This growth was fueled by a combination of government and private spending, supported by real disposable income increases that bolstered consumption. The positive momentum was not universal, as the Euro area witnessed a subdued growth, which can be attributed to factors such as weak consumer sentiment, persistent effects of high energy prices, and vulnerabilities in interest-rate-sensitive sectors like manufacturing and business investment.

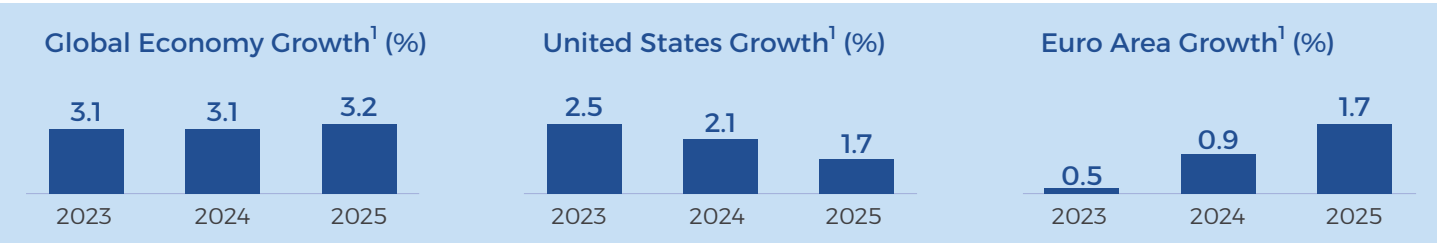


Owing to favorable trends in global supply, inflation has been declining more rapidly than expected, with recent monthly figures approaching the pre-pandemic averages for both headline and underlying (core) inflation. To curb inflation, central banks increased policy interest rates to restrictive levels in 2023, which lead to an increase in mortgage expenses, difficulties for businesses in refinancing their debts, constrained credit availability, and slower business and residential investment.

Growth Outlook 2024 and Beyond

In 2024, several advanced, emerging market and developing economies are anticipated to adopt a more restrictive fiscal policy stance. This is aimed at rebuilding fiscal flexibility and curbing the upward debt trajectory.

Global growth was estimated to be at 3.1% in 2023 and is forecasted to remain the same in 2024, with a slight increase to 3.2% in 2025. The forecast for global growth in 2024 and 2025 falls below the historical annual average of 3.8% from 2000 to 2019. This is attributable to the impact of restrictive monetary policies, the withdrawal of fiscal stimulus, and subdued underlying productivity growth. The Euro area is expected to see a recovery in 2024, and a moderation of growth expected in the United States.



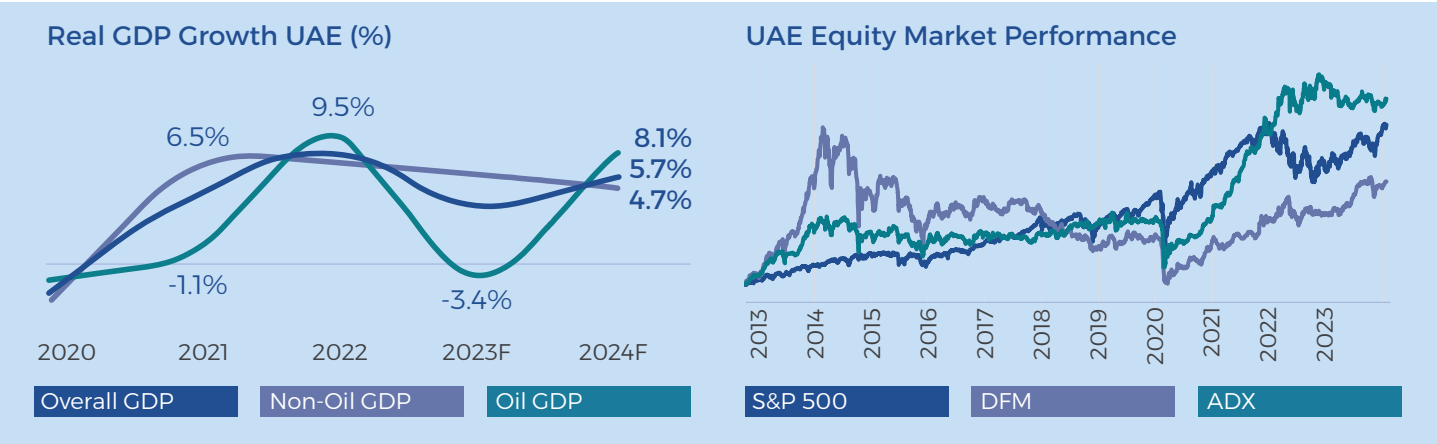
1. Real GDP growth projection % change Source: International Monetary Fund- World Economic Outlook January 2024

Regional Perspective

The UAE economy has sustained its growth momentum on account of strong domestic activity. Ongoing reforms that foster a business-friendly environment along with UAE’s status as a safe haven has consistently attracted foreign capital and labor, which has continued to drive economic growth.

In the second quarter of 2023, the non-oil GDP growth rate in the UAE surged to 7.3% year-on-year, a notable increase from the 4.5% recorded in the preceding quarter. Key sectors such as financial and insurance services, construction, real estate, wholesale, and retail witnessed substantial growth, which lead to a revision in the projected growth rates to 5.9% and 4.7% for 2023 and 2024, respectively.

In the second quarter of 2023, the GDP growth in the UAE’s oil sector experienced a year-on-year decline of 5.1%, compared to a 1.5% year-on-year growth recorded in the first quarter of 2023. This downturn is attributed to the impact of OPEC+ agreements, which lead to a reduction in UAE oil production to an average of 2.9 mn barrels per day during the second quarter. With the anticipated resumption of production in 2024 in accordance with the latest OPEC+ agreement, oil GDP growth is projected to rebound to 8.1% in 2024, corresponding to 3.2 mn barrels per day.



The Central Bank of UAE (CBUAE) has slightly lowered its inflation projection from 2.8% to 2.4% for 2023, reflecting the stronger-than-expected pass-through of the decline in food prices and appreciating AED. This has been partially offset by rising housing prices.

The gradual implementation of the corporate income tax, initiated in June 2023, is expected to contribute to higher non-oil revenue to the government budget. There has also been a notable increase in the number of private sector establishments in 2023 which has increased by 10.5%, compared to 2022, as well as a 9.1% growth in the number of work permits.

Growth Outlook 2024 and Beyond

The Central Bank of UAE (CBUAE) estimates the real GDP growth to rebound to 5.7% in 2024, compared to a slowdown of 3.1% in 2023. The outlook for oil GDP is impacted by OPEC+ agreements, while the non- oil GDP growth is projected to remain strong but gradually decrease.

The projected inflation rate for 2024 is expected to decelerate to 2.1%, representing a downward revision from the previous estimate of 2.6%, in line with global disinflationary trends.

The forecasts for 2023 and 2024 remain uncertain, especially due to the ongoing conflicts in Ukraine and Gaza, faster than expected global growth slowdown, additional OPEC+ cuts or increases in oil production, and subdued oil production of other OPEC+ members.

Source: ADX, DFM, Capital IQ, Bank Audi: UAE Economic Outlook January 2024, Central Bank of UAE Quarterly Economic Review Q3 2023, The National News, IMF

1.5

Our Organization

IHC at a Glance

Overview

One of the fastest-growing publicly-listed holding companies comprising of 600+ subsidiaries, 31 associates and 29 joint ventures with international operating segments and acquisitions in 8 primary business verticals

Strategy

Driven towards continually boosting innovation, sustainability, community development and economic growth throughout the markets in which it operates, via tactical acquisitions of future-ready businesses, whilst maintaining a high level of due diligence

Impact Investing

Business-led investments centered on impacting the world by creating opportunities, and enhancing the well-being of communities, governments and people

8 Business Verticals



Real Estate & Construction



Food & Agriculture



Technology



Financial Services



Marine & Dredging



Healthcare



Utilities



Services & other segments

600+
Subsidiaries

20+
Countries

60
JVs &
Associates

5
Continents



In-sync with 'Abu Dhabi's Economic Vision 2030' and the UAE's 'Next 50' development plans, IHC is participating and contributing to a multitude of industries focused on their future readiness, creativity, resilience and digital transformation.

With a core strategy to enhance shareholder value and achieve growth, IHC drives operational synergies and maximizes cost efficiencies across all verticals - it also continues to evaluate investment opportunities through

direct ownership and entering partnerships in the UAE and abroad. As the world changes and new opportunities arise, IHC remains focused on resilience, innovation, and redefining the marketplace for itself, its clients, and its partners.



1.6

Strategy

Empowering a Diversified Abu Dhabi

IHC was founded in 1998 to diversify and develop the non-oil business sectors in the UAE and has grown to become “the most valuable listed holding company” in the Middle East. Our vision is to stand as testament to propel the region’s non-oil economy to a global stage. The ultimate purpose is to enhance and maximize shareholder value through our strategic planning and core values of growth, performance excellence, and enhancing IHC’s workforce capabilities. We navigate the economic landscape with a clear purpose: to unleash the potential of diverse industries and fuel a future of shared prosperity.

Fueling Growth via Unwavering Commitment

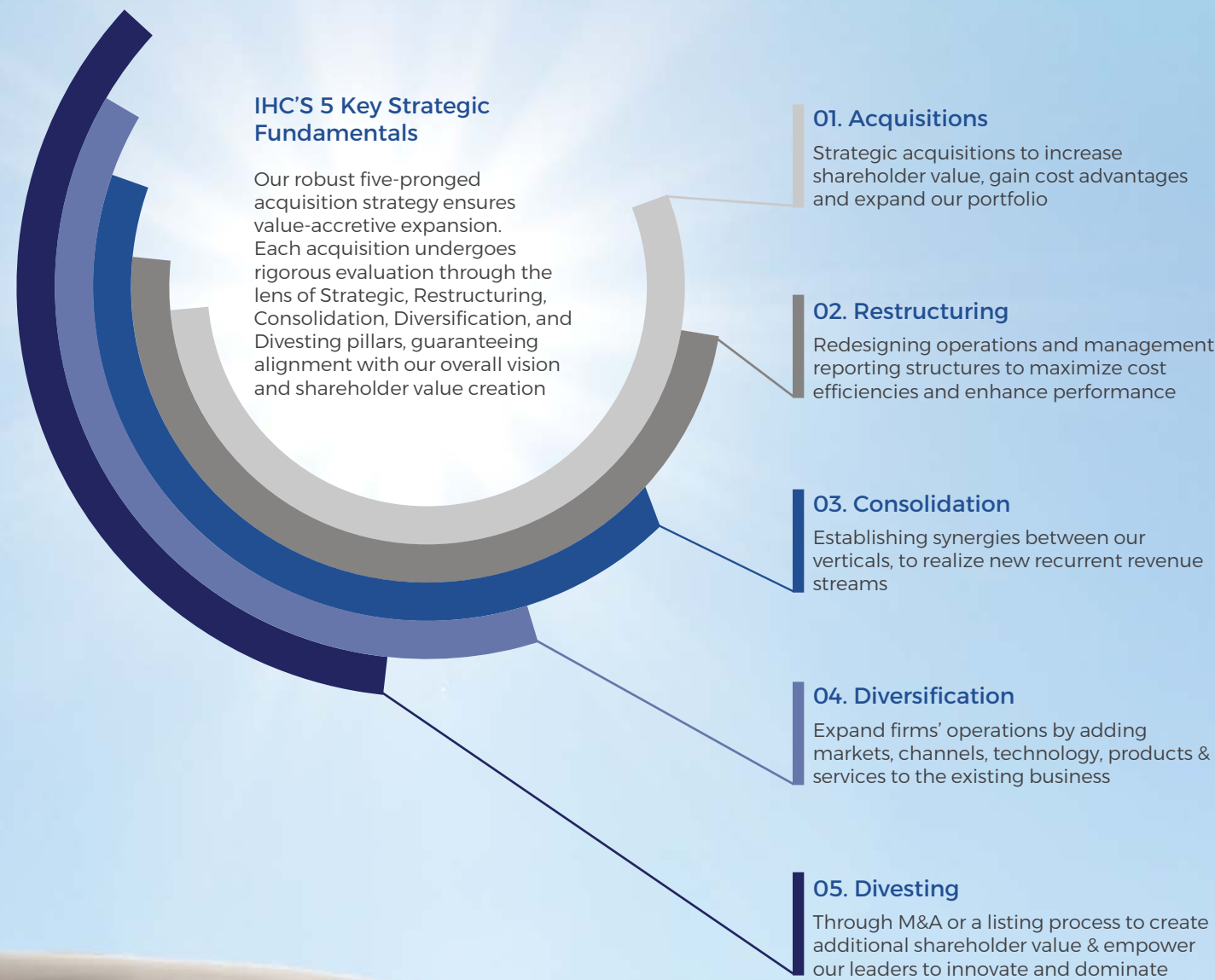
The global economy recovered swiftly in 2023 with relatively strong growth and enhanced returns in capital markets. However, rising global geopolitical issues, predicted slowing down of global annual real GDP are taking a toll on the world economy and stability. Last year, we highlighted the journey undertaken at IHC and for 2024 our focus will be on entrepreneurship and developing new industrial projects across our verticals

- **Building** internal capabilities,
- **Accelerating** business ecosystems,
- **Listing subsidiaries** of the holding group, and
- **Investing** with a global reach.

These were not just the themes for the previous years but part of the mindset and knowledge transfer to our distinctive business unit leaders, to action as part of their growth journey

2020 Accelerating Business Ecosystems	Increased Market Presence • Expanded our verticals • Identified new areas for growth • Created synergistic advantages	Deliver Growth
2021 Listing Subsidiaries of the Holding	New Horizons for Growth and Profitability • Executed ‘divestment via listing’ model • Capitalized listed subsidiaries to diversify and grow • Simplified and streamlined IHC subsidiaries’ structure	Enhance Performance
2022 Investing with a Global Reach	Established Global Reach Across Multiple Sectors • Completing ecosystems across global value chains • Centers of excellence with strong governance structures • Impact investing for social and environmental benefits	Value Addition
2023 Intrapreneurship	Developing and co-creating new projects • Innovating by utilizing emerging technologies • Cross-functional growth to deliver large industrial projects • Expand to emerging sectors (climate-tech, crypto and AI)	Sustained Returns

Strategic Fundamentals



Our Guiding Principles

01. Global Expansion

We forge strategic partnerships, investments, and acquisitions unlocking new markets and fostering collaborations that amplify our impact. From renewable energy projects in Africa to real estate ventures in Europe, with major event infrastructure installed across 9 countries



Arena

esyasoft

PUREHEALTH+

02. Portfolio Optimization

As architects of our own path, IHC has further expanded our portfolio and augmented it across, high-potential sectors like AI & technology, financial services & asset management, and marine and dredging, which we are optimizing to maximize value creation

MDC GROUP

Sirius international holding

03. Intrapreneurial Spirit

IHC believe in the power of human ingenuity, empowering our business units to flourish as independent engines of innovation. Each business sector is challenged and incentivized to embrace new challenges, develop mega-projects and propose ground-breaking solutions

Smart Sustainability Solutions

OXINUS HOLDINGS

apeiro

04. Operational Excellence

IHC has always relentlessly pursued operational excellence within existing businesses, by nurturing collaboration and through completing business ecosystems. These extend right from Real Estate services, Food, Agriculture and Beverage and even Construction

غيثاء Ghitha

ESG EMIRATES STALLION GROUP

TROJAN

05. Sustainability Champion

IHC launched Proseed as the beacon of sustainability for the Group. Proseed served as a center of excellence in sustainability, to showcase the Group's efforts, while serving as a launchpad for innovation and collaboration in sustainability

pro|seed
Sustainability by IHC

COP28UAE
Climate Supporter

Sustainability

Sustainability Showcases

The Group showcased a multi-sub subsidiary approach at COP28, hosted by the UAE. The outcomes at COP28 represented a 19-sub subsidiary showcase, across 3 Hubs of Energy Transition, Healthcare and Technology and Innovation. Over the course of 12 days, IHC, at its stand announced, 20 partnerships, initiatives, investments across green finance initiatives, carbon capture solutions, mobility, event infrastructure, natural resources and wildlife and a commitment to circular economy principles providing a testament to our unwavering dedication to safeguarding the planet for future generations.



EV Infrastructure

Easylease expanded into the EV Market with provision of EV Charging Stations & e-bikes

Methane Abatement

S3 will aim at USD 5 bn financing towards methane monitoring, abatement and carbon capture technologies

Financial Services

Wio Bank integrated the Mastercard Carbon Calculator into its mobile application, setting a new standard for sustainable banking practices

Today, IHC's portfolio boasts 33% of the UAE's companies that have set and announced their Science Based Targets initiatives (SBTi) which will drive ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.



Accelerating Net-Zero Targets of the Group



Accelerated our ESG Framework, looking at responsible asset ownership and responsible investing



SBTi based Net Zero 2050, highest ESG rating in MENA region in Real Estate and Construction



SBTi based Net Zero 2040, leading climate action in Healthcare



SBTi based Net Zero 2050, 50% reduction in emissions by 2030



1.7 Portfolio Overview

Building on Momentum

IHC's effective execution of its growth strategy has seen its subsidiaries increase from 482 to 600+, equivalent to a 24.48% increase in 2023. Under the guidance of the Group's leadership, IHC aims to continue its drive for growth via acquisitions, joint ventures, and organic growth, expanding our footprint and claiming new frontiers.

A Diversified Holding of Listed Entities

Today, IHC stands as the region's largest listed holding company, with a market cap of AED 876.5 Bn. At IHC, we prioritize achieving strong financial performance, reflected in our consistent revenue and profit growth over the past years. Our objective to create further value through the 'divesting via the listing model' of eight direct subsidiaries has provided impetus to this value generation, while also providing additional incentive for our privately held subsidiaries to surpass their strategic and financial goals. IHC's eight listed, direct subsidiaries have further invested in other listed companies, creating a diversified portfolio which mitigates risk and captures growth opportunities in different segments of the economy.



ALPHA DHABI

Fast growing portfolio in construction, industries, healthcare, hospitality, etc.



MULTIPLY GROUP

Investor in transformative cash generating businesses across the globe



Q HOLDING

Fully integrated real estate developer with a mission to create high-quality lifestyle focused communities



GHITHA HOLDING

An eminent foodstuff trading, manufacturing and distribution firm in the UAE



AL SEER MARINE

Leading maritime, manufacturing, commercial and technical management company in the Arabian maritime region



PALMS SPORTS

Top-tier provider for sports training programs and schools in the UAE and the largest Jiu-Jitsu company in the world



EMIRATES STALLIONS GROUP

Strategically formed group of companies spanning investments, construction management and real estate sectors



EASYLEASE

The first of its kind 360-degree integrated mobility solutions provider

Portfolio Overview continued

IHC Subsidiaries and Associates Portfolio

In addition to our holdings in listed subsidiaries, IHC’s portfolio includes privately held, operating assets and holdings across market sectors of: Emerging Technologies, Digital Solutions, Climate Solutions, Leisure, IT, Financial Services, Insurance, Food Production and Distribution. IHC is aimed at supporting strategic acquisitions and consolidations within this segment along with further diversification to drive shareholder returns.



Funds and Public Markets

IHC has maintained a multi-pronged approach to positions us as a dynamic investor and value creator. Our strategy to diversify our portfolio couples with our intent to integrate businesses to work as business ecosystems has propelled our growth trajectory and thereby maximizing returns for all stakeholders.

By investing in diverse, globally, and locally listed securities, IHC gains exposure to a wider range of markets, and asset classes. This diversification mitigates risk and unlocks unique growth opportunities across geographic boundaries and creates new strategic opportunities. The portfolio ranged from investments in Adani Enterprises and local AI & Crypto companies to the first SPAC of the region in ADC, by Chimera Investments, which acquired the security printing E7 Group



Investments in Funds and asset management will be IHC’s key focus areas for growth. IHC has invested into regional global funds, which invests and manages in various asset classes globally, ranging from venture capital and growth to microfinancing, climate-tech and public market credits. In 2024, the subsidiary, Lunate, will manage Alterra’s USD 30bn fund for climate-tech.



Portfolio Overview continued

Other Key Subsidiaries & Associates



Listed on ADX, APEX is an integrated operator of diverse businesses and investments with an acute focus on Facility Management, Catering, Temporary Structures and Investments



شركة الامارات ريم للاستثمار (مساهمة عامة)
Emirates Reem Investments Company P.J.S.C



Emirates Refreshments Co. is involved in the bottling, distribution, and trading of mineral water, carbonated soft drinks, soft drinks and juices.



Emircom is a market leader in ICT in the Middle East and is a leading partner to many heavyweights in the ICT segment, most notably Cisco & Dell to deliver bespoke solutions tailored to each client's unique needs.



International Securities is a brokerage firm based in Abu Dhabi, regulated by SCA, specializing in equities and derivatives trading on ADX, DFM, and Nasdaq Dubai.



Arena brings temporary environments to life by designing and building spaces that make a lasting impression. The Group provides services in 11 countries globally.



Cine Royal Cinema is a chain of Cineplex with 41 screens across four locations and is the first Cineplex to bring 3D Technology to cinemas in Abu Dhabi.

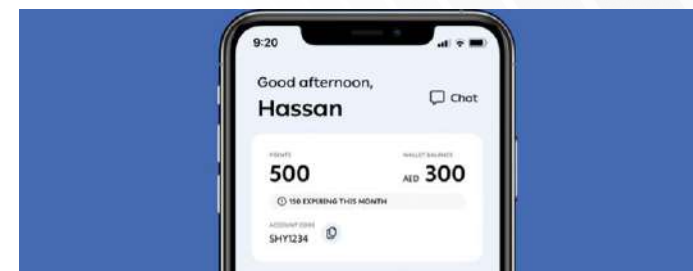
Portfolio Overview continued



Reset is an energy service company (ESCO) that provides turnkey energy and water saving solutions communities through energy performance contracts



Established in 2010, Royal Technology Solutions is a leading system integrator & IT service provider in the Middle East.



Shory is an insurtech company that uses technology to make insurance easier. Shory simplifies the insurance experience, empowers with real-time insights, and guides at every stage of the insurance journey.

1.8

Key Developments

Summary

Acquisitions & Investments



IPO



Summary continued

Joint Ventures

In March 2023, we announced our intention to create a multi-asset class investment manager, a joint venture between IHC and ADQ. The newly created investment manager will bring the best of both companies, leveraging their expertise and experience to provide a wider range of investment opportunities, including Private Equity, Venture Capital, Credit and Public Equities, and access to a more extensive network of industry experts



In March 2023, as a result of amendments in certain clauses to the shareholders agreement, the Group gave up control over Pure Health Holding LLC and its subsidiaries, after which, Pure Health was deconsolidated and recorded as investment in joint venture



IPO

In December 2023, Pure Health Holding LLC, a subsidiary of Alpha Dhabi Holding PJSC proceeded with an initial public offering and listed it shares on the Abu Dhabi Securities Exchange. The company set a price of AED 3.26 per share with an offering size of 1.11bn ordinary shares, equivalent to 10% of its total issued share capital



In February 2023, the Group invested USD 50m (AED 184m) in ADNOC Gas' initial public offering as a cornerstone investor



In March 2023, the Group invested in the initial public offering of Presight AI Holding PLC (a G42 company) with an investment of AED 1.1bn securing a 15% stake as a cornerstone investor. The move comes as part of IHC's long-term strategy to grow its capacity in the tech industry across different sectors as it continues to scale up its information technology businesses



IHC's wholly owned unit, International Tech Group, entered into a definitive agreement to buy 10% stake in Phoenix Group.



Acquisitions

Palms Sports PJSC, acquired 100% equity interest in Securiguard Middle East LLC ("Securiguard") for a consideration of AED 300m. Securiguard is involved in the provision of security guards and cleaning services



Multiply Group PJSC acquired a 60% equity interest in 247 Media Holding Ltd. ("Media 247") for a consideration of AED 261m. 247 Media is a specialized outdoor media solution provider in the United Arab Emirates



Multiply Group PJSC acquired control over LVL Technology Holding, through the acquisition of an additional ownership interest of 33% (cumulative ownership of 49.38%) for a total consideration of AED 40m



Aldar Education acquired 100% equity interest in Virginia International Private School for AED 211m. Additionally, it acquired a 100% equity interest in Kent College LLC and Kent Nursery LLC for a consideration of AED 120m



Emirates Stallions Group, a subsidiary of IHC, acquired 23.91% shareholding in Kizad Communities Development and Services Company LLC for an in-kind consideration, being the 50% ownership in Al Eskan Al Jamae LLC effective 1 April 2023. Kizad Communities provides end-to-end solutions for staff accommodation including new developments, services and property management solutions.



Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 51% equity interest in ADMO Lifestyle Holding Limited ("ADMO") for a consideration of AED 716.5m effective 1 May 2023. ADMO is an Abu Dhabi based company, engaged in hotel and restaurant management. ADMO, an entity owned by Alpha Dhabi and Monterock International, has set a vision to further fortify the Nammos World brand with the launch of Nammos Hotels and Resorts.



Alpha Dhabi Holding, a subsidiary of IHC, announced on 11 May 2023 that they had acquired a 36.4% stake National Corporation for Tourism and Hotels ("NCTH") for a consideration of AED 730m. NCTH is an ADX-listed owner, operator and manager of hotels in Abu Dhabi.



Acquisitions continued

Aldar Properties PJSC, a subsidiary of IHC, acquired a 75% equity interest in Basatin Holding SPV Ltd. ("Basatin") for a consideration of AED 138.8m on 28 May 2023. Basatin is an Abu Dhabi based contracting company providing landscaping related services.



IHC announced on 01 January 2023 the acquisition of a 55% majority stake in Reach Employment Services in AED 315.1m transaction, one of the largest market leaders for employees' recruitment and outsourcing, serving a diverse range of government and private organizations



ESG Companies Management – Sole Proprietorship LLC, a subsidiary of IHC acquired 100% shares in Tri Star Investment L.L.C, for a consideration of AED 250m. Tri Star holds 50% of Al Eskan Al Jamae, a key provider of staff housing services in the UAE. Al Eskan merged with KEZAD Communities, providing ESG with 22.5% in KEZAD Communities.



ESG Capital Holding LLC, a subsidiary, acquired an additional 10% interest in Progressive Real Estate Development LLC ("PRED"), previously a jointly controlled entity, for nil consideration, increasing the Group's ownership to 80% effective 1 January 2023. On the same day, as a result of amendments to the Memorandum of Association, the Group obtained control over PRED.



Aldar Properties PJSC, a subsidiary, acquired a 75% interest in Mustard and Linen Interior Design Holdings Limited for a consideration of AED 25m effective 14 February 2023. Mustard and Linen is a limited company, registered in Abu Dhabi, and is engaged in interior design related works.



Oxinus Holding Limited, a subsidiary of Sirius Holding, acquired a 100% interest in Spotlightpos Limited for a consideration of AED 8.4m on, 1 March 2023. Spotlight is a limited company, registered in Cyprus, and is engaged in information technology and software related services.



Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Fisio Therapy and Rehabilitation Center LLC for a consideration of AED 1 thousand on 2 March 2023. Fisio is a limited liability company, registered in Dubai, and is a physical medicine and rehabilitation center and physiotherapy center.



Acquisitions continued

Aldar Estates Holding Limited ("Aldar Estates"), a subsidiary, acquired a 100% equity interest in Eltizam Asset Management Estate - Sole Proprietorship LLC ("Eltizam"), a real estate lease and management services company, for consideration of AED 1bn, effective 1 July



Century Human Resources and Logistics LLC OPC, a subsidiary, acquired 51% equity interest in United International Group for Manpower Services LLC ("UIG") for a consideration of AED 43m, effective 1 October



Aldar Estate Holding Limited, a subsidiary, acquired a 100% equity interest in FAB Properties - Sole Proprietorship LLC ("FAB Properties"), engaged in real estate lease and management services, for a consideration of AED 335m, effective 1 December



Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Ripe Exhibition Organizer Co. LLC ("Ripe"), an event management company, for consideration of AED 32m, effective 1 November



Aldar Development LSQ Limited, a subsidiary, acquired a 100% equity interest in London Square Developments (Holdings) Limited and LSQ Management Limited ("London Square"), both real estate companies, for consideration of AED 498m, effective 30 November



CMC Holding LLC, a subsidiary, acquired a 70% equity interest in Sky Light Corporate Management LLC ("Sky Light"), specialized in dental clinic, manufacturing of customized dental products, and trading of imported dental products, for a consideration of AED 70m, effective 31 December



Sirius International Holding Limited, a subsidiary, acquired a 100% equity interest in Guardtime SA ("Guardtime"), engaged in development of blockchain protocols and applications, for consideration of AED 69m, effective 31 December



Investments and Other Developments

Easy Lease Motor Cycle Rental PJSC has successfully acquired 60% of Fully Charged in October 2023, one of the leading companies in the manufacture, supply, and installation of advanced electric chargers for various types of electric vehicles.



Al Seer Marine and National Marine Dredging Company made a cornerstone investment of AED 257m and AED 220m, respectively in ADNOC Logistics & Services in May 2023, Abu Dhabi based integrated shipping and logistics company that offers a wide variety of services including construction of vessels, tankers, unmanned systems development, and manufacturing



Q Holding PSC received an offer from ADQ Real Estate and Hospitality Investments LLC and IHC Capital Holding LLC to combine Modon Properties, ADNEC and other assets within Q Holding



NMDC Energy awarded an LOA from ADNOC Gas - project includes maximizing Ethane recovery and monetization, it has a total value of AED 13.1bn. Additionally, NMDC Energy signed a contract for the offshore package of the Hail & Gasha Development Project with ADNOC with a total value of AED 30bn



Al Seer Marine received VLGC North Gas, increasing its fleet size to 20. Al Seer Marine's VLGC was obtained under an AED 495m deal by ABGC DMCC. The company's vessel fleet grew from 12 to 20 in the last 12 months



Sirius International Holding, a subsidiary of IHC, announces the establishment of Smart Sustainability Solutions (S3) in November 2023, a pioneering climate change company, focused on offering end-to-end industrial scale solutions for the transition to a net-zero economy. The company aims to address developing nations, fostering global corporation in the pursuit of low carbon development



Palms Sports, secured two substantial contracts with major UAE government entities, totaling to AED 76m in December 2023. The total value of agreements signed by Palm sports in 2023 amounts to an impressive AED 807m



1.9

Financial Results

Income Statement

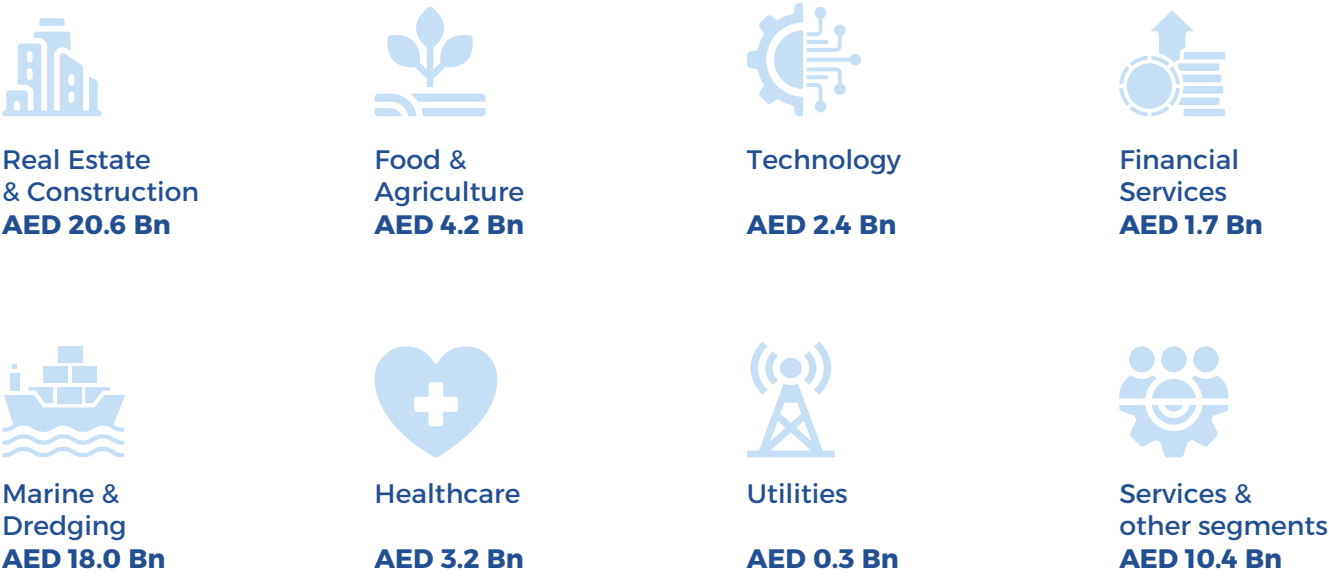
Financial Performance

IHC reported outstanding performance in 2023 demonstrating resilience, adaptability, and commitment to excellence.

IHC reported double-digit revenue growth of 17.9% and maintained a healthy profit after tax of AED 32.95bn. Our disciplined cost management, prudent financial decision-making, and effective risk mitigation strategies contributed to this resilience. By balancing revenue growth and cost containment, we ensured sustained profitability.

Delivering on our commitment to enhance shareholder value, our Profit After Tax attributable to Owners experienced a remarkable increase of 117.5% (AED 27.52bn in FY23 vs AED 12.65bn in FY22).

Revenue by segment



Income Statement Highlights



Income Statement Analysis:

- Revenue increased by 17.9% in FY23 driven by positive performance in key segments including:**
- Marine & Dredging segment contributed 30% of total revenue, growing 50%, on account of new projects like; Al Hudayriyat Island project,, Hail & Gasha, and Umm Shaif in the UAE, as well as a long-term agreements with ARAMCO
 - The Real Estate segment (which contributes 34% of total revenue) displayed record sales, realized by Aldar, strong performance across the recurring income portfolio and new construction projects, resulted in a 41.6% YoY revenue growth



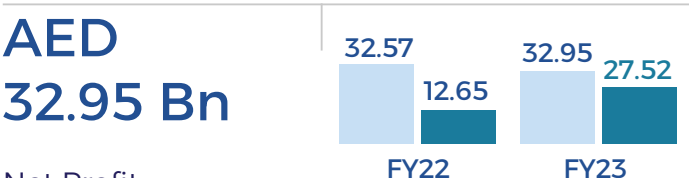
- Gross Profit increased by 11.7% in FY23, whereas overall margins remained stable at 22%, mainly due to the de-recognition of Pure Health from subsidiary to associate (healthcare segment contributed 43% of gross profit in FY22 with 37% margin, vs 6% contribution in FY23 and 23% margin)
- Our Real Estate segment witnessed a substantial gross margin expansion from 14% in FY22 to 25% driven by recent acquisitions, active asset management, and strong operational performance across the business



- Despite the double-digit revenue growth and significant acquisitions during the year, our SG&A expenses decreased by 18% in FY23. The reduction in SG&A expenses is primarily due to the de-recognition of Pure Health and disciplined cost management



- IHC reported a 6.6% increase in EBIT in FY23. Our portfolio management and prudent decision-making allowed us to recognize substantial earnings across our portfolio categories. Notably, a fair value gain of AED 12.2bn on our acquisition of 49% stake in Modon Properties PJSC and AED 8.8bn on the de-recognition of Pure Health from subsidiary to investment in Joint Venture



- Despite our focus on growth in emerging sectors, we maintained a strong net profit for the year of AED32.95bn. This translated to earnings per share of AED 12.55 per share compared to AED 6.81 in FY22 (84.3% YoY growth)
- Delivering on our commitment to enhance shareholder value, our Profit After Tax attributable to Owners experienced a remarkable increase of 118% in FY23 driven by a successful portfolio rebalancing strategy

Balance Sheet

Key Highlights:

IHC’s overarching goal in its approach to dynamic portfolio management is maximizing shareholder returns while maintaining its healthy balance sheet structure.

IHC reported a remarkable growth of 15.9% in its total assets base. The expansion of our assets reflects the synergies derived from our growing portfolio and key partnerships across our diversified verticals. The food and real estate & construction segments witnessed a notable expansion in their asset base.

Total Equity increased by 21.2%, whereas owner’s equity reported an impressive 40.3% growth in December 2023, a testament of our on-going commitment to enhancing shareholder value.

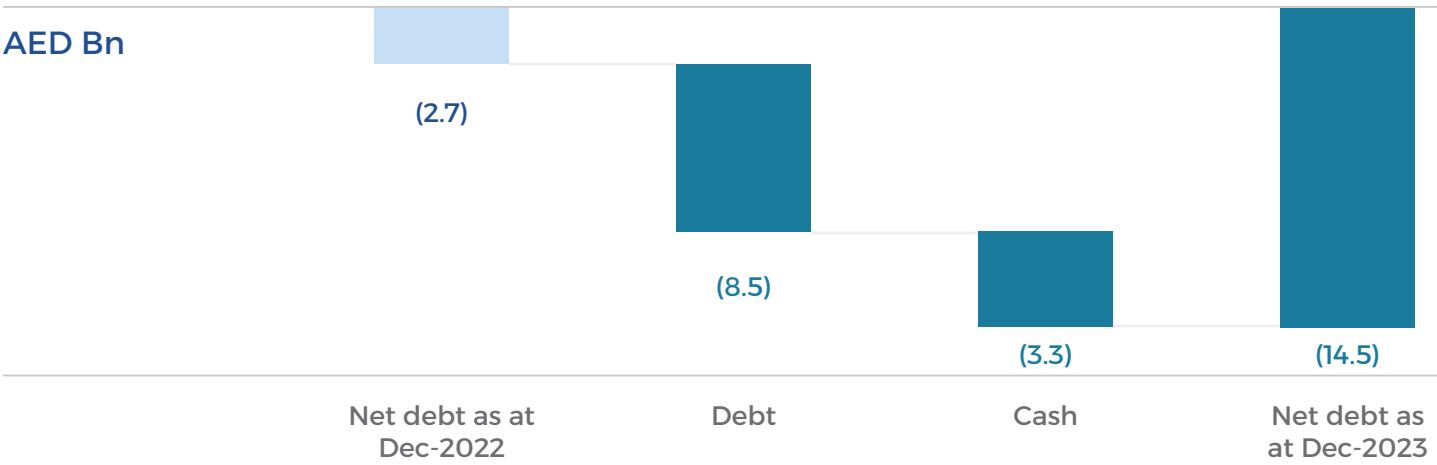
AEDm	Dec-22	Dec-23	YoY %
Total Assets	228,034	264,275	15.9%
Cash	37,230	33,919	(8.9%)
Total Liabilities	98,670	107,538	9%
Total Debt	39,949	48,438	21.3%
Total Equity	129,364	156,737	21.2%
Owner’s Equity	67,861	95,239	40.3%

ROA 13.4% (vs 20.5 ¹ %)	ROE 33.8% (vs 26.6 ^{1,2} %)	ROCE 18.8% (vs 28.1 ¹ %)	Quick Ratio 2.2x (vs 2.2x ¹)	Debt/Equity 0.3x (vs 0.3x ¹)
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Net Debt Overview:

Total debt increased to AED 48.4bn in December 2023 as compared to AED 39.9bn during the previous year. The increase in debt is mainly due to the increase in net loan drawdowns of AED 6.2bn (drawdowns of AED 18.1bn net of repayments of AED 11.9bn) to fund working capital and investment requirements, AED 914m of loans acquired through business combinations, and AED 5.5bn non-convertible sukuk. During the year, Aldar issued an AED 1.8bn non-convertible sukuk carrying a profit rate of 4.875% due in 2033.

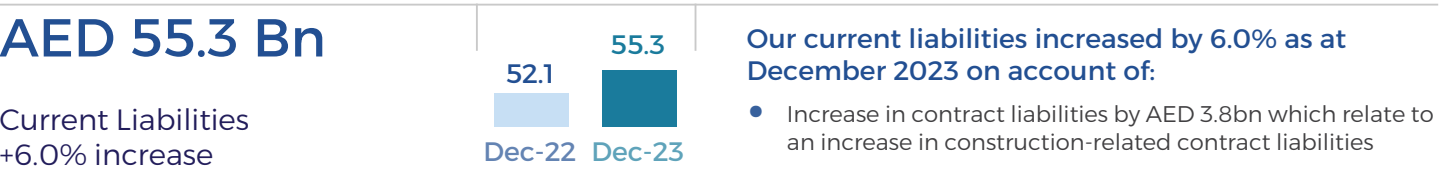
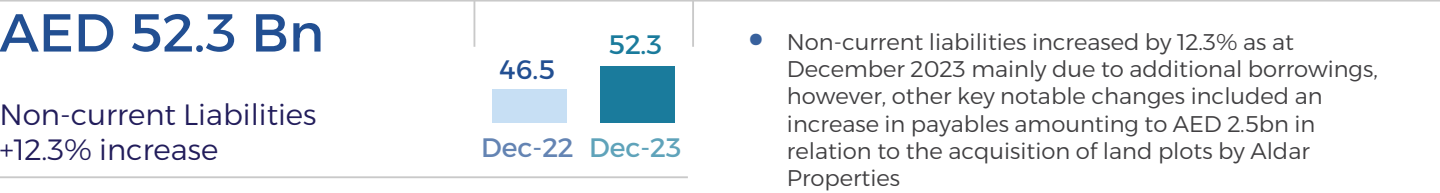
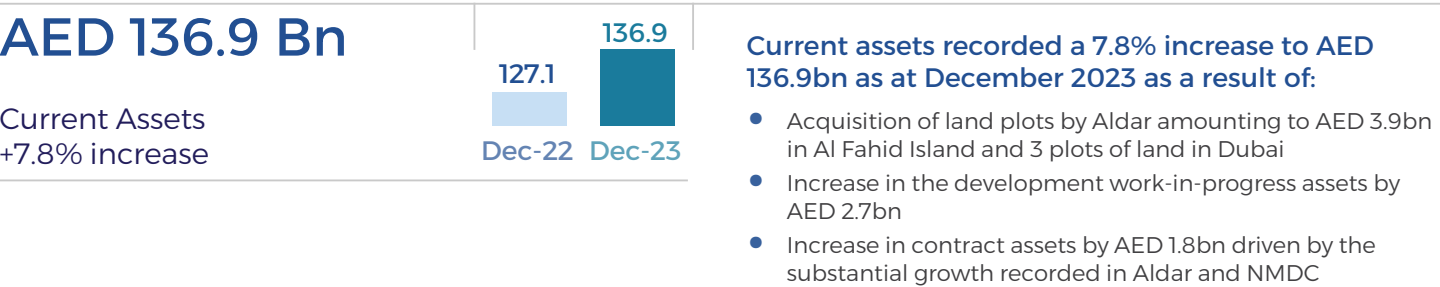
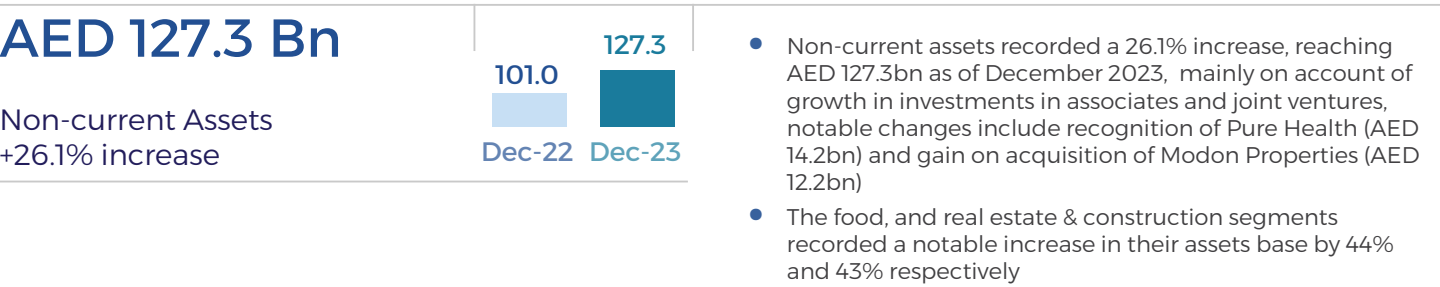
The total debt primarily consists of c. 88.6% in the form of working capital, term loans, and trust receipts, and the remaining 11.4% is in the form of non-convertible sukuks. Overall, the total debt of IHC increased by AED 8.5bn, with the cash position witnessing a marginal decline of AED 3.3bn from AED 37.2bn to AED 33.9bn.



1: Dec-23 vs Dec-22
2: Owner’s Profit After Tax over average Owner’s equity

Balance Sheet continued

Balance Sheet Analysis:



1.10

IHC Beyond The Numbers

Community Initiatives and Events

Employee Wellbeing



IHC Hosted the UAE Women's Cycling Champions

The objective was to host a meet and greet with the champions, encourage the adoption of cycling as a mode of sport and transport and celebrate teamwork and wellness



IHC Partners with LVL Wellbeing for Staff Wellness

IHC launched a new immersive studio and digital wellness offering, designed to prioritize employee wellbeing

Conducted multiple sessions on yoga and meditation for staff during work hours to destress and rejuvenate

Community Initiatives



Bridges of Giving

In response to the "Bridges of Giving" initiative led by Emirates Red Crescent (ERC) to help Syria and Turkey with the widespread damage caused by the recent earthquakes, Eltizam collected more than 1,200 kilograms of donations



Opening of "Proseed"

IHC launched its Sustainability Hub, which will serve as a platform for IHC & its portfolio companies to showcase their ESG efforts

In our hub of sustainability,

A small seed

holds great possibility.

Nurtured with care for the future



Community Initiatives and Events continued

Business Initiatives



COP28

At COP28, IHC presented a multi-subsidary, multi-sectoral approach to climate action, making 12 Key Announcements and having a multitude of panels. S3, launched by IHC subsidiary, Sirius International Holding, is targeting a net-zero economy, aiming to positively impact over 100 million globally



National Dialogue for Climate Ambition

Emirates Driving hosted the 11th National Dialogue for Climate Ambition in partnership with the Ministry of Climate Change and Environment, under the theme "Accelerating the shift: Decarbonizing Ground Mobility"



Sustainable Financing

Proseed conducted a panel discussion and event alongside First Abu Dhabi Bank to introduce Sustainable Financing and the Green Framework to IHC subsidiaries



PureHealth Net Zero

PureHealth is the first healthcare company in the Middle East, Africa and Asia to target Net Zero emissions by 2040, in alignment with Science Based Target Initiative (SBTI)

Mr. Syed Basar Shueb
CEO



2.0 IHC Portfolio

- 2.1 Alpha Dhabi Holding
- 2.2 Multiply Group
- 2.3 Q Holding
- 2.4 Ghitha Holding
- 2.5 Al Seer Marine
- 2.6 Palms Sport
- 2.7 Emirates Stallion Group
- 2.8 EasyLease



Alpha Dhabi Holding PJSC (ADX:ALPHADHABI) is a leading developmental holding company, with a diverse portfolio of investments across fast-growing businesses in construction, healthcare, hospitality, industries, and investments in promising sectors. As one of IHC's largest publicly listed subsidiaries, it stands poised to make a significant impact in both local and international markets

45.4 Bn		
Revenue	40.0	45.4
+13.4% growth	FY22	FY23
13.3 Bn		
Net Profit	10.6	13.3
+25.2% growth	FY22	FY23
1.06		
EPS	0.73	1.06
+45.2% growth	FY22	FY23
140.4 Bn		
Total Assests	131.0	140.4
+7.1% increase	Dec-22	Dec-23
76.0 Bn		
Total Equity	70.0	76.0
+8.5% increase	Dec-22	Dec-23
20.2 Bn		
Cash & Bank Balance	25.5	20.2
20.8% decrease	Dec-22	Dec-23

Real Estate



Healthcare



Industries



Energy



Hospitality



Investment





MULTIPLY GROUP

Multiply Group PJSC (ADX:MULTIPLY) is an Abu Dhabi-based investment holding company that invests in transformative cash-generating businesses across the globe. Multiply Group deploys capital across its two distinct arms, Multiply and Multiply+, both of which follow a disciplined approach to investing and ensure consistent, sustainable value creation for our shareholders.

1.3 Bn	
Revenue	1.1
+15.0% growth	FY 22
	1.3
	FY 23
0.6 Bn	
Net Profit	18.56
97.0% decrease	FY 22
	0.6
	FY 23
0.03	
EPS	1.65
98.2% decrease	FY 22
	0.03
	FY 23
42.2 Bn	
Total Assests	41.2
+2.3% increase	Dec-22
	42.2
	Dec-23
30.2 Bn	
Total Equity	29.4
+2.7% increase	Dec-22
	30.2
	Dec-23
1.6 Bn	
Cash & Bank Balance	1.0
+50.7% increase	Dec-22
	1.6
	Dec-23

Wellness

fisio

LVL

THE JUICE BEAUTY

looes

BEDASHING BEAUTY LOUNGE

Energy & Utilities

kalyonenerji

FTI COOLING

Multiply +

SAVAGE PEST

gettyimages

TAA

yieldmo

Comms & Advertising

mediä 247

Viola Communications

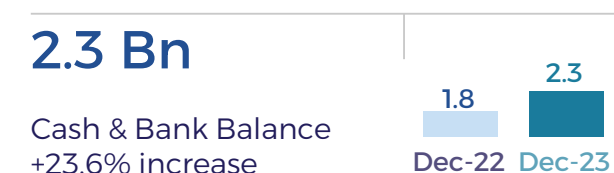
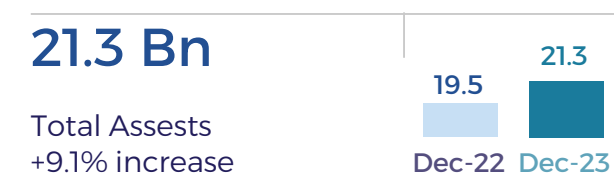
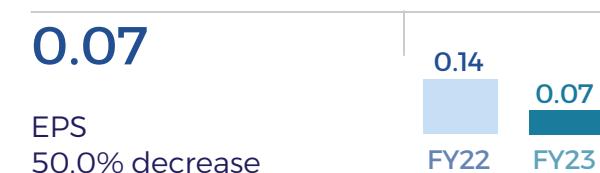
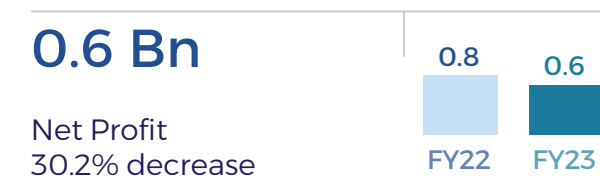
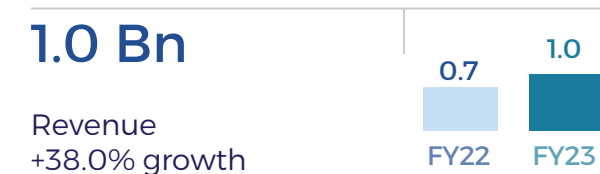
FIREFLY

Mobility

الإمارات لتعليم القيادة Emirates Driving



Q Holding PrJSC (ADX:QHOLDING) is a premier investment company, driving economy through its focus on real estate development, hospitality, and other investments. With a commitment to excellence, diversification, and innovation, Q delivers long-term returns and supports the global ambitions of the UAE



Real Estate Products



Hospitality



Leisure & Entertainment



Investments





غذاء Ghitha

Ghitha Holding PrJSC (ADX:GHITHA) is a leading investment holding company with its portfolio of subsidiaries processing and supplying over 10,000 products and services by following HACCP and international standards of excellence for food safety and hygiene. It consolidates Food, Dairy, Agriculture, Fish Farm, Poultry, Livestock, Manufacturing, and other related business services worldwide

4.6 Bn		
Revenue	2.3	4.6
+100.4% growth	FY22	FY23
43.2 Mn		
Net Profit	332.5	43.2
87.0% decrease	FY22	FY23
0.13		
EPS	1.44	0.13
91.0% decrease	FY22	FY23
7.1 Bn		
Total Assests	5.4	7.1
+31.7% increase	Dec-22	Dec-23
4.4 Bn		
Total Equity	3.8	4.4
+16.3% increase	Dec-22	Dec-23
1.0 Bn		
Cash & Bank Balance	0.5	1.0
+114.0% increase	Dec-22	Dec-23

Distribution

ZEE STORES

ROYAL HORIZON

الأفق الملكي

Agriculture

Al Hashemeya

الهاشمية

Land Reclamation & Cultivation S.A.E.

شركة الهاشمية للاستصلاح واستزاد الأراضي

Seafood & Poultry

أسماك asmak

البحري

Al Ajban Chicken

Fruits, Dairy, Vegetables & Oil

NRTO

mirak

ADVOC

مزارع العين

Al Ain Farms

Investments

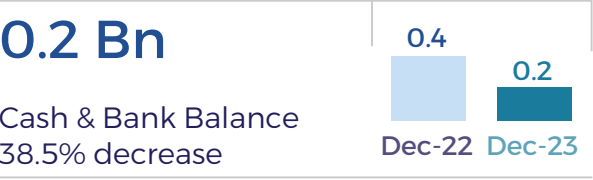
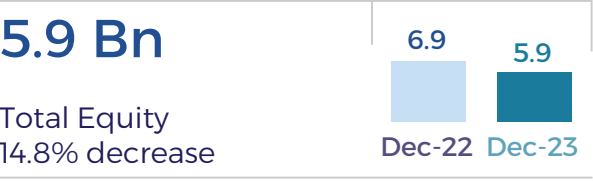
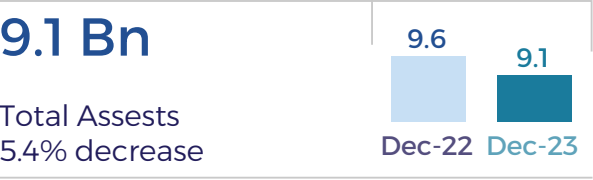
APEX INVESTMENT PSC

INVICTUS INVESTMENT COMPANY PLC

ANIMA CULINARY ART



Al Seer Marine Supplies & Equipment Co PrJSC (ADX:ASM) is the leading marine company in the Arabian maritime region, with a portfolio of services that caters to all needs of boat owners, managers and crew. The company offers maritime solutions for commercial shipping, maritime operations, and boat & shipbuilding



Unmanned Vehicles



Additive Manufacturing



Yacht Maritime Industry



Commercial Maritime



LPG Carrier





بالمز الرياضية
PALMS SPORTS

Palms Sports PrJSC (ADX:PALMS) promotes niche sporting activities with a specific focus on Brazilian Jiu-Jitsu (BJJ) and martial arts for UAE nationals. It provides sports training programs and rolling out state-of-the-art training in BJJ and other disciplines of combative sports, such as Muay Thai and Mixed Martial Arts, swimming

0.6 Bn	0.3	0.6
Revenue	FY22	FY23
+91.0% growth		

0.11 Bn	0.13	0.11
Net Profit	FY22	FY23
20.9% decrease		

0.70	0.89	0.70
EPS	FY22	FY23
21.3% decrease		

1.0 Bn	0.5	1.0
Total Assests	Dec-22	Dec-23
+80.4% increase		

0.6 Bn	0.5	0.6
Total Equity	Dec-22	Dec-23
+22.6% increase		

0.3 Bn	0.2	0.3
Cash & Bank Balance	Dec-22	Dec-23
+26.8% increase		

Facility Management



Sporting Events & Managmnet



Sports Training & Retail



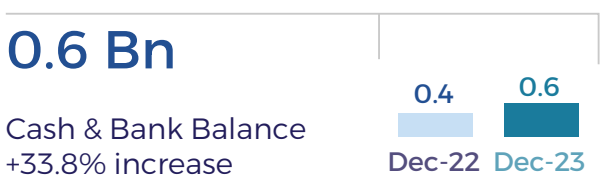
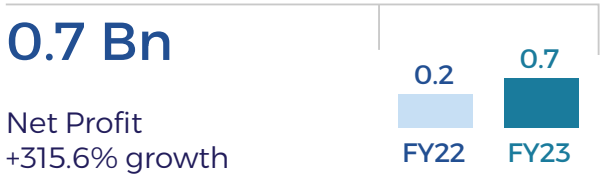
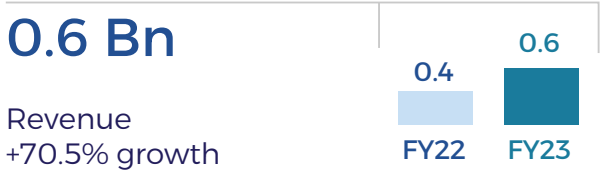
Education





ESG EMIRATES STALLIONS GROUP

Emirates Stallions Group PrJSC (ADX:ESG) maintains a diversified portfolio spanning the Investment, Construction, and Real Estate sectors, comprising five subsidiary companies. The company operates across six industries, delivering products and services to over 20 countries in the Middle East, Africa, Asia, Europe, and the Americas



Real Estate

ABU DHABI LAND GENERAL CONTRACTING
AN ESG COMPANY

ROYAL DEVELOPMENT COMPANY
AN ESG COMPANY

الإسكان الجماعي
AL ESKAN AL JAMAE

KIZAD
مجموعة كيزاد للتطوير
KIZAD DEVELOPMENT GROUP

Interior Decoration

VISION FURNITURE & DECORATION
FACTORY

Decovision

Consulting & Landscaping

GULF DUNES LANDSCAPING & AGRICULTURAL SERVICES
AN ESG COMPANY

RAPM ARCHITECT PROJECT MANAGEMENT
AN ESG COMPANY

Accommodation

CENTURY VILLAGE REAL ESTATE INVESTMENT
AN ESG COMPANY

ABU DHABI MOUNTAIN GATE REAL ESTATE
AN ESG COMPANY

Manpower Supply

UNITED INTERNATIONAL GROUP MANPOWER SERVICES

All figures in AED

2023 Notable Acquisitions

59



Easy Lease Motorcycle Rental PrJSC (ADX:EASYLEASE) is a dynamic and innovative mobile technology solutions company that supplies various industries across the UAE with leased vehicles, backed by a full support service, managing everything from vehicle maintenance, branding, GPS implementation, to roadside mechanical help

298.5 Mn		
Revenue	226.1	298.5
+32.1% growth	FY22	FY23

36.1 Mn		
Net Profit	47.4	36.1
23.9% decrease	FY22	FY23

1.03		
EPS	1.47	1.03
29.9% decrease	FY22	FY23

376.2 Mn		
Total Assests	272.1	376.2
+38.3% increase	Dec-22	Dec-23

194.3 Mn		
Total Equity	145.6	194.3
+33.5% increase	Dec-22	Dec-23

30.9 Mn		
Cash & Bank Balance	19.7	30.9
+56.9% increase	Dec-22	Dec-23

Roadside Assistance



Motorcycle Rental & Charging



Lastmile Delivery



Boat & Yacht Rentals



Others





3.0 Corporate Governance

- 3.1 Introduction
- 3.2 Group Governance Structure
- 3.3 Board of Directors
- 3.4 Board of Directors' Committees
- 3.5 Executive Management
- 3.6 Related Parties Transactions
- 3.7 Risk Management, Internal Control and Compliance
- 3.8 External Auditor
- 3.9 Violations Committed by the Group during the year 2023
- 3.10 Corporate Social Responsibility
- 3.11 Sustainability Initiatives
- 3.12 Shareholding and Share Price Information
- 3.13 Investor Relations Affairs
- 3.14 Special Resolutions presented to General Assembly meetings held during 2023.
- 3.15 Emiratization Percentage in the Company as of 2023 (excluding unskilled labour)
- 3.16 Significant Events During 2023
- 3.17 Initiatives and Innovations during 2023

3.1 Introduction

International Holding Company ("IHC", "Company", "Group"), established in 1999 is one of the largest publicly listed holding companies in the MEA region with an international presence extending across Asia, Europe and Americas.

IHC continued to make progress on its financial and strategic aims, despite high market and macroeconomic volatility during the last few years. IHC, driven by one of its main objectives of 'diversifying the non-oil economy' of the UAE, the responded proactively and robustly to the changing dynamics, pursuing several opportunities in order to continue to deliver year-on-year increased shareholder value.

IHC's journey of substantial growth has been augmented by the value system that:

Delivered growth
Across our growing portfolio.

Diversified investment
Enhanced performance by diversifying the group's investments.

Established new Ecosystems
Increased value by establishing new business ecosystems.

Invested in multiple sectors
Provided sustained returns by investing in multiple sectors, across the globe.

This report gives an overview of IHC's corporate governance systems and procedures as of 31st December, 2023, and has been posted on the Abu Dhabi Exchange (ADX) website and the Group's website.

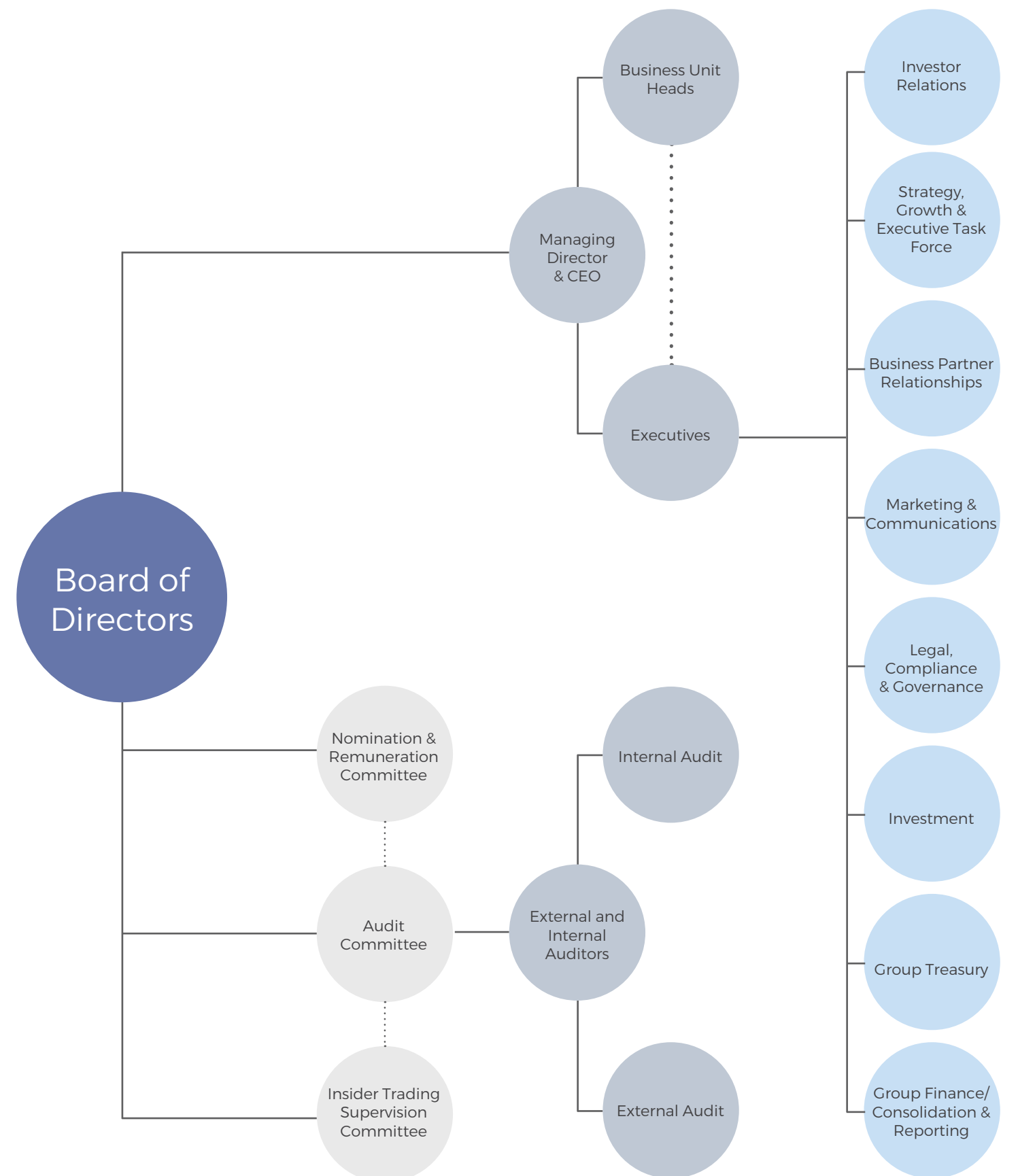
This report is governed by the Resolution of the Board of the Securities and Commodities Authority (SCA) No. 3/Chairman of 2020 as amended from time to time on the Corporate Discipline and Governance Standards of Public Joint Stock Companies (Resolution 3/2020) and the format of this report is as prescribed by SCA.

3.2 Group Governance Structure

IHC has been organized into eight verticals and its operating Business Units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations as below:



IHC's Group Structure is as below:



3.2.a Corporate Governance within IHC

The shareholders are the ultimate decision-makers in respect of the direction of the Company. The General Assembly Meeting is the highest decision-making body in the Company and is the forum in which shareholders exercise their right to decide on the Company's direction.

IHC is managed by the Board of Directors comprised of five members, elected by the Ordinary General Assembly through secret ballot, for a period of three years. The Board of Directors elects the Chairman and the Vice Chairman from among its members. The position of the Chairman of the Board of Directors and the position of the Managing Director & CEO are separate.

The Board of Directors (the "Board") and the management of IHC together with its subsidiaries, (the "Group") strive to attain and uphold a high standard of corporate governance and to maintain sound and well-established corporate governance practices for the interest of shareholders and other stakeholders including, but not limited to, customers, suppliers, employees, and the general public. The Company abides strictly by the governing laws and regulations of the jurisdictions where it operates and observes the applicable guidelines and rules issued by regulatory authorities. It regularly undertakes reviews of its corporate governance system to ensure it is in line with international and local best practices.

The Board delegates and gives clear directions to the management as to their powers of Management and the circumstances in which the Management should report back or obtain prior Board approval. Management for the purpose of this Corporate Governance Report refers to the Company's Managing Director & CEO, Business Unit Heads and the Executives heading various functions within the Company. They are responsible for the day-to-day operations, management and administration of the Group under the leadership of the Managing Director & CEO. The Management provides periodical updates to the Board to enable Board members to discharge their duties more effectively. Members of our Management are frequently invited to attend Board meetings to report and engage in discussion with the Board in respect of strategy, budget planning, progress and performance updates. This is to ensure that the Board has a general understanding of the Group's business so that they can make informed decisions for the benefit of the Group. Members of the Management are required to answer any questions or challenges posed by the Board. All Board members also have separate and independent access to our Management.

The Board has established Committees, namely the Audit Committee, Nomination and Remuneration Committee and Follow-up and Insiders Transaction Supervision Committee, to assist in carrying out its responsibilities and to consider certain issues and functions in detail.

The Board is also responsible for ensuring that Management maintains a system of internal control that provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations and has delegated the responsibility for oversight of the Internal Control to the Audit Committee. The Internal Control Department (ICD), along with an outsourced service provider, performs internal control, risk assessment and internal audit activities in relation to the group operating entities. The Audit Committee reviews the effectiveness of the ICD.

3.2.b Role of the Board

The Board is responsible for the overall conduct of the Company's affairs and monitors the performance of the management. The Board has established a Charter, which among other matters, recognizes their role, responsibilities, functions, and powers, both collectively and individually.

The Board's roles and responsibilities as set out in the Board Charter include:

01 Appointment of the Chairman and Vice Chairman of the Board.	05 Reviewing financial performance considering the Strategy, Business Plan and Budget of IHC, ensuring that where necessary, corrective action is taken	08 Approving the risk management framework of IHC, including risk appetite, maximum limits, or indicators of risk appetite, receiving regular reports from IHC management on all actual and anticipated strategic risks confronting IHC Group, including updates from the Audit Committee, as appropriate.	10 Establishing and overseeing Subsidiary Governance.
02 Reviewing Board composition and performance.	06 Approving investment related decisions on Mergers, Acquisitions, Reorganization and Exits.		11 Recruitment, Termination, Reward, Compensation and Benefit Matters for IHC Managing Director & CEO and Senior Management of IHC.
03 Approving formation, dissolution, and performance of Board Committees.	07 Establishing, promoting, and maintaining proper processes and controls to preserve the integrity of accounting and financial records and reporting.	09 Adopting and overseeing implementation of Corporate Governance practices.	12 Determining and reviewing authorities delegated to the Managing Director & CEO.
04 Approve and monitor Group's Strategy (including subsidiaries), Business Plan, Annual Budget, and any amendments thereto.			



3.2.c Delegation of Authority to the Board Members and Executive Management

There is a formal schedule of matters reserved for the Board's decision, which are specified in IHC's Delegation of Authority Policy Framework.

IHC Board, through a Power of Attorney, has delegated the Chairman and Vice-Chairman to represent, attend, act, and sign (with wide authorities) on behalf of the Company, its subsidiaries and its affiliates in all matters, disposals, transactions, and other acts that each of the Company, the

subsidiaries and/or the affiliates may carry out or assume. The Power of Attorney is provided for a period of 3 years and is attested by the notary public.

The Managing Director & CEO may further delegate authority to a Business Unit's management part of his authorities on operational matters necessary to run the business. The delegation of authorities has been effected through a notarized Power of Attorney. IHC Senior Management holds monthly meetings with business units to review the performance, discuss strategic issues and agree on action plans.

3.2.d Corporate Governance Policies

The Board has reviewed and approved an updated Delegation of Authority Policy Framework in 2023 to ensure efficient and effective decision-making which balances empowerment against controls.

There are various other policies and guidelines listed to promote and enhance higher Corporate Governance standards which are currently reviewed by the Board:

- Corporate Governance Manual covering the roles and responsibilities of all stakeholders involved in governance processes, including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, Managing Director & CEO, Senior Management, Internal Audit/Internal Control, External Audit, Board and Committees Secretary and other stakeholders.
- Code of Conduct and Business Ethics to guide the conduct of Directors and Employees
- Board of Directors Charter for effective functioning of the Board.
- Charters for effective functioning of the Board Committees, namely Audit Committee, Nomination and Remuneration Committee and Follow-up and Insiders Transaction Supervision Committee.
- Conflict of Interest Policy setting forth requirements for the avoidance and management of potential and actual conflicts of interest involving the Group.
- Anti-Fraud Policy to facilitate the development of controls that will aid in the detection and prevention of fraud and provide an overall framework for managing suspected cases of fraud.
- Whistleblower Policy whereby employees can, in confidence, report on matters where they feel malpractice is taking place, or if ethical/integrity standards are being compromised.
- Disclosure and Transparency Policy provides guidelines to ensure that IHC makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.
- Compliance Management Policy to promote a culture of good corporate governance and compliance practices, and gain assurance through its governance arrangements that the Group is in conformance with its legal and policy obligations.
- Investment Policy provides framework and guidelines to IHC Senior Management and IHC's Investment Function on investment strategy and process (new investments, effective monitoring of the performance of portfolio companies and exiting/divesting in investments).

3.2.e Subsidiary Governance

IHC Group has been organized into various sector focused verticals, and the operating business units (subsidiaries, joint ventures, and affiliates) have been grouped under one of these verticals for efficient operations. The Board recognizes that all the subsidiaries contribute to and are responsible in their respective areas for implementation of good Corporate Governance practices. IHC's "Subsidiary Governance" process are as below:

01

Establishment of Strategic Plans for subsidiaries and a monitoring process for review of actual performance vs Strategic Plan.

04

The Delegation of Authority Policy framework lists the matters reserved for IHC shareholders, IHC Board, Subsidiary Board/ IHC Managing Director & CEO (where the Subsidiary Board is not established) and subsidiary management.

02

Independent Boards and Committees have been established for the effective functioning and monitoring of the listed Subsidiaries and Affiliates.

05

IHC Managing Director & CEO with support from IHC Executive Management oversees operations of the Group. To the extent permissible, IHC Managing Director & CEO may delegate authority to the Business Unit Management in accordance with the Delegation of Authority Policy Framework.

03

For unlisted Subsidiaries, where IHC does not fully own the subsidiary, organizational governance is based on the shareholders' agreement or other constitutional documents applicable to the Subsidiary.



3.3

Board of Directors

The Board currently has five members, comprising an Independent Non-Executive Chairman, 3 Independent Non-Executive Directors and a Non-Independent Executive Director. The composition of the Board has remained consistent during the reporting period ended 31st December 2023.

The current Board members completed their tenure of three (3) years and were re-elected through voting process for another term of three (3) years at the Annual General Assembly meeting held on 19th April 2023.

The Board is committed to ensuring it is comprised of individuals with appropriate skills, experience, and diversity to develop and support the Company's vision and strategic objectives.

Board of Directors	Role	Category	Member Since
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	Chairman - Board of Directors	Independent, Non-Executive	2020
Dr. Mhd Somar Nassouh Ajalyaqin	Vice Chairman - Board of Directors	Independent, Non-Executive	2020
	Chairman - Nomination and Remuneration Committee		
	Vice Chairman - Audit Committee		
Mr. Syed Basar Shueb	Board Member & Managing Director & CEO Chairman - Follow-up and Insiders Transaction Supervision Committee	Non - Independent, Executive	2019
Ms. Sofia Abdellatif Lasky	Board Member Chairwoman - Audit Committee Vice Chairwoman- Nomination and Remuneration Committee	Independent, Non-Executive	2020
Mr. Mohammed Nasser Saif Howaiden Al Shamsi	Board Member Member - Audit Committee Member - Nomination and Remuneration Committee Member - Follow-up and Insiders Transaction Supervision Committee	Independent, Non-Executive	2020

Profile of Board Members

The table below shows the names, roles, experience, and capacities of the current Board of Directors.



His Highness Sheikh Tahnoon bin Zayed al Nahyan

Chairman, Independent/Non-Executive

His Highness Sheikh Tahnoon bin Zayed al Nahyan has been the Chairman of International Holding Company (IHC) since April 2020. His Highness also chairs a number of leading business groups in the UAE, such as First Abu Dhabi Bank (FAB), ADQ (formerly Abu Dhabi Developmental Holding Company PJSC) and G42, the leading Artificial Intelligence and Cloud Computing group.

In March 2023, UAE President His Highness Sheikh Mohammed bin Zayed Al Nahyan appointed Sheikh Tahnoon bin Zayed al Nahyan as Deputy Ruler of Abu Dhabi, the UAE capital, he was also appointed as the Chairman of the Abu Dhabi Investment Authority.

Sheikh Tahnoon bin Zayed al Nahyan is the National Security Adviser of the UAE, a position which he has held since 2016, by appointment of the late President of the UAE, His Highness Sheikh Khalifa bin Zayed al Nahyan.

In December 2020, His Highness was announced as a member of the Board of a new entity, the "Supreme Council for Financial and Economic Affairs", which was been set up to oversee Abu Dhabi's financial, investment and economic affairs, including the management of natural resources.

Profile of Board Members



Dr. Mhd Somar Ajalyaqin

Vice Chairman,
Independent/Non-Executive

Chairman – Nomination &
Remuneration Committee

Vice Chairman – Audit
Committee

Dr. Mhd Somar Ajalyaqin was appointed as Vice Chairman of IHC in April 2020, bringing to the company almost two decades of exemplary business experience in a multitude of advisory roles in the UAE. He is also Chairman of Ghitha Holding PJSC, an IHC subsidiary.

Dr. Ajalyaqin's solid corporate knowledge and expertise focuses on merger and acquisition strategies and the tactical growth of companies, integral to the successful overall performance of IHC.

He holds a degree in DAA from Syria, and during his tenure at IHC, he has been instrumental at Board level in all matters relating to business acquisitions and dynamic investment opportunities.



Mr. Syed Basar Shueb Syed Shueb

Board Member, Chief
Executive Officer
& Managing Director

Chairman – Follow-up and
Insiders Transaction
Supervision Committee

Syed Basar Shueb has been CEO, Managing Director and a member of the Board of Directors of IHC since July, 2019. Alongside his tenure at IHC, Syed Basar has held the position of Group CEO of the Pal Group of Companies since 2000 and holds leadership positions on several other high-profile companies, including Reem Finance PJSC, Chimera Investments, and Keyhole TIG (K-TIG) Limited, and is one of the key players in the UAE's utilities services sector through PAL District Cooling.

In addition to being Vice Chairman of Alpha Dhabi Holding (ADH), Syed Basar was elected to the Board of Directors of the Abu Dhabi Chamber of Commerce and Industry, besides his Board membership in Invictus Investment PLC.

An accomplished and respected senior executive, he has substantial and diversified experience in the processing, manufacturing, construction, finance and service industries, and was listed in the Top 10 Middle East's CEOs by Forbes in 2023; Basar is known to be a decisive and pragmatic leader, and for his skill in creating and nurturing cohesive and focused business units that grow profitable bottom lines. He has played an integral part in IHC continually being in the top performers of the Abu Dhabi Bourse's listed companies.



Ms. Sofia Abdellatif Lasky

Board Member,
Independent /
Non-Executive

Chairwoman of
Audit Committee

Vice Chairwoman -
Nomination & Remuneration
Committee

Sofia Lasky has been with IHC since April 2020, and brings considerable experience in asset management, mergers and acquisitions, private equity, portfolio management, alternative investments, funds, valuation, financing, capital markets and corporate structuring through her 19-year tenure at Royal Group.

She has overseen the acquisition of numerous companies in a variety of core industries, including real estate, contracting, food processing, preventive healthcare, and capital investments. Her contribution towards the growth of companies within the Royal Group has been invaluable.

She holds a bachelor's degree in management information technology from the United Kingdom and has held and continues to occupy a position on the Board of Directors of a number of companies, including Alpha Dhabi Holding (ADH), Aldar Properties and National Corporation for Tourism and Hotels. Sofia has also served as a Board Member of Macquarie Capital Middle East LLC.



Mr. Mohammed Nasser Al Shamsi

Board Member,
Independent/Non-Executive

Member – Audit Committee

Member - Nomination &
Remuneration Committee

Member - Follow-up
and Insiders Transaction
Supervision Committee

Mohammed Nasser Al Shamsi was appointed as Board member of IHC in April 2020. Mohammed is an International Affairs Specialist at Presidential Level in the UAE Ministry of Presidential Affairs. His role involves managing the strategic relationships with foreign governments, diplomatic missions and international institutions.

Mohammed holds a bachelor's degree in Business Management from the United Arab Emirates University and began his professional career in 2010 at Abu Dhabi Police. There, he held several posts and played an active role in international relations.

Mohammed is also a Board Member of the Abu Dhabi Stem Cell Centre, Rabdan Petroleum Trading and TALC Investments.

The Board Secretary

The Board Secretary is the point of communication with the Board of Directors and senior management and plays a key role in the administration of important corporate governance matters.

Ms. Linda Ballout IHC's Investor Relations Officer, has been Board Secretary since 2020. Linda reports to the Board in relation to all secretarial responsibilities.

The Board Secretary has the following key responsibilities:

- Working closely with the Board of Directors and Executives in the planning of Board of Directors' meetings as well as the mechanism of meetings (attendance, conference calls, virtual / online attendance etc.)
- The creation and timely distribution of the Agenda for Board meetings as well as General meetings.
- Recording and distributing the minutes of Board of Directors / Committees' meetings.
- Maintaining of a full contact list of Board Members, including Board Members' appointment dates, term of appointments and Board Member biographies.
- Updating, maintaining, and securing safe storage of the minutes and other legal/related documents.
- Knowledge of the meeting procedures, decision-making rules, governance policies.
- Providing regular disclosures/announcements on the Board Meetings' results and financial decisions.
- Managing external correspondence and ensuring that requests made of the Board of Directors, or that are relevant to the governance of the Company, are reported and responded to in a timely manner.
- Preparing presentations and other communication materials for meetings.
- Maintaining the information and data disclosed to regulators, markets, or the public, and those posted on the Company's website.
- Managing all formal correspondence.
- Assisting in the preparation and review of key regulatory filings, corporate Annual Reports, and other reports, as well as other announcements regarding material events.



Diversity - Women’s representation in the Board of Directors in 2023

In keeping with the Company’s commitment to gender diversity, IHC is proud to have one female on the Board and IHC actively seeks to recruit more female employees across all areas of the Company’s operations.

Key focus areas for the Board during 2023

During 2023, the Board of Directors focused and made decisions on various areas as below:

- Appointment of Chairman and Vice Chairman of the re-elected Board of Directors on 28th April 2023.
- Appointment of the Board Committees and the Committee members on 28th April 2023.
- Approved updated and revised Delegation of Authority Policy to determine the powers delegated to IHC, Board Members And Executive Management.
- Approved the Annual Budget and Business Plan.
- Acquisitions of various strategic investments including investments outside UAE and investments in various IPOs as a cornerstone investor.
- Approval of various ESG and Community initiatives
- Review and approval of Quarterly and Annual Financial Statements.
- Restructuring of various business units under the core Verticals.
- Reviewed updates from the Management on Group performance.

Transactions of the members of the Board of Directors, their spouses, and their children, in company securities during the year 2023

Name	Position/ Relationship	Shares held as at 31 December 2023	Total Sale during 2023	Total Purchase during 2023
Golden S Investment SPV RSC LTD	Company owned by Board Member	10,000,000	-	-
Black Horse Investment SPV RSC LTD	Company owned by Board Member	18,214,285	-	-
Lion Heart Investment SPV RSC LTD	Company owned by Board Member	65,571,428	-	-

Board Remuneration

- I. The Board of Directors' remuneration is set forth in the Articles of Association of the Company, subject to the provisions of Federal Decree Law no (32) of 2021 on commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.
- II. The Company may also pay additional expenses or fees or monthly salary to an extent determined by the Board of Directors for any of its members, if the member is working in any committee, or exerts exceptional efforts or performs additional work to serve the company beyond his or her normal duties as a member of the Board of Directors of the Company. In all cases, Directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserves.
- III. Total Remunerations Paid to the Members of Board of Directors in 2023
- No remuneration has been paid to the Board of Directors for the year 2022.
 - AED 100,000,000 has been proposed as remuneration for the Board of Directors for the year 2023, subject to approval by the shareholders at the General Assembly.
- IV. **Details of the allowances for attending sessions of the Committees emanating from the Board, which were received by the Board Members for the year 2023.**
- No allowances were received for attending the sessions of the Board of Directors and the Committees emanating from the Board for the year 2023.
- V. **Details of additional allowances, salaries or fees received by a Board Member, during the year 2023, other than the allowances for attending the Committees.**
- No allowances, salaries, or additional fees were disbursed during the year 2023.

Board meetings and attendance of Board Members

Statement of the number of meetings held by the Board of Directors during the fiscal year. The Board of Directors had convened four meetings during 2023 as follows:

No.	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1	10 th March 2023	5 (2 Via Video-call)	-	-	-
2	11 th May 2023	5 (2 Via Video-call)	-	-	-
3	3 rd August 2023	5 (2 Via Video-call)	-	-	-
4	7 th November 2023	5 (2 Via Video-call)	-	-	-

Below are details of Board Meetings attendance during the year 2023 as follows:

Board of Directors	No. of Absences	First Meeting	Second Meeting	Third Meeting	Fourth Meeting
		10/03/2023	11/05/2023	03/08/2023	07/11/2023
H.H. Sheikh Tahnoon Bin Zayed Al Nahyan	-	✓	✓	✓	✓
Dr. Mhd Somar Ajalyaqin	-	✓	✓	✓	✓
Mr. Syed Basar Shueb	-	✓	✓	✓	✓
Ms. Sofia Abdellatif Lasky	-	✓	✓	✓	✓
Mr. Mohammed Nasser Alshamsi	-	✓	✓	✓	✓



Summary of Board resolutions passed during 2023

I. Board Resolutions passed by circulation.

Sr No	Resolution Date	Resolutions Passed
		Board Election, Committees, and Authority Delegation:
		1. Board Election Outcomes:
		- H.H. Sheikh Tahnoun Bin Zayed Al Nahyan: Chairman of the Board - Dr. Mohamed Somar Nassouh Ajalyaqin: Vice-Chairman - Mr. Syed Basar Shueb Syed Shueb: Managing Director
		2. Board Committees Appointments:
1	28th April 2023	- Audit Committee: Ms. Sofia Abdellatif Lasky (Chairman), Dr. Mohamed Somar Nassouh Ajalyaqin, Mr. Mohammed Nasser Saif Howaiden Al Shamsi (Members). - Nomination and Remuneration Committee: Dr. Mohamed Somar Nassouh Ajalyaqin (Chairman), Ms. Sofia Abdellatif Lasky, Mr. Mohammed Nasser Saif Howaiden Al Shamsi (Members). - Follow-up and Insiders Transaction Supervision Committee: Mr. Syed Basar Shueb Syed Shueb (Chairman), Mr. Fawad Zahid, Mr. Mohammed Nasser Saif Howaiden Al Shamsi (Members).
		3. Power of Attorney and Delegation:
		- Chairman and Vice Chairman granted Power of Attorney. - Vice Chairman's authority delegated to the Managing Director.
		4. Group Delegation of Authority Policy:
		A new policy approved, superseding the previous one, detailing powers for the IHC Group, Board members, and Executive Management.

II. Resolutions Passed at the Board Meetings

Sr No	Board Meeting Date	Resolutions Passed
1	10 th March 2023	- Approval of the audited financial statements for the year ended 31 December 2022. - Approval to hold Shareholders' General Assembly Meeting on 19 April 2023 - Recommendation to the General Assembly not to distribute any dividends to Shareholders for the year ended 31st December 2022 - Recommendation to the General Assembly not to allocate any remuneration for the Members of the Board of Directors for the year ended 31st December 2022 - Approved the Company's Management Discussion & Analysis Report for 2022. - The Board has approved initiating the transfer process of Chimera Investment LLC to IHC.
2	11 th May 2023	- Approved the Company's Board of Directors resolutions issued by circulation on 28/04/2023. - Approval of the Financial Statements of Q1 2023.
3	3 rd August 2023	Approval of the Financial Statements of Q2 2023.
4	7 th November 2023	Approval of the Financial Statements for Q3 2023.

III. Other Board Resolutions (Authorization Resolutions)

Sr No	Resolution Date	Resolutions Passed
1	01st February 2023	Approval for Sirius International Holding Limited, a subsidiary of the Company, to incorporate 'Quantum Solutions Limited' and 'SSI Holding Limited'.
2	10th February 2023	Approval for Sirius International Holding Limited, a subsidiary of the Company, to incorporate, 'Apeiro Limited', focusing on developing Treasury Financial Systems and Applications.
3	17th February 2023	Approval granted for IHC Capital Holding LLC, a subsidiary of the Company, to subscribe to shares in ADNOC GAS PLC as a cornerstone investor.
4	02nd March 2023	Approval for International Tech Group – Sole Proprietorship L.L.C., a subsidiary of the Company, to subscribe to a 15% shareholding in the initial public offering (IPO) of Presight AI Holding PLC as a cornerstone investor.
5	25th April 2023	Approval for IHC Capital Holding LLC, a subsidiary of the Company, to acquire additional shares of Grupo de Inversiones Suramericana 'Grupo Sura', a Latin American company listed on the Colombian Stock Exchange, resulting in an increased stake of 1.64% in Grupo Sura by IHC Capital Holding LLC.
6	11th May 2023	Approval granted for the full acquisition of WFC Holding LLC by the Company, through its subsidiary Reach Global Services Holding 1 SPV Limited, from the current shareholders ESG Capital Holding LLC and ZMS Holding SP LLC.
7	08th June 2023	Approval for Quant Lase Lab LLC, a subsidiary of the Company, to establish a new entity named 'Cellpro International Manufacturing – Sole Proprietorship LLC' in Abu Dhabi, focusing on the manufacturing of metallic container closures and semi-manufactured plastic products.
8	23rd June 2023	Approval for Sirius International Holding Limited, a subsidiary of the Company, to form 'New Emerging Technologies Limited' to focus on computer programming, computer consultancy and facilities management, data processing and hosting, and other IT and computer services.
9	03rd July 2023	Approval of Contribution and Joint Venture Agreements between IHC Real Estate, ADNEC Group, and Aldar Properties PJSC.
10	31st July 2023	Approved the acquisition of a 49% stake in Modon Properties PJSC by IHC through its subsidiary, IHC Capital Holding LLC.
11	30th September 2023	IHC Capital has approved to sell and transfer its entire shareholding in Rebound to Sirius International Holding Limited.
12	01st October 2023	Approved IHC Capital's sale and transfer of its entire stakes in Green Energy, Green Enterprises, and Green Vitality to Sirius International Holding Limited, and the increase of Tamouh's shareholding in Sirius.
13	01st October 2023	IHC Industrial Holding LLC, fully owned by the Company and holding 60% of Afkar Financial and Property Investments LLC, approved to sell and transfer its entire shareholding in Afkar to ESG Capital Holding LLC, a subsidiary of the Company (or any of its subsidiary).
14	05th October 2023	Approved International Tech Group – SP LLC, a subsidiary of the Company, to acquire a 10% stake in Phoenix Group PLC as a cornerstone investor.
15	27th November 2023	Approval granted for Transfer of shares in Modon Properties PJSC and acquire shares in Q Holding PSC
16	29th November 2023	Approved Sirius International Holding Limited, a subsidiary of the Company, to establish 'Smart Sustainability Solutions Limited'.
17	12th December 2023	Approval to Incorporate Sirius International Management – Sole Proprietorship LLC, aimed at investing in, Commercial Enterprises investment, Institution and management, as well as Information technology consultancy.

3.4 Board of Directors' Committees

Audit Committee

It is the responsibility of the Committee to provide the Board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the organisation:

Audit Committee Chairman's Acknowledgment

The Chairwoman of the Audit Committee acknowledges responsibility for discharging the Audit Committee's mandate across the Group, including reviews of its work mechanism, and ensuring its effectiveness in line with the approved charter of the Audit Committee.

Members of Audit Committee as of 31st December 2023

Sr No	Name	Title	Category
1	Ms. Sofia Abdellatif Lasky	Chairwoman	Non-Executive/Independent
2	Dr. Mhd Somar Ajalyaqin	Vice Chairman	Non-Executive/Independent
3	Mr. Mohamed Nasser Alshamsi	Member	Non-Executive/Independent

Audit Committee Functions

Financial Reporting

- Monitoring the integrity of the financial statements of the Group as well as reviewing significant financial reporting judgments that they include.
- Review with the management and the external auditors all significant matters including audit opinions on the quarterly, half-yearly (as applicable) and year-end financial statements and recommend their adoption by the Board.
- Monitor compliance with financial reporting standards and regulatory requirements.
- Review significant accounting and reporting issues.

Internal Control and Risk Management

- Ensure that an annual review of internal control system is performed to determine the overall adequacy and effectiveness of IHC Internal Control System.
- Consider the effectiveness of IHC's risk management processes and internal control systems, including information systems, and technology security and control.
- Review the assessment and responses to the risk of fraud, particularly management fraud, as this typically involves overrides of internal controls.

External Audit

- Oversee and make recommendations on the appointment of external auditors to the Board, their fees, and any questions relating to their resignation or removal.
- Approving external auditors' terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- Assessing annually their independence and objectivity, considering relevant professional and regulatory requirements and the relationship with the auditor, including the provision of any non-audit services.
- Meet regularly with the statutory auditor to discuss the auditor's remit and any issues arising from the audits.
- Ensure that Senior Management is taking necessary corrective actions to address the findings and recommendations of statutory auditors in a timely manner.

Corporate Governance

- Oversee and monitor the implementation of the corporate governance framework within IHC and ensure compliance with the regulatory requirements.
- Review and recommend to the Board the Annual Governance Report submitted to the regulatory authorities.

Group Internal Audit

- Review and approve audit plans, budget, staffing, and organisational structure of the Internal Audit Function and related Internal Control activities.
- Review the appointment, resignation or dismissal of the Internal Audit Staff and the internal audit provider, in case of an outsourced service provider.
- Review all reports submitted to the Committee by the Internal Audit Function and monitor management response and reaction to the findings and recommendations. Ensure that control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors are adequately and timely addressed by Executive Management.
- Review performance of the Internal Audit Function/

- Outsourced Internal Audit service provider (as applicable) and evaluate its performance on an annual basis.
- Report to the Board all matters presented to the Audit Committee by the Internal Audit Function/Outsourced Internal Audit service provider.

Compliance Monitoring

- Monitor the status of IHC's compliance with applicable laws, regulations, and agreements.
- Review the related parties' transactions with the Company, ensure that there is no conflict of interest, and recommending them to the Board of Directors before their conclusion.

Audit Committee Meetings During the Year 2023

Audit Committee Members	No. of Absences	First Meeting	Second Meeting	Third Meeting	Fourth Meeting	Fifth Meeting
		09/03/2023	10/05/2023	02/08/2023	22/08/2023	06/11/2023
	Auditor	External	External	External	Internal	External
		(EY)	(EY)	(EY)	(Protiviti)	(EY)
Ms. Sofia Abdellatif Lasky	-	✓	✓	✓	✓	✓
Dr. Mhd Somar Ajalyaqin	-	✓	✓	✓	✓	✓
Mr. Mohamed Nasser Alshamsi	-	✓	✓	✓	✓	✓

Nomination and remuneration committee

Nomination and Remuneration Committee Chairman's Acknowledgment

The Chairman of the Nomination and Remuneration Committee acknowledges responsibility for discharging the Nomination and Remuneration Committee's mandate across the Group, reviewing its work mechanism, and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

Members of Nomination and Remuneration Committee as of 31/2023/12/

Sr No	Name	Title	Category
1	Dr. Mhd Somar Ajalyaqin	Chairman	Non-Executive/Independent
2	Ms. Sofia Abdellatif Lasky	Vice Chairwoman	Non-Executive/Independent
3	Mr. Mohammed Nasser Alshamsi	Member	Non-Executive/Independent

Committee Functions

- Proposing policies and criteria for membership on the Board and Senior Management. The policy shall consider gender diversity, encouraging the active participation of women.
- Identifying individuals qualified to become Board Members, consistent with criteria approved by the Board, and to recommend to the Board of Director nominees in the next general meeting of shareholders.
- Regularly review the structure, size, and composition (including the skills, knowledge, and experience) required of the Board relative to its current position and make recommendations to the Board with regard to any changes.
- Continuously ensure that independent Directors remain independent throughout the term of their office.
- Conducting an annual evaluation of Board performance and the performance of Board Members and Committees to determine ways of strengthening its effectiveness.
- Review and recommend remuneration proposal for the Board of Directors.
- Identifying the competencies required for Senior Management and the basis of their selection.
- Considering succession planning for Directors and other senior executives in the course of its work, considering the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.
- Periodically review the remuneration practices ensuring the correlation of remunerations and bonuses, including any other deferred options and remunerations and benefits offered to the performance of the company.
- Periodically reviewing executive compensation trends and policies at peer groups of companies and making relevant modifications to its own policies and practices to consider market practice.
- Overseeing any major changes in employee benefit structures throughout the Group.

Committee Meetings During the Year 2023

Board of Directors	No. of Absences	First Meeting	Second Meeting
		06/03/2023	07/04/2023
Dr. Mhd Somar Ajalyaqin	-	✓	✓
Ms. Sofia Abdellatif Lasky	-	✓	✓
Mr. Mohammed Nasser Alshamsi	-	✓	✓

Follow-up and insiders transaction supervision committee

The Board of Directors has formed a committee to manage, follow up and observe the transactions of insiders, maintaining their register and submitting statements and periodic reports to the market.

Follow-up and Insiders Transaction Supervision Committee Chairman's Acknow ledgement

The Chairman of the Follow-up and Insiders Transaction Supervision Committee acknowledges responsibility for the committee system in the Company, reviewing its work mechanism and ensuring its effectiveness.

Members of the Follow-up and Insiders Transaction Supervision Committee till 28th of April 2023.

Sr No	Member Name	Committee Position	Category
1	Mr. Syed Basar Shueb	Committee Chairman	Managing Director & CEO
2	Mr. Mohammed Nasser Alshamsi	Member	Board Member Member – Audit Committee Member – Remuneration and Nomination Committee
3	Mr. Mohamed Yaser Bader	Member	Group CFO – Alpha Dhabi Holding PJSC

Members of the Follow-up and Insiders Transaction Supervision Committee as of 31st December 2023

Sr No	Member Name	Committee Position	Category
1	Mr. Syed Basar Shueb	Committee Chairman	Managing Director & CEO
2	Mr. Mohammed Nasser Alshamsi	Member	Board Member Member – Audit Committee Member – Remuneration and Nomination Committee
3	Mr. Fawad Zahid	Member	Group Finance Controller - IHC

Committee Functions

- a. Providing guidance to the Board and Senior Management on insider trading.

b. Evaluating where an employee or third party (such as Group's auditors, bankers, lawyers, outsourced employees, professional advisors etc.) may be classified as an insider based on direct or indirect access to "inside information" which may affect the Group's share price, and/or any trading in Group's shares either directly or through others.

c. Maintaining an Insiders Register (both permanent and temporary insiders) and submitting the register to ADX on a periodical basis.
- The register shall include necessary data of the insiders, the number of securities traded in the sale and purchase during the year, the dates of execution of trading operations, and other relevant data.Providing effective communication to ADX/SCA regarding closed periods, temporary suspension of trading and insider trading.

d. Reporting to the Board on an annual basis on all compliance with the regulatory requirements, exceptions noted, and actions taken to address the exceptions.

Committee Meetings During the Year 2023

Member Name	Position in the Committee	Meeting date	Meeting date
		15/05/2023	22/12/2023
Mr. Syed Basar Shueb	Committee Chairman	✓	✓
Mr. Mohammed Nasser Alshamsi	Member	✓	✓
Mr. Fawad Zahid	Member	✓	✓

Summary of The Committee Work During the Year 2023

The Committee reviewed the rules of dealing for controlling private transactions of conversant persons and reviewed the mechanism of keeping related records. In addition, the Committee followed all necessary procedures to ensure the highest levels of compliance with legislation and best practices for corporate governance.

3.5

Executive Management

The following table lists Senior Executives in the Group, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2023:

Position	Appointment Date	Total salaries and allowances paid during the year 2023	Total bonuses paid during the year 2023	Any other bonuses to be paid in the future for the year 2023
		- in UAE Dirhams	- in UAE Dirhams	- in UAE Dirhams
Executive Board Member and Managing Director & CEO	29/07/2019	4,011,700	-	-

3.7

Risk Management, Internal Control and Compliance

The Board of Directors acknowledges its responsibility for the Company's risk management and internal control system, its review and its effectiveness.

Risk Management

Risk Management is the responsibility of the Board and is integral to the achievement of the Company's strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite of the Group and for maintaining a sound internal control system. The Group Audit Committee oversee the risk management process and assesses the effectiveness of risk management within the Group.

At IHC level, the risk comes from making a wrong investment. IHC uses external consultants to conduct third party financial and legal due diligence, necessary internal reviews, and approvals before making any investment. Further, there exists risk in IHC's exposure to its subsidiaries

which are publicly traded companies in ADX. The publicly listed companies fall under the supervision of the UAE's Securities and Commodity Authority and all of which have respective Boards that ensure and oversee the management of their respective risks.

The Group's business has now been structured into different verticals based on sectors/industries and operating businesses have been categorized into one of these verticals. The Risk Management responsibility and accountability, therefore, is vested largely in vertical management/business unit management structures. Any risk taken is considered within the scope of the Group's risk appetite and tolerance levels, which are reviewed annually by the IHC Board.

3.6

Related parties transactions

The Company has entered into transactions with companies and entities that fall within the definition of a related party under the Corporate Governance Code or the International Accounting Standards 24: Related Party Disclosures. The nature of such transactions relate to the Company's normal course of business and details of such transactions are disclosed in note 35 of the Company's 2023 audited financial statements.

The Company did not conduct transactions with any related parties amounting to 5% or more of Company's capital for the year 2023.



Internal Controls

The Board is responsible for establishing and maintaining an effective system of internal control and has established a control framework within which the Group operates. The objective of the Group’s internal control framework is to ensure that appropriate internal controls are established, adequately documented, maintained, reviewed, and adhered across the Group within its normal management and governance processes. Further, maintain the integrity of financial statements and non-financial information and secure reasonable assurance that the Company’s financial statements are reliable and address risks, if any, related to financial reporting.

This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Group’s business objectives will be achieved.

The Audit Committee reviews the effectiveness of the system of internal controls in accordance with its remit.

i. The Board of Directors’ Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company’s internal control system and its review and effectiveness.

ii. Internal control department profile

In order to adapt with the changing needs of the organisation and to enhance assurance over internal controls and risk management, the Company has continued to outsource the internal audit function during 2023 to the Protiviti business consulting firm (see below), reporting functionally to audit committee.

Considering regulatory requirements and the nature of business complexities, where appropriate subsidiaries that have their own Board and are publicly traded have setup independent internal control function within the respective units reporting to their respective Audit Committee and / or Board.

iii. Protiviti Profile

Protiviti (www.protiviti.com) is a global consulting firm that delivers deep expertise, objective insights, a tailored approach and unparalleled collaboration to help leaders confidently face the future. Protiviti and its independent and locally owned member firms provide clients with consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit through their network of more than 85 offices in over 25 countries.

Named to the 2023 Fortune 100 Best Companies to Work For list, Protiviti has served more than 80% of Fortune 100 and nearly 80% of Fortune 500 companies. The firm also works with smaller, growing companies, including those looking to go public and with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

Protiviti has strong presence in Middle East Region with offices in Abu Dhabi, Bahrain, Dubai, Egypt, Kuwait, Oman, Qatar and Saudi Arabia. Protiviti employs over 700 people in the region, giving access to a large pool of skilled and qualified professionals. It is also the largest employer of risk advisory and internal audit

professionals. With specialists and multilingual teams having global as well as regional experience, Protiviti is amongst the fastest growing business advisory firm in the region.

The outsourced Internal Audit Function governs itself by adherence to the Institute of Internal Auditors’ mandatory guidance, including the definition of internal auditing, the code of ethics and the international standards for the professional practice of internal auditing (standards).

iv. Working Mechanism of the Internal Control Department

The Internal Control Department (ICD) is established by the Board of Directors’ Audit Committee. The department’s responsibilities are defined by the Audit Committee as part of their oversight role.

The objective of the ICD is to provide independent assurance and consulting services through a systematic approach to improving the effectiveness of risk management, internal control, compliance, governance process, and the integrity of the Group’s operations.

The audit plan is derived from an independent risk assessment conducted by the outsourced Internal Audit team to identify and evaluate risks associated with the execution of the company strategy, operations, and processes. The plan is designed to address the most significant risks identified within the Group and its business areas. The audits are executed using a methodology for evaluating the design and effectiveness of internal controls to ensure that risks are adequately addressed, and processes are operated efficiently. Opportunities for improving the efficiency in the governance, internal control and risk management processes identified in the internal audits are reported to responsible business unit management for action. A summary of audit results is provided to the Audit Committee, the status of management’s implementation of agreed actions to address findings identified in the audits.

In 2023, the outsourced Internal Audit team and the audit teams of various subsidiaries issued 89 reports. During the year, no significant operational internal control failures were identified. However, process level improvements were identified and accepted by management for implementation towards the continuous improvement of internal controls of the Group.

Compliance

The Compliance function within the Company is headed by Mr. Daud Bin Farooq.

With a career spanning over 15 years, Mr Farooq has diverse legal experience in several jurisdictions, including UAE. His expertise extends across diverse legal sectors, including Mergers and Acquisitions, Projects (incl. Energy, Mining and Real Estate Development), Capital Markets, Corporate Governance and Restructuring along with Strategic Advise to key Stakeholders, Board Members and Senior Executives.

Presently, Mr. Farooq is serving as the Group Head of Legal for IHC. Since assuming the role, Mr. Farooq has successfully advised and ensured completion of substantial number of Transactions (local and cross border), Projects and listings on Capital Markets that have contributed towards the unparalleled growth of IHC Group.

Mr. Farooq is a dual qualified lawyer in jurisdictions of Pakistan and England & Wales.

3.8 External Auditor

Brief about the company’s external auditor

Ernst & Young (EY) was appointed as the company’s external auditor for the fiscal year 2023, 5th year in succession. Ernst & Young has a presence and operations in more than 150 countries which are organized into three areas – the Americas, Asia-Pacific and EMEIA – and further divided into regions. It has been operating in the MENA region for more than 90 years and in the UAE since 1966. All their personnel work in one of their service lines; Assurance, Advisory, Tax, Transactions Services (SaT), or in Core Business Services (CBS) which provides internal operational support such as HR and EY Technology.

Mr. Anthony O’Sullivan is the Engagement Partner for IHC since 2022.

The scope of the audit for the financial year 2023 is as follows:

01	02	03
To provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.	To provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and	To provide a review of quarterly interim condensed consolidated financial statements in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting”.

External audit fees, services & costs

Below are the details and breakdowns of the external audit costs paid during 2023:

- The External Audit Services fees of E&Y for 2023 amounted to AED 1,600,000. These fees are against annual audit and interim review of financial statements of IHC.
- The fees for services, which were delivered to the Company in 2023 by other audit firms (other than the Company’s auditors) amounted to AED 17,672,349. These fees were against advisory services, namely Outsourced Internal Audit Services, Finance and Accounting Outsourcing Services, Outsourced Corporate Governance Services, Outsource Taxation Services, Purchase Price Allocation and Due Diligence Services (Financial and Legal) for various acquisitions by IHC.

The firms, which delivered these services were as follows:

Protiviti Member Firm Middle East Consultancy LLC	WTS Dhruva Consultants	KPMG Assurance and Consulting Services	Weber Shandwick FPR FZ LLC
Acquara Management Consultant LLC	ESG Integrate FZE	Hadef and Partners LLC	Emirates International Chartered Accountants Co
Adsero Ragy Soliman & Partners	Norton Rose Fulbright	Brunswick FZ LLC	Pricewaterhouse Coopers (PWC)
Ardent Advisory and Accounting LLC	Norton Rose Fulbright (Middle East) LLP	Rubikz Consulting FZCO	AZB & Partners

External auditor’s opinion on the financial statements

The Company’s external auditor did not have any reservations about any item in the interim and annual financial statements during 2023.

3.9 Violations Sommitted by the Group During the Year 2023

During 2023, the Group was not subject to any material fines or penalties imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

3.10 Corporate Social Responsibility

As a responsible holding company, IHC adopts community-focused Corporate Social Responsibility (CSR) practices through a blend of sponsorships, volunteering, education support projects, and healthcare initiatives, among others.

The key focus areas of the Group’s CSR strategy are aligned with national priorities and initiatives as well as pressing global challenges, including:

- 01
Gender and Inclusivity
- 02
Employee Health and Well-being
- 03
Sustainability Drives & Engagement
- 04
Circular Economy
- 05
Food Security

IHC and its portfolio partners with renowned non-governmental organizations (NGO) as well as government agencies, and other civil society groups to address social as environmental challenges and support communities. Major local partners include the National Food Loss and Waste Initiative (Ne'ma), The Authority of Social Contribution (Ma'an) and the Emirates Red Crescent.

IHC also sponsors the men’s (UAE Team Emirates) and women’s cycling teams (Team ADQ).

Through these sponsorship agreements, IHC also runs awareness workshops and initiatives to engage with global and local communities to promote cycling, both as a sport and as a

mode of healthy, carbon free transportation. Furthermore, IHC is supporting UAE Team Emirates to achieve its Net-Zero target.

IHC is now using its new Proseed Sustainability Hub to run workshops, seminars and other initiatives that promote employee wellbeing, active participation in the circular economy at work and at home and sustainable living for employees. In 2023, the total amount contributed towards community investments is AED 36,077,703 which mainly includes contribution towards CGS cycling, W Women Sports, KPI Sports etc.

Details about the Corporate Social Responsibilities are provided in IHC’s Environmental, Social and Governance report which is part of the Integrated Report.



3.11 Sustainability Initiatives

COP 28

From November 30 to December 12, IHC made a dedicated multi-subsidary 'Thematic Day Program' at COP28. This substantiated our 'Abu Dhabi-to-the-world' sustainability impact showcasing that we are committed to bringing together our multi-subsidary, multi-sectoral approach to align each thematic day. At COP28, IHC operated across 3 Zones; Energy Transition Hub, Healthcare Cluster and Technology and Innovation Hub.



COP28UAE
— Climate Supporter —

IHC showcased 19 Subsidiaries, who announced their commitments across multiple sectors. A total of 11 Announcements and 4 Panels were hosted and some of the highlights included announcements in;

a. Carbon Capture and Methane Abatement, including a partnership between Sirius International Holding with O&G Giants: SOCAR and ADNOC, to explore methane abatement in the O&G Sector

b. Finance:

Sirius International Holding announced, «S3» which aims to revolutionize the climate economy by delivering innovative end-to-end viable solutions, focusing on four segments: Methane, Carbon, Circular Economy, and Water Efficiency. S3 will deploy capital and management resources on an unprecedented scale, becoming one of the largest companies dedicated to combating climate change

c. Circular Economy:

Partnerships with HotPack and Circular Packaging Association to improve the amount of recycled plastics in the economy.

d. Energy Efficiency & Utilisation:

Reset's partnerships to reduce fuel and water consumption with ADCB and FAB. Esyasoft announced a JV with Landis & Gyr to provide esyasoft's services and products in the SmartGrid sector and provides utility companies end-to-end grid modernization solutions.

e. EV Infrastructure:

Easylease subsidiary 'Fully Charged' to advance EV Infrastructure in the Region by doubling charging devices in the region.

f. Mobility:

Easylease and NWTN Partnership to collaboratively focus on Rabdan retail and fleet sales & recovery services for Rabdan EVs and charging in UAE. Emirates Driving Company showcased its driving education platform along with their 2050 Net Zero Strategy.

g. Construction:

Trojan, an IHC sub-subsidiary displayed their ESG Strategy as well as hosting, with experts from Trojan Construction Group, Royal Advance, Siemens a panel session on, "Achieving Net Zero through Sustainable Built Design"

h. Real Estate & Urbanisation:

Q Holding revealed at COP28 their 2040 Sustainability Strategy and the Design Process undertaken to improve the ratings of their projects. Al Dar and Emirates Steel Arkan signed an MoU to utilise Low-Carbon Steel, as they advance on their journey towards achieving Net Zero by 2050.

Healthcare

- Purehealth, under the IHC umbrella stand, in the Healthcare Cluster, collaborated with Economist Impact on "The Longevity Equation: Climate Resilience for Health in the Middle East" The report explore the consequences of climate crisis and the need for accelerated climate action in the region
- UAE's women's cycling team, Team ADQ held 2 cycling activations at IHC's stand to increase the awareness and encourage the use of cycles as a mode of a healthier, cleaner transport. and a panel on "Addressing Sustainable practices in Sport"

IHC has hired an external consultant to assist the Board in the development of a Sustainability Report for 2023. Details about the sustainability initiatives are provided in IHC's Environmental, Social and Governance report which is part of the Integrated Report.



3.12

Shareholding and Share Price Information

Share Price

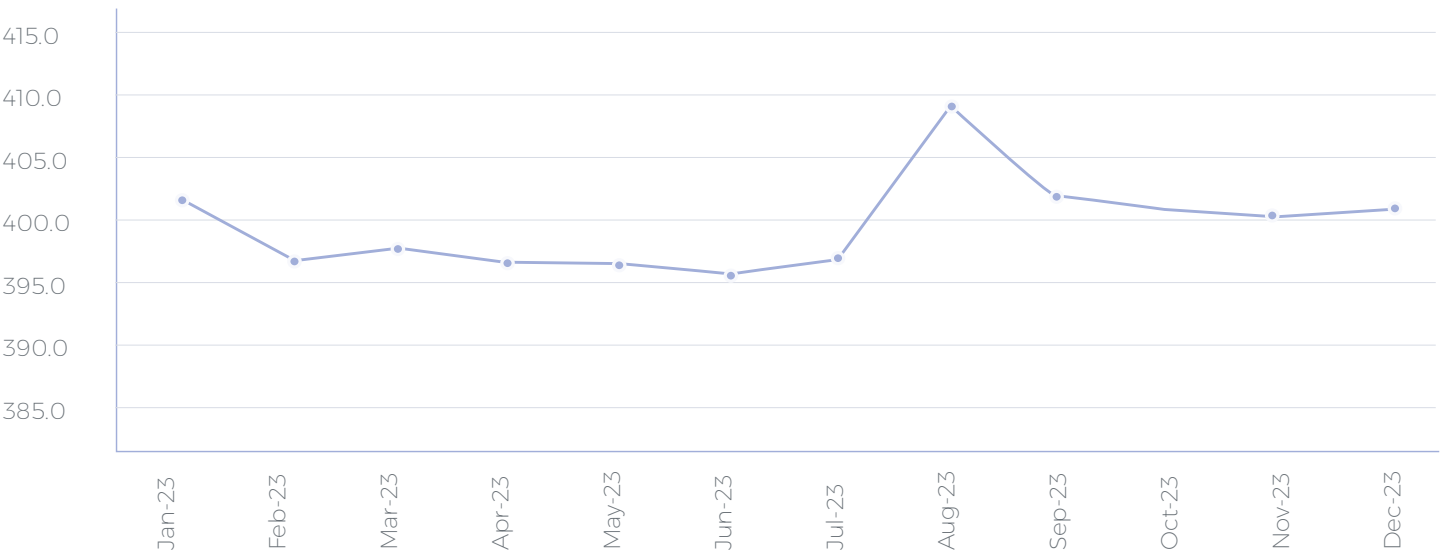
The following table presents the company's highest and lowest share price at the end of each month during 2023, and share performance against market index and sector index as of 31st December 2023:

Share Price (AED)						Share Performance		
Month	HIGH	LOW	Closing Price	Market Index	Financial Service Index	Absolute	VS Market	Vs Sector
January	409.9	400.2	400.2	9,811.6	16,240.5	-2.4%	1.5%	5.7%
February	399.8	395.0	395.1	9,844.8	16,387.2	-1.3%	-1.6%	-2.2%
March	410.0	395.0	396.0	9,430.3	15,876.3	0.2%	4.4%	3.3%
April	398.5	395.0	395.0	9,789.2	16,344.8	-0.3%	-4.1%	-3.2%
May	396.0	395.0	395.0	9,406.6	15,807.9	0.0%	3.9%	3.3%
June	397.0	394.0	394.0	9,550.4	16,047.0	-0.3%	-1.8%	-1.8%
July	396.0	395.0	395.1	9,787.1	16,486.2	0.3%	-2.2%	-2.5%
August	410.0	395.0	409.0	9,810.2	16,713.8	3.5%	3.3%	2.1%
September	409.0	400.6	400.6	9,785.3	16,547.8	-2.1%	-1.8%	-1.1%
October	404.0	399.5	399.6	9,343.9	16,135.2	-0.2%	4.3%	2.2%
November	401.5	399.5	399.5	9,559.6	16,347.4	0.0%	-2.3%	-1.3%
December	401.0	399.4	399.5	9,577.9	16,415.4	0.0%	-0.2%	-0.4%
Overall Performance During 2023	410.00	394.0	399.5	9,577.9	16415.4	-2.6%	3.6%	4.5%



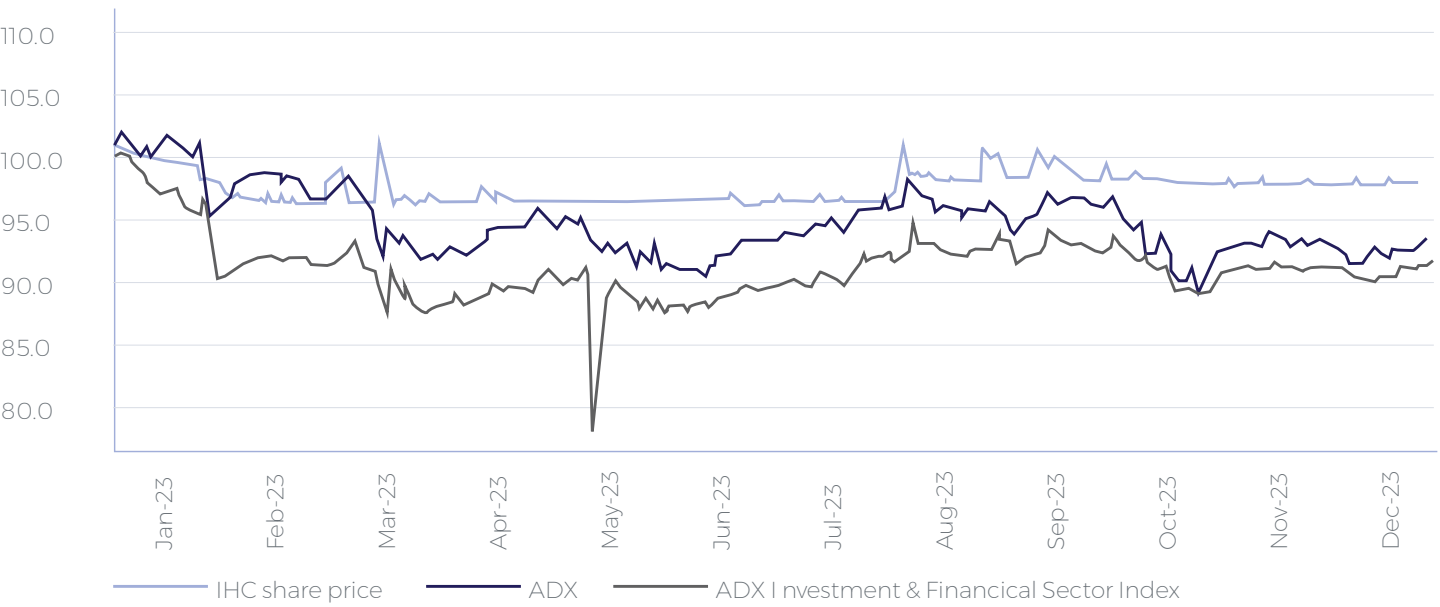
Company shares price performance during the year 2023

IHC Stock Performnace (AED/sh.)



Performance of the company's shares compared with the ADX index and ADX investment and financial sector index during 2023

IHC Share Price Performance vs. ADX and ADX Investment & Financial Index (all rebased to 100)



Company shares price performance during the year 2023

Description	Governments	Individuals	Companies	Total
UAE	58,580	20,043,204	1,933,751,725	1,953,853,509
GCC	-	65,201	36,064	101,265
Arabs	-	561,620	143	561,763
Foreigners		1,280,054	237,743,294	239,023,348
Total	58,580	21,950,079	2,171,531,226	2,193,539,885
Percentage (%)	0%	1.00%	99.00%	100%

Statement of shareholder ownership reaching 5% or more

Name of Shareholders	Shareholders Share %
PAL Group of companies LLC	48.56%
Royal Group for Companies Management LLC	12.64%
Total	61.20%

3.13 Investor Relations Affairs

The Company has established a department specialized in managing the affairs of shareholders. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding Corporate Governance Regulations and related circulars.

A Shareholder Relations Officer has been appointed and holds the following qualifications:

- Holds a degree suitable for the work involved.
- Has experience in managing the affairs of shareholders and legal matters within the state, including companies and banks.
- Is aware of all relevant legal and legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has attended a training workshop on Investor Relations.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

A special Investor Relations page has been created on the company's website to be constantly updated and maintained in line with international standards, including Investor Relations Department data and contact information, such as a dedicated phone number and e-mail address, providing all reports on financial results whether recorded or published, Financial Year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, and any other important events.

Information and data disclosed to regulators, markets or the general public are posted on the Company's website at the following link:

<https://www.ihcuae.com/investor-relations/investor-relations>

Address:

RG Procurement Building, Second Floor, Khalifa Park, Abu Dhabi – United Arab Emirates.

Tel:

02-6448090

Fax:

02-6447060

P.O. Box 32619, Abu Dhabi – United Arab Emirates

Email:

linda.b@ihcuae.com

Available to respond to shareholder enquiries from Monday to Friday, 10am to 3pm.

3.14 Special Resolutions Presented to General Assembly Meetings Held During 2023.

IHC general assembly special resolutions

No special resolutions were passed at IHC's General Assembly

3.14.a Subsidiary companies' general assembly/ partners' meeting special resolutions

Sr No	Meeting Date	Items / Special Resolutions	Measures Taken
1	3 rd January 2023	Alpha Dhabi Holding PJSC - Amendment to the Articles of Association. - Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.	Approved 
2	22 nd March 2023	Multiply Group PJSC Amendments to the Articles of Association.	Approved 
3	28 th November 2023	Q Holding PSC - Acquisition of the entire shareholding of ADQ Real Estate and Hospitality Investments LLC and IHC Capital Holding LLC in Modon Properties PJSC and its assets. - Acquisition of the entire shareholding of ADQ Real Estate and Hospitality Investments LLC in the following companies - Abu Dhabi National Exhibitions Company PJSC - Miza Investments LLC - Sahel 1 Restricted Limited - Sahel 2 Restricted Limited - Oryx Action Restricted Limited - Issuance of in consideration for the above acquisitions. - Amendments to the Articles of Association to increase the share capital as a result of conversion of bonds into shares and to increase the number of Board of Directors from five (5) to nine (9) - Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.	Approved 
4	28 th December 2023	Q Holding PSC Appointment of the Board of Directors	Approved 

Sr No	Meeting Date	Items / Special Resolutions	Measures Taken
5	7 th March 2023 16 th November 2023	Ghitha Holdings PJSC - Amendments to the Articles of Association. - Appointment of the Board of Directors	Approved 
6	22 nd November 2023	Easy Lease Motor Cycle Rental PSC Appointment of the Board of Directors	Approved 
7	16 th March 2023	Aldar Properties PJSC - Authorise the Board of Directors to determine the beneficiaries of social contributions during 2023 subject to social contributions not exceeding 2% of the average net profits of the Company during 2021 and 2022 - Amendments to the Articles of Association.	Approved 
8	28 th March 2023	National Marine Dredging Company PJSC - Issuance of mandatory convertible bonds to Golden Falcon Marine Construction (or its designee) to acquire certain assets - Amendment to the Articles of Association as a result of increase in the share capital from the issuance of mandatory convertible bonds. - Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.	Approved 
9	12 th April 2023	Apex Investment PSC - Amendment to the Articles of Association - Authorizing the Company's Board to take any action that may be necessary to implement any of the aforementioned resolutions.	Approved 
10	30 th March 2023 13 th April 2023 27 th July 2023	ESG Emirates Stallions Group PJSC ("ESG") - Sale of 50% stake of one of the subsidiaries of ESG in Aleskan Aljamae to Kizad Communities Development and Services Company LLC ("Kizad"). - Authorizing the CEO of ESG to execute the above transaction. - Sale of 70% stake of one of the subsidiaries of ESG in WFC Holding LLC to Reach Global Services 1 SPV Limited. - Authorizing the CEO of ESG to execute the above transaction. - Adjustment to the selling price for the sale of 70% stake of one of the subsidiaries of ESG in WFC Holding LLC to Reach Global Services 1 SPV Limited as previously approved on 13th April 2023. - Authorizing the CEO of ESG to execute the above transaction.	Approved 
11	28 th February 2023	Al Seer Marine Supplies and Equipment Company PJSC Amendment to the Articles of Association of the Company in accordance with the Federal Decree No. 32 of 2021 regarding the Commercial Company's Law (CCL).	Approved 
12	16 th January 2023 27 th September 2023	Palms Sports PJSC - Amendment to the Articles of Association. - Authorizing the Company's Board to take any action that may be necessary to implement the aforementioned resolution. - Proposed increase in Share capital from AED 150 million to AED 165 Million. - Accept the Proposal of Ice Holding RSC LTD to become a new shareholder in the Company. - Amendment to the Articles of Association post increase in share capital.	Approved Not Approved Approved 

3.15

Emiratization Percentage in the Company as of 2023 (excluding unskilled labour)

2023

Number of Employees	Emirati Citizens	Non-Emirati Citizens	Total
Total	2,686	63,224	65,910
Ratio	4.10%	95.9%	100%

2022

Number of Employees	Emirati Citizens	Non-Emirati Citizens	Total
Total	6,725	55,682	62,407
Ratio	10.78%	89.22%	100%

2021

Number of Employees	Emirati Citizens	Non-Emirati Citizens	Total
Total	1,242	20,371	21,613
Ratio	5.75%	94.25%	100%



3.16

Significant Events

2023

February	01. Acquisition of 55% Stake in Reach Employment Services L.L.C. for a consideration of AED 315 million. 02. Intention to invest in ADNOC Gas' IPO as a cornerstone investor.
March	03. Creation of a multi asset class investment manager, a joint venture between IHC and ADQ to provide a wider range of investment opportunities. 04. 15% investment in Presight AI Holding PLC initial public offering (IPO) as a cornerstone investor. 05. Approval by the Board of IHC to initiate the transfer of Chimera Investment LLC to IHC under common control method.
April	06. Re-election of IHC's Board of Directors at the Annual General Meeting on 19th April 2023 for three years. 07. Resolution of the Board members by circulation for the appointment of the Board Sub Committees and the Committee members.
May	08. IHC Capital Holding LLC, a subsidiary of International Holding Company PJSC, has entered into a Memorandum of Understanding ('MoU') with Grupo de Inversiones Suramericana S.A. ('Grupo Sura'), Grupo Nutresa S.A. and Grupo Argos S.A., along with other business shareholders. Post the MoU being signed by all parties and subject to regulatory and corporate approvals, IHC will exchange its 1.64% shareholding in Grupo Sura for shares in Grupo Nutresa S.A.
June	09. Further to the MoU with Grupo de Inversiones Suramericana S.A. ('Grupo Sura'), Grupo Nutresa S.A. and Grupo Argos S.A., along with other business shareholders, a framework agreement for shares swap has been signed, according to which IHC Capital Holding LLC, a subsidiary of International Holding Company PJSC, will receive a 2.45% stake in Grupo Nutresa in exchange for its 1.64% stake in Grupo Sura, subject to regulatory and corporate approvals.
July	10. IHC Real Estate Holding LLC, a subsidiary of International Holding Company PJSC, along with ADNEC Group have signed a definitive agreement with Aldar Properties PJSC regarding the merger of Eltizam Asset Management Estate LLC (50% owned by IHC Real Estate Holding LLC) with Aldar Estates, a subsidiary of Aldar Properties PJSC to create UAE's largest property and facilities management company, subject to regulatory approvals.
August	11. IHC Capital Holding LLC, a subsidiary of International Holding Company PJSC, has signed a definitive agreement to acquire a 49% stake in Modon Properties PJSC.
October	12. International Tech Group SP LLC, subsidiary of IHC, to invest 10% stake in Phoenix Group PLC
November	13. IHC has announced the transfer of four of its key 'green businesses' to Sirius International Holding, an IHC subsidiary, leveraging disruptive technologies to engineer 'sustainability solutions' that combat climate change, and with a dedication to driving digital transformation through investments. 14. Sirius International Holding, a subsidiary of IHC, announces the establishment of Smart Sustainability Solutions (S3), a pioneering climate company, focused on offering end-to-end industrial scale solutions for the transition to a net-zero economy. S3's focus is on four critical segments of the new climate economy: Methane, Carbon, Circularity (Circular Economy), and Water Efficiency.

3.17

Initiatives and Innovations during 2023



Sustainability and Community Initiatives

- a. **Proseed Sustainability Hub:** IHC has established Proseed Sustainability Hub to act as the Centre of Excellence towards leveraging the experience and know-how in our organization and our network to infuse ESG through UAE Initiatives. The Hub stands as a robust platform for IHC to enact its own sustainability agenda, frame effective strategies, and enhance IHC subsidiaries' contributions, while forging meaningful partnerships. The Hub will host training sessions, think tanks and events to spark conversations and a higher level of consciousness around sustainability. The Hub will serve as an interactive platform, bringing together our partners and subsidiaries to ideate and implement innovative solutions, enhancing sustainability across our operations and fostering sector-wise growth. The Hub comprises six zones, each depicting IHC's sustainability journey and providing a space for collaboration and promoting wellness.
- b. **Wio bank:** Digital Bank, Wio Bank PJSC has integrated the Mastercard Carbon Calculator into its Wio Personal application, setting a new standard for sustainable banking practices in the region. The Carbon Calculator provides customers with carbon footprint data and insights about the impact of their purchases at a customer level.
- c. IHC has partnered with LVL Wellbeing to launch a new immersive studio and digital wellness offering to all the staff. LVL Wellbeing provides a range of engagement features including original on-demand video content and carefully curated live sessions designed to prioritize employees wellbeing.
- d. IHC launched a new waste management awareness program across its HQ. It included the installation of segregation bins and technology enabled waste management solutions. REE™ is a software company that provides bespoke recycling solutions to tackle the problem of source segregation while providing full transparency and traceability. Rebound is a plastic trading platform that is on a mission to end plastic waste. They do this by providing a fully transparent buying and selling system.
<https://www.reecycle.app/IHC>



AI Initiatives

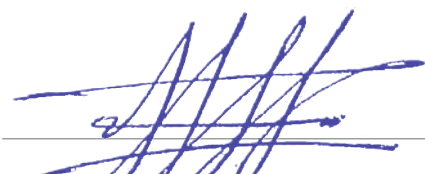
- a. IHC has encouraged and enhanced the use cases for generative AI within the group and all its departments. IHC shared with all its group subsidiaries a playbook for available AI tools that each sector and business function could leverage to enhance productivity and boost performance. IHC undertook a targeted exercise on building and utilising an internal Generative AI Application that can be utilised by select IHC subsidiaries to enhance financial analysis and performance. Providing the business unit leaders with predictive analysis capabilities and utilising a customizable and modular AI platform that is specific to the company's sector. The aim is to pilot this across several subsidiaries, provide data driven information to leadership and roll-out across the group.
- b. IHC has built and is testing with the development of an AI Platform to enhance synergy and internal development across its portfolio of 500 plus subsidiaries. The AI tool will provide all employees and leadership across the group to easily search and access all services, products and solutions within the group.

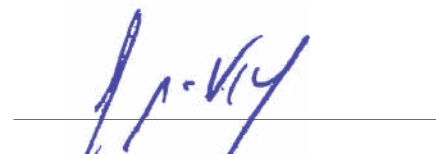


Technology Initiatives

- a. Pure health, an associate entity of IHC, has launched 'Dawak' a new pharmaceutical platform. The platform aims to simplify the way patients access, purchase and consume their medication throughout the UAE.
- b. As part of the strategic fundamentals and as an investment holding company, IHC looked at emerging technologies that can add to and enhance the group's ecosystem offerings. IHC completed investments in Artificial Intelligence, Big Data Analysis, Climate Tech, Bitcoin mining and Crypto-currency.
- c. Establishment of its new subsidiary, Sirius International Holding will lead digital transformation solutions for businesses and governments across the world in multiple sectors; including: energy, climate tech, block chain and crypto currency, business process automation, software development, and health tech.

The Report was approved by


**Dr. Mohamed Somar
Nassouh Ajalyaqin**
Chairman - Nomination and
Remuneration Committee


Ms. Sofia Abdellatif Lasky
Chairwoman -
Audit Committee


Mr. Daud Bin Farooq
Head - Legal & Compliance



The background of the page is a dark blue gradient. On the left side, there is a vertical strip containing several green bars of varying heights, resembling a bar chart. Overlaid on this are thin, light blue lines that form a network or graph. In the lower-left corner, there is a close-up, slightly blurred image of several silver coins stacked on top of each other. The overall aesthetic is modern and financial.

4.0 Audited Financial Statements

- 4.1 Directors Report
- 4.2 Consolidated Financial Statements

International Holding Company PJSC

DIRECTORS’ REPORT
31 December 2023

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present our report along with the audited consolidated financial statements of International Holding Company PJSC (the “Company” or “IHC”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2023.

IHC achieved a solid growth during 2023, while demonstrating the strength of our core businesses, with achievements that are in line with our long-term strategy. The Group’s performance during 2023 reflected the clear strategy adopted of enhancing the Group’s portfolio through acquisitions, strategic investments, restructuring and diversification.

Below is a summary of the main strategic business acquisitions performed during the year (other acquisitions are included in note 6 to the accompanying audited consolidated financial statements):

- London Square Developments Holdings Limited and its subsidiaries
- ADMO Lifestyle Holding Limited and its subsidiaries
- Reach Global Services Holding 1 SPV Limited and its subsidiaries
- Eltizam Asset Management Estate - Sole Proprietorship LLC and its subsidiaries
- Al Ain Farms for Livestock Production

Below is a summary of the main strategic investment in associates entered into during the year:

- Modon Properties PJSC
- Presight AI Holding PLC
- National Corporation for Tourism and Hotels PJSC
- Kizad Communities Development and Services Company LLC

Financial highlights

IHC’s strategic investments and decision making process have yielded an exceptional financial performance for the financial year ending 31 December 2023, with revenues of AED 60,089,440 thousand (2022: AED 50,946,133 thousand) and a net profit after tax of AED 32,954,248 thousand (2022: AED 32,571,200 thousand). Following is a summary of the key financial highlights for the year ended 31 December 2023.

AED 60.09 Bn (2022: AED 50.95 Bn) Revenue	AED 32.95 Bn (2022: AED 32.57 Bn) Profit after tax	AED 27.52 Bn (2022: AED 12.65 Bn) Profit attributable to the owners of the Company
AED 264.27 Bn (2022: AED 228.03 Bn) Total assets	AED 156.74 Bn (2022: AED 129.36 Bn) Total equity	AED 12.55 (2022: AED 6.81) Earnings per share (EPS)

International Holding Company PJSC

DIRECTORS’ REPORT continued
31 December 2023

Board of Directors

The Directors of the Company are:

Chairman	H.H. Shk Tahnoon Bin Zayed Al Nahyan
Vice chairman	Dr. Somar Ajalyaqin
Members	Mr. Syed Basar Shueb
	Ms. Sofia Lasky
	Mr. Mohammed Nasser Saif Howaiden Al Shamsi

To the best of our knowledge, the financial information included in these consolidated financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the periods presented therein. The consolidated financial statements were approved by the Board of Directors and authorised for issue on 26 February 2024.

Auditors

A resolution proposing the reappointment of Ernst & Young as auditors of the Group for the year ending 31 December 2024 will be put to the shareholders at the Annual General Meeting.

On behalf of Board of Directors

Chairman
26 February 2024

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of International Holding Company PJSC (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Revenue recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2023, total revenue of the Group amounted to AED 60,089 million (2022: AED 50,946 million) (note 30).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we performed, or involved component auditors in the performance of procedures to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process for certain subsidiaries, substantive audit procedures which included overall analytical procedures at the Group and subsidiary level, and testing on transactions throughout the year, to assess whether revenues were properly recognised.

Business combination of entities under common control

During the year, the Group acquired control over entities under common control as disclosed in note 6.1. The acquisitions are excluded from the scope of IFRS 3, as these represented business combination of entities under common control, given that the Company and the acquired entities are controlled by the same ultimate shareholder before and after the acquisitions. This has been identified as a key audit matter as it significantly affects the composition of the Group's businesses and its financial position and performance. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction and have resulted in a merger reserve of AED 259,505 thousand during 2023 (2022: AED 721,939 thousand).

We performed, or involved component auditors to perform, the following procedures:

- held discussions with the Group's management and those charged with governance to obtain an understanding of the transaction details;
- obtained and reviewed the share purchase agreements and assessed if the acquisitions fulfilled the requirements of business combination under common control by inspecting evidence of ownership and reviewing the ownership structures before and after the acquisitions, and determining the appropriateness of the amounts recognised as merger reserve in the consolidated statement of equity;
- assessed if the pooling of interest method was consistently applied in accordance with the Group's accounting policy; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Business combinations within the scope of IFRS 3

During the year, the Group acquired control over the entities disclosed in note 6.2 which were determined to be business combinations as defined by IFRS 3. External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year which require significant judgement and estimation regarding the allocation of the purchase price to the assets and liabilities acquired and adjustments made to align accounting policies of the newly acquired assets / businesses with those of the Group.

We performed, or involved component auditors to perform, the following procedures:

- Reviewed the share purchase agreements and ownership structures before and after the acquisitions to assess if the acquisitions fulfilled the requirements of business combination under IFRS 3;
- obtained the provisional purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group;
- involved our, or the components auditor's, internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included cash flow projections based on revenues and earnings before interest and tax ('EBIT'), growth rates and discount rates;
- assessed the independence, qualification and expertise of external valuation specialists engaged by the Group and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

Fair value of investment properties

Investment properties amounting to AED 30,676 million (2022: AED 29,602 million) as at 31 December 2023 (note 9) are stated at cost less accumulated depreciation and impairment. The Group estimates the fair value of its investment properties for disclosure purposes and to assess the existence of any impairment. The valuation of investment properties is a key audit matter given the degree of complexity in valuation and the significance of the judgements and estimates made by management.

The valuations were undertaken by internal management specialists and external valuers (the "Valuers"). In determining property valuations, the Valuers apply different valuation techniques including investment and comparable methods. The Valuers take into account property-specific information such as the current tenancy agreements and apply assumptions for discount rates and estimated market rent, which are influenced by prevailing market yields and consider comparable market transactions, to arrive at the valuation.

We involved component auditors in reviewing the property valuation reports and assessed that the valuation approach for each was in accordance with the established standards for valuation of properties and suitable for use in determining the fair value of properties.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Fair value of investment properties continued

We involved component auditors in assessing the external valuers independence, qualification and expertise and read the terms of their engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work.

The component auditors involved their internal valuation specialists in reviewing the valuation of properties. The review included discussions with management, and consideration of reasonableness of the significant assumptions.

We assessed the adequacy of disclosures in line with the requirements of the IFRSs.

Impairment assessment of goodwill

The Group has recognised goodwill amounting to AED 5,798 million (2022: AED 5,216 million) arising from the acquisition of subsidiaries operating in multiple segments under business combinations within the scope of IFRS 3 (note 8).

Management carries out impairment assessments of goodwill annually. Goodwill impairment testing is considered a key audit area given the significant estimates and assumptions involved in determining the value in use of the respective cash generating units. Assumptions used relate to future cash flows, revenue growth rates, expected inflation rates and discount rates.

As part of our audit procedures, we performed, or involved component auditors to perform the following for CGUs with significant goodwill:

- tested, with involvement of internal valuation specialists, the methodologies and inputs used by the Group in the discounted cash flow models for impairment testing including key assumptions relating to growth rates, inflation rates and discount rates;
- analyzed the sensitivity of available headroom in the respective CGUs to changes in certain assumptions;
- compared actual performance of cash generating units to the assumptions applied in discounted cash flow models to assess the historical accuracy of management's estimates; and
- assessed the adequacy of disclosure in line with the requirements of the IFRSs.

Gain on acquisition of an associate

During the year, the Group acquired a 49% equity interest in Modon Properties PJSC ("Modon") for consideration of AED 490 million. The Group has significant influence over Modon and accounts for its investment under the equity method of accounting. As disclosed in note 10 to the consolidated financial statements, the Group has recorded a gain of AED 12,194 million for the excess of its share of the net fair values of Modon's identifiable assets and liabilities over the cost of the investment.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Gain on acquisition of an associate continued

External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, and fair valuation and identification of acquired assets and liabilities. The acquisition of Modon is a key audit matter as it represents a significant transaction during the year which requires significant judgement and estimation regarding the fair valuation of Modon's identifiable assets and liabilities.

We performed the following procedures:

- reviewed the sale and purchase agreement noting the conditions precedent that are required to be met in order to complete the transaction;
- reviewed Modon's shareholders register to ensure that the ownership in Modon was transferred to the Group.
- ensured that the land plots were transferred to Modon prior to the completion of the transaction and the transfer of the ownership in Modon to the Group.
- obtained the purchase price allocation report prepared by the external valuation specialists engaged by the Group;
- involved our internal valuation specialists in reviewing the purchase price allocation report. The review included discussions with management and the external valuation specialists and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included analysis of the appropriate comparable transactions, together with evidence of demand within vicinity of the valued land plots;
- assessed the external valuation specialists' competence and capabilities and read their terms of engagement with the Group to determine if the scope of their work is sufficient for the audit purposes; and
- assessed the adequacy of disclosures in line with the requirements of the IFRSs.

Other information

Other information consists of the information included in the Directors' Report and Annual Report other than the consolidated financial statements and our auditor's report thereon. We obtained the Directors' report prior to the date of our audit report and we expect the Annual Report to be made available to us after the date of this auditor's report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Other information continued

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs and in compliance with the applicable provisions of the Articles of Association of the Company and the UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on the Audit of the Consolidated Financial Statements continued

Auditor's responsibilities for the audit of the consolidated financial statements continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats, or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF INTERNATIONAL HOLDING COMPANY PJSC continued

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, the Articles of Association of the Company;
- iii) the Group has maintained proper books of account;
- iv) the consolidated financial information included in the Directors' report is consistent with the books of account and records of the Group;
- v) investments in shares and stocks are included in notes 6, 10 and 11 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2023;
- vi) note 35 reflects the disclosures relating to material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended 31 December 2023, any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2023.
- viii) During the year, the Group made social contributions of AED 18,967 thousand (2022: AED 32,189 thousand).

Signed by:
Anthony O'Sullivan
Partner
Ernst & Young
Registration No 687

26 February 2024
Abu Dhabi

International Holding Company PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	7	20,885,783	19,502,124
Intangible assets and goodwill	8	9,946,938	11,616,475
Right-of-use assets	29	2,077,712	2,954,791
Investment properties	9	30,675,823	29,602,126
Investment in associates and joint ventures	10	38,060,257	7,654,312
Investments in financial assets	11	21,840,683	26,615,304
Derivative financial instruments	26	8,311	207,045
Trade and other receivables	14	2,922,578	2,674,851
Biological assets	15	155,430	49,675
Due from related parties	35	951	951
Loans to related parties	35	616,505	-
Deferred tax assets	39	135,559	106,357
		127,326,530	100,984,011
Current assets			
Inventories	13	15,321,904	13,001,371
Development work-in-progress	16	9,110,394	6,367,548
Biological assets	15	40,643	35,246
Investment in financial assets	11	39,912,437	32,176,907
Derivative financial instruments	26	24,602	41,747
Due from related parties	35	1,827,597	1,988,332
Loans to related parties	35	5,700	1,200
Contract assets	17	9,976,615	8,128,256
Trade and other receivables	14	25,461,145	26,139,983
Cash and bank balances	18	33,918,559	37,230,142
		135,599,596	125,110,732
Assets held for sale	19	1,348,827	1,939,751
		136,948,423	127,050,483
TOTAL ASSETS		264,274,953	228,034,494
EQUITY AND LIABILITIES			
Equity			
Share capital	20	2,193,540	2,193,540
Share premium	20	-	151,188,827
Merger, acquisition and other reserves		18,243,811	(109,900,410)
Statutory reserve	21	1,096,770	1,096,770
Contributed capital		940,015	940,015
Cumulative changes on revaluation of investments		(597,229)	(146,055)
Currency translation reserve		(364,533)	(236,526)
Hedging reserve		28,735	22,619
Retained earnings		73,697,738	22,701,803
		95,238,847	67,860,583
Equity attributable to owners of the Company		95,238,847	67,860,583
Hybrid equity instruments	22	1,815,646	1,815,646
Non-controlling interests		59,682,378	59,687,880
		156,736,871	129,364,109
Total equity		156,736,871	129,364,109

International Holding Company PJSC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

At 31 December 2023

	Notes	2023 AED'000	2022 AED'000
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Employees' end of service benefits	23	1,515,587	2,771,254
Lease liabilities	29	1,896,446	2,814,243
Borrowings	24	36,613,733	33,829,725
Non-convertible sukuk	25	5,456,856	3,644,812
Trade and other payables	27	5,794,202	3,334,080
Loans from related parties	35	122,118	76,899
Due to related parties	35	2,520	3,133
Deferred tax liabilities	39	875,042	65,148
		52,276,504	46,539,294
Current liabilities			
Due to related parties	35	1,348,893	4,340,517
Loans from related parties	35	38,060	16,574
Lease liabilities	29	256,301	268,099
Borrowings	24	6,321,583	2,436,992
Non-convertible sukuk	25	46,098	37,104
Derivative financial instruments	26	12,138	50,171
Contract liabilities	28	15,775,359	12,023,027
Trade and other payables	27	31,421,160	32,950,592
		55,219,592	52,123,076
Liabilities directly associated with assets held for sale	19	41,986	8,015
		55,261,578	52,131,091
Total liabilities		107,538,082	98,670,385
TOTAL EQUITY AND LIABILITIES		264,274,953	228,034,494

Chief Financial Officer

Managing Director

Chairman

The attached notes 1 to 46 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Revenue	30	60,089,440	50,946,133
Cost of revenue	31	(47,049,423)	(39,268,845)
Gross profit		13,040,017	11,677,288
General and administrative expenses	32	(6,099,828)	(7,456,072)
Selling and distribution expenses	33	(521,173)	(591,186)
Share of profit from investment in associates and joint ventures	10	13,233,218	245,820
Investment and other income	34	6,762,139	24,793,442
Fair value gain on revaluation of previously held equity interest	10	318,699	2,848,679
Gain on disposal of investment in associates and joint ventures	10	493,110	63,111
Gain on acquisition of subsidiaries	6.2	2,998	2,183,284
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		-	(7,077)
Gain on derecognition of subsidiaries	6.4	8,858,361	91,044
Finance costs	38	(2,277,366)	(1,188,259)
Profit before tax		33,810,175	32,660,074
Taxation	39	(855,927)	(88,874)
Profit for the year		32,954,248	32,571,200
Attributable to:			
Owners of the Company		27,523,100	12,652,578
Non-controlling interests		5,431,148	19,918,622
Profit for the year		32,954,248	32,571,200
Basic and diluted earnings per share (AED)	36	12.55	6.81

The attached notes 1 to 46 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Profit for the year		32,954,248	32,571,200
Other comprehensive loss:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange difference on translation of foreign operations, net of tax		(376,374)	(923,505)
Change in fair value of hedging instruments		(412)	120,226
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	1,101	3,592
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal		-	7,077
Net (loss) gain on debt instruments, hedging instruments and translation of foreign operations reclassified to profit or loss		(7,795)	18,053
Share of other comprehensive income (loss) of associates and joint ventures		6,345	(29,435)
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive loss of associates and joint ventures		74,228	5,848
Change in the fair value of financial assets carried at fair value through other comprehensive income	11.1	(542,254)	(483,862)
Remeasurement loss on defined benefits plans	23	-	(35,748)
Total other comprehensive loss		(845,161)	(1,317,754)
Total comprehensive income for the year		32,109,087	31,253,446
Attributable to:			
Owners of the Company		26,976,698	11,923,621
Non-controlling interests		5,132,389	19,329,825
		32,109,087	31,253,446

The attached notes 1 to 46 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Attributable to equity holders of the Company										Non controlling- interests AED '000	Hybrid equity instruments AED '000	Total equity AED '000
	Share capital AED '000	Share premium AED '000	Merger, acquisition and other reserves AED '000	Statutory reserve AED '000	Contributed capital AED '000	Cumulative changes on revaluation of investments AED '000	Currency translation reserve AED '000	Hedging reserve AED '000	Retained earnings AED '000	Total AED '000			
Balance at 1 January 2022	1,821,429	-	16,668,311	910,715	-	360,372	2,038	1,627	7,329,169	27,093,661	28,938,365	-	56,032,026
Profit for the year	-	-	-	-	-	(499,037)	-	-	12,652,578	12,652,578	19,918,622	-	32,571,200
Other comprehensive loss for the year	-	-	-	-	-	(499,037)	(238,564)	20,992	(12,348)	(728,957)	(588,297)	-	(1,317,254)
Total comprehensive income for the year	-	-	-	-	-	-	-	-	12,640,230	11,923,621	19,329,825	-	31,253,446
Transfer to statutory reserve	-	-	-	186,055	-	-	-	-	(186,055)	-	-	-	-
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	(7,390)	-	-	7,390	-	-	-	-
Business combination of entities under common control (note 6.1(b))	-	-	721,939	-	-	-	-	-	-	721,939	749,965	-	1,471,904
Acquisition of subsidiaries (note 6.2(b))	-	-	-	-	-	-	-	-	-	-	24,420,250	1,126,639	25,546,889
Non-controlling interest arising from acquisition of assets (note 6.3(b))	-	-	-	-	940,015	-	-	-	-	940,015	192,600	-	192,600
Capital contributed	-	-	783,364	-	-	-	-	-	-	783,364	67,057	-	1,007,072
Acquisition of assets from entities under common control (note 10)	-	-	-	-	-	-	-	-	(51,645)	(51,645)	-	689,007	689,007
Hybrid equity instruments issued during the period	-	-	-	-	-	-	-	-	-	-	-	-	(51,645)
Coupon paid on hybrid equity instrument (note 22)	-	-	-	-	-	-	-	-	-	-	(1,849,124)	-	(1,849,124)
Dividend paid to non-controlling interest (note 44)	-	-	-	-	-	-	-	-	-	-	(27,158,192)	-	(27,158,192)
Acquisition of non-controlling interest (note 6.6(b) & 20)	372,111	151,188,827	(127,999,543)	-	-	-	-	-	-	23,561,395	6,518,225	-	9,195,482
Disposal of partial interest in subsidiaries (note 6.5(b))	-	-	2,677,257	-	-	-	-	-	-	2,677,257	8,600,277	-	8,600,277
Non-controlling interest share of newly issued shares (note 6.2(b))	-	-	-	-	-	-	-	-	-	-	(217,248)	-	(217,248)
Disposal of subsidiaries (note 6.4(b))	-	-	-	-	-	-	-	-	-	-	(20,000)	-	(20,000)
Repayment to non-controlling interests of contributed capital	-	-	-	-	-	-	-	-	-	-	327,136	-	327,136
Capital injection by non-controlling interest	-	-	(2,751,738)	-	-	-	-	-	2,962,714	210,976	(211,256)	-	(280)
Other equity movement	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2022	<u>2,193,540</u>	<u>151,188,827</u>	<u>(109,900,410)</u>	<u>1,096,770</u>	<u>940,015</u>	<u>(146,055)</u>	<u>(236,526)</u>	<u>22,619</u>	<u>22,701,803</u>	<u>67,860,583</u>	<u>59,687,880</u>	<u>1,815,646</u>	<u>129,364,109</u>
Balance at 1 January 2023	2,193,540	151,188,827	(109,900,410)	1,096,770	940,015	(146,055)	(236,526)	22,619	22,701,803	67,860,583	59,687,880	1,815,646	129,364,109
Profit for the year	-	-	-	-	-	-	-	-	27,523,100	27,523,100	5,431,148	-	32,954,248
Other comprehensive loss for the year	-	-	-	-	-	(424,511)	(128,007)	6,116	-	(546,402)	(298,759)	-	(845,161)
Total comprehensive income for the year	-	-	-	-	-	-	-	6,116	27,523,100	26,976,698	5,132,389	-	32,109,087
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	-	(26,663)	-	-	26,663	-	-	-	-
Business combination of entities under common control (note 6.1(a))	-	-	259,505	-	-	-	-	-	-	259,505	328,927	-	588,432
Acquisition of subsidiaries (note 6.2(a))	-	-	-	-	-	-	-	-	-	-	754,740	-	754,740
Acquisition of assets from entities under common control (note 6.3(a) & 11.1)	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests arising from acquisition of assets (note 6.3(a))	-	-	593,890	-	-	-	-	-	-	593,890	-	-	593,890
Disposal of partial interest in subsidiaries (note 6.5(a))	-	-	340,733	-	-	-	-	-	-	340,733	66,929	-	66,929
Acquisition of non-controlling interest (note 6.6(a))	-	-	(467,249)	-	-	-	-	-	-	(467,249)	632,832	-	973,565
Derecognition of subsidiaries (note 6.4(a))	-	-	-	-	-	-	-	-	-	-	(356,352)	-	(823,601)
Non-controlling interest share of newly issued shares (note 6.2(a))	-	-	-	-	-	-	-	-	-	-	(6,232,405)	-	(6,232,405)
Coupon paid on hybrid equity instrument (note 22)	-	-	-	-	-	-	-	-	(103,289)	(103,289)	190,256	-	190,256
Repayment of contributed capital to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,880)	-	(4,880)
Additional contributions by non-controlling interest	-	-	127,639,366	-	-	-	-	-	23,549,461	-	498,035	-	498,035
Transfer of share premium (note 20)	-	(151,188,827)	-	-	-	-	-	-	-	-	(1,209,205)	-	-
Dividend paid to non-controlling interest (note 44)	-	-	(222,024)	-	-	-	-	-	-	(222,024)	193,232	-	(28,792)
Other equity movement	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2023	<u>2,193,540</u>	<u>-</u>	<u>(18,243,811)</u>	<u>1,096,770</u>	<u>940,015</u>	<u>(597,229)</u>	<u>(364,533)</u>	<u>28,735</u>	<u>73,697,738</u>	<u>95,238,847</u>	<u>59,682,278</u>	<u>1,815,646</u>	<u>156,736,871</u>

The attached notes 1 to 46 form part of these consolidated financial statements.

International Holding Company PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 AED '000	2022 AED '000
OPERATING ACTIVITIES			
Profit before tax		33,810,175	32,660,074
Adjustments for:			
Depreciation of property, plant and equipment		1,637,599	1,464,229
Amortisation of intangible assets	8	348,997	302,300
Depreciation of investment properties	9	894,281	687,205
Depreciation of right-of-use assets	29	278,947	224,463
Depreciation of biological asset	15	16,982	5,870
Impairment loss on property, plant and equipment	7	4,280	82,103
(Reversal of) impairment loss on investment properties	9	(85,338)	765,540
(Reversal of) impairment loss on development work-in-progress	16	(52,927)	235,491
Write-off of project costs relating to development work-in-progress	16	133,216	37,715
Write down of land plots held for sale to net realisable value	13	109,198	71,191
Loss on termination of leases	29	6,847	2,498
Gain on elimination of a lease as a result of business combination	29	-	(8,390)
Property, plant and equipment written off		155	23,677
Intangible assets written off	8	11,932	6,441
Share of profit from investment in associates and joint ventures	10	(13,233,218)	(245,820)
Gain on disposal of property, plant and equipment	34	(41,883)	(326,871)
Gain on disposal of investment properties	34	(28,788)	(27,952)
Gain on disposal of asset held for sale	19 & 34	(218,348)	-
Covid-19 rent concession	29 & 34	-	(386)
Gain on disposal of associates and joint ventures	10	(493,110)	(63,111)
Gain on acquisition of subsidiaries	6.2	(2,998)	(2,183,284)
Gain on liquidation of subsidiaries		(4,051)	-
Gain on derecognition of subsidiaries	6.4	(8,858,361)	(91,044)
Change in fair value of biological assets	15	7,369	(29,332)
Loss on sale of biological assets	15	42,915	1,054
Allowance for slow moving inventories	13	57,201	21,117
Allowance for expected credit losses	32	382,990	450,628
Allowance for (reversal of) ECL on investments carried at amortised cost	11.3	372	(20)
Interest and dividend income	34	(1,928,332)	(840,492)
Fair value gain on revaluation of previously held property, plant and equipment	34	-	(116,430)
Unwinding of discounting of long-term receivables	34	(146,225)	(47,808)
Amortisation of deferred income	34	(387,061)	(116,647)
Loss on reassessment of non-current receivables	34	169,616	-
Change in the fair value of financial assets carried at fair value through profit or loss	11.2 & 34	(867,965)	(22,029,776)
Gain on revaluation of equity accounted interest transferred to financial assets carried at fair value through profit or loss	10 & 34	(817,627)	-
Recovery of bad debts written off	34	(23,925)	(71,496)
Fair value gain on revaluation of previously held equity interest	10	(318,699)	(2,848,679)
Foreign exchange loss	34	57,395	819,291
Provision for employees' end of service benefit	23	335,696	303,005
Reversal of excess provisions	34	(1,484,332)	-
Finance costs	38	2,277,366	1,188,259
Operating cash flows before changes in working capital		11,590,341	10,304,613
Working capital changes:			
(Increase) decrease in inventories		(380,194)	821,685
Increase in biological assets		(52,568)	(7,691)
Decrease (increase) in due from related parties		85,326	(12,520)
(Increase) decrease in trade and other receivables		(5,592,221)	248,315
Increase in contract assets		(3,724,782)	(1,047,891)
Increase in development work in progress		(1,615,712)	(846,970)
Decrease in assets held for sales		380,051	53,372
Increase (decrease) in liabilities associated with assets held for sale		33,971	(154,877)
(Decrease) increase in due to related parties		(2,014,342)	1,219,962
Increase (decrease) in trade and other payables		2,987,606	(739,370)
Increase in contract liabilities		5,993,461	6,757,807
Cash generated from operations		7,690,937	16,596,435
Employees' end of service benefit paid	23	(263,458)	(191,528)
Tax paid		(120,669)	(126,257)
Net cash generated from operating activities		7,306,810	16,278,650

International Holding Company PJSC

CONSOLIDATED STATEMENT OF CASH FLOWS continued
For the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
INVESTING ACTIVITIES			
Movement in term deposits and margin accounts with an original maturity more than three months		690,959	(3,210,534)
Additions to property, plant and equipment		(3,864,450)	(5,360,766)
Additions to intangible assets	8	(146,427)	(92,169)
Proceeds from sale of property, plant and equipment		105,106	434,620
Purchase of investment properties		(1,778,993)	(5,200,853)
Proceeds from assets held for sale		539,700	-
Proceeds from sale of investment properties		377,156	182,444
Purchase of investment in associates and joint ventures		(3,014,746)	(5,710,252)
Proceeds from disposal and partial disposals of associates and joint ventures		96,168	983,763
Cash acquired on business combination of entities under common control	6.1	54,288	92,316
Payment against acquisition of subsidiaries, net of cash acquired	6.2	(2,071,391)	11,786,551
Proceeds from derecognition of subsidiaries, net of cash disposed	6.4	(5,501,882)	686,639
Payment against acquisition of assets	6.3	(374,665)	-
Proceeds from disposal of shares of subsidiaries	6.5	2,694	3,520,099
Movement in derivative financial instruments		182,573	(277,442)
Capital repayment against joint ventures		99,145	-
Movement in restricted cash		(2,479,614)	(5,502,339)
Cash paid on acquisition of non-controlling interest	6.6	(250,918)	(821,397)
Dividend received from associates and joint ventures	10	241,046	526,393
Purchase of investment in financial assets	11	(7,056,045)	(26,126,265)
Proceed from sale of investment in financial assets	11	5,057,854	1,963,693
Loans to related parties, net of repayment		(621,005)	25,000
Interest and dividend received	34	<u>1,928,332</u>	<u>840,492</u>
Net cash used in investing activities		<u>(17,785,115)</u>	<u>(31,260,007)</u>
FINANCING ACTIVITIES			
Proceeds of borrowings, net of repayments		5,418,852	22,405,707
Capital injection by non-controlling interest		498,035	327,136
Dividend paid to non-controlling interest	44	(1,209,205)	(1,849,124)
Coupon paid on hybrid equity instrument	22	(103,289)	(51,645)
Hybrid equity instruments issued during the year	22	-	689,007
Non-convertible sukuk		1,801,656	(50,465)
Loan from related parties		(96,257)	31,549
Finance costs paid		(2,169,924)	(1,098,768)
Repayment to non-controlling interests towards contributed capital		(10,000)	(20,000)
Repayment of lease liabilities	29	<u>(281,891)</u>	<u>(228,178)</u>
Net cash generated from financing activities		<u>3,847,977</u>	<u>20,155,219</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR			
		(6,630,328)	5,173,862
Cash and cash equivalents at beginning of the year		22,643,185	16,478,118
Effect of foreign exchange rate changes		<u>70,781</u>	<u>991,205</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	18	<u>16,083,638</u>	<u>22,643,185</u>

Significant non-cash transactions are disclosed in note 6, 10 and 11 to the consolidated financial statements.

The attached notes 1 to 46 form part of these consolidated financial statements.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

1 GENERAL INFORMATION

International Holding Company PJSC (the “Company” or “IHC”) is a Public Shareholding Company incorporated in Abu Dhabi by an Emiri Decree No.15 issued by His Highness the Ruler of Abu Dhabi on 23 November 1998. The registered office of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates. Royal Group Holding LLC is the Ultimate Parent of the Company.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The main activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods, providing catering, re-packaging and wrapping services;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- sport enterprises investment, institution, management services;
- management of cinema shows;
- installation, repair and maintenance of district cooling and air conditioning;
- buying, selling, leasing and other management & development related services of plots and real estate, including interior design related works;
- performing technical, commercial and contracting services related to marine works;
- importing, maintaining, trading and other services relating to spare parts, industrial machineries and equipment;
- medical and health care services including hospitalisation, management of testing laboratories with their related logistics, operating medical laboratories, distributing medical supplies and devices and management of hospitals and medical clinics;
- wholesale and trading of cosmetics, personal care and other grooming related services;
- motorcycle trading, repairing and rentals;
- engineering and construction contracting relating to all types of buildings, infrastructure development, earth and civil works;
- engineering, procurement and dredging contracts and associated land reclamation works in the territorial waters of different countries;
- oil and gas transmission engineering consultancy oil and gas productions facilities operations and management services;
- tourism related investments, development and management;
- forestry and natural vegetation management including farming, agricultural related investments and management;
- manufacturing and supply of concrete and other industrial products including installation and fabrication of aluminium and glass panels;
- organisation and event management, newspaper advertisement and other services related to advertisement designing and production;
- coaching and training of motor vehicle drivers and management of driving license issuance related services;
- clinkers and hydraulic cements manufacturing, whole sale of cement products trading;
- development, sales, construction, leasing, management and associated services in real estate;
- development, construction, management and operations of hotels, schools, marinas, restaurants, beach clubs and golf courses;
- procurement of manpower related services;
- information and communication technology services including data centres and cyber security services;
- health insurance services;
- manage the production and sale of dairy and poultry products;
- facility management services; and
- education related services.

The consolidated financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2024.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by International Accounting Standards Board (IASB), and the applicable requirements of the UAE Federal Law No. (32) of 2021.

2.2 Basis of measurement

The consolidated financial statements have been prepared on an historical cost basis, except for investments in financial assets carried at fair value through profit or loss, financial assets carried at fair value through other comprehensive income, biological assets and derivative financial instruments which are stated fair value.

2.3 Functional and presentation currency

The consolidated financial statements are presented in UAE Dirham (“AED”), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED’000) except when otherwise indicated.

2.4 Basis for consolidation

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

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

- the size of the Group’s holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

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

Details of the Company’s subsidiaries as at 31 December 2023 and 31 December 2022 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2023</i>	<i>2022</i>
IHC Holdings RSC Limited	United Arab Emirates	Investment Company.	100%	100%
IHC Companies Management LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Utilities Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Real Estate Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Digital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Industrial Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Food Holding LLC	United Arab Emirates	Management and operations of public utilities, restaurant management, commercial enterprises investments, institution and management.	100%	100%
IHC Capital Holding LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
IHC Education Holding LLC	United Arab Emirates	Education services enterprises investment, institution and management.	100%	100%
IHC Healthcare Holding LLC	United Arab Emirates	Health services enterprises investment, institution and management.	100%	100%
IHC West Investment – Sole Proprietorship LLC	United Arab Emirates	Agricultural, commercial and industrial enterprises investment, institution and management.	100%	100%
International Aviation Holding – Sole Proprietorship LLC	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	100%
Reset Energy LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	65%	65%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
Diqa Technologies Limited	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	45%	45%
ESG Emirates Stallions Group PJSC	United Arab Emirates	Buying, selling and dividing plots and real estate management and developing and leasing of real estate.	85%	85%
Asmak Al Arab Co. LLC	Kingdom of Saudi Arabia	Wholesale and retail trading of fish, shrimps and other fresh, chilled and frozen aquatic and importing and exporting of those products. Farming of fish, shrimps and other aquatic. Wholesale and retail trading in property, plant and equipment of fish farming.	80%	80%
Palms Sports PJSC	United Arab Emirates	Providing sport enterprises investment, institution and management.	79.44%	79.44%
Ghitha Holding PJSC	United Arab Emirates	Trading and import of fresh consumables, canned, preserved and frozen foods.	86.90%	86.90%
Cine Royal Cinema LLC	United Arab Emirates	Establishment, management services, sale of food and cafeteria items and cinema shows.	100%	100%
International Securities LLC	United Arab Emirates	Share brokerage services.	100%	100%
Serenity Aviation Holding LLC	United Arab Emirates	Aviation consultancy and commercial enterprises investment, institution and management.	50%	50%
Acutus Investment – Sole Proprietorship LLC (Formerly “Matrix International Solutions LLC”)	United Arab Emirates	Commercial enterprises investments, institution and management.	100%	80%
Multiply Group PJSC	United Arab Emirates	Advertisement, designing and production services and motor vehicles driving training and installation and maintenance of district cooling and cosmetics and make-up trading.	58.74%	58.74%
Royal Technology Solutions LLC	United Arab Emirates	Computer trading, computer and data processing requisites trading, computer networks maintenance, and on-shore and off-shore oil and gas fields’ services.	100%	100%
Easy Lease Motorcycle Rental PSC	United Arab Emirates	Motorcycles trading, motorcycles repairing and motorcycles rental.	49.57%	49.57%
Al Seer Marine Supplies and Equipment Company PJSC	United Arab Emirates	Importing, maintaining and trading of marine machinery and equipment.	81.1%	81.1%
Qausar Energy Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Alpha Technologies Limited	United Arab Emirates	Consultancy, research and development and testing with respect of energy generation.	50%	50%
Tamouh Healthcare Group LLC	United Arab Emirates	Health services enterprise investment.	100%	100%
West Investments SPV RSC Ltd.	United Arab Emirates	Investment company.	100%	100%
Retiro Properties LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
Playa Properties LLC	United Arab Emirates	Real estate enterprises investment development, institution and management.	100%	100%
Shory Technology LLC	United Arab Emirates	Information technology network services.	70%	70%
Alpha Dhabi Holding PJSC	United Arab Emirates	Manage a diverse portfolio of businesses in the UAE and aboard, primarily through its subsidiaries.	89.7%	89.7%
CH Artillgence LLC	United Arab Emirates	Investment holding company.	100%	100%
Q Holding PSC	United Arab Emirates	Commercial enterprises investment, institution and management and investment in properties.	55.6%	55.6%
Theta Bidco Limited	United Kingdom	Investment holding company.	70%	70%
Green Transmission Investment Holding RSC Limited	United Arab Emirates	Power transmission and distribution.	100%	100%
International Tech Group – Sole Proprietorship LLC	United Arab Emirates	Information technology and investment holding company.	100%	100%
Reach Global Services Holding 1 SPV Limited (ii)	United Arab Emirates	Holding company.	55%	-
Avenir Investment RSC LTD (i)	United Arab Emirates	Holding ownership of equity and non-equity assets, real property and intellectual property.	100%	-
Connaissance Investment RSC LTD (i)	United Arab Emirates	Holding ownership of equity and non-equity assets, real property and intellectual property.	100%	-
Augmen Enterprise RSC LTD (i)	United Arab Emirates	Holding ownership of equity and non-equity assets, real property and intellectual property.	100%	-
Slash Data Digital LLC (i)	United Arab Emirates	Information technology network services.	70%	-
<u>Below is the subsidiary of ESG Emirates Stallions Group PJSC:</u>				
ESG Holding – Sole Proprietorship LLC	United Arab Emirates	Management services of companies and private institutions, land and real estate purchase and sale.	100%	100%
<u>Below are the subsidiaries of ESG Holding – Sole Proprietorship LLC:</u>				
ESG Companies Management – Sole Proprietorship LLC	United Arab Emirates	Management services of the companies and private institutions, commercial enterprises investment, institution and management.	100%	100%
ESG Capital Holding LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	100%
<u>Below are the subsidiaries of ESG Companies Management – Sole Proprietorship LLC:</u>				
Abu Dhabi Land General Contracting LLC	United Arab Emirates	Technical, building construction & maintenance contracting, general contracting and associated business.	100%	100%
Royal Architect Project Management LLC	United Arab Emirates	Architectural engineering consultancy, construction and projects management consultancy.	100%	100%
Gulf Dunes Landscaping and Agricultural Services Company LLC	United Arab Emirates	Landscaping design and execution. Landscaping, gardening designing and execution, irrigation works, main roads, streets and related works contracting.	100%	100%
Royal Development Company LLC	United Arab Emirates	Real estate development construction, real estate enterprise investment, development, institution and management, lease management, marketing, economic feasibility, and real estate consultancy.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of ESG Companies Management – Sole Proprietorship LLC:</u> continued				
ESG Agro LLC	United Arab Emirates	Agricultural enterprises investment, institution and management.	100%	100%
Tri Star Investment LLC (iii)	United Arab Emirates	Commercial brokers, commercial enterprises investment, institution, and management real estate investment, development, institution and management.	100%	-
<u>Below are the subsidiaries of ESG Capital Holding LLC:</u>				
Vision Furniture & Decoration Factory LLC	United Arab Emirates	House & office furniture manufacturing, fireproof wooden doors manufacturing, Onshore & offshore oil & gas fields and facilities.	60%	60%
Century Village Real Estate Investment LLC (iv)	United Arab Emirates	Real estate lease and management services, development construction, facilities management services.	100%	100%
Century Real Estate Investment LLC (v)	United Arab Emirates	Real estate management.	100%	100%
ESG Hospitality Sole Proprietorship LLC (formerly “Gulf Dunes Real Estate Investments LLC”)	United Arab Emirates	Real estate purchase, sale, lease and management, real estate enterprises investment, development, institution and management, land purchase and sale and facilities management services.	100%	100%
Afkar Financial & Property Investments LLC	United Arab Emirates	Commercial enterprise investment, institution and management, companies’ representation, and real estate enterprise investment and development.	60%	60%
ESG Commercial International Investments - Sole Proprietorship LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management, tourist enterprises investment, institution and management.	100%	-
Century Human Resources and Logistics LLC OPC (i)	United Arab Emirates	Human resources and logistics consultancy.	100%	-
Progressive Real Estate Development LLC (ii)	United Arab Emirates	Real estate enterprise investment, development, institution and management.	80%	-
<u>Below is the subsidiary of Royal Development Company LLC:</u>				
Royal Development Company d.o.o Beograd – Vracar	Republic of Serbia	Hotel accommodation.	100%	100%
<u>Below are the subsidiaries of ESG Hospitality Sole Proprietorship LLC:</u>				
Royal Dunes Real Estate Development LLC (i)	United Arab Emirates	Real estate development.	51%	-
Royal Luxury Hotel Management LLC (i)	United Arab Emirates	Hotel management.	51%	-
<u>Below is the subsidiary of Century Human Resources and Logistics LLC OPC:</u>				
United International Group for Manpower Services LLC (ii)	United Arab Emirates	Manpower services.	51%	-
<u>Below are the subsidiaries of United International Group for Manpower Services LLC:</u>				
Howdra Employment Services LLC	United Arab Emirates	On demand labors supply temporary employment.	100%	-
Career Line for Employment – Sole Proprietorship LLC	United Arab Emirates	Upon request employees provision services.	100%	-
Alpha Hub Domestic Workers Services Center LLC	United Arab Emirates	Domestic workers mediation temporary employment and services.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Afkar Financial & Property Investments LLC:</u>				
2XL Home LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
2XL Furnishings LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
OC Home Furniture LLC	United Arab Emirates	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials.	100%	100%
<u>Below are the subsidiaries of Ghitha Holding PJSC:</u>				
Ghitha Enterprises Holding RSC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
Tamween Group LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	100%
Tamween Companies Management LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	100%
<u>Below is the subsidiary of Ghitha Enterprises Holding RSC:</u>				
Ghitha Companies Management LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
<u>Below are the subsidiaries of Ghitha Companies Management LLC:</u>				
Ghitha Investment Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
Ghitha Trading Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
Ghitha Manufacturing Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
Ghitha Agriculture Holding LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
<u>Below are the subsidiaries of Ghitha Investment Holding LLC:</u>				
Green Park Investment Sole Proprietorship LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	100%
Ghitha Culinary RSC LTD (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
<u>Below are the subsidiaries of Ghitha Trading Holding LLC:</u>				
Zee Stores International LLC	United Arab Emirates	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services.	100%	100%
Mega Logistics Park Warehouses Management – Sole Proprietorship LLC	United Arab Emirates	Warehouses management and operations.	100%	100%
<u>Below are the subsidiaries of Zee Stores International LLC:</u>				
Royal Horizon Holding LLC	United Arab Emirates	Holding company.	60%	60%
Delice Supermarket LLC (i)	United Arab Emirates	Supermarket.	100%	-
<u>Below are the subsidiaries of Royal Horizon Holding LLC:</u>				
Overseas Foodstuff Trading – Sole Proprietorship LLC	United Arab Emirates	Importing and wholesale of canned and preserved foodstuff trading.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Royal Horizon Holding LLC:</u> continued				
Royal Horizon General Trading – Sole Proprietorship LLC	United Arab Emirates	General trading, retail sale of computer system and software, wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff.	100%	100%
Royal Horizon Fazaa Stores LLC	United Arab Emirates	Retail and wholesale consumer stores.	100%	100%
<u>Below are the subsidiaries of Ghitha Manufacturing Holding LLC:</u>				
Al Ajban Poultry LLC	United Arab Emirates	Rearing, hatching, feed processing and sale of poultry products.	100%	100%
Abu Dhabi Vegetable Oil Company LLC	United Arab Emirates	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and similar containers and plastic closures articles.	70%	70%
Al Jaraf Fisheries LLC	United Arab Emirates	Wholesale of fresh fish and marine animal trading.	100%	100%
WAS Commercial Investment– Sole Proprietorship LLC (ii)	United Arab Emirates	Holding company.	100%	-
Al Ajban Fodders Factory LLC (i)	United Arab Emirates	Import, export and production of farm animals’ feeds, its concentrates and supplements manufacturing.	100%	-
<u>Below is the subsidiary of Abu Dhabi Vegetable Oil Company LLC:</u>				
Cebag Middle East LLC	United Arab Emirates	Food and beverages trading.	98%	98%
<u>Below are the subsidiaries of Al Jaraf Fisheries LLC:</u>				
Pristine Caviar – Sole Proprietorship LLC	United Arab Emirates	Wholesale of fresh fish and marine animals trading.	100%	100%
Emirates Fish Farms – Sole Proprietorship LLC	United Arab Emirates	Wholesale of fresh fish and marine animals trading.	100%	100%
Pristine Fish Farm – Sole Proprietorship LLC	United Arab Emirates	Land based aquaculture.	100%	100%
Pristine Seafood Production LLC	United Arab Emirates	Fish and seafood processing and preserving.	100%	100%
<u>Below is the subsidiary of WAS Commercial Investment– Sole Proprietorship LLC:</u>				
Al Ain Farms for Livestock Production	United Arab Emirates	Dairy and livestock.	51%	-
<u>Below is the subsidiary of Ghitha Agriculture Holding LLC:</u>				
AGRINV SPV RSC	United Arab Emirates	Investment company.	100%	100%
<u>Below is the subsidiary of AGRINVSPV RSC:</u>				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Arab Republic of Egypt	Land cultivation, land-reclaimed farming, raising all kinds of livestock and sheep produced and providing other farming and livestock related services.	100%	100%
<u>Below are the subsidiaries of Tamween Group LLC:</u>				
Alliance Foods Co. LLC	United Arab Emirates	Trading, processing and packing of seafood products.	100%	100%
NRTC Food Holding LLC	United Arab Emirates	Holding company.	41%	41%
NRTC International Investment – Sole Proprietorship LLC (vi)	United Arab Emirates	Holding company.	60%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of NRTC Food Holding LLC:</u>				
NRTC Dubai International Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & vegetables, food & frozen trading.	100%	100%
Nassar Al Refaece Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & vegetables trading, food and beverage trading, frozen poultry trading.	100%	100%
Nassar Al Refaece Potatoes Trading LLC	United Arab Emirates	Potatoes trading.	100%	100%
Food Care LLC	United Arab Emirates	Fruits & vegetables trading, food and beverage trading.	100%	100%
Nasser Al Refaece Fruits & Vegetables & Legumes Canning & Packaging Co. LLC	United Arab Emirates	Fruits & vegetables canning and packaging.	100%	100%
Al Rifai Sons Vegetables & Fruits Trading LLC	United Arab Emirates	Fruits & vegetables trading, food and beverage trading.	100%	100%
Wholes Sale Market Fruits & Vegetables Trading LLC	United Arab Emirates	Retail sale of fruits and vegetables, frozen foodstuff, fresh fish and meat, canned and preserved foodstuff.	100%	100%
NRTC International Fruits & Vegetables Trading LLC	United Arab Emirates	Retail sale of fruits and vegetables, frozen food, canned fresh meat.	100%	100%
NRTC Investment SP LLC	United Arab Emirates	Commercial agricultural enterprises investment, institution and management.	100%	100%
Mirak Royal Nature Fruit and Vegetables LLC	United Arab Emirates	Trading of baby food items, food and beverage, vegetable, and fruits.	100%	100%
<u>Below is the subsidiary of NRTC International Investment – Sole Proprietorship LLC:</u>				
NRTC Limited Company	Kingdom of Saudi Arabia	Agriculture, forestry and fishing for wholesale and retail trade of fresh produce and repair of motor vehicles and motorcycles.	100%	-
<u>Below is the subsidiary of Tamween Companies Management LLC:</u>				
Apex Investment PSC	United Arab Emirates	Holding company.	51.50%	51.50%
<u>Below are the subsidiaries of Apex Investment PSC:</u>				
Apex Holding LLC	United Arab Emirates	Investment company.	100%	100%
Ras Al Khaimah Cement Co. LLC	United Arab Emirates	Clinkers and hydraulic cement manufacturers and wholesale of cement products trading.	100%	100%
<u>Below are the subsidiaries of Apex Holding LLC:</u>				
Apex Alwataniah Catering Service LLC	United Arab Emirates	Food catering.	100%	100%
Boudoir Interiors – Sole Proprietorship LLC	United Arab Emirates	Interior design implementation works.	100%	100%
The Central Tents Company – Sole Proprietorship LLC	United Arab Emirates	Sale and rental of tents.	100%	100%
Apex National Investment LLC	United Arab Emirates	Commercial enterprises investments, institutions and management.	100%	100%
R R Facility Management - Sole Proprietorship LLC	United Arab Emirates	Facility management services.	100%	100%
Support Services and Catering – Sole Proprietorship LLC	United Arab Emirates	Building cleaning services.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Apex Holding LLC:</u> continued				
Apex Companies Management LLC	United Arab Emirates	Management services of companies and private institutions.	40%	40%
Apex Alwataniah Logistics – Sole Proprietorship LLC	United Arab Emirates	Land marine, air shipment and clearance services.	100%	100%
Apex Construction and Development – Sole Proprietorship LLC	United Arab Emirates	Real estate development construction.	100%	100%
Apex UL Investment LLC	United Arab Emirates	Commercial enterprises investment.	51%	51%
Apex Academy LLC OPC (formerly “Apex Agro Investments – Sole Proprietorship LLC”)	United Arab Emirates	Agricultural crop trading and investments.	100%	100%
Apex Commercial Investments – Sole Proprietorship LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	-
Apex AGRO Investments Morrocco (i)	United Arab Emirates	Agricultural crop trading and investments.	100%	-
<u>Below are the subsidiaries of Multiply Group PJSC:</u>				
Multiply Companies Management – Sole Proprietorship LLC	United Arab Emirates	Management services of companies and institutions.	100%	100%
MG Communications Holding LLC	United Arab Emirates	Establishing, investing and managing technology projects.	100%	100%
MG Wellness Holding LLC	United Arab Emirates	Investment, institute and management of health services enterprises.	100%	100%
MG Digital Holding LLC	United Arab Emirates	Establishing, investing and managing technology projects.	100%	100%
MG Utilities Holding LLC	United Arab Emirates	Establishing, investing and managing infrastructure projects.	100%	100%
MG Ventures Holding LLC	United Arab Emirates	Establishing, investing and managing commercial projects.	100%	100%
MG Entertainment Holding LLC	United Arab Emirates	Entertainment enterprise investment, institution and management.	100%	100%
Multiply Group International Holding Limited (i)	United Arab Emirates	Investments holding company.	100%	-
<u>Below are the subsidiaries of MG Ventures Holding LLC:</u>				
Spranza Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Establishing, investing and managing commercial projects.	100%	100%
Norm Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investments holding.	100%	100%
Emirates Driving Company PJSC	United Arab Emirates	Drivers training and road safety education.	48.01%	48.01%
<u>Below is the subsidiary of MG Digital Holding LLC:</u>				
PAL Cooling Holding LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
<u>Below are the subsidiaries of MG Communications Holding LLC:</u>				
Viola Communications LLC	United Arab Emirates	Communication, marketing, media and events.	100%	100%
24 7 Media Holding Ltd. (ii)	United Arab Emirates	Investment holding company.	60%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of MG Wellness Holding LLC:</u>				
LVL Technology Holding (formerly “Switch Technology Holding”) (ii)	Cayman Islands	Operation of a wellbeing streaming service and marketplace via an online platform and in physical studios.	49.38%	-
Omorfia Group LLC	United Arab Emirates	Women and men personal care and other grooming related services, including procuring beauty products and equipment.	51%	51%
<u>Below are the subsidiaries of 24 7 Media Holding Ltd.:</u>				
24-7 Media LLC	United Arab Emirates	Advertising billboards contracting.	100%	-
Media 20-4 Seven DMCC	United Arab Emirates	Public relation management, media studies, consultancies advertising, consultancies services and events management.	100%	-
<u>Below is the subsidiary of LVL Technology Holding:</u>				
Healthier U Wellness Services LLC	United Arab Emirates	Health enterprise investment, institution and management.	100%	100%
<u>Below is the subsidiary of Emirates Driving Company PJSC:</u>				
Tabieah Property Investment – Sole Proprietorship LLC	United Arab Emirates	Manage investment properties.	100%	100%
<u>Below are the subsidiaries of Omorfia Group LLC:</u>				
Bedashing Holding Company LLC	United Arab Emirates	Wholesale cosmetic and make-up trading women personal care and other grooming related services.	100%	100%
Tips & Toes Beauty and Spa Centre LLC	United Arab Emirates	Ladies’ cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.	100%	100%
Jazz Lounge Spa LLC	United Arab Emirates	Men oriental bath, gents cosmetic and personal care centre, hair fixing centre, perfumes and cosmetic trading, gents haircutting and hairdressing salon.	100%	100%
Ben Suhail Distribution LLC	United Arab Emirates	Perfumes and cosmetic trading, beauty and personal care equipment trading, imitation jewellery trading, soap and hair care products trading and beauty and personal care requisites trading.	100%	100%
Omorfia Institute of Beauty and Wellness Women Beauty Saloon Works Training - Sole Proprietorship LLC (formerly “Nippers & Scissors training Centre – Sole Proprietorship LLC”)	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Fisio Therapy and Rehabilitation Centre LLC (ii)	United Arab Emirates	Physical medicine and rehabilitation centre and physiotherapy centre.	100%	-
Juice Lounge SPA and Beauty Center LLC (ii)	United Arab Emirates	Ladies’ cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club.	100%	-
<u>Below are the subsidiaries of Bedashing Holding Company LLC:</u>				
Bedashing Beauty Lounge – Sole proprietorship LLC	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%
Bedashing Beauty Lounge International Limited	United Arab Emirates	Wholesale cosmetics and make-up trading, women personal care and other grooming related services.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Viola Communications LLC:</u>				
Purple Printing LLC	United Arab Emirates	Commercial publication printing.	100%	100%
Purple Exhibition LLC	United Arab Emirates	Commercial publication printing.	100%	100%
<u>Below are the subsidiaries of PAL Cooling Holding LLC:</u>				
PAL Cooling Services LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL First Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Danat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Saraya Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL Najmat Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Reem Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
PAL 4 Shams Cooling LLC	United Arab Emirates	Installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.	100%	100%
<u>Below is the subsidiary of MG Utilities Holding LLC:</u>				
PAL 4 Solar Energy LLC (vii)	United Arab Emirates	Installation and maintenance of alternative energy equipment.	100%	100%
<u>Below is the subsidiary of PAL 4 Solar Energy LLC:</u>				
International Energy Holding LLC	United Arab Emirates	Commercial enterprises, investment, institution and management, power enterprise investment and industrial enterprise investment.	100%	100%
<u>Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:</u>				
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	67%	67%
Yallow Technologies LLC	United Arab Emirates	Computer systems & communication equipment software trading.	80%	80%
1885 Delivery Services LLC	United Arab Emirates	Delivery services.	70%	70%
The Captain Boats and Ships Trading LLC	United Arab Emirates	Marine sports club and wholesale trading of ships and boats.	55%	55%
Easy Lease Vehicles Rental LLC	United Arab Emirates	Rental of vehicles and repairs and maintenance services.	100%	100%
Easy Lease Limousine Luxury Motor Vehicles Services LLC	United Arab Emirates	Rental of limousine and luxury vehicles.	100%	100%

International Holding Company PJSC

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Easy Lease Motorcycle Rentals PSC:</u> continued				
Easy Lease Transport Services One Person Company LLC	Kingdom of Saudi Arabia	Mobility services.	100%	100%
Easy Lease Motorcycle Rental WLL	Kingdom of Bahrain	Motorcycle rental and trading of motorcycle and accessories including motor peds.	100%	100%
Qube Car Park Management LLC	United Arab Emirates	Car park rental and management of valet parking services.	70%	70%
Fully Charged Electrical Fitting Contracting LLC (ii)	United Arab Emirates	Electricity transmission and control equipment, solar energy systems installation, electrical fitting contracting.	60%	-
Ripe Exhibition Organizer Co. LLC (ii)	United Arab Emirates	Organisation of events.	60%	-
Lynx Technology Group Ltd. (ii)	British Virgin Island	IT services.	49%	-
<u>Below is the subsidiary of Easy Lease Vehicles Rental LLC:</u>				
Sheel Vehicle Transport Towing LLC	United Arab Emirates	Recovery services.	100%	100%
<u>Below is the subsidiary of 1885 Delivery Services LLC:</u>				
Infinity Logistics Transport LLC (i)	United Arab Emirates	Logistics services.	60%	-
<u>Below is the subsidiary of Uplift Delivery Services LLC:</u>				
Uplift Transport Services LLC (i)	Kingdom of Saudi Arabia	Delivery services.	100%	-
<u>Below are the subsidiaries of The Captain Boats and Ships Trading LLC:</u>				
Nautica Marine Services Navy - Sole Proprietorship LLC	United Arab Emirates	Boats repairing and services to onshore and offshore oil and gas facilities.	100%	100%
Delta Marine Equipment LLC	United Arab Emirates	Boats repairing and retail sale of marine equipment and machinery.	70%	70%
<u>Below is the subsidiary of Oube Car Park Management LLC:</u>				
Al Khaleej Cars Parking Management Sole Proprietorship	United Arab Emirates	Car park rental and management valet parking services.	100%	100%
<u>Below are the subsidiaries of Palm Sports PJSC:</u>				
Direct Trading LLC	United Arab Emirates	Distribution company.	60%	60%
Palms Sports Events LLC	United Arab Emirates	Organisation and event management.	100%	100%
Securiguard Middle East LLC (ii)	United Arab Emirates	Provision of security guards and cleaning services.	100%	-
Secure Recruitment Services LLC OPC (ii)	United Arab Emirates	Provision of recruitment services.	100%	-
Secure Facilities General Maintenance LLC OPC (i)	United Arab Emirates	Building maintenance and cleaning services.	100%	-
<u>Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:</u>				
Al Seer Marine Boats Building – Sole Proprietorship LLC	United Arab Emirates	Onshore and offshore oil and gas fields and facilities services and building of motorboats.	100%	100%
Al Seer Marine Services Company LLC	United Arab Emirates	Sea shipping lines agents, customs clearance services, ships management and operation, onshore and offshore oil and gas fields and facilities services, yacht management and running.	100%	100%
Al Seer Marine Training Institute LLC	United Arab Emirates	Security and safety training, computer software training, technical training on electrical and electronic devices, training and rehabilitation of marine cadres, onshore and offshore oil and gas fields and facilities services.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Al Seer Marine Supplies and Equipment Company PJSC:</u> continued				
Project Ceres One Limited	Cayman Islands	Commercial vessel management.	100%	100%
ASM Chartering	Cayman Islands	Commercial vessel management, cargo management and freight services.	100%	100%
Alcor Marine Limited	Cayman Islands	Commercial vessel management.	100%	100%
Alkaid Limited	Cayman Islands	Commercial vessel management.	100%	100%
Castor Marine Limited	Cayman Islands	Commercial vessel management.	100%	100%
Pollux Marine Limited	Cayman Islands	Commercial vessel management.	100%	100%
Acrux Marine Limited	Cayman Islands	Commercial vessel management	100%	100%
Meissa Shipping Ltd	Cayman Islands	Commercial vessel management	100%	100%
Oriental Shipping Limited (i)	Cayman Islands	Commercial vessel management.	100%	-
Bellatrix Maritime Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Betelgeuse Maritime Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Mintaka Maritime Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Rigel Maritime Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Saiph Maritime Limited (i)	Cayman Islands	Commercial vessel management	100%	-
Tabit Maritime Limited (i)	Cayman Islands	Commercial vessel management	100%	-
<u>Below is the subsidiary of Theta Bidco LLC:</u>				
Arena Events Group Limited	United Kingdom	Integrated event solutions, designing and delivering temporary environments for a variety of sporting, commercial and cultural events.	100%	100%
<u>Below are the subsidiaries of Arena Events Group Limited:</u>				
AES Americas Ltd	United Kingdom	Holding company.	100%	100%
AES EMEA Ltd	United Kingdom	Holding company.	100%	100%
Arena Event Services Group Ltd	United Kingdom	Temporary infrastructure works.	100%	100%
AES MEA Ltd	United Kingdom	Holding company.	100%	100%
TGP Holdings Ltd	United Arab Emirates	Temporary infrastructure works.	100%	100%
AMEA Gulf Ltd	United Arab Emirates	Temporary infrastructure works.	100%	100%
Asia Tents Arena	Malaysia	Temporary infrastructure works.	100%	100%
Arena Hong Kong	Hong Kong	Temporary infrastructure works.	100%	100%
Ironmonger Limited	Hong Kong	Temporary infrastructure works.	100%	100%
Arena KSA	Kingdom of Saudi Arabia	Temporary infrastructure works.	100%	100%
AES Inc	United States of America	Temporary infrastructure works.	100%	100%
Arena Stuart Rentals Inc	United States of America	Temporary infrastructure works.	100%	100%
AAS Holdco LLC	United States of America	Holding company.	100%	100%
Arena Aztec Shaffer	United States of America	Temporary infrastructure works.	100%	50%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Arena Events Group Limited:</u> continued				
Arena ME Holdings LLC	United Arab Emirates	Holding company.	100%	100%
<u>Below is the subsidiary of Arena Event Services Group Ltd:</u>				
P.J. Steel Construction Limited (ii)	United Kingdom	Steel fabrication powder coating.	100%	-
<u>Below is the subsidiary of P.J. Steel Construction Limited:</u>				
Stadium Solutions (UK) Limited	United Kingdom	Steel fabrication powder coating.	100%	
<u>Below are the subsidiaries of Arena ME Holdings LLC:</u>				
AESG Al Khaimah Contracting LLC	United Arab Emirates	Interior design implementation and décor works	100%	100%
Top Gear Promotions Event Management LLC	United Arab Emirates	Event organising and management.	100%	100%
Top Gear Promotions LLC	United Arab Emirates	Interior decoration and exhibition stand fittings.	100%	100%
Top Gear Promotions Graphics LLC	United Arab Emirates	Promotional and advertising related works.	100%	100%
Top Gear Promotions Décor LLC	United Arab Emirates	Interior design implementation and décor works.	100%	100%
<u>Below are the subsidiaries of AES EMEA Ltd:</u>				
AESG Thailand Limited (i)	Thailand	Temporary infrastructure works.	100%	-
AES France (i)	France	Temporary infrastructure works.	100%	-
<u>Below is the subsidiary of Shory Technology LLC:</u>				
Shory Insurance Brokers – SP LLC	United Arab Emirates	Insurance brokerage.	100%	100%
<u>Below is the subsidiary of Serenity Aviation Holding LLC:</u>				
NAS Airport Services LLC	United Arab Emirates	Organising airport ground operations and managing goods shipping stations in airports.	51%	51%
<u>Below is the subsidiary of Tamouh Healthcare Group LLC:</u>				
Sirius International Holding Limited	United Arab Emirates	Research and experimental development on natural sciences and engineering. Manufacture of pharmaceuticals, medicinal chemical and botanical products, medical care services.	83.69%	80%
<u>Below are the subsidiaries of Sirius International Holding Limited:</u>				
Quant Lase Lab LLC	United Arab Emirates	Development and innovation in chemical solutions, innovation in creating test equipment and solutions for identifying SARS-COV2 infection and related infections.	100%	100%
Cyber Gate Defense LLC	United Arab Emirates	Cyber security related services.	55%	55%
Rebound Limited	United Arab Emirates	Facilitating global trade of recycled plastic.	95%	80%
Green Energy Investment Holding RSC Limited	United Arab Emirates	Implementation of smart technology solutions.	100%	100%
Green Enterprises Investment Holding RSC Limited	United Arab Emirates	Solar manufacturing.	100%	100%
Oxinus Holding Limited (i)	United Arab Emirates	Information technology and computer services and programming activities.	80%	-
Quantum Solutions Limited (i)	United Arab Emirates	Applications development in addition to computer programming activities.	82.5%	-
SSI Holding Limited (i)	United Arab Emirates	Holding company.	100%	-
APEIRO Limited (i)	United Arab Emirates	Digitalisation of healthcare related platform.	100%	

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>2023</i>	<i>2022</i>
<u>Below are the subsidiaries of Sirius International Holding Limited:</u>				
Green Vitality RSC LTD (i)	United Arab Emirates	Holding ownership of equity and non-equity assets, real estate property and intellectual property.	100%	-
Finstreet Limited (ii)	United Arab Emirates	Financial services.	95%	-
Smart Sustainability Solutions Limited (i)	United Arab Emirates	Technology and financial treasury activities.	100%	
<u>Below is the subsidiary of Oxinus Holding Limited:</u>				
Spotlightpos Limited (ii)	Cyprus	Information technology related services.	100%	-
<u>Below are the subsidiaries of Quantlase Lab LLC:</u>				
Quantlase International Holding SPV RSC Limited	United Arab Emirates	Special purpose vehicle – holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security. Holding ownership of real property, intellectual property, other tangible and intangible assets.	100%	100%
Sanimed International Lab and Management LLC	United Arab Emirates	Pharmaceutical studies and research, development and innovation in chemical solutions, geological and geophysical consultancy, studies and research.	80%	80%
CMC Holding LLC	United Arab Emirates	Health services enterprises investment, institution and management.	60%	60%
Atlas Medical LLC	United Arab Emirates	Sale, installation, repair and maintenance of scientific, practical and medical equipment.	60%	60%
Cellpro International Manufacturing - Sole Proprietorship LLC (i)	United Arab Emirates	Manufacturing of medical consumables.	100%	-
Esyasoft Holding Ltd	United Arab Emirates	Smart utilities and energy efficiency solutions.	74%	51%
<u>Below are the subsidiaries of Esyasoft Holding Ltd:</u>				
Esyasoft UK Limited (i)	United Kingdom	Professional consultancy services.	90%	-
Esyasoft CIS LLC (i)	Republic of Azerbaijan	Product and solution using SaaS based technology.	90%	-
Esyasoft Technologies FZE (i)	United Arab Emirates	Professional consultancy services.	100%	
Esyasoft Technologies Private Limited (i)	Republic of India	Professional consultancy services.	100%	-
Adani Esyasoft Smart Solutions Limited (i)	United Arab Emirates	Electrical power generation, transmission and distribution, telecommunication activities, and computer consultancy activities.	100%	-
<u>Below are the subsidiaries of CMC Holding LLC:</u>				
CMC Healthcare Sole Proprietorship LLC	United Arab Emirates	Home health services, management of medical facilities, ambulance services, health consultancy and planning	100%	100%
Canadian Medical Center – Sole Proprietorship LLC	United Arab Emirates	Home health services, medical complex.	100%	100%
CMC First Aid Clinic – Sole Proprietorship L.L.C	United Arab Emirates	Ambulance services.	100%	100%
Canadian Medical First Aid Clinic Sole Proprietorship LLC	United Arab Emirates	Ambulance services.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of CMC Holding LLC:</u> continued				
Canadian Medical Center and Plastic Surgery LLC	United Arab Emirates	Medical spa center.	100%	100%
Canadian Pharmacy LLC	United Arab Emirates	Pharmacy.	100%	100%
Canadian Medical and Rehabilitation Center	United Arab Emirates	Home health services and medical complex.	68%	68%
Canadian Medical Center for Surgery and Cosmetic	United Arab Emirates	Performance of day surgery operations.	100%	100%
Al Riyadh Medical Center LLC (ii)	United Arab Emirates	Medical complex.	75%	-
Sky Light Corporate Management LLC (ii)	United Arab Emirates	Specialised dental clinic, manufacturing of customised dental products and trading of imported dental products.	70%	-
<u>Below are the subsidiaries of Sky Light Corporate Management LLC:</u>				
Sky Dental Center - Sole Proprietorship LLC	United Arab Emirates	Specialised dental clinic.	100%	-
Al Najah Technology Dental Laboratory- Sole Proprietorship LLC	United Arab Emirates	Manufacturing of customised dental products.	100%	-
Zircon Medical Equipment LLC	United Arab Emirates	Trading of imported dental products.	100%	-
Dentech Dental Lab - Sole Proprietorship LLC	United Arab Emirates	Manufacturing of customised dental products.	100%	-
<u>Below is the subsidiary of Quantum Solutions Limited:</u>				
Guardtime SA (ii)	Switzerland	Development of blockchain protocols and applications.	100%	-
<u>Below is the subsidiary of Spotlightpos Limited:</u>				
Spotlightpos Hellas Single Member PC Software Services	Greece	Information technology related services.	100%	-
<u>Below is the subsidiary of International Tech Group – Sole Proprietorship LLC:</u>				
Emircom LLC	United Arab Emirates	Information and communication technology services.	54%	54%
<u>Below are the subsidiaries of Emircom LLC:</u>				
Telelogix IT Services LLC	United Arab Emirates	Information and communication technology services including installation and maintenance.	100%	100%
Saudi Emircom Company	Kingdom of Saudi Arabia	Supply, installation and maintenance of telecommunication systems.	95%	100%
Emircom Egypt	Republic of Egypt	Information and communication technology services.	100%	100%
DCV Industries – Sole Proprietorship LLC	United Arab Emirates	Electric power distribution control panels manufacturing.	100%	100%
<u>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</u>				
Alpha Dhabi Industries Holding LLC	United Arab Emirates	Industrial and commercial enterprises investment, institution and management.	100%	100%
Trojan Construction Group – Sole Proprietorship LLC	United Arab Emirates	Real estate and construction services.	100%	100%
National Marine Dredging Company PJSC	United Arab Emirates	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	68%	68%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<i>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</i> continued				
Sogno Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Sogno Two – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Sogno Three – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Sublime Two – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Was Two Commercial Investment Sole Proprietorship	United Arab Emirates	Investment holding.	100%	100%
Alpha Dhabi Health Holding LLC	United Arab Emirates	Health services and commercial enterprises investment, institution and management.	100%	100%
Sublime Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Alpha Dhabi Partners Holding LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	100%
Alpha Dhabi Construction Holding LLC	United Arab Emirates	Infrastructure and commercial enterprises investment, institution and management.	100%	100%
Alpha Dhabi Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Industrial and commercial enterprises investment, institution and management.	100%	100%
Pure Health Holding PJSC (<i>formerly “Pure Health Holding LLC”</i>) and its subsidiaries (viii)	United Arab Emirates	Health care investment.	-	46.12%
Alpha Dhabi Hospitality Holding LLC	United Arab Emirates	Entertainment and commercial enterprises investment, institution and management.	100%	100%
Mawarid Holding Investment LLC	United Arab Emirates	Forestry, tourism, and agriculture.	90%	90%
W Solar Investment LLC	United Arab Emirates	Clean energy business.	75%	75%
Murban Energy Limited	United Arab Emirates	Gas and oil transmission engineering consultancy and oil & gas production facilities operation and maintenance services and investment in other companies.	100%	100%
Aldar Properties PJSC	United Arab Emirates	Development, sales, investment, construction, leasing, management and associated services for real estate, operation of hotels, schools, marinas, restaurants, beach clubs and golf courses.	33.63%	33.63%
Alpha Dhabi Investment Management LLC	United Arab Emirates	Investment holding.	100%	100%
Enigma Commercial Investment – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
Alpha Dhabi Energy Holding LLC	United Arab Emirates	Investment holding.	100%	100%
Emirates Gateway Security Services LLC	United Arab Emirates	Public security guarding services. onshore and offshore oil and gas fields and facilities services.	95%	95%
Branch of” Trojan General Contracting LLC”	Chechnya, Russia	Hotel.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Alpha Dhabi Holding PJSC:</u> continued				
Churcill LLC	Chechnya, Russia	Retail sale of beverages.	100%	100%
C D Properties – Sole Proprietorship LLC	United Arab Emirates	Investment holding.	100%	100%
ADH Investments RSC Ltd (i)	United Arab Emirates	Investment holding.	100%	-
Alpha Dhabi Climate Capital RSC LTD (formerly "ADH Green RSC LTD") (i)	United Arab Emirates	Investment holding.	100%	-
ADH IFI RSC LTD (i)	United Arab Emirates	Investment holding.	100%	-
ADH Energy RSC LTD (i)	United Arab Emirates	Investment holding.	100%	-
ADH Hospitality RSC LTD (i)	United Arab Emirates	Investment holding.	100%	-
Alpha Dhabi Real Estate Holding LLC (i)	United Arab Emirates	Investment holding.	100%	-
ADMO Lifestyle Holding Limited (ii)	United Arab Emirates	Investment holding.	51%	-
C 2 R Real Estate Investment - Sole Proprietorship LLC (iii)	United Arab Emirates	Real estate investment, development, institution and management.	100%	-
<u>Below are the subsidiaries of Trojan Construction Group – Sole Proprietorship LLC:</u>				
Trojan General Contracting LLC	United Arab Emirates	Building projects contracting.	100%	100%
Royal Advance Electromechanical LLC	United Arab Emirates	Electromechanical services.	100%	100%
Al Maha Modular Industries LLC	United Arab Emirates	Ready-made building manufacturing.	100%	100%
Hi-Tech Concrete Products LLC	Kingdom of Saudi Arabia	Construction.	100%	100%
Trojan Developments LLC	United Arab Emirates	Real estate.	100%	100%
National Projects and Construction LLC	United Arab Emirates	Construction.	100%	100%
Reem Emirates Aluminium LLC	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes.	100%	100%
Trojan Property Investments LLC	United Arab Emirates	Real estate enterprises investment, institution and management.	100%	100%
Ersa General Contracting LLC	United Arab Emirates	Building projects contracting.	100%	100%
HI-Tech Concrete Products LLC	United Arab Emirates	Building and selling of properties and lands and general contracting.	100%	100%
HI-Tech Emirates for General Contracting	United Arab Emirates	Building projects contracting.	100%	100%
HI-Tech Line Building Construction LLC	United Arab Emirates	Building projects contracting.	100%	100%
Phoenix Timber Factory LLC	United Arab Emirates	Timber products.	100%	100%
Reem Ready Mix LLC	United Arab Emirates	Building projects contracting.	80%	80%

International Holding Company PJSC

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Trojan Construction Group – Sole Proprietorship LLC:</u> continued				
Trojan Egypt Contracting	Republic of Egypt	Building projects contracting.	100%	100%
Reem Emirates General Contracting LLC- Dubai	United Arab Emirates	Design, manufacture, sell and install unitised aluminium and glass curtain walls, windows, sliding doors and architectural finishes.	100%	100%
7E – Sole Proprietorship LLC	United Arab Emirates	Building, project management and self-owned property management services, design services and security systems consultancy.	100%	100%
Taj Dhabi Company Limited (i)	Kingdom of Saudi Arabia	Building projects contracting.	100%	-
Mais Interior Design LLC (ii)	United Arab Emirates	Interior design related works.	60%	-
Trojan Tunnelling – Sole Proprietorship LLC (i)	United Arab Emirates	Bridge and tunnelling contracting works.	100%	-
Trojan Alsahra General Transport LLC – OPC (i)	United Arab Emirates	Passengers and materials transport, heavy machinery and equipment renting, petroleum materials and wastewater transportation.	100%	-
Reem Emirates Egypt for Contracting Co. (i)	Republic of Egypt	Building projects contracting.	100%	-
Trojan General Trading LLC (i)	United Arab Emirates	General trading.	100%	-
Al Mutaqdema Holding LLC (i)	Kingdom of Saudi Arabia	Building projects contracting.	100%	-
Trojan International RSC Ltd (i)	United Arab Emirates	Investment holding.	100%	-
<u>Below is the subsidiary of W Solar Investment LLC:</u>				
W solar Investments Single Member Societe Anonyme	Greece	Power, commercial & industrial enterprises investment.	100%	100%
<u>Below are the subsidiaries of Mawarid Holding Investment LLC:</u>				
Mawarid Centre for Research and Scientific Laboratories LLC	United Arab Emirates	Veterinarian hospital and research activities.	100%	100%
Aqua Power Technology LLC	United Arab Emirates	Trading in agricultural machinery, equipment and supplies.	100%	100%
Campaign Facilities Management Services LLC	United Arab Emirates	Facilities management services.	100%	100%
Dicon Investment LLC	United Arab Emirates	Investment in industrial, agricultural and commercial enterprises and management.	100%	100%
Mawarid Al Muthahida Investment owned by Mawarid Holding Investment – Sole Proprietorship LLC	United Arab Emirates	Investment, and management of tourist enterprises, commercial and industrial enterprises and agricultural enterprises.	100%	100%
Barari Natural Resources LLC	United Arab Emirates	Forest and park management, parks construction and maintenance and trading in agricultural machinery.	100%	100%
Best Twasol Government Services LLC	United Arab Emirates	Administrative services, businessmen services, transaction’s follow-up services, non-specialised facilities management, typing and documents photocopying services.	100%	100%
Twasol Business Men Service LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, transaction’s follow-up services, non-specialised facilities management, typing and documents photocopying services.	100%	100%

International Holding Company PJSC

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Mawarid Holding Investment LLC:</u> continued				
Twasol Business Men Service LLC – Abu Dhabi	United Arab Emirates	Administrative services, businessmen services, transaction’s follow-up services, non-specialised facilities management, typing and documents photocopying services.	100%	100%
Al Forsan Tadbeer Centre LLC – Dubai	United Arab Emirates	Administrative services, businessmen services, transaction’s follow-up services, non-specialised facilities management, typing and documents photocopying services.	100%	100%
Al Tawasol Al Mutamiz Guidance LLC	United Arab Emirates	Workers and employee’s guidance centre.	100%	100%
Al Forsan Tadbeer Centre LLC – Abu Dhabi	United Arab Emirates	Administrative and business services.	100%	100%
Al Tawasol Al Mutamiz Guidance LLC – Abu Dhabi	United Arab Emirates	Workers and employee’s guidance centre.	100%	100%
Dicon Business LLC	United Arab Emirates	Administrative services for businessmen.	100%	100%
Dicon of Twafouq Services LLC	United Arab Emirates	Operating Twafouq service centres	100%	100%
Mawarid International Investment LLC	United Arab Emirates	Commercial, agricultural, industrial enterprises investment, institution and management.	100%	100%
Al Ain Fodder Factory LLC	United Arab Emirates	Manufacture farm animal feeds, its concentrates and supplements.	100%	100%
Khattar Restaurant & Café – Sole Proprietorship LLC	United Arab Emirates	Restaurant and cafe.	100%	100%
Desert Gate Restaurant - Sole Proprietorship LLC	United Arab Emirates	Tourist restaurant.	100%	100%
Desertology Spa - Sole Proprietorship LLC	United Arab Emirates	Relaxation and massage centre.	100%	100%
Desertology - Sole Proprietorship LLC	United Arab Emirates	Women personal care and beauty, health club.	100%	100%
Barari International Limited Company	Kingdom of Saudi Arabia	Land preparation and irrigation systems works and maintenance.	100%	100%
Emirates Safety Laboratory LLC	United Arab Emirates	Compliance certification for building construction products.	100%	100%
Mawarid Security Services LLC	United Arab Emirates	General security services and public security guarding services.	100%	100%
Mawarid Hotels and Hospitality LLC	United Arab Emirates	Management of hotels, tourist resorts and hotel apartments.	100%	100%
Mawarid International Development Company LLC	United Arab Emirates	Real estate development construction, consultancy project development and project management services. Investment, institution and management of tourist, entertainment, and real estate enterprises.	100%	100%
Mawarid Nurseries LLC	United Arab Emirates	Growers and importers of all kinds of ornamental plants with most species of palms, trees, shrubs, ground covers and fruit plants in its portfolio.	100%	100%

International Holding Company PJSC

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Mawarid Holding Investment LLC:</u> continued				
Mawarid Services Company LLC	United Arab Emirates	Facilities management services, commercial enterprises investment, land reclamation for agricultural purposes, wholesale of plants and trees saplings trading, fighting agricultural epidemics, agricultural enterprise investment, institution and management tourist enterprises investment.	100%	100%
Telal Resort LLC	United Arab Emirates	Management and development of hotels, resorts, and other tourist enterprises; operation of hunting preservations for sport purposes; and investment in, incorporation and management of tourist enterprises.	100%	100%
Mawarid Desert Control LLC (ii)	United Arab Emirates	Land preparation and irrigation systems works and maintenance.	100%	-
Desert Control Liquid Natural Clay LLC (ii)	United Arab Emirates	Land preparation and irrigation systems works and maintenance.	100%	-
<u>Below are the subsidiaries of Murban Energy Limited:</u>				
Murban BVI Holding Inc (BVI)	British Virgin Islands	Holding company.	100%	100%
Sitax Investment Ltd (BVI)	British Virgin Islands	Holding company.	100%	100%
Sitax Holding Ltd (BVI)	British Virgin Islands	Holding company.	100%	100%
I & T Management Private Limited	Republic of Maldives	Tourist resort operation.	100%	100%
Hill View (Seychelles) Limited	Republic of Seychelles	Hotel resort.	100%	100%
Lindere Villa Limited	Republic of Seychelles	Management of presidential villas.	100%	100%
Murban Investment Limited	British Virgin Islands	Investment holding.	100%	100%
Etihad International Hospitality LLC – Sole Proprietorship LLC	United Arab Emirates	Hospitality services, indoor cleaning services, cleaning of interface building, onshore and offshore gas field and facilities services and foodstuff catering.	100%	100%
<u>Below are the subsidiaries of Etihad International Hospitality LLC:</u>				
Int'l Fresh Harvest Fruits and Vegetables Trading – Sole Proprietorship LLC	United Arab Emirates	Trading of foodstuff.	100%	100%
Abu Dhabi United Hospitality-Sole Proprietorship LLC	United Arab Emirates	Tourist enterprise investment, institution and management, restaurants management, land and real estate purchase and sale, real estate lease and management services, foodstuff catering.	100%	100%
<u>Below are the subsidiaries of Abu Dhabi United Hospitality-Sole Proprietorship LLC:</u>				
Le Noir Cafe – Sole Proprietorship LLC	United Arab Emirates	Foodstuff catering, hospitality services and restaurants.	100%	100%
St. Regis Saadiyat Island Resort Abu Dhabi	United Arab Emirates	Hotels.	100%	100%
Al Wathba A Luxury Collection Desert Resort & Spa – Sole Proprietorship LLC	United Arab Emirates	Fitness club, relaxation and massage centre.	100%	100%
<u>Below are the subsidiaries of C D Properties – Sole Proprietorship LLC:</u>				
Sandstorm Motor Vehicles Manufacturing LLC	United Arab Emirates	Motor vehicles manufacturing.	65%	65%

International Holding Company PJSC

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2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of C D Properties – Sole Proprietorship LLC:</u> continued				
Perfect Alpha Auto Services LLC i)	United Arab Emirates	Motor vehicles repairing services.	65%	-
<u>Below are the subsidiaries of National Marine Dredging Company PJSC:</u>				
National Petroleum Construction Company PJSC	United Arab Emirates	Engineering procurement and construction.	100%	100%
Emarat Europe Fast Building Technology System Factory LLC	United Arab Emirates	Manufacturing and supply of precast concrete.	100%	100%
National Marine Dredging Company (Industrial)	United Arab Emirates	Manufacturing of steel pipes and steel pipe fittings.	100%	100%
ADEC Engineering Consultancy LLC	United Arab Emirates	Consultancy services in the fields of civil, architectural, drilling and marine engineering along with related laboratory services.	100%	100%
Abu Dhabi Marine Dredging S.P.C.	Kingdom of Bahrain	Offshore reclamation contracts, services for fixing water installation for marine facilities and excavation contracts.	100%	100%
National Marine and Infrastructure India Private Limited	Republic of India	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	100%	100%
<u>Below are the subsidiaries of National Petroleum Construction Company PJSC:</u>				
National Petroleum Construction Company (Saudi) Ltd.	Kingdom of Saudi Arabia	Engineering procurement and construction.	100%	100%
NPCC Engineering Limited	Republic of India	Engineering.	100%	100%
ANEWA Engineering Pvt. Ltd.	Republic of India	Engineering.	80%	80%
NPCC Services Malaysia SDN	Malaysia	Engineering, procurement and construction.	100%	100%
Abu Dhabi for Construction Projects	Republic of Iraq	Engineering, procurement and construction.	100%	100%
<u>Below are the subsidiaries of Aldar Properties PJSC:</u>				
Aldar Education - Sole Proprietorship LLC	United Arab Emirates	Investment in, and management of entities providing educational services.	100%	100%
Aldar Hotels and Hospitality LLC	United Arab Emirates	Investment in, and management of, entities providing hotels and hospitality services.	100%	100%
Aldar Marinas LLC	United Arab Emirates	Managing and operating marinas, sports clubs and marine machinery.	100%	100%
Yas Links LLC	United Arab Emirates	Ownership and management of golf courses and golf clubs.	100%	100%
Pivot Engineering & General Contracting Co. (WLL)	United Arab Emirates	Engineering and general construction works.	65.2%	65.2%
Aldar Investment Properties LLC	United Arab Emirates	Investment, management and associated services for real estate assets and the operation of hotels.	88.1%	88.1%
Aldar Investment Holding Restricted Limited	United Arab Emirates	Special purpose vehicle, proprietary asset management company.	88.1%	88.1%
Aldar Logistics Holding Limited	United Arab Emirates	Holding company.	100%	100%
Twafq Projects Development Property – Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services.	70%	70%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<i>Below are the subsidiaries of Aldar Properties PJSC;</i> continued				
Aldar Lifestyle - Sole Proprietorship LLC	United Arab Emirates	Hospitality services.	100%	100%
Saadiyat Accommodation Village LLC	United Arab Emirates	Accommodation village.	100%	100%
Aldar Sukuk (No. 1) Ltd.	Cayman Island	Funding company.	100%	100%
Aldar Sukuk (No. 2) Ltd.	Cayman Island	Funding company.	100%	100%
Aldar Investment Properties Sukuk Limited <i>(Formerly “Aldar Sukuk (No. 3) Ltd.”)</i>	Cayman Island	Funding company.	100%	100%
Cloud Spaces - Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services.	100%	100%
Eastern Mangroves Marina – Sole Proprietorship LLC	United Arab Emirates	Managing and operating marinas.	100%	100%
Marsa Al Bateen - Sole Proprietorship LLC	United Arab Emirates	Managing and operating marinas.	100%	100%
Aldar Investments Limited	United Arab Emirates	Holding company.	100%	100%
Aldar Ventures International Holding RSC Limited	United Arab Emirates	Investment holding company.	100%	100%
Aldar Projects LLC	United Arab Emirates	Project management services.	100%	100%
Six October for Development and Investment Co. S.A.E.	Republic of Egypt	Real estate development.	59.9%	59.9%
Tasareeh Engineer Services - Sole Proprietorship LLC	United Arab Emirates	Development consultancy.	100%	100%
Aldar Investment Management Limited	United Arab Emirates	Assets management.	100%	100%
Advanced Real Estate Services – Sole Proprietorship LLC	United Arab Emirates	Real estate services.	100%	100%
Aldar Logistics - Sole Proprietorship LLC	United Arab Emirates	Real estate lease and management services.	100%	100%
The Gateway Engineering Services – Sole Proprietorship LLC	United Arab Emirates	Development consultancy.	100%	100%
Al Seih Real Estate Management LLC	United Arab Emirates	Management and leasing of real estate; real estate projects investment.	91.4%	91.4%
Seih Sdeirah Real Estate LLC	United Arab Emirates	Property rental and management; real estate projects investment.	91.4%	91.4%
Saadiyat Grove - Sole Proprietorship LLC	United Arab Emirates	Real estate development.	100%	100%
Al Shohub Private School – Sole Proprietorship LLC	United Arab Emirates	Providing educational services.	100%	100%
Abu Dhabi Business Hub – Sole Proprietorship LLC	Unites Arab Emirates	Real estate lease and management services.	70%	70%
Confluence Partners (HQ) RSC LTD	United Arab Emirates	Special purpose company.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Aldar Properties PJSC:</u> continued				
Aldar Hansel SPV Restricted LTD	United Arab Emirates	Real estate development.	51%	51%
Al Maryah Property Holding Limited	United Arab Emirates	Real estate holding.	60%	60%
Double Tree by Hilton Resort & SPA Marjan Island LLC	United Arab Emirates	Hospitality services.	100%	100%
Aldar Island Hotel – Sole Proprietorship LLC	United Arab Emirates	Hospitality services.	100%	100%
Bab Resorts LLC	United Arab Emirates	Hospitality services.	100%	100%
Mustard and Linen Interior Design Holdings Limited (ii)	United Arab Emirates	Interior design related works.	75%	-
Aldar Estates Holding Limited (i) (ix)	United Arab Emirates	Special purpose vehicle.	82.55%	-
AURORA Holding Company Limited (i)	United Arab Emirates	Special purposes vehicle.	51%	-
AURORA SPV 1 LLC (i)	United Arab Emirates	Real estate trading and development.	51%	-
AURORA SPV 2 LLC (i)	United Arab Emirates	Real estate trading and development.	51%	-
AURORA SPV 3 LLC (i)	United Arab Emirates	Real estate trading and development.	51%	-
Kent College LLC – FZ (ii)	United Arab Emirates	Providing education related services.	100%	-
Kent Nursery LLC – FZ (ii)	United Arab Emirates	Education and nursery related services.	100%	-
Virginia International Private School Sole Proprietorship LLC (ii)	United Arab Emirates	Providing education related services	100%	-
Aldar Development Holdings Limited (i)	United Arab Emirates	Real estate holding and trading.	100%	-
The Sustainable Investment Yas - Sole Proprietorship LLC (i)	United Arab Emirates	Real estate development.	100%	-
The Sustainable Investment Company SPV Limited (i)	United Arab Emirates	Special purposes vehicle.	100%	-
Aldar Development LSQ Limited (i)	United Kingdom	Real estate development.	100%	-
Aldar Hamra Holdings Limited (i)	United Arab Emirates	Holding company.	100%	-
AMI Properties Holding Limited (iii)	United Arab Emirates	Special purposes vehicle.	60%	-
Aldar Development - UK Holdings Limited (i)	United Kingdom	Real estate development.	100%	-
<u>Below is the subsidiary of Aldar Development LSO Limited:</u>				
LSQ Management Limited (ii)	United Kingdom	Real estate development.	100%	-
<u>Below is the subsidiary of LSO Management Limited:</u>				
London Square Developments Holdings Limited	United Kingdom	Real estate development.	100%	-
<u>Below are the subsidiaries of Aldar Estates Holding Limited:</u>				
Provis Real Estate Management – Sole Proprietorship LLC	United Arab Emirates	Management and leasing of real estate.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Aldar Estates Holding Limited:</u> continued				
Provis Real Estate Brokers LLC	United Arab Emirates	Real estate brokerage.	100%	100%
Khidmah - Sole Proprietorship LLC	United Arab Emirates	Management and leasing of real estate.	100%	100%
Asteco Property Management LLC	United Arab Emirates	Property management services.	100%	100%
Spark Securities Services – Sole Proprietorship LLC	United Arab Emirates	Security solutions.	100%	100%
Spark Securities Services LLC	United Arab Emirates	Security solutions.	100%	100%
Mace Macro Technical Services LLC	United Arab Emirates	Facilities management services.	100%	100%
Pactive Sustainable Solutions LLC	United Arab Emirates	Green building consultant, building energy efficiency services.	100%	100%
Saga International Owners Association Management Services LLC	United Arab Emirates	Property management services.	100%	100%
Saga OA DMCC	United Arab Emirates	Property management services.	100%	100%
Pacific Owners Association Management Services LLC	United Arab Emirates	Management of real estate.	100%	100%
Aldar Estates Investment - Sole Proprietorship LLC (i)	United Arab Emirates	Real estate enterprises investment and development.	100%	-
Basatin Holding SPV Ltd. (ii)	United Arab Emirates	Education related services.	75%	-
Eltizam Asset Management Estate - Sole Proprietorship LLC (ii)	United Arab Emirates	Real estate lease and management services.	100%	-
FAB Properties - Sole Proprietorship LLC (ii)	United Arab Emirates	Management and brokerage of real estate properties.	100%	-
<u>Below are the subsidiaries of ADMO Lifestyle Holding Limited:</u>				
ADMO One Holding Limited	United Arab Emirates	Holding company.	100%	-
Nammos Holding STA Ltd	Cyprus	Holding company.	62%	-
MRINLON2SUB Ltd	Cyprus	Holding company.	62%	-
Nammos Restaurant London Limited	United Kingdom	Restaurant.	62%	-
Nammos Restaurant LLC	United Arab Emirates	Restaurant.	62%	-
ADMO Hospitality Holding Limited	United Arab Emirates	Holding company.	100%	-
Mystic Quartz Resorts Ltd	Cyprus	Holding company.	100%	-
Monte London Limited	United Kingdom	Hospitality.	100%	-
Damesin LTD	Cyprus	Holding company.	100%	-
Benestar SA	Greece	Hospitality.	100%	-
ADMO Hotel Management Holding Limited	United Arab Emirates	Hotels management.	100%	-
Monterock Investments Nedafushi Maldives Private Limited (iii)	Maldives	Hospitality.	95%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Eltizam Asset Management Estate - Sole Proprietorship LLC:</u>				
EAMG Services Holdings Limited	United Arab Emirates	Holding company.	100%	-
Eltizam Asset Management Estate LLC	United Arab Emirates	Holding company.	100%	-
Three 60 Communities Estate Services Egypt – Three 60 Communities Egypt	Republic of Egypt	Provision of management and supervision services for owners’ associations.	100%	-
Three 60 Communities Management for Owners Associations LLC	United Arab Emirates	Management and supervision services for owners’ associations.	100%	-
Fixis Technical Services LLC	United Arab Emirates	Facilities maintenance services.	100%	-
Falcon Investments LLC	United Arab Emirates	Real estate lease and management services. Commercial enterprises investment, institution and management.	100%	-
800TEK Facilities Management LLC	United Arab Emirates	Event management services, lifeguard services, façade cleaning, management and operation of public utilities.	100%	-
Colliers International Property Consultancy Services JSC	Republic of Egypt	Consultancy services.	100%	-
Colliers International Property Services - Doha LLC	Qatar	Interior design implementation works and real estate brokerage business.	100%	-
East-O Holdings Limited	United Arab Emirates	Holding company.	100%	-
Enterprise Solutions Company for Professional Consulting	Kingdom of Saudi Arabia	Real Estate services.	100%	-
IFM Holdings Limited	United Arab Emirates	Holding company.	100%	-
Inspire Building Management Services LLC	United Arab Emirates	Facilities management and buildings general maintenance.	100%	-
Inspire Integrated Facilities Management LLC	United Arab Emirates	Facilities management and buildings general maintenance.	100%	-
Inspire Integrated Services LLC (Abu Dhabi)	United Arab Emirates	Facilities management and buildings general maintenance.	100%	-
Inspire Integrated Services LLC (Dubai)	United Arab Emirates	Facilities management and buildings general maintenance.	100%	-
Inspire Integrated Solutions Holding Ltd	United Arab Emirates	Holding company.	100%	-
Inspire Integrated Solutions Ltd	United Arab Emirates	Real estate management services.	100%	-
IREC Holdings Limited	United Arab Emirates	Holding company.	100%	-
King Field Owner Association Management Services - Sole Proprietorship LLC	United Arab Emirates	Management and supervision services for owners’ associations.	100%	-
Kingfield Communities Management LLC	United Arab Emirates	Community and property management services.	100%	-
Kingfield Owners Association Management Services LLC	United Arab Emirates	Operation, management and maintenance of community and property.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Eltizam Asset Management Estate - Sole Proprietorship LLC:</u> continued				
MENA Real Estate Solutions LLC	United Arab Emirates	Real Estate services.	100%	-
National Investor Property Management LLC	United Arab Emirates	Real Estate services.	100%	-
Omnius Real Estate Brokerage Sole Proprietorship LLC	United Arab Emirates	Real Estate services.	100%	-
Orion Systems Integrators LTD	United Kingdom	Information technology.	100%	-
Oriontek Innovations for Technology Services Egypt - Oriontek Egypt	Republic of Egypt	Information technology.	100%	-
Oriontek Innovations LLC	United Arab Emirates	Real estate services.	100%	-
Data Intelligence Technology Consultancy LLC (formerly "OS Orion Security & Surveillance Systems")	United Arab Emirates	Information technology systems installation and maintenance.	100%	-
Professional Realtors Company LLC	Kingdom of Saudi Arabia	Consultancy services.	100%	-
Inspire Facilities Management Co LLC - Oman (formerly "Tafawuq Facilities Management Co LLC- Oman")	Sultanate of Oman	Facilities management.	100%	-
Inspire For Facilities Management Services Egypt - Inspire Egypt (formerly "Tafawuq for Facilities Management Services Egypt - Tafawuq Egypt")	Republic of Egypt	Facilities management.	100%	-
Teslam Asset Management Estate LLC	United Arab Emirates	Outsourcing and shared support services.	100%	-
Teslam Business Services Philippines INC	Philippines	Outsourcing and shared support services.	100%	-
Kingfield Community Management Co LLC - Oman (formerly "Three Sixty Communities Estate LLC - Oman")	Sultanate of Oman	Provision of management and supervision services for owners' associations.	100%	-
<u>Below are the subsidiaries of London Square Developments Holdings Limited:</u>				
LSQ HoldCo 2 Limited	United Kingdom	Information technology systems installation and maintenance.	100%	-
LSQ HoldCo 3 Limited	United Kingdom	Information technology systems installation and maintenance.	100%	-
London Square Limited	United Kingdom	Consulting services, research and questionnaire.	100%	-
London Square Developments (Ventures) Limited	United Kingdom	Facilities management.	100%	-
London Square (Staines) Limited	United Kingdom	Facilities management.	100%	-
London Square (Holdings) Limited	United Kingdom	Outsourcing and shared support services.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<i>Below are the subsidiaries of London Square Developments Holdings Limited:</i> continued				
London Square Developments Limited	United Kingdom	Management and supervision services for owners’ associations.	100%	-
London Square (Investments) Limited	United Kingdom	Management and supervision services for owners’ associations.	100%	-
London Square (Putney) Limited	United Kingdom	Real estate development.	100%	-
London Square Living Ltd	United Kingdom	Real estate development.	100%	-
London Square Works Limited	United Kingdom	Real estate development.	100%	-
London Square (Streatham) Limited	United Kingdom	Holding company.	100%	-
LSQ (Crimscott Street) Holdings Limited	United Kingdom	Holding Company.	100%	-
London Square (Crimscott Street) Limited	United Kingdom	Holding company.	100%	-
London Square (Walton-on-Thames) Holdings Limited	United Kingdom	Holding Company.	100%	-
London Square (Walton-on-Thames) Limited	United Kingdom	Land developer and housebuilder.	100%	-
London Square Development Management Limited	United Kingdom	Holding company.	100%	-
London Square (Projects) Limited	United Kingdom	Land developer and housebuilder.	100%	-
London Square (RSG) Limited	United Kingdom	Holding Company.	100%	-
London Square Partners Limited	United Kingdom	Land developer and housebuilder.	100%	-
London Square (West Croydon) Holdings Limited	United Kingdom	Land developer and housebuilder.	100%	-
London Square (West Croydon) Limited	United Kingdom	Commercial land developer.	100%	-
London Square (Bugsby Way) Holdings Ltd	United Kingdom	Land developer and housebuilder.	100%	-
London Square (Bugsby Way) Ltd	United Kingdom	Holding company.	100%	-
Square Roots Registered Provider Limited	United Kingdom	Land developer and housebuilder.	100%	-
London Square (Hong Kong) Limited	Hong Kong	Holding company.	100%	-
London Square PIC Partnership Ltd	United Kingdom	Land developer and housebuilder.	100%	-
Charter Square Management Company Ltd	United Kingdom	Property development management service provider.	100%	-
De Burgh, Tadworth Management Company Ltd	United Kingdom	Holding company.	100%	-
Bassetts, Orpington Management Company Ltd	United Kingdom	Holding company.	100%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of London Square Developments Holdings Limited:</u> continued				
Crimscott Street, Bermondsey Management Company Ltd	United Kingdom	Holding company.	100%	-
Pewter N7 Management Company Ltd	United Kingdom	Holding company.	100%	-
Amparo House, Greenwich London Management Company Ltd	United Kingdom	Land developer and housebuilder.	100%	-
Albright Gardens, Walton on Thames Management Company Ltd	United Kingdom	Holding company.	100%	-
425-455 St Albans Road, Watford Management Company Ltd	United Kingdom	Land developer and housebuilder.	100%	-
London Square (St Michaels Croydon) (No. 1) Management Company Limited	United Kingdom	Housing association real estate.	100%	-
St Michaels Croydon (Tower B) Management Company Ltd	United Kingdom	Selling and marketing services.	100%	-
One Linear Place Management Company Ltd	United Kingdom	Land developer and housebuilder.	100%	-
London Square (Crayford) Holdings Limited	United Kingdom	Holding company.	100%	-
London Square (Crayford) Limited	United Kingdom	Property developer.	100%	-
London Square (Springfield) Holdings Limited	United Kingdom	Holding company.	100%	-
London Square (Springfield) Limited	United Kingdom	Property developer.	100%	-
Plot F, Springfield Village Management Company Limited	United Kingdom	Residents’ management company.	100%	-
Plot G, Springfield Village Management Company Limited	United Kingdom	Residents’ management company.	100%	-
Plot P&Q, Springfield Village Management Company Limited	United Kingdom	Residents’ management company.	100%	-
<u>Below are the subsidiaries of O Holding PSC:</u>				
Al Qudra Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Al Qudra Trading LLC	United Arab Emirates	Commercial project investment.	100%	100%
Q Investment RCS Ltd.	United Arab Emirates	Real estate investment.	100%	100%
Q Malls– Sole Proprietorship LLC	United Arab Emirates	Real estate lease & management services.	100%	100%
Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Manarah Bay Real Estate	United Arab Emirates	Real estate management.	100%	100%
Q International Limited	Cayman Island	General investment.	100%	100%
Al Qudra for Agriculture and Development LLC	United Arab Emirates	Agricultural development.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<i>Below are the subsidiaries of O Holding PSC:</i> continued				
Emirates Simulation Academy LLC	United Arab Emirates	Construction, operation management and development of training centre.	60%	60%
Q for Commercial Markets Management	United Arab Emirates	Setup, ownership and development of commercial market, parks and entertainment facilities.	60%	60%
Q Active for Technologies LLC	United Arab Emirates	Telecommunication system installation and maintenance.	51%	51%
ABNIA for Industrial Holding LLC	United Arab Emirates	Activities of cement, glass, iron, wood, and electromechanical industries.	50%	50%
Al Qudra Industrial LLC	United Arab Emirates	Consultancy in alternative power and industrial projects.	100%	100%
Q Construction LLC	United Arab Emirates	General contracting.	100%	100%
QP International LLC	United Arab Emirates	Project management.	60%	60%
Island Villas LLC	United Arab Emirates	Real estate management.	100%	100%
Marina Square Community Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Team Builders LLC	United Arab Emirates	Real estate management.	51%	51%
Q Properties LLC	United Arab Emirates	Real estate management.	100%	100%
Q Companies Management LLC	United Arab Emirates	Real estate management.	100%	100%
Q Hospitality LLC	United Arab Emirates	Real estate management.	100%	100%
Reem Investments Sole Proprietorship PJSC	United Arab Emirates	Real estate management.	100%	100%
Q Parks Establishment	United Arab Emirates	Touristic resort management & entertainment investment.	100%	100%
Barary Ain Al Fayda Development LLC	United Arab Emirates	Real estate management.	100%	100%
Buhyarat Ain Al Fayda Real Estate LLC	United Arab Emirates	Real estate management.	100%	100%
Al Qudra Healthcare LLC	United Arab Emirates	Health care & hospitality.	100%	100%
Al Rayan Investment PSC	United Arab Emirates	Develop, manage and invest in real estate enterprises.	99.97%	99.97%
Construction Workers Residential City LLC	United Arab Emirates	Real estate investment.	65%	65%
Moon Flower Real Estate Development LLC	United Arab Emirates	Real estate investment.	100%	100%
Green Precast Systems Technology LLC	United Arab Emirates	General contracting.	60%	60%
Al Rayan Global Real Estate LLC	United Arab Emirates	Real estate investment.	100%	100%
Radiant & Moonflower Real Estate Development LLC	United Arab Emirates	Real estate investment.	65%	65%
Al Qudra Holding – Morocco	Kingdom of Morocco	General investment.	100%	100%

International Holding Company PJSC

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31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of O Holding PSC:</u> continued				
Smart Hotel Management	Kingdom of Morocco	Hotel management.	100%	100%
Smart Hotel Properties	Kingdom of Morocco	Hotel management.	100%	100%
Al Qudra Holding International LLC	United Arab Emirates	Industrial enterprises and financial management.	100%	100%
Kasr Al Bahar	Kingdom of Morocco	Hospitality.	100%	100%
Atlantic Coast Hospitality	Kingdom of Morocco	General investment.	100%	100%
Al Qudra Holding Offshore	Kingdom of Morocco	Holding company.	100%	100%
Q General Investment Ltd.	British Virgin Islands	General investment.	100%	100%
Al Qudra Holding - Syria	Syrian Arab Republic	General investment	100%	100%
Al Qudra Real Estate	Syrian Arab Republic	Real estate management.	100%	100%
Al Qudra Holding – Algeria	Democratic Republic of Algeria	General investment.	100%	100%
Al Qudra Belarus Ltd.	Republic of Belarus	General investment.	100%	100%
Al Qudra Holding - Yemen	Republic of Yemen	General investment.	100%	100%
Apex Residential LLC	United Arab Emirates	Real estate investment.	100%	100%
Winds Laundry – Sole Proprietorship LLC	United Arab Emirates	Laundry services.	100%	100%
Al Tamouh Investments Company LLC	United Arab Emirates	Development, management and sale of real estate properties.	100%	100%
Q & Elevate LLC	United Arab Emirates	Hospitality services.	70%	70%
Insignia One Investment Sole Proprietorship LLC (i)	United Arab Emirates	Commercial enterprises investment, institution and management, industrial enterprises investment, institution and management.	100%	-
Viva Tourism Investment LLC (i)	United Arab Emirates	Tourist enterprise investment.	100%	-
<u>Below are the subsidiaries of Reem Investments Sole Proprietorship PJSC:</u>				
Reem Developers – Sole Proprietorship LLC	United Arab Emirates	Real estate management.	100%	100%
Reem for Energy Investment Services – Sole proprietorship LLC	United Arab Emirates	Oil and gas projects.	100%	100%
<u>Below are the subsidiaries of Al Tamouh Investments Company LLC:</u>				
TSL Properties LLC	United Arab Emirates	Real estate management.	100%	100%
Al Ain Adventures LLC	United Arab Emirates	Adventure park.	100%	100%
Green Mubazzarah Chalets LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Tamouh National Contracting LLC	United Arab Emirates	Building projects contracting.	51%	51%
Arch Models Abu Dhabi LLC	United Arab Emirates	Designing and constructing architectural models.	60%	60%
Reem Hills -Sole Proprietorship LLC	United Arab Emirates	Real estate management.	100%	100%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Below are the subsidiaries of Reach Global Services Holding 1 SPV Limited:</u>				
Reach Employment Services LLC – Abu Dhabi	United Arab Emirates	Outsourcing of human resources.	100%	-
Reach Employment Services LLC – Dubai	United Arab Emirates	Outsourcing of human resources.	100%	-
Experts Computer Consultants – Sole Proprietorship LLC	United Arab Emirates	Information technology consultancy and computer repair and maintenance.	100%	-
Reach Three C for Call Centers Services LLC	United Arab Emirates	Provision of call center services.	100%	-
WFC Holding LLC	United Arab Emirates	Commercial enterprises investment, institution and management.	100%	70%
<u>Below are the subsidiaries of WFC Holding LLC:</u>				
Reach BPO LLC OPC (formerly known as “Workforce Connexion – Sole Proprietorship LLC”)	United Arab Emirates	Supply of on-demand labors, human service delivery of medical cadres and onshore and offshore oil and gas fields and facilities services.	100%	100%
Corporate Solutions Consultants – Sole Proprietorship LLC	United Arab Emirates	Human resources and administrative consultancy, onshore and offshore oil and gas fields and facilities services.	100%	100%
Multi Serve Typing and Transactions Follow Up – Sole Proprietorship LLC	United Arab Emirates	Typing, documents photocopying and transactions follow up services.	100%	100%
Tamouh Integrated Business Services – Sole Proprietorship LLC	United Arab Emirates	Resort and furnished residences leasing.	100%	100%
Reach Energy LLC OPC (formerly known as “Connect Outsourcing Temporary Employment – Sole Proprietorship LLC”)	United Arab Emirates	Employees provision services and onshore and offshore oil and gas fields and facilities services.	100%	100%
<u>Discontinued operations:</u>				
Paragon Malls LLC	United Arab Emirates	Ownership and leasing of retail property.	100%	100%
Dana Hospitality LLC / Holiday Inn Hotel	United Arab Emirates	Hotel management.	100%	100%
Transcend Blocker, INC	United States of America	Power enterprise investment, institution and management.	100%	100%
Reem Investment Overseas Limited (x)	Republic of Mauritius	Investment holding.	100%	100%
Mega Mart Establishment UAE (x)	United Arab Emirates	Retail trading of fast-moving consumer products.	100%	100%
Q Link Transport (x)	United Arab Emirates	Transportation.	85%	85%
Abu Dhabi Mountain Gate LLC (xi)	United Arab Emirates	Real estate enterprise investment, development, institution and management.	-	70%
Project Ceres Two Limited (xi)	Cayman Islands	Commercial vessel management.	-	100%
Project Ceres Three Limited (xi)	Cayman Islands	Commercial vessel management.	-	100%
Q Car Park LLC (xi)	United Arab Emirates	Developing, operating, renting and equipping of car parking.	-	50%
Q Energy LLC (xi)	United Arab Emirates	Oil & gas equipment installation and maintenance services.	-	60%

2 BASIS OF PREPARATION continued

2.4 Basis for consolidation continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held	
			2023	2022
<u>Discontinued operations:</u> continued				
Aafaq Enterprise LLC (xi)	United Arab Emirates	Management services.	-	100%
Gulf Fire Nanotechnology LLC (xi)	United Arab Emirates	Firefighting & safety equipment trading.	-	100%
M Commodities – Sole Proprietorship LLC (xii)	United Arab Emirates	General trading.	-	100%
Riva Marine General Marine Services – Sole Proprietorship LLC (xii)	United Arab Emirates	Marine machines and equipment repairing and maintenance.	-	100%
Apex Padel Sport LLC – Sole Proprietorship LLC (xii)	United Arab Emirates	Padel club.	-	100%
Danat Facility Management LLC (xii)	United Arab Emirates	Facilities management service.	-	100%
Earth Care Agricultural Products LLC (xii)	United Arab Emirates	Agriculture business.	-	100%
Al Qudra General Trading Establishment (xii)	United Arab Emirates	Commercial project investment.	-	100%
Emircom Trading Company – Sole Proprietorship LLC (xii)	Kingdom of Saudi Arabia	Trading of information technology products.	-	100%
Fooj Fire Fighting Services LLC (xiii)	United Arab Emirates	Trading of firefighting and resistant material and management of firefighting stations.	-	75%

- (i) These are subsidiaries of the Group, incorporated during the year.
- (ii) Subsidiaries acquired during the year (note 6.1 & 6.2).
- (iii) Subsidiaries acquired during the year, that were accounted for as acquisition of assets (note 6.3).
- (iv) Century Village Real Estate Investment LLC is a 70% subsidiary of ESG Capital Holding LLC, with the remaining 30% being held by Al Tamouh Investments Company LLC.
- (v) Century Real Estate Investment LLC is a 87% subsidiary of ESG Capital Holding LLC, with the remaining 13% being held by National Projects and Construction LLC.
- (vi) NRTC International Investment – Sole Proprietorship LLC, a shell company acquired during the year, is a 60% subsidiary of Ghitha Fruits and Vegetables LLC by virtue of an assignment agreement.
- (vii) PAL 4 Solar Energy LLC is a 80% subsidiary of MG Utilities Holding LLC, with the remaining 20% being held by Alpha Dhabi Industries Holding LLC.
- (viii) Subsidiary derecognised during the year (note 6.4).
- (ix) Aldar Estates Holding Limited is a 65.1% subsidiary of Aldar Properties PJSC, with an additional 17.45% being held directly by the Company.
- (x) Subsidiaries under liquidation.
- (xi) Subsidiaries liquidated during the year.
- (xii) Dormant subsidiaries that had their trade licenses cancelled during the year.
- (xiii) Subsidiaries disposed during the year (note 6.4).

2 BASIS OF PREPARATION continued

2.5 CHANGES IN MATERIAL ACCOUNTING POLICIES – NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted are consistent with those of the previous financial year, except for the following new standards, interpretations and amendments effective as of 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- IFRS 17 Insurance Contracts
- Amendments to IAS 8 – Definition of Accounting Estimates
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
- Amendments to IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

The Group has applied IFRS 17 and amendments to IAS 1 for the first time. The nature and effect of these changes are described below. The other amendments and interpretations apply for the first time in 2023, but do not have an impact on the consolidated financial statements of the Group.

Impact on the adoption of IFRS 17

IFRS 17 replaces IFRS 4 *Insurance Contracts* for annual periods on or after 1 January 2023. The adoption of IFRS 17 did not change the classification of the Group’s insurance contracts. The Group was previously permitted under IFRS 4 to continue accounting using its previous accounting policies.

However, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group.

Measurement principles

Under IFRS 17, the Group’s insurance contracts issued and reinsurance contracts held are all eligible to be measured by applying the Premium Allocation Approach (‘PAA’). The PAA simplifies the measurement of insurance contracts in comparison with the general model in IFRS 17.

The key changes in measurement principles under PAA include:

- The liability for remaining coverage reflects premiums received less deferred insurance acquisition cash flows and less amounts recognised in revenue for insurance services provided;
- There is no requirement to discount the liabilities for remaining coverage as all premiums written by the Group are received within 12 months from the policy start date, hence no significant financing component or credit facilities;
- The measurement of the liability for remaining coverage involves an explicit evaluation of risk adjustment for non-financial risk for onerous contracts;
- The measurement of the asset for remaining coverage reflects reinsurance premiums paid for reinsurance held and is adjusted to include a loss-recovery component for expected recovery of onerous contract loses;
- The liability for incurred claims is determined on an expected value basis and includes an explicit risk adjustment for non-financial risk. The liability also includes the Group’s obligation to pay other incurred insurance expenses. There is no requirement to discount the liability for incurred claims as most claims are settled within 12 months from the date of incurrence; and
- The Group capitalises insurance acquisition cash flows for all product lines and allocates them to groups of insurance contracts issued or expected to be issued using a systematic and rational basis. When contracts are recognised, the related portion of the asset for insurance acquisition cash flows is derecognised and subsumed into the measurement of the insurance liability.

Transition

During the transition on 1 January 2023, the Group identified, recognised, and measured each group of insurance contracts and assets for insurance acquisition cash flows as if IFRS 17 had always applied. Existing balances that would not exist under IFRS 17 were derecognised.

2 BASIS OF PREPARATION continued

2.5 CHANGES IN MATERIAL ACCOUNTING POLICIES – NEW AND AMENDED STANDARDS AND INTERPRETATIONS continued

Impact on the adoption of IFRS 17 continued

Transition continued

The impact from the adoption of IFRS 17 was not material to the prior years’ consolidated financial statements and accordingly it was posted to the consolidated financial statements for the year ended 31 December 2023.

The adoption of IFRS 17 relates to a subsidiary of Pure Health Holding PJSC (formerly “Pure Health Holding LLC”), which was derecognised during March 2023. Accordingly, the accounting policy information relating to insurance contracts was deemed to be immaterial, and accordingly was not disclosed in the Group’s consolidated financial statements.

Making Materiality Judgements - Disclosure of Accounting Policies

The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations and goodwill continued

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in consolidated statement of profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in consolidated statement of profit or loss.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests’ proportionate share of the recognised amounts of the acquiree’s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in Group’s ownership interest in existing subsidiaries

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations and goodwill continued

Changes in Group's ownership interest in existing subsidiaries continued

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The equity of the acquired entities is added to the merger reserve within the Group equity. Any transaction costs paid for the acquisition are recognised directly in equity.

Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Investment in associates and joint ventures continued

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'share of profit from investment in associates and joint ventures' in the consolidated statement of profit or loss.

When Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Interest in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS Standards applicable to the particular assets, liabilities, revenue and expenses.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a Group entity transacts with a joint operation in which a Group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

The Group recognises revenue from the following major sources:

- | | |
|---|--|
| • Marine and dredging activities | • Healthcare and other medical supplies |
| • Construction and related services | • Manpower and consultancy services |
| • Real estate development | • Information technology related revenue |
| • Management of properties, facilities and development projects | • Hospitality and leisure revenue |
| • Food and related non-consumable items | • Education and related services |
| • Rental income | • Coaching and training services |
| | • Sale of properties and land |

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

- Step 1* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5* Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The Group’s performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.
- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Following are the policies for the major sources of revenue:

Marine and dredging activities:

Contract revenue

Contract revenue comprises revenue from execution of contracts relating to lump-sum engineering, procurement and construction project services, dredging activities and associated land reclamation works. Lump-sum engineering, procurement and construction project execution services contracts contain distinct goods and services that are not distinct in the context of the contract. These are therefore combined into a single performance obligation.

The Group recognises revenue from its lump-sum engineering, procurement and construction project execution services contracts over time as the assets constructed are highly customised for the customers’ needs with no alternative use and the Group has right to payment for performance completed to date.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Marine and dredging activities: continued

Contract revenue continued

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. Contract revenue also includes revenue from securing the award of significant projects for dredging and reclamation works. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined either on the basis of surveys of work performed or in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

In case of contracts, where revenue is recognised on the basis of surveys of work performed, revenue is measured by applying contractual rates, or the minimum recoverable rates expected, to the actual quantities dredged or the related works performed. Revenue is adjusted subsequently based on final customer approval if rates approved are different from those originally used.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

Warranty obligations

The Group generally provides warranties for general repairs of defects that existed at the time of sale, as required by law. As such, all warranties are assurance-type warranties under IFRS 15, which the Group accounts for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Significant financing component

For lump sum engineering, construction and procurement projects, if there is a difference in the timing of when the Group receives the advance and progress payments and when it recognises the contract revenue, the Group implies the existence of implicit significant financing component and adjusts transaction price to include the effects of time of value of money. The Group records interest on the delayed payments as interest income. For other contracts generally, the Group receives short-term advances from its customers. Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Variation orders and claims

Variation orders and claims are only included in revenue when it is probable that these will be accepted and can be measured reliably. The Group provides for liquidated damages claims where the customer has the contractual right to apply liquidated damages and it is considered probable that the customer will successfully pursue such a claim.

Construction and related services:

Revenue from construction contracts

The Group provides construction services to its customers. Such contracts are entered into before rendering of services begins. Under the terms of the contracts, the Group is contractually restricted from reducing the structure under construction to another customer and has enforceable right to payment for work done. Revenue from construction is therefore recognised over time on a cost to cost method based the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The management consider that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under ‘IFRS 15 Revenue from Contracts with Customers’.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Construction and related services: continued

Revenue from construction contracts continued

Where the outcome of a construction contract cannot be estimated reliably, revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Contract costs are recognised as expenses in the period in which they are incurred.

When it is possible that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Under the terms of the contracts in the UAE, the Group is contractually restricted from redirecting the properties to another customer and has an enforceable right to payment for work done. Therefore, revenue from construction of residential properties in the UAE is recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. The Group consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15. In respect of the Group’s contracts for development of residential properties in Egypt, the Group has assessed that the criteria for recording revenue over time is not met and transfer of control happens only at the time of handover of completed units to the customers and accordingly the revenue is recognised at the point in time at which the performance obligation is satisfied.

Costs of contracts include all direct costs of labour, materials, depreciation of property, plant and equipment and costs of subcontracted works, plus an appropriate portion of construction overheads and general and administrative expenses of the year allocated to construction contracts in progress during the year at a fixed rate of the value of work done on each contract. Any under recovery at the end of the fiscal year, is charged to profit or loss as unallocated overheads.

The gross amount of contract assets from customers, is the net amount of costs incurred plus recognised profits; less recognised losses and progress billings, for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings.

The gross amount contract liabilities to customers, is the net amount of costs incurred plus recognised profits less recognised losses and less progress billings, for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses).

The effect of a change in the estimates of contract revenue or contract costs or the outcome of a contract, including that arising from liquidated damages and final contract settlements, is used in the determination of the amount of revenue and costs recognised in profit or loss in the period in which the change is made and in subsequent periods.

The Group receives advance payments and instalments from some customers in a specific jurisdiction, before the transfer of control over contracted units to customers as agreed in the contract, accordingly there is a significant financing component in those contracts, considering the length of time between the customer’s payments and the transfer of control to the customer, and the interest rate prevailing in the market. The transaction price for those contracts is discounted using the interest rate implicit in the contract, and the Group uses the rate that would have been used in the event of a separate financing contract between the Group and the customer at the beginning of the contract, which is usually equal to the interest rate prevailing at the time of the contract. The Group uses the exception of the practical application for short-term payments received from customers. This means the amount collected from customers will not be modified to reflect the impact of the significant financing component if the period between the transfer of control over the units, service and payment is less than a year.

Management fee income

The Group manages construction of properties under long term contracts with customers. Management fee income is recognised over time using input method to recognise revenue on the basis of entity’s efforts to the satisfaction of a performance obligation. Management considers that input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15. Where the outcome cannot be estimated reliably, revenue is measured based on the consideration from customers to which the Group expects to be entitled in a contract with a customer in an amount that corresponds directly with the value to the customer of the Group’s performance completed to date and excludes amounts collected on behalf of third parties.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Real estate development:

Revenue from real estate development is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Food and related non-consumable items:

The Group recognises revenue from sale of food and related non-consumable items at a point in time. Sales of goods to customers mainly include one performance obligation, where revenue is recognised when control of the goods is transferred (when the goods have been shipped to the customer’s specific location (i.e. delivered). Following delivery, the customer has the full discretion over the manner of use of the goods, the primary responsibility on selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Rental income:

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Healthcare and other medical supplies:

Includes hospitalisation, medical professional services, equipment, radiology, laboratory, medical consumables and pharmaceutical goods used. Revenue is recorded and recognised during the period in which the medical service is provided, based on the amounts due from patients and / or funding entities.

Hospitalisation – insured patients

Revenue is recognised based on the contract with the insurers net of claim denials (actual and estimated), discounts and time barred un-submitted claims. Transactions with insurers includes an amount of claims denials, which represents disallowance of claims due to technical or medical reasons. As the actual amount of denials may vary from the denial provisions, accordingly the amount of consideration may vary from what was originally claimed. This constitutes variable consideration under IFRS 15 and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

Hospitalisation – uninsured patients (self-pay and sponsored patients)

Revenue is recognised based on the most likely value to be recovered from the patients which constitutes variable consideration and are recognised as revenue to the extent that it is highly probable that a reversal of revenue will not occur.

Laboratory management and residency visa testing services

The Group provides laboratory management and residency visa testing services to customers. The Group has one performance obligation and revenue is recognised at a point in time when the service is performed and results are delivered to the customers.

Hospitals management services

The Group provides hospitals’ management services against a service fee and percentage share in hospitals’ revenue. The Group has one performance obligation (i.e. to manage the operations of the hospitals) and revenue is recognised at a point in time when the services are rendered and simultaneously consumed by the customer.

Procurement and supply of medical related products

The Group procures and supplies medicines, diagnostic and other medical equipments to its customers. The Group has two performance obligations (i.e. to deliver goods to the customers) and to render inventory management services. The revenue for delivery of goods is recognised at a point in time when control is transferred to the customers and revenue for inventory management services is recognised over time.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Manpower and consultancy services:

The Group recognises revenue from provision of manpower to its customers along with other management and consultancy services when the services are rendered to customers and on the basis of the contractual labour and other consultancy rates agreed with the customers.

Information technology related revenue:

Contract revenue

Contract revenue comprises of contracts relating to cyber risk management services projects. The Group recognises revenue from these contracts over time as the assets constructed are highly customised for the customers' needs with no alternative use.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in the consolidated statement of profit or loss in proportion to the stage of completion of the contract. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

Supply of computer equipment

The supply of computer equipment mainly includes one performance obligation and is recognised when control of the equipment has been transferred (i.e. revenue recognised at a point in time).

Service revenue

Revenue from services, along with maintenance of computer equipment, is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis.

Hospitality and leisure revenue:

Hospitality revenue corresponds to all the revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

Income from leisure businesses comprises revenue from goods sold and services provided at golf courses, beach clubs and marinas, and is recognised at the point when the goods are sold or services are rendered.

Education and related services:

Registration fee is recognised as income when it is received. Tuition fee income is recognised over the period of tuition. Tuition fees received in advance are recorded as deferred income.

Coaching and training services:

The Group is engaged in the management and development of motor vehicles driving training. Revenue represents fees charged to customers during the year, which is recognised over the period of the courses, on a time proportionate basis when services are provided to customers. Fees paid in advance relating to training services are deferred and released to revenue when the related services are provided.

Sale of properties and land:

The Group generates revenue from sale of properties including land and buildings. Consideration for the sale of land generally includes the provision of infrastructure necessary for development. The amount of revenue attributable to such infrastructure development is deferred and recognised only upon its completion. All infrastructure related costs incurred until completion are included in development work-in-progress, as appropriate, and are recognised as direct costs when the related revenue is recognised in the consolidated statement of profit or loss. The amount of revenue deferred in relation to the provision of infrastructure is determined by estimating the related construction cost, plus a margin based on normal commercial principles.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Following are policies for other sources of revenue:

Sale of cosmetics and related personal care services:

Sale of goods

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group accounts for that revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Rendering of services

The Group provides services related to women and men personal care and beauty. Such services are generally recognised as a performance obligation satisfied at the point in time when the service is rendered to the customer. Fees paid in advance for such services are deferred and released to revenue when the services are provided or when the validity has lapsed.

Sale of furniture:

The Group recognises revenue from contracts with customers for manufacturing of household and office furniture and other related carpentry and woodwork. This includes the initial amount agreed in the contract plus any variations in contract work, claims and incentives payments, to the extent that it is probable that they will result in revenue and can be measured.

Sale of cement and other related products:

Revenue from sale of cement is recognised when control over the corresponding goods is transferred to the customer. The timing of revenue recognition of the performance obligation is at a point in time.

Brokerage services:

The Group provides share brokerage services, which mainly includes commission income and interest income on margin trading.

- (i) Commission income is recognised when the service has been rendered and when the Group's right to receive the income has been established. The commissions are recognised on a net basis, i.e. commission earned from customers less commission collected on behalf of the exchange. The Group believes this the most appropriate presentation because it acts as an agent in the transaction, rather than as principal.
- (ii) Interest income from margin trading is accrued on a time and proportion basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest on margin trading is accrued from the time the customer has not settled its trade after T+2.

District cooling services:

Revenue from providing district cooling services in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Revenue is recognised when pervasive evidence exists, usually in the form of an executed sales agreement, the significant risks and rewards of ownership have been transferred to the customer and the service has been rendered to the customer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuing management involvement with the service, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

Connection fees

Connection fees are recognised on a straight-line basis over the term of the respective customer contracts unless it represents a separately identifiable service and satisfies other criteria for upfront recognition to the consolidated statement of profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition continued

Media and marketing services:

The Group provides advertising, public relations, production, events management, media and outdoor advertising. Revenue from providing such services is recognised overtime in the accounting period in which the services are rendered or when the event is held at point in time.

Delivery services:

Revenue from delivery services is satisfied over time, as the customer simultaneously receives and consumes the benefits provided by the Group on a fixed contract basis or using an input method to measure progress towards complete satisfaction of the service.

Dividend income:

Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders’ rights to receive payment is established.

Interest income:

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-monetary assets are recognised as deferred government grant in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Land granted by the Government is recognised at nominal value where there is reasonable assurance that the land will be received and the Group will comply with any attached conditions, where applicable.

Employee benefits

An accrual is made for the estimated liability of employees’ entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group’s policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the followings:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use; and
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

When parts of an item of property and equipment are significant and have different useful lives, they are accounted for as separate items of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated statement of profit or loss.

Subsequent costs

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Depreciation

Depreciation is calculated on a straight-line basis over their useful lives as follows:

Buildings and leasehold improvements	2 - 47 years
Plant and machinery	2 - 60 years
Furniture, fixtures and equipment	2 - 10 years
Barges support vessels, dredgers and vehicles	2 - 40 years
Aircraft	12 years

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Bearer plants

Bearer plants are the living plants that:

- are used in the production or supply of agricultural produce,
- are expected to bear produce for more than one period, and
- have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

IAS 41 “Agriculture,” explicitly excludes the bearer plants from its scope and are accounted for in accordance with IAS 16 “Property, plant and equipment.” However, produce growing on a bearer plant is still within the scope of IAS 41.

Matured bearer plants are stated at cost less accumulated depreciation and any impairment in value. Immature bearer plants are measured at their accumulated cost. Capitalisation of costs ceases when the bearer plants reach maturity, which is when the bearer plants can be commercially harvested.

Capital work in progress

Assets under construction (‘capital work in progress’) are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment or investment properties category and is depreciated in accordance with the Group’s policies.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Property, plant and equipment continued

Derecognition

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated statement profit or loss.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Concession rights

These include cost incurred to obtain certain concession rights and are amortised on a straight-line basis in the consolidated statement of profit or loss over their estimated useful life of 37 years (2022: 37 years) from the date of construction of the district cooling plant.

Customer contracts

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired in business combinations. Customer contracts with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 10 years (2022: 3 to 10 years).

Customer relationships

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 15 years (2022: 3 to 20 years).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets continued

Brand names

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names identified as part of acquisitions have indefinite and finite useful lives. Brand names with finite useful lives are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 5 to 20 years (2022: 7 to 20 years).

Trademarks

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks of subsidiaries acquired in business combinations. The trademarks identified as part of acquisitions have indefinite and finite useful lives. Trademarks with a finite useful life are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 5 years (2022: 3 to 8 years).

Trade license

The license was recognised on an acquisition of a subsidiary, that allows the use of “Fazaa” name for the retail stores under that subsidiary. The license has a useful life of 8 years (2022: 8 years). Further during 2022, as part of business combinations, a health insurance license has been identified with an indefinite useful life, which has been derecognised during the year as part of the derecognition of Pure Health Holding PJSC.

Lease benefits

Lease benefits represents the future economic benefits in the form of a favorable lease arrangements the Group acquired in business combination. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful life of 15 years (2022: 6 to 15 years).

Other intangible assets are amortised over a period of 2 to 12 years (2022: 2 to 10 years) using straight-line method.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the consolidated statements of profit or loss in the period during which they are incurred.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
Right-of-use assets continued
Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and estimated useful life of the assets, as follows:

Land	10 - 65 years
Warehouses, office spaces, shops and cinema halls	2 - 50 years
Others	2 - 10 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the ‘property, plant and equipment’ policy.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included as an expense in the consolidated statement of profit or loss.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of property, plant and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short- term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
Group as a lessor
The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Investment properties
Investment properties are properties held to earn rentals and/or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Upon completion of construction or development, a property is transferred from properties under development to completed properties.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

When the use of investment property changes such that it is reclassified from, or to, property, plant and equipment, inventory or development work-in-progress, it’s carrying value at the date of reclassification becomes its cost for subsequent accounting purposes.

Depreciation on investment properties is calculated using the straight-line method over their estimated useful lives ranges from 10 to 47 years.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Discontinued operations and non-current assets held for sale

The Group classifies non-current assets and subsidiaries as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and subsidiaries classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

Inventories

Fish and fish products

Fish and fish products are stated at lower of cost or net realisable value, cost is determined using the first-in, first-out (FIFO) basis. Cost includes purchase cost, freight, insurance and other related expenses incurred in bringing the goods to their present condition and location. Net realisable value is based on the normal selling price, less cost expected to be incurred in marketing, selling and distribution. Allowance is made when necessary for obsolete, slow-moving and damaged items.

Animal feed products

Inventory consists primarily of alfalfa hay, materials, supplies and parts and are stated at the lower of cost and net realisable value. Alfalfa hay is valued using the weighted average cost method. Materials, supplies and parts are valued using the first in first out method.

Packing, raw materials, medical supplies, food and non-food items, spares and consumables, household furniture and other finished goods

These are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Poultry products

Boiler chicken, hatching eggs and finished goods are stated at lower of cost and net realisable value. Cost is calculated using the weighted average cost method. The cost comprises of a proportion of the cost of the egg produced by the parent chicken or purchased, and feed, vaccine medicines consumed by the flock, slaughtering expenses and packing charges.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Inventories continued

Real estate properties and land plots held for sale

Inventories comprise completed properties held for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, and other operating inventories. Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated selling and marketing costs to be incurred. When an inventory property is sold, the carrying amount of the property is recognised as an expense in the period in which the related revenue is recognised. The carrying amount of inventory properties recognised in profit or loss is determined with reference to the directly attributable costs incurred on the property sold and an allocation of any other related costs based on the relative size of the property sold.

Development work in progress

Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

Land under development granted to the Group without consideration is carried at nominal value.

Biological assets

Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/ until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in profit or loss in the period in which it arises.

Poultry livestock

Poultry livestock includes chicken and is carried at cost. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day-old chicken (“DOC”) and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

Depreciation is charged using the straight-line method so as to write off the cost of biological assets over their estimated useful lives of 11 to 14 months.

Sturgeon fish and its caviar

Mother fish and juveniles are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads until the age of 5 to 6 years which is considered to be the economic productivity period. After this period, adult sturgeon fish are ready for harvesting of caviar and are measured at fair value based on the expected caviar yield. The fair value is based on the biomass relative to the weight of the fish and is calculated based on current market prices of similar type of assets (caviar). Costs to sell include commission to brokers and retailers. After harvest, the caviar produced is treated as inventory and the fair value at the point of harvest is treated as the initial cost of the inventory.

Sheep:

Sheep are measured at fair value less costs to sell. The fair values are determined based on current market prices of similar type of assets.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Biological assets continued

Dairy livestock

Dairy livestock includes dairy herd (cows) and camel herd and are stated at their cost of purchase or at the cost of rearing to the point of maturity, less any accumulated depreciation and any accumulated impairment losses, as there is no active market for dairy livestock in the Gulf Cooperation Council against which to measure fair value and the alternative estimates for the determination of the fair value are determined to be clearly unreliable.

The cost of immature livestock (dairy herd and small camels) represents the aggregate of costs incurred during rearing to their respective maturity age.

Depreciation is charged so as to write off the cost of biological assets over their estimated useful lives using the straight-line method on the following basis:

Dairy herd	5 years
Camel herd	10 years

Shrimps

Shrimps are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads until the age of 6 months which is considered to be the economic productivity period. After this period, shrimps are sold to outside parties except for mother shrimps, if any, which are expected to produce larvae and treated as biological assets.

Fish

Mother Fish and Juveniles are carried at acquisition cost plus costs incurred post-acquisition for feeds, chemicals and other directly attributable overheads up to maturity. These species are considered as ‘mature’ when their weight falls between 400 grams to 2,000 grams, while juvenile species are those whose weight falls between 2 grams to 15 grams. After this period, Fish ready to be sold to outside parties are classified as inventory, except for mother fish, if any, which are expected to produce eggs and treated as biological assets.

Foreign currencies

The Group’s consolidated financial statements are presented in AED, which is also the Company’s functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group’s entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group’s net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Foreign currencies continued

Transactions and balances continued

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- d) Financial assets at fair value through profit or loss

The Group has the following financial assets:

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

Financial assets at amortised cost continued

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group’s financial assets at amortised cost include a certain portion of trade and other receivables, contract assets, due from related parties, loan to related parties and cash and bank balances.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of bank overdrafts, margin accounts, restricted cash and bank accounts for client’s deposits.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as investment and other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial assets continued

Impairment of financial assets continued

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group’s financial liabilities include trade and other payables, due to related parties, lease liabilities, borrowings including bank overdrafts, loans from related parties, sukuk and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial liabilities and equity instruments continued

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Sukuk are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire.

Derivative financial instruments

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is ‘an economic relationship’ between the hedged item and the hedging instrument.
- The effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Derivative financial instruments continued

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. The ineffective portion relating to foreign currency contracts is recognised as other expense.

The Group designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in OCI and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation continued

Deferred tax continued

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax (“VAT”)

Expenses and assets are recognised net of the amount of VAT, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or CGU’s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Impairment of non-financial assets continued

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Dividends

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

4 STANDARDS ISSUED BUT NOT EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current
- Amendments to IAS 1: Non-current Liabilities with Covenants
- Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements
- Amendments to IAS 21: Lack of Exchangeability
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

Further, in June 2023, the International Sustainability Standards Board released its first two sustainability disclosure standards, which are effective for annual reporting periods beginning on or after 1 January 2024:

- IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2: Climate-related Disclosures

The Group is currently assessing the impact of the IFRS S1 and IFRS S2 on the consolidated financial statements.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTYS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

While applying the accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property, plant and equipment, investment properties and intangible assets

The Group’s management determines the estimated useful lives of its property, plant and equipment, investment properties and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation / amortisation charge would be adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated / amortised over the revised remaining useful life.

Impairment assessment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Properties classified under property, plant and equipment, intangible assets, right-of-use assets and investment properties are assessed for impairment based on the assessment of cash flows on individual cash-generating units when there is an indication that those assets have suffered an impairment loss. Goodwill and intangible assets with indefinite useful lives are tested for impairment on an annual basis.

Based on the assessment performed, management has recorded a net reversal of impairment loss on its investment properties, property, plant and equipment and right of use assets of AED 81,058 thousand for the year ended 31 December 2023 (2022: net impairment loss of AED 847,643 thousand). Further, based on impairment testing conducted by management, no impairment loss was recorded on goodwill and intangible assets with indefinite useful lives.

Impairment of investments in associates and joint ventures

In testing for impairment, the Group evaluates the specific investee’s profitability, liquidity, solvency and ability to generate operating cash flows for the foreseeable future. Any shortfall between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group’s management uses all available information to make these fair value determinations.

Estimation of net realisable value for inventories and allowance for slow moving inventories

Inventories are stated at the lower of cost or net realisable value. Adjustments to reduce the cost of inventory to its net realisable value, if required, are made at the product level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, technological changes, physical deterioration and quality issues. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from the estimates.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

At the reporting date, gross trade receivables were AED 14,156,121 thousand (2022: gross trade receivables and due from policyholders of AED 13,183,515 thousand) and contract assets were AED 10,135,540 thousand (2022: AED 8,218,226 thousand), with provision for expected credit losses of AED 1,021,069 thousand (2022: AED 1,110,771 thousand) and AED 158,925 thousand (2022: AED 89,970 thousand) respectively. Any difference between the amounts actually collected in future periods and the amounts expected to be received will be recognised in the consolidated statement of profit or loss.

Impairment of development work-in-progress

Development work-in-progress are stated at lower of cost or net realisable value (NRV). NRV represents the estimated selling price less costs to be incurred in selling the property. The calculation of estimated selling prices involves using comparable factors of development and sale of similar plots in nearby locations. The calculation of the estimated selling prices is performed by an internal management expert, using the comparable method of valuation and has therefore considered comparable market transactions to arrive at estimated selling prices. Management has assessed the net realisable value of its development work-in-progress for impairment as at 31 December 2023. Based on the review, management has concluded a net reversal of impairment loss of AED 52,927 thousand on its development work-in-progress for the year ended 31 December 2023 (2022: net impairment loss of AED 235,491 thousand).

Contract claims

Certain customers or vendors file claims for compensation arising from delays and/or scope changes. The Group normally agree on an amicable settlement mechanism in the majority of such cases, some parties might have sought refunds and/or compensation, which are not in accordance with the respective agreements. Management makes estimates to settle all legal claims initiated against the Group as at 31 December 2023. Such claims, even if accepted by the Courts, would not have a material effect on the consolidated statement of financial position, given the provisions recorded in accruals and other liabilities as well as the fact that advances from customers are already reflected as liabilities until the unequivocal completion or settlement of the underlying transaction.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Key sources of estimation of uncertainty continued

Infrastructure costs

The Group estimates total development and infrastructure costs required to complete infrastructure work on its land. Management reviews the estimated infrastructure costs at the end of each annual reporting period and adjusts for any underlying assumptions which may have changed. During the year, management has reviewed the estimated infrastructure costs and there was no impact on the Group’s consolidated financial statements arising from this review (2022: nil).

Revenue recognition on real estate contracts

The Group uses the input method to recognise revenue on the basis of entity’s efforts or inputs to the satisfaction of a performance obligation in accounting for its construction contracts. This is done by measuring the costs incurred to date relative to the total expected costs to be incurred (forecast final costs).

At each reporting date, the Group is required to estimate stage of completion and costs to complete on its construction contracts. These estimates require the Group to make estimates of future costs to be incurred, based on work to be performed beyond the reporting date. These estimates also include the cost of potential claims by subcontractors and the cost of meeting other contractual obligations to the customers. Effects of any revision to these estimates are reflected in the year in which the estimates are revised. When it is probable that total contract costs will exceed total contract revenue, the total expected loss is recognised immediately, as soon as foreseen, whether or not work has commenced on these contracts.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 41 for further disclosures.

Leases - estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary’s stand-alone credit rating).

Uncertain tax positions

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences may arise between the actual results and adjustments to tax income and expense already recorded. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Assessing the recoverability of deferred income tax assets requires the Group to make assumptions related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the reporting date could be impacted.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies

In the process of applying the Group’s accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements.

Hybrid equity instruments

In the process of classifying a financial instrument, management has made various judgments. Judgment is needed to determine whether a financial instrument, or its component parts, on initial recognition should be classified as a financial liability, a financial asset or an equity instrument in accordance with their respective definitions and the substance of the contractual arrangement. In making its judgment, the Group considered the detailed criteria and related guidance for classification as set out in IAS 32. This included assessing whether the instrument includes a contractual obligation to deliver cash or other financial asset to another entity and whether it may be settled through an equity instrument of a Group entity. Based on the criteria, the Group concluded that the hybrid equity instruments are a part of equity.

Principal versus agent consideration – management of projects

The Group’s performance obligation in one of the subsidiaries is to arrange for the provision of the specified goods or services by another party does not control the specified goods or services provided by another party before those goods or services are transferred to the customer. When the Group satisfies a performance obligation, the Group recognises revenue in the amount of management fee to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party. The Group’s primary obligation is to arrange for development services for development projects, and accordingly, the Group acts as agent on those development projects since:

- the Group does not control the specified goods or services provided by other parties before the services are transferred to the customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the management contracts;
- the Group does not have the price risk on the development contracts;
- customers retains the right to remove the Group as manager for the development projects based on its convenience without default from the Group

Use of practical expedient in recognising management fee

In line with an agreement with the Government of Abu Dhabi (the “Government”), a subsidiary of the Group is overseeing the management of all projects of an entity (the “Entity”) along with managing its operations. As per the agreement between the Government, the Entity and the Group, the Group is entitled to a supervision fee calculated based on the total development cost paid of the capital projects in consideration of the provision of the management services. In line with the contractual arrangement with the Government, the Group has assessed that it has a right to consideration from the Government for an amount which corresponds directly with the value to the customer of the performance completed to date, which is determined based on actual cash paid for projects of the Entity as agreed between the parties. Accordingly, in line with the requirements of IFRS 15, the Group uses practical expedient and recognises management fee on the basis of the invoice amount determined based on the actual cash paid for projects of the Entity.

Classification of properties

In the process of classifying projects during construction, management applies judgment to determine whether they should be investment properties under development or development work-in-progress. Subsequently management reassesses the intended use of the properties based on which these are classified as investment properties or inventories. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of the respective categories. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2 and IAS 40, in particular, the intended usage of the assets at that time.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Allocation of development costs

The allocation of project development costs between development work in progress and investment properties under development is based on management’s analysis of the utilisation of resources over the period of development.

Contract variations and claims

Contract variations and claims related to assets under construction are recognised as additions to capital work in progress only when management believes that an advanced stage of negotiation has been reached and the cash outflow can be estimated with reasonable certainty. Management reviews the judgement related to these contract claims periodically and adjustments are made in the future periods, if assessments indicate that such adjustments are appropriate.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Assets held for sale

The Group has finalised the sale and purchase agreements for the disposal of subsidiaries as mentioned in note 19 to the consolidated financial statements. Operations of the subsidiaries are classified as discontinued operations. Management considered the subsidiaries to meet the criteria to be classified as held for sale at that date for the following reasons:

- The sale and purchase agreements, for all the subsidiaries mentioned in note 19, have already been signed with the buyers;
- The subsidiaries are available for immediate sale and can be sold to the buyers in its current conditions; and
- The actions to complete the sales, including the legal proceedings were initiated and expected to be completed within one year from reporting date.

For more details on the assets held for sale, refer to note 19.

Joint arrangement

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. For the purpose of assessing whether a joint arrangement is a joint venture or joint operation, the Group has considered whether it has joint control on the rights to the net assets of the arrangements, in which case these are treated as joint ventures, or rights to the assets and obligations for the liabilities relating to the arrangement, in which case these are treated as joint operations.

Identifying whether an acquisition is a business or an asset

For acquisitions, the Group makes significant judgements to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Judgment related to derecognition of Pure Health Holding PJSC (formerly “Pure Health Holding LLC”)

As disclosed in note 6.4(a), due to loss of control, the Group derecognised the carrying value of assets and liabilities in Pure Health Holding PJSC (“Pure Health”). The results of Pure Health’s operations were not segregated on the face of the consolidated statement of profit or loss, considering there were no disposal of shares, the absolute holding remained the same before and after loss of control, and the Group will be able to recover the investment principally through continuing use. Accordingly, the transaction was not considered as a discontinued operation under IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

Classification of investments:

The Group’s principal activity is in investing and managing investments through different holdings in investees. The Group applies significant judgement with respect to the classification of investments with respect to control, joint control or significant influence exercised on those investments.

Consolidation of entities in which the Group holds less than a majority of voting right

For assessing control, the Group has considered power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. In case, where the Group has less than majority of the voting or similar rights in an investee, the Group has considered all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other shareholders of the investee and de-facto control.

The Group considers that it has de-facto control over the following entities, even though it owns less than 50% of the voting rights:

Aldar Properties PJSC (“Aldar”) –

- The Group has appointed four out of the total seven members of Aldar’s board (“Board”) with effect from 11 April 2022;
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board;
- In accordance with Aldar’s articles of association, the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of Aldar’s business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing Aldar’s senior management; and
- The Group is the single largest shareholder of Aldar with 33.63% of the outstanding share capital.

Easy Lease Motorcycle Rental PJSC (“Easy Lease”) –

- The Group is the single largest shareholder of Easy Lease with a 49.57% equity interest;
- As per Easy Lease’s articles of association, the full power to manage and carry out all acts and transactions on behalf of the entity, lies with the board of directors. Given that the Group has three board representatives (inclusive of chairman of board) out of a total of five, and decisions are issued based on simple majority, the Group has full control over the decision making; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

Emirates Driving Company PJSC (“DRIVE”) –

- The Group is the single largest shareholder at 48.01% with the remaining 51.99% being dispersed amongst 589 shareholders, of which two holds 6.51% and 5.74% and the remaining individually hold no more than 5% of the voting rights; and
- There is no history of the other shareholders collaborating to exercise their votes collectively or to outvote the Group.

5 CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY continued

Critical accounting judgments in applying accounting policies continued

Classification of investments: continued

Consolidation of entities in which the Group holds less than a majority of voting right continued

NRTC Food Holding LLC (“NRTC”) –

- The Group has appointed three out of the total five members of NRTC’s Board with effect from 1 October 2022 and such appointment is contractual as per the amended shareholders’ agreement dated 1 October 2022;
- Resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board; and
- The Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of NRTC’s business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing NRTC’s senior management.

LVL Technology Holding (formerly “Switch Technology Holding”) (“LVL”) –

- The Group has appointed four out of the total seven members of LVL’s board and such appointment is contractual as per the amended shareholders’ agreement; and
- The Board is fully empowered to manage and carry out all acts and transaction on behalf of the entity including supervision of LVL’s business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing LVL’s senior management.

In making this judgement, the Group considered the absolute size of its holding in Aldar, Easy Lease, DRIVE, NRTC and LVL, ability of other shareholders to limit its nominations to the Board, and the Group’s majority representation on the Board. Therefore, based on the above factors, the Group has clearly established that it has de-facto control, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these consolidated financial statements.

The results of the following subsidiaries have been included in the consolidated financial statements, although the Group holds 50% or less ownership. Control has been achieved by virtue of agreements entered with other shareholders granting control to the Group:

- Diqa Technologies Limited
- Serenity Aviation Holding LLC
- Qausar Energy Limited
- Alpha Technologies Limited
- Apex Companies Management LLC
- ABNIA for Industrial Holding LLC

Significant influence over investments in associates

Significant influence is presumed to exist when the Group holds 20% or more of the voting power of investee. When the voting power is less than 20%, the Group considers other factors that give raise to significant influence, such as the ability to participate in the financial and operating policy decisions of the investee.

The Group has determined that although it holds less than 20% of the voting power in Iskandar Holdings Limited, Burjeel Holding PLC and Presight AI Holding PLC, significant influence exists due to having a representation on the Board of Directors and the participation in decisions over the relevant activities of the entities.

Joint control over investments in joint ventures

For assessing joint control, the Group has considered the contractual agreement of sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group has determined that the investment in China Railway Construction, ORA Developers Investment Holding Limited, The Challenge Egyptian Emirates Marine Dredging Company, Micad Credit JV RSC LTD, Avobar Restaurant – Sole Proprietorship LLC, Richmond Hill Developments (Jersey) Limited, VST JV, Lazio Real Estate investments LLC, ABGC DMCC, WIO Holding Restricted Ltd., DTEC Industries Limited and NT Energies are joint ventures despite the Group holding less or more than 50% of the voting power, as joint control exists due to having unanimous voting rights in the Board of Directors.

6 BUSINESS COMBINATIONS

6.1 Business combination under common control

During the year ended 31 December 2023 and 2022, the Group acquired the following entities under common control. These acquisitions are excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as these are business combination of entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The acquisitions have been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entities from the date of acquisition.

6.1(a) Acquisitions during the year

WAS Commercial Investment – Sole Proprietorship LLC

Effective 1 April 2023, Tamween Group LLC, a subsidiary, acquired a 100% equity interest in WAS Commercial Investment – Sole Proprietorship LLC (“WAS”), an entity solely holding a 51% equity interest in Al Ain Farms for Livestock Production (“Al Ain Farms”), for nil consideration. Al Ain Farms is incorporated in Abu Dhabi, United Arab Emirates, and is involved managing the production and sale of dairy and poultry products. From the date of acquisition, WAS contributed revenue and profit to the Group amounting to AED 747,331 thousand and AED 24,051 thousand respectively. If the acquisition had taken place at the beginning of the year, WAS would have contributed revenue and profit to the Group amounting to AED 968,395 thousand and AED 30,114 thousand respectively.

Finstreet Limited

Effective 31 December 2023, Sirius International Holding Limited (“Sirius”), a subsidiary, acquired a 95% equity interest in Finstreet Limited (“Finstreet”) for nil consideration. Finstreet is incorporated in Abu Dhabi, United Arab Emirates, and is involved in financial services activities. If the acquisition had taken place at the beginning of the year, Finstreet would have contributed a loss to the Group amounting to AED 1,404 thousand. No revenue was generated by Finstreet, as it’s in the pre-operating phase.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

	WAS AED '000	Finstreet AED '000	Total AED '000
Assets			
Property, plant and equipment	621,198	-	621,198
Intangible assets	-	2,474	2,474
Right-of-use assets	15,550	2,094	17,644
Goodwill	12,624	-	12,624
Biological assets	109,536	-	109,536
Inventories	144,708	-	144,708
Trade and other receivables	204,518	387	204,905
Due from related parties	-	873	873
Cash and bank balances	54,288	-	54,288
	1,162,422	5,828	1,168,250
Liabilities			
Employees’ end of service benefits	35,568	88	35,656
Lease liabilities	13,284	2,094	15,378
Borrowings	168,910	-	168,910
Loan from a related party	92,857	-	92,857
Due to a related party	3,502	3,624	7,126
Trade and other payables	259,385	506	259,891
	573,506	6,312	579,818
Net assets	588,916	(484)	588,432
Less: non-controlling interest	(329,026)	99	(328,927)
Merger, acquisition and other reserves	259,890	(385)	259,505

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year

W Solar Investment LLC

Effective 1 January 2022, Alpha Dhabi Industries Holding LLC, a subsidiary, acquired a 75% equity interest in W Solar Investment LLC (“W Solar”) for nil consideration. W Solar is incorporated in Abu Dhabi, United Arab Emirates, and is involved in clean energy business. From the date of acquisition, W Solar contributed loss to the Group amounting to AED 1,342 thousand for the year ended 31 December 2022. No revenue was generated for the year ended 31 December 2022, as W Solar was in its pre-operating phase.

YAS Clinic Group Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in YAS Clinic Group Sole Proprietorship LLC (“YAS Clinic”) and its subsidiaries for nil consideration. YAS Clinic is incorporated in Abu Dhabi, United Arab Emirates, and is involved in hospital management services. From the date of acquisition, YAS Clinic contributed revenue and profit to the Group amounting to AED 1,572,278 thousand and AED 671,220 thousand respectively, for the year ended 31 December 2022.

Abu Dhabi Stem Cells Centre – Sole Proprietorship LLC

Effective 1 January 2022, Pure Health Holding LLC, a subsidiary, acquired a 100% equity interest in Abu Dhabi Stem Cells Center – Sole Proprietorship LLC (“ADSCC”) for nil consideration. ADSCC is a limited liability company, incorporated in Abu Dhabi, United Arab Emirates and is engaged in healthcare and research centres operation and management. From the date of acquisition, ADSCC contributed revenue and loss to the Group amounting to AED 67,861 thousand and AED 1,087 thousand respectively, for the year ended 31 December 2022.

Al Jaraf Fisheries LLC

Effective 1 January 2022, Tamween Companies Management LLC, a subsidiary, acquired a 100% equity interest in Al Jaraf Fisheries LLC (“JARAF”) and its subsidiaries for nil consideration. JARAF is incorporated in Abu Dhabi, United Arab Emirates, and is involved in land based aquaculture, retail sale of fresh fish and marine animals. From the date of acquisition, JARAF contributed revenue and profit to the Group amounting to AED 5,246 thousand and AED 6,074 thousand respectively, for the year ended 31 December 2022.

Protect 7 Health Care – Sole Proprietorship LLC

Effective 1 January 2022, Tamouh Health Care LLC, a subsidiary, acquired a 100% equity interest in Protect 7 Health Care – Sole Proprietorship LLC (“Protect 7”) for nil consideration. Protect 7 is incorporated in Abu Dhabi, United Arab Emirates, and is involved in retail sale of medical equipment and apparatuses. From the date of acquisition, Protect 7 contributed revenue and loss to the Group amounting to AED 1,017 thousand and AED 5,738 thousand respectively, for the year ended 31 December 2022.

Ras Al Khaimah Cement Investment Public JSC

Effective 1 March 2022, the Company transferred its 60% ownership in Apex Holding LLC (“Apex”) to Ras Al Khaimah Cement Investment Public JSC (“RAKCIC”) in return for 1,830,046,480 shares, representing a 51.5% ownership interest in RAKCIC. In substance, the Group acquired control over RAKCIC, and disposed of a portion of its ownership in Apex without loss of control. The acquisition has been accounted as a common control transaction as the Ultimate Parent controlled RAKCIC before and after the acquisition. RAKCIC is a public shareholding company incorporated in Ras Al Khaimah and is engaged in the production of clinkers and hydraulic cements manufacturing and the wholesaling of cement products. From the date of acquisition, RAKCIC contributed revenue and loss to the Group amounting to AED 69,737 thousand and AED 41,408 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, RAKCIC would have contributed revenue and loss to the Group amounting to AED 101,207 thousand and AED 49,058 thousand respectively, for the year ended 31 December 2022.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year continued

Mirak Royal Nature Fruit and Vegetables LLC

Effective 31 March 2022, the Company acquired a 80% equity interest in Mirak Royal Nature Fruit and Vegetables LLC (“Mirak”) for nil consideration. Mirak is incorporated in Dubai, United Arab Emirates, and is involved in baby food trading, food and beverages trading and vegetables and fruits trading. From the date of acquisition, Mirak contributed revenue and loss to the Group amounting to AED 119,020 thousand and AED 5,830 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Mirak would have contributed revenue and loss to the Group amounting to AED 157,792 thousand and AED 6,770 thousand respectively, for the year ended 31 December 2022.

Vision Furniture & Decoration Factory LLC

Effective 1 April 2022, ESG Capital Holding LLC, a subsidiary, acquired a 60% equity interest in Vision Furniture & Decoration Factory LLC (“Vision Factory”) for nil consideration. Vision Factory is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in house and office furniture manufacturing, including fireproof wooden doors manufacturing. From the date of acquisition, Vision Factory contributed revenue and profit to the Group amounting to AED 51,122 thousand and AED 6,347 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Vision Factory would have contributed revenue and profit to the Group amounting to AED 66,401 thousand and AED 7,720 thousand respectively, for the year ended 31 December 2022.

6 BUSINESS COMBINATIONS continued

6.1 Business combination under common control continued

6.1 (b) Acquisitions in the prior year continued

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	W Solar AED '000	YAS Clinic AED '000	ADSCC AED '000	JARAF AED '000	Protect 7 AED '000	RAKCIC AED '000	Mirak AED '000	Vision Factory AED '000	Total AED '000
Assets									
Property, plant and equipment	-	380,985	60,306	225,432	-	325,487	17,949	10,718	1,020,877
Intangible assets	-	5,749	874	-	-	136	426	-	7,185
Investment in an associate	-	-	-	-	-	35,534	-	-	35,534
Investments carried at fair value through other comprehensive income	-	-	-	-	-	201,953	-	-	201,953
Investments carried at fair value through profit or loss	-	-	-	-	-	33,215	-	-	33,215
Biological assets	-	-	-	22,916	-	-	-	-	22,916
Right-of-use assets	-	17,889	1,437	14,201	-	-	-	2,211	35,738
Inventories	-	7,433	1,280	1,206	-	52,144	4,057	4,845	70,965
Due from related parties	300	54,623	82,794	2,502	-	-	-	27,709	167,928
Trade and other receivables	121	955,119	-	2,158	-	56,600	38,755	7,503	1,060,256
Cash and bank balances	914	20,804	5,079	49,205	1,736	44	135	14,399	92,316
	1,335	1,442,602	151,770	317,620	1,736	705,113	61,322	67,385	2,748,883
Liabilities									
Employees' end of service benefit	-	828	693	786	106	1,151	753	5,043	9,360
Borrowings	-	300,000	-	-	-	23,477	13,124	-	336,601
Lease liabilities	-	18,900	1,437	14,133	-	-	-	3,645	38,115
Due to related parties	1,764	-	-	64,325	58,990	-	25,000	447	150,526
Trade and other payables	4	424,164	43,840	10,670	5,738	62,807	51,449	25,855	624,527
	1,768	743,892	45,970	89,914	64,834	87,435	90,326	34,990	1,159,129
Net assets	(433)	698,710	105,800	227,706	(63,098)	617,678	(29,004)	32,395	1,589,754
Less: non-controlling interest	286	(382,872)	(57,975)	-	-	(299,331)	5,801	(15,874)	(749,965)
Proportionate share of identifiable net assets acquired	(147)	315,838	47,825	227,706	(63,098)	318,347	(23,203)	16,521	839,789
Previously held equity interest transferred from investment in financial asset (note 11.1)	-	-	-	-	-	(12,162)	-	-	(12,162)
Carrying value of the shares in Apex (note 6.5 (b)(B))	-	-	-	-	-	(105,688)	-	-	(105,688)
Merger reserve	(147)	315,838	47,825	227,706	(63,098)	200,497	(23,203)	16,521	721,939

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination

6.2(a) Acquisitions during the year

During the year, the Group acquired the following entities, which were accounted for using the acquisition method under IFRS 3 Business Combination:

Reach Global Services Holding 1 SPV Limited

Effective 1 January 2023, the Company acquired a 55% equity interest in Reach Global Services Holding 1 SPV Limited (“Reach”) for consideration of AED 315,100 thousand. Reach is registered in Abu Dhabi and is engaged in manpower services. From the date of acquisition, Reach contributed revenue and profit to the Group amounting to AED 889,921 thousand and AED 51,069 thousand respectively.

Progressive Real Estate Development LLC

Effective 1 January 2023, ESG Capital Holding LLC, a subsidiary, acquired an additional 10% equity interest in Progressive Real Estate Development LLC (“PRED”), previously a jointly controlled entity, for nil consideration, increasing the Group’s ownership to 80%. On the same day, as a result of amendments to the Memorandum of Association, the Group obtained control over PRED. The fair value of the previously held interest on the date of obtaining control, amounted to AED 5,781 thousand. PRED is a limited liability company, registered in Abu Dhabi, and is engaged in real estate lease and management services. From the date of acquisition, PRED contributed revenue and loss to the Group amounting to AED 2,552 thousand and AED 1,204 thousand respectively.

Mustard and Linen Interior Design Holdings Limited

Effective 14 February 2023, Aldar Properties PJSC, a subsidiary, acquired a 75% equity interest in Mustard and Linen Interior Design Holdings Limited (“Mustard and Linen”) for consideration of AED 25,000 thousand. Mustard and Linen is a limited company, registered in Abu Dhabi, and is engaged in interior design related works. From the date of acquisition, Mustard and Linen contributed revenue and profit to the Group amounting to AED 18,741 thousand and AED 11,423 thousand respectively. If the acquisition had taken place at the beginning of the year, Mustard and Linen would have contributed revenue and profit to the Group amounting to AED 19,336 thousand and AED 11,658 thousand respectively.

Spotlightpos Limited

Effective 1 March 2023, Oxinus Holding Limited, a subsidiary, acquired a 100% equity interest in Spotlightpos Limited (“Spotlight”) for consideration of AED 8,355 thousand. Spotlight is a limited company, registered in Cyprus, and is engaged in information technology and software related services. From the date of acquisition, Spotlight contributed revenue and loss to the Group amounting to AED 1,747 thousand and AED 419 thousand respectively. If the acquisition had taken place at the beginning of the year, Spotlight would have contributed revenue and loss to the Group amounting to AED 1,898 thousand and AED 716 thousand respectively.

Fisio Therapy and Rehabilitation Centre LLC

Effective 2 March 2023, Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Fisio Therapy and Rehabilitation Center LLC (“Fisio”) for consideration of AED 1 thousand. Fisio is a limited liability company, registered in Dubai, and engaged in physical medicine, rehabilitation and physiotherapy center. From the date of acquisition, Fisio contributed revenue and loss to the Group amounting to AED 1,388 thousand and AED 708 thousand respectively. If the acquisition had taken place at the beginning of the year, Fisio would have contributed revenue and loss to the Group amounting to AED 1,616 thousand and AED 896 thousand respectively.

Al Riyadh Medical Center LLC

Effective 20 March 2023, CMC Holding LLC, a subsidiary, acquired a 75% equity interest in Al Riyadh Medical Center LLC (“Al Riyadh”) for consideration of AED 3,000 thousand. Al Riyadh is a limited liability company registered in Abu Dhabi, and is engaged in provision of poly clinic services. From the date of acquisition, Al Riyadh contributed revenue and loss to the Group amounting to AED 1,197 thousand and AED 669 thousand respectively. If the acquisition had taken place at the beginning of the year, Al Riyadh would have contributed revenue and loss to the Group amounting to AED 1,689 thousand and AED 1,066 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

P.J. Steel Construction Limited

Effective 21 April 2023, Arena Event Services Group Ltd, a subsidiary, acquired a 100% equity interest in P.J. Steel Construction Limited. (“P.J. Steel”) for consideration of AED 4,800 thousand. P.J. Steel is registered in United Kingdom, and is engaged in provision of Steel fabrication powder coating services. From the date of acquisition, P.J. Steel contributed revenue and profit to the Group amounting to AED 10,053 thousand and AED 2,154 thousand respectively. If the acquisition had taken place at the beginning of the year, P.J. Steel would have contributed revenue and profit to the Group amounting to AED 11,353 thousand and AED 960 thousand Irespectively.

ADMO Lifestyle Holding Limited

Effective 1 May 2023, Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 51% equity interest in ADMO Lifestyle Holding Limited (“ADMO”) for consideration of AED 716,466 thousand. ADMO is a limited liability company, registered in Abu Dhabi, and is engaged in hotel and restaurant management. From the date of acquisition, ADMO contributed revenue and loss to the Group amounting to AED 121,054 thousand and AED 5,545 thousand respectively. If the acquisition had taken place at the beginning of the year, ADMO would have contributed revenue and profit to the Group amounting to AED 161,739 thousand and AED 5,440 thousand respectively.

Basatin Holding SPV Ltd.

Effective 28 May 2023, Aldar Estate Investment – Sole Proprietorship LLC, a subsidiary, acquired a 75% equity interest in Basatin Holding SPV Ltd. (“Basatin”) for consideration of AED 138,822 thousand. Basatin is a limited liability company, registered in Abu Dhabi, and is engaged in provision of landscaping related services. From the date of acquisition, Basatin contributed revenue and profit to the Group amounting to AED 237,550 thousand and AED 37,173 thousand respectively. If the acquisition had taken place at the beginning of the year, Basatin would have contributed revenue and profit to the Group amounting to AED 342,204 thousand and AED 45,783 thousand respectively.

Eltizam Asset Management Estate - Sole Proprietorship LLC

Effective 1 July 2023, Aldar Estates Holding Limited (“Aldar Estates”), a subsidiary, acquired a 100% equity interest in Eltizam Asset Management Estate - Sole Proprietorship LLC (“Eltizam”), for consideration of AED 1,013,000 thousand, being the fair value of 4,854 new shares of Aldar Estates issued equally to the Company and to a third party (i.e. 2,427 shares each). The shares allocated to the Company, are in return of contributing the Company’s 50% previously held equity interest in Eltizam with a fair value of AED 506,500 thousand on the transaction date. Eltizam is a limited liability company, registered in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, Eltizam contributed revenue and loss to the Group amounting to AED 311,495 thousand and AED 4,605 thousand respectively. If the acquisition had taken place at the beginning of the year, Eltizam would have contributed revenue and profit to the Group amounting to AED 656,501 thousand and AED 20,573 thousand respectively.

24 7 Media Holding Ltd

Effective 1 July 2023, MG Communications Holding LLC, a subsidiary, acquired a 60% equity interest in 24 7 Media Holding Ltd. (“24 7 Media”) for consideration of AED 260,969 thousand. 24 7 Media is a private company limited by shares registered under the laws of Abu Dhabi Global Market. 24 7 Media is a specialised outdoor media solution provider in United Arab Emirates. From the date of acquisition, 24 7 Media contributed revenue and profit to the Group amounting to AED 101,066 thousand and AED 41,108 thousand respectively. If the acquisition had taken place at the beginning of the year, 24 7 Media would have contributed revenue and profit to the Group amounting to AED 185,730 thousand and AED 79,227 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

LVL Technology Holding (formerly “Switch Technology Holding”)

Effective 1 July 2023, MG Wellness Holding LLC, a subsidiary, acquired control over LVL Technology Holding (“LVL”), previously recognised as an investment in financial asset, through the acquisition of an additional ownership interest of 33% in LVL (cumulative ownership of 49.38%) for consideration which consisted of cash amounting to AED 22,050 thousand and contribution of a subsidiary of the Group, Healthier U Wellness Services LLC (i.e. the fair value of the 50.62% interest in Healthier transferred to the third party). The Group controls LVL by virtue of the shareholder agreement which gives the Group the ability to appoint four out of seven board members. From the date of acquisition, LVL contributed revenue and loss to the Group amounting to AED 937 thousand and AED 5,896 thousand respectively. If the acquisition had taken place at the beginning of the year, LVL would have contributed revenue and loss to the Group amounting to AED 1,246 thousand and AED 6,754 thousand respectively.

Securiguard Middle East LLC

Effective 1 August 2023, Palms Sports PJSC, a subsidiary, acquired a 100% equity interest in Securiguard Middle East LLC (“Securiguard”) for a consideration of AED 300,000 thousand. Securiguard is a limited liability company, registered in Abu Dhabi, and is engaged in provision of security guards and cleaning services. From the date of acquisition, Securiguard contributed revenue and profit to the Group amounting to AED 229,504 thousand and AED 17,825 thousand respectively. If the acquisition had taken place at the beginning of the year, Securiguard would have contributed revenue and profit to the Group amounting to AED 551,422 thousand and AED 21,042 thousand respectively.

Virginia International Private School - Sole Proprietorship LLC

Effective 2 August 2023, Aldar Education Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Virginia International Private School - Sole Proprietorship LLC. (“Virginia”), for a consideration of AED 210,509 thousand. Virginia is a limited liability company, registered in Abu Dhabi and is engaged in providing educational services. From the date of acquisition, Virginia contributed revenue and profit to the Group amounting to AED 19,031 thousand and AED 6,653 thousand respectively. If the acquisition had taken place at the beginning of the year, Virginia would have contributed revenue and profit to the Group amounting to AED 46,448 thousand and AED 14,913 thousand respectively.

Mais Interior Design LLC

Effective 15 August 2023, Trojan Construction Group Sole Proprietorship LLC, a subsidiary, acquired a 60% equity interest in Mais Interior Design LLC (“Mais”), for a consideration of AED 24,000 thousand. Mais is a limited liability company, registered in Abu Dhabi and is engaged in interior design related works. From the date of acquisition, Mais contributed revenue and profit to the Group amounting to AED 24,718 and AED 4,045 thousand respectively. If the acquisition had taken place at the beginning of the year, Mais would have contributed revenue and profit to the Group amounting to AED 75,190 thousand and AED 10,975 thousand respectively.

Kent College LLC – FZ and Kent Nursery LLC - FZ

Effective 1 September 2023, Aldar Education Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Kent College LLC – FZ and Kent Nursery LLC - FZ (“Kent”), for a consideration of AED 120,000 thousand. Kent is a limited liability company, registered with Meydan Freezone Authority in Dubai and is engaged in providing educational services. From the date of acquisition, Kent contributed revenue and loss to the Group amounting to AED 28,099 thousand and AED 1,036 thousand respectively. If the acquisition had taken place at the beginning of the year, Kent would have contributed revenue and profit to the Group amounting to AED 74,210 thousand and AED 1,126 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

United International Group for Manpower Services LLC

Effective 1 October 2023, Century Human Resources and Logistics LLC OPC, a subsidiary, acquired 51% equity interest in United International Group for Manpower Services LLC (“UIG”) for consideration of AED 43,413 thousand. UIG is a limited liability company, registered in Abu Dhabi, and is engaged in provision of manpower services. From the date of acquisition, UIG contributed revenue and profit to the Group amounting to AED 36,806 thousand and AED 6,862 thousand respectively. If the acquisition had taken place at the beginning of the year, UIG would have contributed revenue and profit to the Group amounting to AED 136,676 thousand and AED 15,400 thousand respectively.

Juice Spa – Group of Entities

Effective 1 October 2023, Omorfia Group LLC, a subsidiary, acquired a 100% equity interest in Juice SPA – Group of Entities ("Juice Spa") for consideration of AED 24,500 thousand. Juice Spa is a limited liability company, registered in Abu Dhabi, and is engaged in ladies’ cosmetic and personal care centre, women salon, ladies oriental bath and ladies spa club. From the date of acquisition, Juice Spa contributed revenue and profit to the Group amounting to AED 8,314 thousand and AED 854 thousand respectively. If the acquisition had taken place at the beginning of the year, Juice Spa would have contributed revenue and profit to the Group amounting to AED 29,074 thousand and AED 2,389 thousand respectively.

Fully Charged Electrical Fitting Contracting LLC

Effective 1 October 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Fully Charged Electrical Fitting Contracting LLC (“Fully Charged”) for consideration of AED 3,150 thousand. Fully Charged is a limited liability company, registered in Dubai, and is engaged in provision of charging infrastructure facility across the country. From the date of acquisition, Fully Charged contributed revenue and profit to the Group amounting to AED 1,677 thousand and AED 6 thousand respectively. If the acquisition had taken place at the beginning of the year, Fully Charged would have contributed revenue and loss to the Group amounting to AED 6,576 thousand and AED 226 thousand respectively.

Desert Control Liquid Natural Clay LLC

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary, acquired a 100% equity interest in Desert Control Liquid Natural Clay LLC (“Desert Control”), for a consideration of AED 1. Desert Control is a limited liability company, registered in Abu Dhabi and is engaged in agriculture and landscaping works.

Mawarid Desert Control LLC

Effective 1 October 2023, Mawarid Holding Investment LLC, a subsidiary, acquired a 100% equity interest in Mawarid Desert Control LLC (“Mawarid Desert”), for a consideration of AED 1. Mawarid Desert is a limited liability company, registered in Abu Dhabi and is engaged in agriculture and landscaping works. From the date of acquisition, Mawarid Desert contributed revenue and loss to the Group amounting to AED 185 thousand and AED 1,497 thousand respectively. If the acquisition had taken place at the beginning of the year, Mawarid Desert would have contributed revenue and loss to the Group amounting to AED 401 thousand and AED 3,582 thousand respectively.

FAB Properties - Sole Proprietorship LLC

Effective 1 December 2023, Aldar Estate Holding Limited, a subsidiary, acquired a 100% equity interest in FAB Properties – Sole Proprietorship LLC (“FAB Properties”), for a consideration of AED 334,960 thousand. FAB Properties is a limited liability company, registered in Abu Dhabi and is engaged in real estate lease and management services. From the date of acquisition, FAB Properties contributed revenue and profit to the Group amounting to AED 4,812 thousand and AED 2,758 thousand respectively. If the acquisition had taken place at the beginning of the year, FAB Properties would have contributed revenue and profit to the Group amounting to AED 73,050 thousand and AED 37,559 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Ripe Exhibition Organizer Co. LLC

Effective 1 November 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired a 60% equity interest in Ripe Exhibition Organizer Co. LLC (“Ripe”) for consideration of AED 31,920 thousand. Ripe is a limited liability company, registered in Abu Dhabi, and is engaged in event management. From the date of acquisition, Ripe contributed revenue and profit to the Group amounting to AED 5,434 thousand and AED 1,971 thousand respectively. If the acquisition had taken place at the beginning of the year, Ripe would have contributed revenue and profit to the Group amounting to AED 25,235 thousand and AED 6,513 thousand respectively.

London Square Developments (Holdings) Limited and LSQ Management Limited

Effective 30 November 2023, Aldar Development LSQ Limited, a subsidiary, acquired a 100% equity interest in London Square Developments (Holdings) Limited and LSQ Management Limited (“London Square”) for consideration of AED 497,685 thousand. London Square is a limited company registered in United Kingdom and is engaged in real estate development. From the date of acquisition, London Square contributed revenue and loss to the Group amounting to AED 81,220 thousand and AED 12,146 thousand respectively. If the acquisition had taken place at the beginning of the year, London Square would have contributed revenue and profit to the Group amounting to AED 996,763 thousand and AED 514,700 thousand respectively.

Lynx Technology Group Ltd.

Effective 1 December 2023, Easy Lease Motorcycle Rentals PSC, a subsidiary, acquired an additional 24% equity interest in Lynx Technology Group Ltd. (“Lynx”) for consideration of AED 533 thousand increasing the Group’s ownership to 49%. Lynx is registered in British Virgin Islands and is engaged in the provision of IT related services. From the date of acquisition, Lynx contributed revenue and profit to the Group amounting to AED 123 thousand and AED 0.04 thousand respectively. If the acquisition had taken place at the beginning of the year, Lynx would have contributed revenue and profit to the Group amounting to AED 1,228 thousand and AED 250 thousand respectively.

Sky Light Corporate Management LLC

Effective 31 December 2023, CMC Holding LLC, a subsidiary, acquired a 70% equity interest in Sky Light Corporate Management LLC (“Sky Light”) for consideration of AED 70,000 thousand. Sky Light is a limited liability company, registered in Abu Dhabi and is engaged in specialised dental clinic, manufacturing of customised dental products and trading of imported dental products. If the acquisition had taken place at the beginning of the year, Sky Light would have contributed revenue and profit to the Group amounting to AED 58,015 thousand and AED 17,678 thousand respectively.

Guardtime SA

Effective 31 December 2023, Sirius International Holding Limited, a subsidiary, acquired a 100% equity interest in Guardtime SA (“Guardtime”) for consideration of AED 77,070 thousand. Guardtime is a limited liability company, registered in Switzerland and is engaged in development of blockchain protocols and applications. If the acquisition had taken place at the beginning of the year, Guardtime would have contributed revenue and loss to the Group amounting to AED 4,960 thousand and AED 77,277 thousand respectively.

Secure Recruitment Services LLC OPC

Effective 31 December 2023, Palms Sports PJSC, a subsidiary, acquired a 100% equity interest in Secure Recruitment Services LLC OPC (“Secure”) for nil consideration. Secure Recruitment is a limited liability company, registered in Abu Dhabi, and is engaged in provision of manpower services. If the acquisition had taken place at the beginning of the year, Secure Recruitment would have contributed revenue and loss to the Group amounting to AED 2,192 thousand and AED 240 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

* The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercise of the acquisitions before the end of 2024.

Intangible assets of AED 1,137,451 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of customer relationships, customer contracts, brand name and trade license.

Goodwill of AED 1,897,165 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 “Fair Value Measurement” refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 5.8% to 26.3%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 5%, which has been used to determine income for the future years.

Details of purchase consideration on acquisitions is as follows:

	Reach AED '000	PRED AED '000	Spotlight AED '000	Fivio AED '000	Al Riyadh AED '000	PJ Steel AED '000	24 7 Media AED '000	LIVL AED '000	Scoutguard AED '000	UIG AED '000	Juice Spa AED '000	Fully Charged AED '000	Ripe AED '000	Lynx AED '000	Sky Light AED '000	Guardtime AED '000	Secure AED '000	Alpha Dhabi acquisitions AED '000	Total AED '000
Cash paid for the acquisition	315,100	-	8,355	1	3,000	2,495	184,566	22,050	300,000	-	24,500	1,650	-	-	70,000	-	-	1,962,630	2,894,347
Consideration payable	-	-	-	-	-	1,383	36,403	-	-	43,413	-	1,500	31,920	533	-	-	-	104,812	219,964
Contingent consideration ⁽ⁱ⁾	-	-	-	-	-	922	40,000	-	-	-	-	-	-	-	-	-	-	-	40,922
Fair value of previously held equity interest transferred from investment in financial assets (note 11.1.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fair value of previously held equity interest transferred from investment in joint venture (note 10)	-	5,781	-	-	-	-	-	-	-	-	-	-	-	4,973	-	-	-	506,500	517,254
Fair value of shares in a subsidiary ⁽ⁱⁱ⁾	-	-	-	-	-	-	-	4,874	-	-	-	-	-	-	-	-	-	4,874	-
Fair value of consideration transferred ⁽ⁱⁱⁱ⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	77,070	-	506,500	583,570
Total purchase consideration	315,100	5,781	8,355	1	3,000	4,800	260,969	39,949	300,000	43,413	24,500	3,150	31,920	5,506	70,000	77,070	-	3,080,442	4,273,956

(i) Contingent consideration represents the following:

- For the acquisition of 24 7 Media, an additional cash consideration of AED 40,000 thousand is to be paid to the previous owner, subject to 24 7 Media achieving a minimum net profit of AED 60,000 thousand for the year ending 31 December 2023. As at the acquisition date, the contingent consideration with an estimated fair value of AED 40,000 thousand was recorded, as it is highly probable that the targeted profit will be achieved.
- For the acquisition of PJ Steel, an additional cash consideration of AED 461 thousand is to be paid to the previous owner, subject achieving a minimum net profit of AED 1.613 thousand for the period from 1 January 2023 to 31 March 2024 and an additional cash consideration of AED 461 thousand subject to the previous owner securing new contracts to PJ Steel generating a minimum cash inflow of AED 4,608 thousand. As at the acquisition date, the total contingent consideration with an estimated fair value of AED 922 thousand was recorded, as it is highly probable that both targets will be achieved.

(ii) Represents the fair value of 50.62% ownership interest in HealthierU, a subsidiary, which was granted to a third party as part of the agreement to acquire LVL.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(a) Acquisitions during the year continued

Details of purchase consideration on acquisitions is as follows: continued

(iii) The fair value of consideration transferred, represents the following:

- Aldar Estates Holding Limited, a subsidiary, issued 4,854 new shares at a fair value of AED 1,013,000 thousand of which, 2,427 shares with a fair value of AED 506,500 thousand were issued to a third party as consideration for 50% ownership interest in Elitzam Asset Management LLC. The non-controlling interest share of the newly issued shares amounted to AED 176,769 thousand.
- Quantum Solutions Limited, a subsidiary, issued 27,676,465 new shares at a fair value of AED 77,070 thousand as a consideration for 100% ownership interest in Guardtime SA. The non-controlling interest share of the newly issued shares amounted to AED 13,487 thousand.

The total share of consideration (i.e. shares issued) allocated to non-controlling interest, amounted to AED 190,256 thousand.

(a) Alpha Dhabi Holding group acquisitions

Details of purchase consideration on acquisitions is as follows:

	Mustard and Linen AED '000	ADM0 AED '000	Basatin AED '000	Elitzam AED '000	Virginia AED '000	Mais Spa AED '000	Kent AED '000	Desert Control AED '000	Mawardi Desert AED '000	FAB Properties AED '000	London Square AED '000	Total AED '000
Cash paid for the acquisition	25,000	716,466	138,822	-	188,586	24,000	117,782	-	-	334,960	417,014	1,962,630
Consideration payable	-	-	-	-	21,923	-	2,218	-	-	-	80,671	104,812
Fair value of previously held equity interest transferred from investment in joint venture	-	-	-	506,500	-	-	-	-	-	-	-	506,500
Fair value of consideration transferred	-	-	-	506,500	-	-	-	-	-	-	-	506,500
Total purchase consideration	25,000	716,466	138,822	1,013,000	210,509	24,000	120,000	-	-	334,960	497,685	3,080,442

Analysis of cashflows on acquisitions is as follows:

	Reach AED '000	PRED AED '000	Spotlight AED '000	Fivio AED '000	Al Riyadh AED '000	PJ Steel AED '000	24 7 Media AED '000	LIVL AED '000	Scoutguard AED '000	UIG AED '000	Juice Spa AED '000	Fully Charged AED '000	Ripe AED '000	Lynx AED '000	Sky Light AED '000	Guardtime AED '000	Secure AED '000	Alpha Dhabi acquisitions AED '000	Total AED '000
Cash paid for the acquisition	315,100	-	8,355	1	3,000	2,495	184,566	22,050	300,000	-	24,500	1,650	-	-	70,000	-	-	1,962,630	2,894,347
Net cash acquired on business combination	(35,951)	(1,954)	(72)	(192)	(63)	(1,059)	(14,361)	(23,582)	(66,292)	(8,686)	(1,675)	(212)	(10,241)	(115)	(3,650)	(4,782)	(557)	(649,512)	(822,956)
Acquisition of operating business – net of cash paid (acquired) (included in cash flows from investing activities)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction costs of the acquisition (included in cash flows from operating activities)	50	50	237	-	20	-	1,336	386	-	65	265	-	-	-	237	-	-	36,381	39,027
Net cash paid (acquired) on acquisition	279,199	(1,904)	8,520	(191)	2,957	1,436	(171,541)	(11,460)	233,708	(8,621)	23,090	1,438	(10,241)	(115)	66,350	(4,782)	(557)	1,313,118	2,071,391

Acquisition related costs amounting to AED 39,027 thousand were expensed during the year and are included in general and administrative expenses.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in the prior year

Rose Water Ladies Salon - Sole Proprietorship LLC

Effective 1 January 2022, Bedashing Holding Company LLC, a subsidiary, acquired a 100% equity interest in Rose Water Ladies Salon - Sole Proprietorship LLC ("Rose") for consideration of AED 7,200 thousand. Rose is a sole proprietorship, registered in Abu Dhabi, United Arab Emirates and is engaged in female personal care and beauty, hairdressing, trimming, styling and henna pigmenting. From the date of acquisition, Rose contributed revenue and profit to the Group amounting to AED 5,407 thousand and AED 1,352 thousand respectively, for the year ended 31 December 2022.

Abu Dhabi Vegetable Oil Company LLC

Effective 1 January 2022, the Company acquired a 75% equity interest in Abu Dhabi Vegetable Oil Company LLC ("ADVOC") for consideration of AED 91,000 thousand. ADVOC is a limited liability company, registered in Abu Dhabi, United Arab Emirates and is engaged in vegetable oils refining and manufacturing, basic organic chemical acids manufacturing, plastic bottles and similar containers manufacturing, and plastic closures articles manufacturing. From the date of acquisition, ADVOC contributed revenue and loss to the Group amounting to AED 375,807 thousand and AED 7,071 thousand respectively, for the year ended 31 December 2022.

American Crescent Health Care Centre – Sole Proprietorship LLC

Effective 1 January 2022, Somerian Health LLC, a subsidiary, acquired a 100% equity interest in American Crescent Health Care Centre – Sole Proprietorship LLC ("American Crescent") for consideration of AED 3,600 thousand. American Crescent is a sole proprietorship LLC, registered in Abu Dhabi, United Arab Emirates and is engaged in medical complex and facilities services. From the date of acquisition, American Crescent contributed revenue and loss to the Group amounting to AED 5,682 thousand and AED 4,548 thousand respectively, for the year ended 31 December 2022.

GenQore Drug Store LLC

Effective 1 February 2022, Somerian Health LLC, a subsidiary, acquired a 90% equity interest in GenQore Drug Store LLC ("GenQore") for consideration of AED 2. GenQore is a limited liability company, registered in Dubai, United Arab Emirates and is engaged in trading of cosmetic and medical related items. From the date of acquisition, GenQore contributed revenue and loss to the Group amounting to AED 2,599 thousand and AED 16,588 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, GenQore would have contributed revenue and loss to the Group amounting to AED 7,708 thousand and AED 16,579 thousand respectively, for the year ended 31 December 2022.

Direct Trading LLC

Effective 14 February 2022, Palms Sports PJSC, a subsidiary, acquired a 60% equity interest in Direct Trading LLC ("Direct Trading") for consideration of AED 4,250 thousand. Direct Trading is a limited liability company, registered in the Abu Dhabi, United Arab Emirates and is in the business of distribution. From the date of acquisition, Direct Trading contributed revenue and loss to the Group amounting to AED 4,977 thousand and AED 937 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Direct Trading would have contributed revenue and loss to the Group amounting to AED 5,089 thousand and AED 1,270 thousand respectively, for the year ended 31 December 2022.

Arena Events Group Limited

Effective 1 April 2022, Theta Bidco Limited, a subsidiary, acquired 100% equity interest in Arena Events Group Limited ("Arena") for consideration of AED 341,909 thousand. Arena is a public limited company incorporated in England, United Kingdom and is a provider of temporary physical structures, seating, ice rinks, furniture and interiors. From the date of acquisition, Arena contributed revenue and profit to the Group amounting to AED 862,954 thousand and AED 25,217 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Arena would have contributed revenue and loss to the Group amounting to AED 1,061,473 thousand and AED 4,313 thousand respectively, for the year ended 31 December 2022.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in the prior year continued

Aldar Properties PJSC ("Aldar")

In the Annual General Meeting of Aldar held on 11 April 2022, the Group obtained de facto control by appointing four out of the seven board members. The fair value of the previously held equity interest in Aldar, on the date of obtaining control, amounted to AED 13,404,976 thousand. Aldar is a public joint stock company, registered in Abu Dhabi, United Arab Emirates and is engaged in various businesses, primarily the development, sales, investment, construction, leasing, management and associated services for real estate. From the date of obtaining control, Aldar contributed revenue and profit to the Group amounting to AED 8,515,751 thousand and AED 2,467,272 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Aldar would have contributed revenue and profit to the Group amounting to AED 11,198,956 thousand and AED 3,155,083 thousand respectively, for the year ended 31 December 2022.

Twafq Projects Development Property LLC

Effective 18 April 2022, Aldar Logistics Holding Limited, a subsidiary, acquired 70% equity interest in Twafq Projects Development Property LLC ("Twafq") for consideration of AED 331,033 thousand. Twafq is a limited liability company incorporated in Abu Dhabi, United Arab Emirates and is involved in the development, investment and management of industrial real estate. From the date of acquisition, Twafq contributed revenue and profit to the Group amounting to AED 47,638 thousand and AED 51,813 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Twafq would have contributed revenue and profit to the Group amounting to AED 62,700 thousand and AED 56,994 thousand respectively, for the year ended 31 December 2022.

Al Shohub Private School LLC

Effective 1 June 2022, Aldar Education – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Private School LLC ("Al Shohub") for consideration of AED 72,210 thousand. Al Shohub is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of education services. From the date of acquisition, Al Shohub contributed revenue and loss to the Group amounting to AED 13,738 thousand and AED 1,445 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Al Shohub would have contributed revenue and loss to the Group amounting to AED 22,794 thousand and AED 5,373 thousand respectively, for the year ended 31 December 2022.

Esyasoft Holding Ltd.

Effective 1 June 2022, the Company acquired an additional 21% equity interest in Esyasoft Holding Ltd. ("Esyasoft"), for consideration of AED 18,375 thousand, increasing the Group's ownership to 51%. Esyasoft is a private company, registered with Dubai International Financial Centre and is involved in delivering utility grid modernisation through a suite of SaaS based technology and analytics applications. From the date of acquisition, Esyasoft contributed revenue and profit to the Group amounting to AED 35,240 thousand and AED 3,845 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Esyasoft would have contributed revenue and profit to the Group amounting to AED 44,958 thousand and AED 4,544 thousand respectively, for the year ended 31 December 2022.

Reem Investments PJSC

Effective 2 June 2022, Q Holding PSC (formerly "Al Qudra Holding PJSC"), a subsidiary, acquired a 100% equity interest in Reem Investments PJSC ("Reem Investments") for consideration of AED 5,807,327 thousand, being the fair value of the 1,347,408 new shares issued to the shareholders of Reem Investments. Reem Investments is a private joint stock company incorporated in Abu Dhabi, United Arab Emirates and is engaged in real estate development and the sale and investment in real estate and securities in UAE and abroad. From the date of acquisition, Reem Investments contributed revenue and loss to the Group amounting to AED 20,969 thousand and AED 370,376 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Reem Investments would have contributed revenue and loss to the Group amounting to AED 51,872 thousand and AED 109,724 thousand respectively, for the year ended 31 December 2022.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in the prior year continued

Cyber Gate Defense LLC

Effective 1 July 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 55% equity interest in Cyber Gate Defense LLC (“Cyber Gate”) for consideration of AED 55,000 thousand. Cyber Gate is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of cyber security services. From the date of acquisition, Cyber Gate contributed revenue and profit to the Group amounting to AED 27,079 thousand and AED 4,804 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Cyber Gate would have contributed revenue and profit to the Group amounting to AED 43,586 thousand and AED 7,005 thousand respectively, for the year ended 31 December 2022.

The Captain Boats and Ships Trading LLC

Effective 1 July 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired a 55% equity interest in The Captain Boats and Ships Trading LLC (“Captain Boats”) for consideration of AED 38,500 thousand. Captain Boats is a limited liability company registered in Abu Dhabi, United Arab Emirates and is engaged in the trading and repairing of boats and ships. From the date of acquisition, Captain Boats contributed revenue and profit to the Group amounting to AED 13,604 thousand and AED 4,114 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Captain Boats would have contributed revenue and profit to the Group amounting to AED 26,002 thousand and AED 6,390 thousand respectively, for the year ended 31 December 2022.

Emircom LLC

Effective 1 August 2022, Pace Tech Group – Sole Proprietorship LLC, a subsidiary, acquired a 54% equity interest in Emircom LLC (“Emircom”) for consideration of AED 250,000 thousand. Emircom is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of information and communication technology services. From the date of acquisition, Emircom contributed revenue and profit to the Group amounting to AED 685,578 thousand and AED 25,639 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Emircom would have contributed revenue and profit to the Group amounting to AED 1,297,182 thousand and AED 26,751 thousand respectively, for the year ended 31 December 2022.

Mace Macro Technical Services LLC

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Mace Macro Technical Services LLC (“Mace Macro”) for consideration of AED 4,400 thousand. Mace Macro is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of facilities management services. From the date of acquisition, Mace Macro contributed revenue and profit to the Group amounting to AED 5,231 thousand and AED 523 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Mace Macro would have contributed revenue and profit to the Group amounting to AED 13,977 thousand and AED 1,669 thousand respectively, for the year ended 31 December 2022.

Pactive Sustainable Solutions LLC

Effective 1 August 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Pactive Sustainable Solutions LLC (“Pactive”) for consideration of AED 10,000 thousand. Pactive is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of energy management services. From the date of acquisition, Pactive contributed revenue and profit to the Group amounting to AED 6,257 thousand and AED 832 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Pactive would have contributed revenue and profit to the Group amounting to AED 9,023 thousand and AED 1,236 thousand respectively, for the year ended 31 December 2022.

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in the prior year continued

Spark Securities Services - Sole Proprietorship LLC

Effective 1 September 2022, Khidmah – Sole Proprietorship LLC, a subsidiary, acquired 100% equity interest in Spark Securities Services-Sole Proprietorship LLC (“Spark”) for consideration of AED 120,019 thousand. Spark is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of security related services. From the date of acquisition, Spark contributed revenue and profit to the Group amounting to AED 95,555 thousand and AED 5,855 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Spark would have contributed revenue and profit to the Group amounting to AED 268,192 thousand and AED 11,308 thousand respectively, for the year ended 31 December 2022.

NRTC Food Holding LLC

Effective 1 October 2022, Tamween Group LLC, a subsidiary, acquired control over NRTC Food Holding LLC and its subsidiaries, previously a 41% owned associate of the Group, through obtaining majority representation of the board of directors of NRTC. The fair value of the previously held equity interest in NRTC, on the date of obtaining control, amounted to AED 273,198 thousand. NRTC is a limited liability company, registered and incorporated in Abu Dhabi, United Arab Emirates and is involved in commercial and agricultural enterprises investment, institution and management. From the date of obtaining control, NRTC contributed revenue and profit to the Group amounting to AED 200,008 thousand and AED 16,976 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, NRTC would have contributed revenue and profit to the Group amounting to AED 706,025 thousand and AED 50,423 thousand respectively, for the year ended 31 December 2022.

CMC Holding LLC

Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% equity interest in CMC Holding LLC (“CMC”) for consideration of AED 126,000 thousand. CMC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in provision of medical and health related services. From the date of acquisition, CMC contributed revenue and profit to the Group amounting to AED 22,160 thousand and AED 2,772 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, CMC would have contributed revenue and profit to the Group amounting to AED 80,274 thousand and AED 9,966 thousand respectively, for the year ended 31 December 2022.

Atlas Medical LLC

Effective 1 October 2022, Quant Lase Lab LLC, a subsidiary, acquired 60% equity interest in Atlas Medical LLC (“Atlas”) for consideration of AED 20,000 thousand. Atlas is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in trading of medical and health related equipment and devices. From the date of acquisition, Atlas contributed revenue and profit to the Group amounting to AED 16,597 thousand and AED 5,383 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Atlas would have contributed revenue and loss to the Group amounting to AED 85,844 thousand and AED 40,504 thousand respectively, for the year ended 31 December 2022.

Abu Dhabi Health Services Company PJSC (“SEHA”), The Life Corner LLC (“TLC”) and Daman Health Insurance Company PJSC (“Daman”)

Effective 1 October 2022, Pure Health Holding LLC, a subsidiary, entered into an agreement with a third party to acquire a 100% ownership interest in SEHA, TLC and Daman in addition to 27% of Pure Health Medical Supplies LLC, for a total consideration of AED 9,827,347 thousand, being the fair value of the 225,038,001 newly issued shares to the third party.

Consideration has been allocated to the acquired businesses as follows:

- SEHA and TLC: AED 4,584,958 thousand
- Daman: AED 1,651,389 thousand

The consideration of AED 3,591,000 thousand, allocated to the acquisition of 27% ownership interest in Pure Health Medical Supplies LLC, has been accounted for as an increase in shareholding (i.e. acquisition of NCI), as disclosed in note 6.6(b)(E).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions in the prior year continued

Abu Dhabi Health Services Company PJSC (“SEHA”), The Life Corner LLC (“TLC”) and Daman Health Insurance Company PJSC (“Daman”) continued

SEHA: SEHA is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in managing healthcare establishments, implementing healthcare policies, projects and strategies, providing and purchasing supplies and medicines needed for healthcare purposes to the general public and collecting prescribed fees for health, curative and preventive services. From the date of acquisition, SEHA contributed revenue and profit to the Group amounting to AED 2,008,178 thousand and AED 566,877 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, SEHA would have contributed revenue and profit to the Group amounting to AED 7,193,666 thousand and AED 921,747 thousand respectively, for the year ended 31 December 2022.

TLC is a limited liability company registered in Abu Dhabi, United Arab Emirates and is involved in pharmacy management services. From the date of acquisition, TLC did not contribute revenue and profit to the Group, for the year ended 31 December 2022.

Daman: Daman is a public joint stock company registered in Abu Dhabi, United Arab Emirates and is involved in the provision of health insurance services. From the date of acquisition, Daman contributed revenue and profit to the Group amounting to AED 1,140,431 thousand and AED 78,394 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Daman would have contributed revenue and profit to the Group amounting to AED 4,388,392 thousand and AED 298,022 thousand respectively, for the year ended 31 December 2022.

Emircom Egypt LLC Effective 1 October 2022, Pace Tech Group - Sole Proprietorship LLC, a subsidiary, acquired a 100% equity interest in Emircom Egypt LLC (“Emircom Egypt”) for consideration of AED 11 thousand. Emircom Egypt is a limited liability company registered in Egypt and is involved in information and communication technology services. From the date of acquisition, Emircom Egypt contributed revenue and loss to the Group amounting to AED 1,947 thousand and AED 45 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Emircom Egypt would have contributed revenue and profit to the Group amounting to AED 3,029 thousand and AED 232 thousand respectively, for the year ended 31 December 2022.

SAGA OA DMCC Effective 19 October 2022, Aldar Properties PJSC, a subsidiary, acquired 100% equity interest in SAGA OA DMCC (“SAGA”) for consideration of AED 36,965 thousand, SAGA is a limited liability company registered in Dubai, United Arab Emirates and is involved in property management services. From the date of acquisition, SAGA contributed revenue and profit to the Group amounting to AED 2,305 thousand and AED 599 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, SAGA would have contributed revenue and profit to the Group amounting to AED 12,787 thousand and AED 6,435 thousand respectively, for the year ended 31 December 2022.

Qube Car Park Management LLC Effective 1 December 2022, Easy Lease Motor Cycle Rental P.S.C, a subsidiary acquired 70% equity interest in Qube Car Parking Management LLC (“Qube”) for consideration of AED 5,000 thousand. Qube is a limited liability company, registered in the Emirate of Dubai and is engaged in the car park rental and management valet parking services. From the date of acquisition, Qube contributed revenue and profit to the Group amounting to AED 126 thousand and AED 79 thousand respectively, for the year ended 31 December 2022. If the acquisition had taken place at the beginning of 2022, Qube would have contributed revenue and profit to the Group amounting to AED 1,615 thousand and AED 1,220 thousand respectively, for the year ended 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions during the prior year continued

Assets acquired and liabilities assumed

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

	Rose AED'000	ADIOC AED'000	American Crescent AED'000	Direct Trading AED'000	Arena AED'000	Eyasof AED'000	Reem Investments AED'000	Cyber Gate AED'000	Captain Boats AED'000	Emircom AED'000	NRTC AED'000	CMC AED'000	Atlas AED'000	Emircom Egypt AED'000	Qube AED'000	Alpha Dhabi acquisitions AED'000	Total AED'000
Assets																	
Property, plant and equipment	837	55,702	93	18	328,073	363	10,315	506	18,014	104,060	18,281	3,732	535	-	59	5,359,921	5,900,509
Intangible assets	577	-	-	527	131,229	91,536	-	18,200	12,103	31,300	240,556	30,436	17,121	-	4,724	5,566,483	6,144,792
Right-of-use assets	-	21,667	-	-	77,420	401	-	2,071	287	12,934	843	-	1,068	125	-	574,134	690,950
Investment properties	-	-	-	-	-	-	1,702,231	-	-	-	-	-	-	-	-	18,622,727	20,324,958
Investment in associates and joint ventures	-	-	-	-	4,622	-	-	-	-	-	-	-	-	-	-	115,570	120,192
Investments carried at fair value	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments carried at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	228,693	228,693
Investments carried at fair value through profit or loss	-	-	-	-	-	-	3,296,942	-	-	-	-	-	-	-	-	369,670	3,666,612
Investments carried at amortised cost	-	-	-	-	-	-	49,314	-	-	-	-	-	-	-	-	142,801	192,115
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	82,810	82,810
Deferred tax asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,510	34,510
Inventories	160	43,638	-	4,229	13,152	-	2,047,000	-	46	110,898	5,149	2,452	7,844	-	-	10,783,382	13,017,960
Trade and other receivables	230	32,628	4,153	1,311	135,238	16,888	388,043	8,483	6,477	434,905	178,605	5,147	135,290	-	109	15,676,693	17,024,202
Contract assets	-	-	-	-	11,579	-	-	10,718	-	563,520	-	-	-	-	-	618,795	1,204,612
Development work-in-progress	-	-	-	-	-	-	5,189	-	-	-	-	-	-	-	-	3,673,726	3,678,915
Due from related parties	-	-	-	-	-	-	7,960	4,061	-	-	-	106,000	-	-	-	181	118,202
Cash and bank balances	-	3,392	82	318	128,971	1,917	408,700	55,277	6,799	208,634	27,943	9,754	11,249	448	57	12,425,303	13,288,844
Total assets	1,804	157,027	4,328	6,413	830,284	111,105	7,915,694	99,316	43,726	1,466,251	471,377	157,521	173,107	573	4,949	74,275,399	85,718,874
Liabilities																	
Employees' and of service benefit	30	5,420	-	299	4,879	134	2,272	289	186	30,600	2,629	1,830	2,351	-	11	1,756,242	1,807,172
Non-convertible sukuk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,732,381	3,732,381
Borrowings	-	-	-	585	264,466	4,013	147,695	-	1,450	476,033	-	-	37,926	-	-	4,357,748	5,289,916
Lease liabilities	-	24,749	-	-	84,199	514	-	1,838	302	14,342	899	-	1,211	139	-	591,568	719,761
Contract liabilities	-	-	-	-	88,773	-	-	-	8,452	-	-	-	-	-	-	2,321,580	2,418,805
Derivative financial instruments	-	-	-	-	-	3,816	9,973	-	-	-	-	-	-	-	-	2,244	2,244
Due to related parties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	313	14,102
Deferred tax liabilities	-	-	-	-	45,737	-	-	-	-	-	-	-	-	-	-	-	45,737
Trade and other payables	117	15,342	479	2,972	219,533	3,420	204,527	8,641	10,990	446,161	88,639	9,071	109,456	651	172	18,852,458	19,972,629
Total liabilities	147	45,511	479	3,856	707,587	11,897	364,467	10,768	21,380	967,136	92,167	10,901	150,944	790	183	31,614,534	34,002,747
Net assets (liabilities)	1,657	111,516	3,849	2,557	122,697	99,208	7,551,227	88,548	22,346	499,115	379,210	146,620	22,163	(217)	4,766	42,660,865	51,716,127
Less: hybrid equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,126,639)	(1,126,639)
Less: non-controlling interests	-	-	-	-	3,136	-	-	-	(61)	-	-	(764)	-	-	-	(641,298)	(641,298)
Total identifiable net assets (liabilities) at fair value	1,657	111,516	3,849	2,557	125,833	99,208	7,551,227	88,548	22,285	499,115	379,210	145,856	22,163	(217)	4,766	40,892,928	49,950,501
Proportionate share of identifiable net assets acquired	1,657	83,637	3,849	1,534	125,833	50,596	7,551,227	48,701	12,257	269,522	155,476	87,514	13,298	(217)	3,336	17,761,018	26,169,238
Goodwill arising on acquisition (note 8)	5,543	7,363	-	2,716	216,076	-	(1,743,900)	6,299	26,243	-	117,722	38,486	6,702	228	1,664	2,868,574	3,297,616
Gain on bargain purchase	-	-	(249)	-	-	(5,971)	-	-	-	(19,522)	-	-	-	-	-	(413,642)	(2,183,284)
Purchase consideration	7,200	91,000	3,600	4,250	341,909	44,625	5,807,327	55,000	38,500	250,000	273,198	126,000	20,000	11	5,000	20,215,950	27,283,570
Non-controlling interest on acquisition	-	27,879	-	1,023	(3,136)	48,612	-	29,847	10,089	229,593	223,734	59,106	8,865	-	1,430	23,773,208	24,420,250

6 BUSINESS COMBINATIONS continued
6.2 Acquisitions under IFRS 3 Business Combination continued
6.2(b) Acquisitions during the prior year continued
Assets acquired and liabilities assumed continued
(i) Alpha Dhabi Holding group acquisitions

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

Assets	GenOne AED'000	Aldar AED'000	Twofq AED'000	Al Shohub AED'000	Macro AED'000	Proactive AED'000	Spark AED'000	SEHA AED'000	Daman AED'000	SAGA AED'000	Total AED'000
Property, plant and equipment	21	4,026,985	2,447	71,694	1	63	12,756	1,236,501	9,105	348	5,359,921
Intangible assets	569	2,293,068	-	1,483	4,343	6,206	27,948	2,756,355	445,115	31,396	5,366,483
Right-of-use assets	-	379,596	113,034	2,360	-	-	-	9,643	69,501	-	574,134
Investment properties	-	18,034,787	584,495	-	-	-	-	-	3,445	-	18,622,727
Investment in associates and joint ventures	-	70,021	-	-	-	-	-	-	45,549	-	115,570
Investments carried at fair value through other comprehensive income	-	20,001	-	-	-	-	-	-	208,692	-	228,693
Investments carried at fair value through profit or loss	-	25,971	-	-	-	-	-	-	343,699	-	369,670
Investments carried at amortised cost	-	142,801	-	-	-	-	-	-	-	-	142,801
Derivative financial instruments	-	82,810	-	-	-	-	-	-	-	-	82,810
Deferred tax asset	-	34,510	-	-	-	-	-	-	-	-	34,510
Inventories	-	10,226,250	-	-	-	-	485	556,647	-	-	10,783,382
Trade and other receivables	-	7,984,817	5,403	2,158	2,978	1,935	98,945	2,391,182	5,180,880	2,274	15,678,693
Contract assets	6,121	221,056	-	-	-	-	-	397,739	-	-	618,795
Development work-in-progress	-	3,673,726	-	-	-	-	181	-	-	-	3,673,726
Due from related parties	-	-	-	-	-	-	17,072	654,382	-	-	181
Cash and bank balances	261	9,060,667	31,946	1,821	1,132	185	-	-	2,656,192	1,645	12,425,303
Total assets	6,972	56,277,066	737,325	79,516	8,454	8,389	157,387	8,002,449	8,962,178	35,663	74,275,399
Liabilities											
Employees' end of service benefit	418	241,812	1,411	1,246	734	26	36,977	1,408,882	64,454	282	1,756,242
Non-convertible sukuk	-	3,732,381	-	-	-	-	-	-	-	-	3,732,381
Borrowings	-	4,255,393	102,355	-	-	-	-	-	-	-	4,357,748
Lease liabilities	-	371,653	133,439	2,521	-	-	1,426	13,120	69,409	-	591,568
Contract liabilities	-	2,313,004	8,576	-	-	-	-	-	-	-	2,321,580
Derivative financial instruments	-	2,244	-	-	-	-	-	-	-	-	2,244
Due to related parties	-	-	-	-	81	-	232	-	-	-	313
Trade and other payables	-	9,753,098	9,536	12,660	2,611	708	36,390	2,256,962	6,770,285	3,360	18,852,458
Total liabilities	6,848	20,669,585	255,317	16,427	3,426	734	75,025	3,678,964	6,904,148	3,642	31,614,534
Net (liabilities) assets	(294)	35,607,481	482,008	63,089	5,028	7,655	82,362	4,323,485	2,058,030	32,021	42,660,865
Less: hybrid equity instruments	-	(1,126,639)	-	-	-	-	-	-	-	-	(1,126,639)
Less: non-controlling interests	-	(641,298)	-	-	-	-	-	-	-	-	(641,298)
Total identifiable net (liabilities) assets at fair value	(294)	33,839,544	482,008	63,089	5,028	7,655	82,362	4,323,485	2,058,030	32,021	40,892,928
Proportionate share of identifiable net (liabilities) assets acquired	-	10,852,207	337,406	63,089	5,028	7,655	82,362	4,323,485	2,058,030	32,021	17,761,018
Goodwill arising on acquisition	265	2,552,769	-	9,121	-	2,345	37,657	261,473	-	4,944	2,868,574
Gain on bargain purchase	-	-	(6,373)	-	(628)	-	-	-	(406,641)	-	(413,642)
Purchase consideration	-	13,404,976	331,033	72,210	4,400	10,000	120,019	4,584,958	1,651,389	36,965	20,215,950
Non-controlling interest on acquisition	(29)	23,628,635	144,602	-	-	-	-	-	-	-	23,773,208

International Holding Company PJSC

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6 BUSINESS COMBINATIONS continued

6.2 Acquisitions under IFRS 3 Business Combination continued

6.2(b) Acquisitions during the prior year continued

Intangible assets of AED 6,014,581 thousand have been recognised as a result of aforementioned acquisitions, which comprises largely of brand name, customer relationships, customer contracts, trademarks, license and lease benefits.

Goodwill of AED 3,297,616 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 6% to 19.9%; and
- A terminal value, calculated based on long-term sustainable growth rates for the industry ranging from 1% to 10%, which has been used to determine income for the future years.

Prior year acquisitions recognised on provisional assessment of fair values:

During the year, the purchase price allocations for all acquired entities during 2022 were completed, which resulted in the following adjustments:

NRTC Food Holding LLC:

- Decrease in the fair value of identifiable assets and liabilities by AED 48,000 thousand;
- Increase in goodwill by AED 20,008 thousand; and
- Decrease in non-controlling interest by AED 28,792 thousand.

The above adjustments are not material to the prior year's consolidated financial statements and accordingly were posted in the current year's consolidated statement of financial position and consolidated statement of changes in equity under other equity movement.

2021 acquisitions recognised on provisional assessment of fair values adjusted in 2022:

During 2022, the purchase price allocations for all acquired entities during 2021 were completed, which resulted in the following adjustments:

Tips & Toes, Jazz and Ben Suhail (i.e. Omorifa):

- Decrease in the fair value of identifiable assets and liabilities by AED 7,680 thousand;
- Decrease in consideration by AED 25,798 thousand;
- Decrease in goodwill by AED 21,881 thousand; and
- Decrease in non-controlling interest by AED 3,763 thousand.

Rafed:

- Decrease in the fair value of identifiable assets and liabilities by AED 10,000 thousand;
- Decrease in consideration by AED 1,992 thousand; and
- Increase in goodwill by AED 8,008 thousand.
- Decrease in non-controlling interest by AED 1,421 thousand.

Union 71:

- Decrease in the fair value of identifiable assets and liabilities by AED 602 thousand (includes reduction of intangible assets amounting to AED 44,602 thousand);
- Increase in consideration by AED 31,585 thousand; and
- Increase in goodwill by AED 32,187 thousand.
- Increase in non-controlling interest by AED 22,533 thousand.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6	BUSINESS COMBINATIONS continued
6.2	Acquisitions under IFRS 3 Business Combination continued
6.2(b)	Acquisitions during the prior year continued

Details of purchase consideration on acquisitions is as follows:

	Rose AED '000	AD/OC AED '000	American Crescent AED '000	Direct Trading AED '000	Arena AED '000	Esyasoft AED '000	Reem Investments AED '000	Cyber Gate AED '000	Captain Boats AED '000	Emircom AED '000	NRTC AED '000	CMC AED '000	Atlas AED '000	Emircom Egypt AED '000	Qube AED '000	Alpha Dhabi acquisitions AED '000	Total AED '000
Cash paid for the acquisition	7,200	91,000	3,600	4,250	341,909	18,375	-	55,000	38,500	250,000	-	126,000	20,000	11	-	546,448	1,502,293
Consideration payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	28,179	33,179
Fair value of previously held equity interest (note 10)	-	-	-	-	-	26,250	-	-	-	-	273,198	-	-	-	-	13,404,976	13,704,424
Fair value of consideration transferred ⁽ⁱ⁾	-	-	-	-	-	-	5,807,327	-	-	-	-	-	-	-	-	6,236,347	12,043,674
Total purchase consideration	7,200	91,000	3,600	4,250	341,909	44,625	5,807,327	55,000	38,500	250,000	273,198	126,000	20,000	11	5,000	20,215,950	27,283,570

(i) The fair value of consideration transferred, represents the following:

- Q Holding PSC, a subsidiary, issued 1,347,407,500 shares as consideration for 100% interest in Reem Investments PJSC. The fair value of the shares was calculated with reference to the quoted price of the shares of Q Holding PSC at the date of acquisition, which was AED 4.31 per share. Therefore, the fair value of the consideration given amounted to AED 5,807,327 thousand. The non-controlling interest share of the newly issued shares amounted to AED 3,305,401 thousand.
- Pure Health Holding LLC, a subsidiary, issued 225,038,001 shares as a consideration for 100% interest in SEHA and Daman and 27% of Pure Health Medical Supplies LLC. The fair value of consideration amounted to AED 9,827,347 thousand, of which AED 4,584,958 thousand was allocated to SEHA acquisition and AED 1,651,389 thousand to Daman acquisition. The non-controlling interest share of the newly issued shares amounted to AED 5,294,876 thousand.

The total share of consideration (i.e. shares issued) allocated to non-controlling interest, amounted to AED 8,600,277 thousand.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6	BUSINESS COMBINATIONS continued
6.2	Acquisitions under IFRS 3 Business Combination continued
6.2(b)	Acquisitions during the prior year continued
(i)	Alpha Dhabi Holding group acquisitions

Details of purchase consideration on acquisitions is as follows:

	GenQore AED '000	Aldar AED '000	Twofiq AED '000	Al Shohub AED '000	Mace Macro AED '000	Pactive AED '000	Spark AED '000	SEHA AED '000	Daman AED '000	SAGA AED '000	Total AED '000
Cash paid for the acquisition	-	-	331,033	65,084	2,390	6,844	104,132	-	-	36,965	546,448
Consideration payable	-	-	-	7,126	2,010	3,156	15,887	-	-	-	28,179
Fair value of previously held equity interest (note 10)	-	13,404,976	-	-	-	-	-	-	-	-	13,404,976
Fair value of consideration transferred	-	-	-	-	-	-	-	4,584,958	1,651,389	-	6,236,347
Total purchase consideration	-	13,404,976	331,033	72,210	4,400	10,000	120,019	4,584,958	1,651,389	36,965	20,215,950

Analysis of cashflows on acquisitions is as follows:

	Rose AED '000	AD/OC AED '000	American Crescent AED '000	Direct Trading AED '000	Arena AED '000	Esyasoft AED '000	Reem Investments AED '000	Cyber Gate AED '000	Captain Boats AED '000	Emircom AED '000	NRTC AED '000	CMC AED '000	Atlas AED '000	Emircom Egypt AED '000	Qube AED '000	Alpha Dhabi acquisitions AED '000	Total AED '000
Cash paid for the acquisition	7,200	91,000	3,600	4,250	341,909	18,375	-	55,000	38,500	250,000	-	126,000	20,000	11	-	546,448	1,502,293
Cash acquired on business combination	-	(3,392)	(82)	(318)	(128,971)	(1,917)	(408,700)	(55,277)	(6,799)	(208,634)	(27,943)	(9,754)	(11,249)	(448)	(57)	(12,425,303)	(13,288,844)
Acquisition of operating business – net of cash used (acquired) (included in cash flows from investing activities)																	
Transaction costs of the acquisitions (included in cash flows from operating activities)	30	618	30	5	5,000	30	858	110	-	4,006	132	50	50	-	-	6,322	17,241
Net cash used (acquired) on acquisition	7,230	88,226	3,548	3,937	217,938	16,488	(407,842)	(1,057)	31,701	41,366	(27,943)	116,246	8,751	(437)	(57)	(11,878,855)	(11,786,551)

Acquisition related costs amounting to AED 17,241 thousand were expensed during the prior year and are included in general and administrative expenses.

6 BUSINESS COMBINATIONS continued

6.3 (a) Acquisitions of assets during the year

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

	<i>Monterock Investments Nedafushi Maldives AED'000</i>	<i>AMI Properties Holding Limited AED'000</i>	<i>Total AED'000</i>
Investment properties (note 9)	-	163,854	163,854
Right-of-use assets (note 29)	56,947	-	56,947
Lease liabilities (note 29)	<u>(29,207)</u>	<u>-</u>	<u>(29,207)</u>
Net assets acquired	27,740	163,854	191,594
Less: non-controlling interests ⁽ⁱ⁾	<u>(1,387)</u>	<u>(65,542)</u>	<u>(66,929)</u>
Proportionate share of assets acquired	26,353	98,312	124,665
Less: consideration paid	<u>(26,353)</u>	<u>(98,312)</u>	<u>(124,665)</u>
Net of consideration	<u>=</u>	<u>=</u>	<u>=</u>

- (i) 95% ownership interest acquired in Monterock Investments Nedafushi Maldives (note 29) and 60% ownership acquired in AMI Properties Holding Limited (note 9).

Further, during the year, the Group acquired the following entities, which are accounted for as asset acquisitions from entities under common control, given that the Company and the acquired entities are ultimately controlled by the same party before and after the acquisition. The details of the assets acquired are as follows:

	<i>Tri Star Investment LLC AED'000</i>	<i>C 2 R Real Estate Investment SP LLC AED'000</i>	<i>Total AED'000</i>
Investment properties (note 9)	-	79,650	79,650
Investment in an associate (note 10 (iv))	762,313	-	762,313
Investments carried at fair value through other comprehensive income (note 11.1)	<u>1,718</u>	<u>-</u>	<u>1,718</u>
Assets acquired	764,031	79,650	843,681
Less: consideration paid	<u>(250,000)</u>	<u>-</u>	<u>(250,000)</u>
Merger, acquisition and other reserves	<u>514,031</u>	<u>79,650</u>	<u>593,681</u>

6 BUSINESS COMBINATIONS continued

6.3 (b) Acquisitions of assets during the prior year

During 2022, the Group acquired the following entities, which are accounted for as asset acquisitions, since substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset. The details of the assets acquired are as follows:

	<i>Bab Resorts LLC AED'000</i>	<i>Double Tree by Hilton Resort & SPA Marjan Island AED'000</i>	<i>Nurai Island Hotel AED'000</i>	<i>Confluence Partners (HQ) RSC Ltd. AED'000</i>	<i>Al Maryah Property Holdings Limited AED'000</i>	<i>Total AED'000</i>
Property, plant and equipment (note 7)	767,528	697,978	232,966	-	-	1,698,472
Investment properties (note 9)	-	-	-	4,373,000	481,500	4,854,500
Inventories	-	94,855	1,571	-	-	96,426
Trade and other receivables ⁽ⁱ⁾	-	-	355,756	-	-	355,756
Cash and bank balances	<u>-</u>	<u>17,167</u>	<u>9,707</u>	<u>-</u>	<u>-</u>	<u>26,874</u>
Assets acquired	767,528	810,000	600,000	4,373,000	481,500	7,032,028
Less: non-controlling interest ⁽ⁱⁱ⁾	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,600)</u>	<u>(192,600)</u>
Proportionate share of assets acquired	767,528	810,000	600,000	4,373,000	288,900	6,839,428
Less: consideration paid	<u>(767,528)</u>	<u>(810,000)</u>	<u>(600,000)</u>	<u>(4,373,000)</u>	<u>(288,900)</u>	<u>(6,839,428)</u>
Net of consideration	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>

- (i) The acquisition of the hotel building of Nurai Island Hotel, resulted in an amount of AED 350,000 being recorded as an advance in the account “advances to suppliers and sub-contractors” under trade and other receivables, which will be utilised against two development islands once the seller finalises the procurement of the dredging and reclamation of these islands.

- (ii) 60% ownership interest was acquired in Al Maryah Property Holdings Limited (note 9).

6.4 Derecognition of subsidiaries

6.4(a) Derecognition of subsidiaries during the year

During the year, the Group derecognised the following subsidiaries:

Pure Health Holding LLC

Effective 30 March 2023, as a result of amendments in certain clauses to the shareholders agreement, the Group lost control over Pure Health Holding PJSC (*formerly “Pure Health Holding LLC”*) and its subsidiaries (“Pure Health”). As per the amended shareholders agreement, resolutions that were previously passed by simple majority are now required to have at least one vote from the Group’s board members and another from a member of a third party shareholder. Accordingly, Pure Health was deconsolidated and recorded as an investment in a joint venture at its fair value on the date of loss of control (note 10).

Fooj Fire Fighting Services LLC

Effective 1 October 2023, the Group disposed its shareholding in Fooj Fire Fighting Services LLC (“Fooj”) to EHC Investment LLC (“EHC”), an associate, for a consideration of AED 31,275 thousand, being the fair value of the new shares issued to the Group by EHC.

International Holding Company PJSC

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6 BUSINESS COMBINATIONS continued

6.4 Derecognition subsidiaries continued

6.4(a) Derecognition of subsidiaries during the year continued

The carrying value of the identifiable assets and liabilities derecognised on the respective dates are as follows:

	<i>Pure Health</i> <i>AED'000</i>	<i>Fooj</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Assets</i>			
Property, plant and equipment	1,779,997	98	1,780,095
Intangible assets and goodwill	4,476,546	-	4,476,546
Right-of-use assets	1,425,275	-	1,425,275
Investment in joint ventures	46,273	-	46,273
Investment properties	3,145	-	3,145
Investments carried at fair value through other comprehensive income	238,433	-	238,433
Inventories	544,640	-	544,640
Due from related parties	172,439	-	172,439
Trade and other receivables	7,949,193	394	7,949,587
Investments carried at fair value through profit or loss	343,085	-	343,085
Contract assets	1,986,334	-	1,986,334
Cash and bank balances	<u>5,497,768</u>	<u>4,114</u>	<u>5,501,882</u>
Total assets	<u>24,463,128</u>	<u>4,606</u>	<u>24,467,734</u>
<i>Liabilities</i>			
Employees' end of service benefits	1,541,480	-	1,541,480
Lease liabilities	1,554,339	-	1,554,339
Borrowings	293,131	-	293,131
Trade and other payables	6,236,353	551	6,236,904
Contract liabilities	2,269,070	-	2,269,070
Due to related parties	<u>1,008,357</u>	<u>-</u>	<u>1,008,357</u>
Total liabilities	<u>12,902,730</u>	<u>551</u>	<u>12,903,281</u>
Net assets	11,560,398	4,055	11,564,453
Less: non-controlling interest	<u>(6,231,391)</u>	<u>(1,014)</u>	<u>(6,232,405)</u>
Net assets attributable to the owners	<u>5,329,007</u>	<u>3,041</u>	<u>5,332,048</u>
Consideration received ⁽ⁱ⁾	<u>14,159,134</u>	<u>31,275</u>	<u>14,190,409</u>
Gain on derecognition	<u>8,830,127</u>	<u>28,234</u>	<u>8,858,361</u>

(i) Consideration received consists of the following:

- The fair value of the 46.12% retained interest in Pure Health, which was determined by an independent valuer, using the income and discounted cashflows approach for each cash-generating unit. The significant assumptions used include a discount rate of 9.5% to 15.2% and a terminal growth rate of 3%.
- The fair value of EHC shares received for disposing Fooj was determined by an independent valuer, using the income and discounted cashflows approach for each cash-generating unit. The significant assumptions used include a discount rate of 14.37% to 17.4% and a terminal growth rate of 2%.

Analysis of cash flow from the derecognition of the above subsidiaries is as follows:

	<i>Pure Health</i> <i>AED'000</i>	<i>Fooj</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cash received from derecognition	-	-	-
Cash given up on derecognition	<u>(5,497,768)</u>	<u>(4,114)</u>	<u>(5,501,882)</u>
Net cash outflow	<u>(5,497,768)</u>	<u>(4,114)</u>	<u>(5,501,882)</u>

International Holding Company PJSC

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6 BUSINESS COMBINATIONS continued

6.4 Derecognition of subsidiaries continued

6.4(b) Disposals during the prior year

During 2022, the Group disposed the following subsidiaries:

Magenta Investments LLC

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Magenta Investments LLC ("Magenta") for a consideration of AED 2,000 thousand.

Pure Capital Investments LLC

Effective 1 April 2022, Alpha Dhabi Holding PJSC, a subsidiary, disposed of its entire ownership interest in Pure Capital Investments LLC ("PCI") for a consideration of AED 114,300 thousand.

Q Scape Komtec LLC

Effective 18 May 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Q Scape Komtec LLC ("Q Scape") for nil consideration.

Al Qudra Facilities Management Services LLC

Effective 18 July 2022, Q Holding PSC, a subsidiary, disposed of its entire ownership interest in Al Qudra Facilities Management Services LLC ("AQFM") for nil consideration.

Twasol Business Men Service LLC

Effective 31 December 2022, Alpha Dhabi PJSC, a subsidiary, disposed of its entire ownership interest in Tawasol Business Men Services ("Tawasol") for a consideration of AED 1,300 thousand.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	<i>Q Scape</i> <i>AED'000</i>	<i>Magenta</i> <i>AED'000</i>	<i>PCI</i> <i>AED'000</i>	<i>AQFM</i> <i>AED'000</i>	<i>Twasol</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Assets</i>						
Property, plant and equipment	55	1,479	582	170	1,024	3,310
Right-of-use assets	-	-	1,070	-	-	1,070
Inventories	-	523	-	-	-	523
Trade and other receivables	17,986	40,178	133,492	853	304	192,813
Due from related parties	1,182	181	6,854	2,303	-	10,520
Cash and bank balances	<u>211</u>	<u>6,223</u>	<u>4,453</u>	<u>202</u>	<u>861</u>	<u>11,950</u>
Total assets	<u>19,434</u>	<u>48,584</u>	<u>146,451</u>	<u>3,528</u>	<u>2,189</u>	<u>220,186</u>
<i>Liabilities</i>						
Employees' end of service benefits	399	895	856	337	371	2,858
Borrowings	-	3,429	-	-	-	3,429
Lease liabilities	-	-	1,133	-	-	1,133
Due to related parties	17,117	-	101,416	3,234	-	121,767
Trade and other payables	<u>238</u>	<u>33,365</u>	<u>63,067</u>	<u>2,312</u>	<u>330</u>	<u>99,312</u>
Total liabilities	<u>17,754</u>	<u>37,689</u>	<u>166,472</u>	<u>5,883</u>	<u>701</u>	<u>228,499</u>
Net assets (liabilities)	1,680	10,895	(20,021)	(2,355)	1,488	(8,313)
Less: non-controlling interest	<u>(823)</u>	<u>1,653</u>	<u>658</u>	<u>-</u>	<u>-</u>	<u>1,488</u>
Net assets (liabilities) attributable to the owners	857	12,548	(19,363)	(2,355)	1,488	(6,825)
Consideration received on disposal	<u>-</u>	<u>2,000</u>	<u>114,300</u>	<u>-</u>	<u>1,300</u>	<u>117,600</u>
(Loss) gain on disposal	(857)	(10,548)	133,663	2,355	(188)	124,425
Impairment on balance due from Q Scape	(15,922)	-	-	-	-	(15,922)
Impairment on balance due from AQFM	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,830)</u>	<u>-</u>	<u>(1,830)</u>
(Loss) gain on disposal (A)	<u>(16,779)</u>	<u>(10,548)</u>	<u>133,663</u>	<u>525</u>	<u>(188)</u>	<u>106,673</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

6 BUSINESS COMBINATIONS continued

6.4 Derecognition of subsidiaries continued

6.4(b) Disposals during the prior year continued

Aafaq Islamic Finance PSC

During 2021, the Group entered into a sale and purchase agreement with a buyer for the sale of Aafaq Islamic Finance(“Aafaq”), resulting in its classification as discontinued operations held for sale. The disposal was completed with effect from 1 July 2022, being the date control of Aafaq passed to the acquirer.

The carrying value of the identifiable assets and liabilities disposed on the date of sale are as follows:

	1 July 2022 AED '000
<i>Assets</i>	
Property, plant and equipment	29,846
Investment properties	216,604
Right-of-use assets	2,574
Investments in financial assets	904,957
Receivables from Islamic financing activities	1,599,843
Trade and other receivables	29,087
Wakala deposits with Islamic financial institutions	-
Due from related parties	65,983
Cash and bank balances	<u>179,341</u>
Total assets	<u>3,028,235</u>
<i>Liabilities</i>	
Employees’ end of service benefits	5,946
Borrowings	200,000
Margins against letter of guarantees	827,471
Lease liabilities	984
Due to related parties	-
Trade and other payables	<u>999,139</u>
Total liabilities	<u>2,033,540</u>
Net assets	<u>994,695</u>
<i>Reconciliation of net gain on disposal:</i>	
Net assets	994,695
Less: non-controlling interest	<u>(218,736)</u>
Net assets attributable to the owners	775,959
Consideration received on disposal	<u>760,330</u>
Loss on disposal (B)	<u>(15,629)</u>
Total net gain on disposals (A+B)	<u>91,044</u>

The net cash flows generated from the sale of the above subsidiaries are as follows:

	Q Scape AED '000	Magenta AED '000	PCI AED '000	AQFM AED '000	Twasol AED '000	Aafaq AED '000	Total AED '000
Cash received from sale	-	2,000	114,300	-	1,300	760,330	877,930
Cash sold as part of the sale	<u>(211)</u>	<u>(6,223)</u>	<u>(4,453)</u>	<u>(202)</u>	<u>(861)</u>	<u>(179,341)</u>	<u>(191,291)</u>
Net cash (outflow) inflow	<u>(211)</u>	<u>(4,223)</u>	<u>109,847</u>	<u>(202)</u>	<u>439</u>	<u>580,989</u>	<u>686,639</u>

The results of the operations of the above mentioned disposed subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

International Holding Company PJSC

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6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control

6.5(a) Reduction in shareholding of subsidiaries during the year

(A) Partial disposal of shareholding in subsidiaries due to reorganisation

During the year, the Group’s shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	Cyber Gate Defense LLC ⁽ⁱ⁾	Esyasoft Holding Limited ⁽ⁱ⁾	WFC Holding LLC ⁽ⁱⁱ⁾	Green Energy Investment Holding RSC Ltd. ⁽ⁱⁱⁱ⁾	Green Enterprises Investment Holding RSC Ltd. ⁽ⁱⁱⁱ⁾	Green Vitality RSC Ltd. ⁽ⁱⁱⁱ⁾	Rebound Investments Limited	Afkar Financial & Property LLC	Total
Reduction in effective shareholding (%)	11%	10.2%	21%	16.31%	16.31%	16.31%	0.49%	9%	
Carrying value of the shareholding disposed-off (AED '000)	8,279	1,340	41,767	(23,375)	91,571	(2,013)	(117)	26,683	144,135
Less: consideration (AED '000)	<u>-</u>	<u>-</u>	<u>(82,824)</u>	<u>23,375</u>	<u>(91,571)</u>	<u>2,013</u>	<u>-</u>	<u>-</u>	<u>(149,007)</u>
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>8,279</u>	<u>1,340</u>	<u>(41,057)</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>(117)</u>	<u>26,683</u>	<u>(4,872)</u>

- (i) Shareholding in Cyber Gate Defense LLC and Esyasoft Holding Limited decreased as a result of transferring the entire ownership to Sirius International Holding Limited, an 80% owned subsidiary.
- (ii) Shareholding in WFC Holding LLC decreased as a result of transferring the entire ownership to Reach Global Services Holding 1 SPV Limited, a 55% owned subsidiary.
- (iii) Shareholding in Green Energy Investment Holding RSC Limited, Green Enterprises Investment Holding RSC Limited and Green Vitality RSC Limited decreased as a result of the Company transferring its entire ownership to Sirius International Holding Limited (“Sirius”) in return for 3.69% additional shareholding in Sirius (i.e Sirius becoming a 83.69% owned subsidiary) (note 6.6(a)(D)).

(B) Partial disposal of shareholding in a subsidiary against cash consideration

During the year, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 2,694 thousand. Following is a summary of the reduction in shareholding:

	Q Holding PSC	Aldar Properties PJSC	Total
Reduction in shareholding (%)	0.001%	0.001%	
Carrying value of the shareholding disposed-off (AED '000)	99	445	544
Less: cash consideration received (AED '000)	<u>(378)</u>	<u>(2,316)</u>	<u>(2,694)</u>
Difference recognised directly in merger, acquisition and other reserves (AED '000)	<u>(279)</u>	<u>(1,871)</u>	<u>(2,150)</u>

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control continued

6.5(a) Reduction in shareholding of subsidiaries during the year continued

(C) Partial disposal of shareholding in a subsidiary against consideration

During the year, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

	<i>Healthier U Wellness Services LLC</i>	<i>Aldar Estates Holding Ltd</i>	<i>Quantum Solutions Limited</i>	<i>Total</i>
Reduction in shareholding (%)	50.62%	34.90%	17.50%	
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	2,027	556,889	10,370	569,286
Less: consideration received (<i>AED '000</i>)	<u>(4,874)</u>	<u>(836,231)</u>	<u>(63,583)</u>	<u>(904,688)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED '000</i>)	<u>(2,847)</u>	<u>(279,342)</u>	<u>(53,213)</u>	<u>(335,402)</u>

(D) Partial disposal of shareholding in a subsidiary for no consideration

During the year, the Group transferred a portion of its shareholding in Saudi Emircom Company without loss of control to a related party under common control for no consideration. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interest:

	<i>Saudi Emircom Company</i>
Reduction in shareholding (%)	5%
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	1,691
Less: consideration received (<i>AED '000</i>)	<u>-</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED '000</i>)	<u>1,691</u>

The decrease in shareholding of the above subsidiaries resulted in an increase in non-controlling interest by AED 632,832 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in WFC Holding LLC (note 6.5(a)(A)).

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control continued

6.5(b) Reduction in shareholding of subsidiaries during the prior year

(A) Partial disposal of shareholding in subsidiaries due to reorganisation

During 2022, the Group’s shareholding in the following subsidiaries decreased as a result of reorganisation. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interests:

	<i>Tamouh Healthcare LLC (i)</i>	<i>Multiply Group PJSC (ii)</i>	<i>Q Holding PSC (iii)</i>	<i>Tamween Companies Management (iv)</i>	<i>Ghitha Holding PJSC (v)</i>	<i>Mirak (vi)</i>	<i>Total</i>
Reduction in effective shareholding (%)	54.80%	0.03%	0.16%	14.73%	2.48%	59%	
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	132,955	2,976	10,698	191,504	46,920	(2,971)	382,082
Less: consideration (<i>AED '000</i>)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(191,504)</u>	<u>-</u>	<u>(8,850)</u>	<u>(200,354)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED '000</i>)	<u>132,955</u>	<u>2,976</u>	<u>10,698</u>	<u>-</u>	<u>46,920</u>	<u>(11,821)</u>	<u>181,728</u>

- (i) Shareholding in Tamouh Healthcare LLC decreased as a result of transferring the entire ownership to Pure Health Holding LLC.
- (ii) Apex Investment PSC, a subsidiary of Tamween Companies Management LLC (“Tamween”), holds shares in Multiply Group PJSC, where the Group’s shareholding got diluted upon transferring Tamween to Ghitha Holding PJSC (“Ghitha”).
- (iii) Apex Holding LLC, a subsidiary of the Group, holds shares in Q Holding PSC, where the Group’s shareholding got diluted upon transferring its entire shareholding as a form of consideration upon acquiring RAKCIC.
- (iv) Shareholding in Tamween decreased as a result of transferring the entire ownership in Tamween to Ghitha (note 6.6(a)(B)).
- (v) The shareholding in Ghitha reduced, as a result of dilution in the shares held by the Group’s subsidiaries, due to Ghitha’s issuance of new shares.
- (vi) Effective 1 December 2022, a subsidiary of the Group, Ghitha, transferred 100% of its shareholding in Mirak Royal Nature Fruit and Vegetable LLC (“Mirak”) to a 41% owned subsidiary, NRTC Food Holding LLC for a total consideration of AED 15,000 thousand which resulted in a reduction of the Ghitha’s shareholding by 59%.

(B) Partial disposal of shareholding in subsidiaries against consideration

During 2022, the Group transferred a portion of its shareholding in the following subsidiaries as a form of consideration against the acquisition of new subsidiaries. Following is a summary of the reduction in shareholding:

	<i>Apex Holding LLC</i>	<i>Q Holding PSC</i>	<i>Pure Health Holding</i>	<i>Total</i>
Reduction in shareholding (%)	8.46%	10.72%	20.34%	
Carrying value of the shareholding disposed-off (<i>AED '000</i>)	105,688	728,792	1,945,615	2,780,095
Less: consideration (<i>AED '000</i>)	<u>(105,688)</u>	<u>(2,501,925)</u>	<u>(2,876,266)</u>	<u>(5,483,879)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED '000</i>)	<u>-</u>	<u>(1,773,133)</u>	<u>(930,651)</u>	<u>(2,703,784)</u>

6 BUSINESS COMBINATIONS continued

6.5 Reduction in shareholding of subsidiaries without a loss of control continued

6.5(b) Reduction in shareholding of subsidiaries during the prior year continued

(C) Partial disposal of shareholding in subsidiaries against cash consideration

During 2022, the Group decreased its shareholding in certain subsidiaries for a consideration of AED 3,567,130 thousand. Following is the summary of the decrease in shareholding:

	<i>Abu Dhabi Vegetable Oil Company LLC</i>	<i>Multiply Group PJSC</i>	<i>Q Holding PSC</i>	<i>Aldar Investment Holding Restricted Limited(i)</i>	<i>Aldar Hansel SPV Restricted Limited(ii)</i>	<i>Aldar</i>	<i>Alpha Dhabi</i>	<i>Apex</i>	<i>Total</i>
Reduction in shareholding (%)	4.26%	0.47%	0.02%	11.12%	49%	0.01%	0.01%	0.03%	
Carrying value of the shareholding disposed-off <i>(AED'000)</i>	5,851	68,090	2,857	1,474,211	1,804,655	5,558	3,106	570	3,364,898
Transaction costs paid	-	-	-	10,539	36,492	-	-		47,031
Less: cash consideration received <i>(AED'000)</i>	<u>(6,333)</u>	<u>(165,912)</u>	<u>(42,891)</u>	<u>(1,469,000)</u>	<u>(1,836,250)</u>	<u>(5,144)</u>	<u>(32,772)</u>	<u>(8,828)</u>	<u>(3,567,130)</u>
Difference recognised directly in merger, acquisition and other reserves <i>(AED'000)</i>	<u>(482)</u>	<u>(97,822)</u>	<u>(40,034)</u>	<u>15,750</u>	<u>4,897</u>	<u>414</u>	<u>(29,666)</u>	<u>(8,258)</u>	<u>(155,201)</u>

(i) During 2022, Aldar Investment Holding Restricted Limited (“AIHR”), a subsidiary of the Group, entered into a subscription agreement with an investor Apollo Gretel Investor, L.P. (“Apollo”). Apollo subscribed to common equity of USD 100 million and preferred equity of USD 300 million of AIHR. The preferred equity will be mandatory convertible into fixed number of shares at the third anniversary of the closing date and will carry a fixed interest rate. The above resulted in Group disposing 11.12% of its shareholding in AIHR for a total cash consideration of USD 400 million (AED 1,469 million). As a result, the proportionate carrying value of AIHR net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

(ii) During 2022, Aldar Properties PJSC, a subsidiary of the Group, established Aldar Hansel SPV Restricted Limited (“Hansel”), a 100% owned subsidiary incorporated in Abu Dhabi Global Market, comprising of 51% class A shares and 49% class B shares. Hansel is specialised in buying and selling of land.

The Group further disposed of its class B shares against a consideration of USD 500 million (AED 1,836 million) to AP Hansel SPV LLC, a 100% owned company of Apollo Capital Management L.P. The Group has no contractual obligation attached to class B shares and therefore, the proportionate carrying value of Hansel’s net assets in the consolidated financial statements of the Group is transferred to non-controlling interest net of the transaction costs.

The decrease in shareholding of certain subsidiaries resulted in an increase in non-controlling interest by AED 6,518,225 thousand. The amount also includes the non-controlling interest share of consideration received for the acquisition of shareholding in Mirak (note 6.5(b)(A)).

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI)

6.6(a) Increase in shareholding (acquisition of NCI) during the year

(A) Increase of shareholding in subsidiaries against cash consideration

During the year, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 250,918 thousand. Following is the summary of the increase in shareholding:

	<i>Esyasoft Holding Ltd</i>	<i>WFC Holding LLC</i>	<i>Q Holding PSC</i>	<i>Arena Aztec Shaffer</i>	<i>Al Riyadh Medical Centre LLC</i>	<i>Total</i>
Increase in shareholding (%)	23%	30%	0.003%	50%	25%	
Carrying value of the shareholding acquired <i>(AED'000)</i>	20,077	86,061	2,305	6,840	673	115,956
Less: cash consideration paid <i>(AED'000)</i>	<u>(84,468)</u>	<u>(118,320)</u>	<u>(7,440)</u>	<u>(39,690)</u>	<u>(1,000)</u>	<u>(250,918)</u>
Difference recognised directly in merger, acquisition and other reserves <i>(AED'000)</i>	<u>(64,391)</u>	<u>(32,259)</u>	<u>(5,135)</u>	<u>(32,850)</u>	<u>(327)</u>	<u>(134,962)</u>

(B) Increase of shareholding in subsidiaries against consideration

During the year, the Group increased its shareholding in Aldar Estates Holding Limited by 17.45% as a result of transferring its 50% shareholding in Eltizam Asset Management LLC. Following is the summary of the increase in shareholding:

	<i>Aldar Estates Holding Ltd</i>
Increase in shareholding (%)	17.45%
Carrying value of the shareholding acquired <i>(AED'000)</i>	160,869
Less: consideration <i>(AED'000)</i>	<u>(506,500)</u>
Difference recognised directly in merger, acquisition and other reserves <i>(AED'000)</i>	<u>(345,631)</u>

(C) Increase of shareholding in subsidiaries without consideration

During the year, a related party under common control transferred to the Group a 20% shareholding in Acutus Investment – Sole Proprietorship LLC *(formerly named “Matrix International Solutions LLC”)*. Following is the summary of increase in shareholding:

	<i>Acutus Investment - Sole Proprietorship LLC</i>
Increase in shareholding (%)	20%
Carrying value of the shareholding acquired <i>(AED'000)</i>	2,216
Less: consideration <i>(AED'000)</i>	<u>-</u>
Difference recognised directly in merger, acquisition and other reserves <i>(AED'000)</i>	<u>2,216</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

6.6(a) Increase in shareholding (acquisition of NCI) during the year continued

(D) Increase of shareholding in subsidiaries due to reorganisation

During the year, the Group’s shareholding in Sirius International Holding Limited (“Sirius”) increased as a result of the Company transferring its ownership interest in Green Energy Investment Holding RSC Limited, Green Enterprises Investment Holding RSC Limited and Green Vitality RSC Limited to Sirius (note 6.5 (a)(A)). Following is a summary of the increase in shareholding:

	<i>Sirius International Holding Limited</i>
Increase in shareholding (%)	3.69%
Carrying value of the shareholding acquired (<i>AED ’000</i>)	77,311
Less: consideration (<i>AED ’000</i>)	<u>(66,183)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED ’000</i>)	<u>11,128</u>

The increase in shareholding of the above subsidiaries resulted in a decrease in non-controlling interest by AED 356,352 thousand.

6.6(b) Increase in shareholding (acquisition of NCI) during the prior year

(A) Increase of shareholding in subsidiaries due to business combination

During 2022, the Group’s shareholding in certain subsidiaries increased as a result of business combinations. Following is a summary of the increase in shareholding:

	<i>Reem Ready Mix</i>	<i>Q Holding</i>	<i>Alpha Dhabi</i>	<i>Aldar</i>	<i>Total</i>
Increase in shareholding (%)	10.31%	0.57%	0.002%	0.29%	
Carrying value of the shareholding acquired (<i>AED ’000</i>)	7,340	38,301	438	76,470	122,549
Less: fair value of shareholding acquired (<i>AED ’000</i>)	<u>(35,534)</u>	<u>(318,610)</u>	<u>(9,652)</u>	<u>(275,305)</u>	<u>(639,101)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED ’000</i>)	<u>(28,194)</u>	<u>(280,309)</u>	<u>(9,214)</u>	<u>(198,835)</u>	<u>(516,552)</u>

(B) Increase of shareholding in subsidiaries due to reorganisation

During 2022, the Group’s shareholding in the following subsidiaries increased as a result of reorganisation. Following is a summary of the increase in shareholding:

	<i>Pure Health Medical Supplies LLC</i>	<i>Ghitha Holding PJSC</i>	<i>PAL 4 Solar Energy LLC</i>	<i>Mirak</i>	<i>Total</i>
Increase in shareholding (%)	4.39%	13.34%	2.79%	20%	
Carrying value of the shareholding acquired (<i>AED ’000</i>)	100,227	252,759	(17)	(3,901)	349,068
Less: consideration (<i>AED ’000</i>)	<u>—</u>	<u>(191,504)</u>	<u>—</u>	<u>(10,000)</u>	<u>(201,504)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED ’000</i>)	<u>100,227</u>	<u>61,255</u>	<u>(17)</u>	<u>(13,901)</u>	<u>147,564</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

6.6(b) Increase in shareholding (acquisition of NCI) during the prior year continued

(C) Increase of shareholding in subsidiaries without consideration

During 2022, the Group received a 29% shareholding in Somerian Health LLC from a third party for no consideration. Following is the summary of increase in shareholding:

	<i>Somerian Health LLC</i>
Increase in shareholding (%)	29%
Carrying value of the shareholding acquired (<i>AED ’000</i>)	<u>101,949</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED ’000</i>)	<u>101,949</u>

(D) Increase of shareholding in subsidiaries against cash consideration

During 2022, the Group increased its shareholding in the following subsidiaries for a total consideration of AED 821,397 thousand. Following is the summary of the increase in shareholding:

	<i>Multiply Group PJSC</i>	<i>Q Holding PSC</i>	<i>Mawarid Holding LLC</i>	<i>Total</i>
Increase in shareholding (%)	0.05%	0.001%	20%	
Carrying value of the shareholding acquired (<i>AED ’000</i>)	7,625	93	512,236	519,954
Less: consideration paid	<u>(20,985)</u>	<u>(412)</u>	<u>(800,000)</u>	<u>(821,397)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED ’000</i>)	<u>(13,360)</u>	<u>(319)</u>	<u>(287,764)</u>	<u>(301,443)</u>

(E) Increase of shareholding in subsidiaries against consideration

Effective 1 October 2022, Pure Health Holding LLC entered into an agreement with a third party to acquire multiple businesses (note 6.2(b)), which also included the acquisition of a 27% ownership interest in Pure Medical Supplies LLC (“PHMS”), for a consideration of AED 3,591,000 thousand. The transaction resulted in an increase in the Group’s effective shareholding in PHMS by 6.71%. Following is the summary of increase in shareholding:

	<i>PHMS</i>
Increase in shareholding (%)	27%
Carrying value of the shareholding acquired (<i>AED ’000</i>)	2,143,100
Less consideration (<i>AED ’000</i>)	<u>(1,934,795)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED ’000</i>)	<u>208,305</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

6 BUSINESS COMBINATIONS continued

6.6 Increase in shareholding of subsidiaries (acquisition of NCI) continued

6.6(b) Increase in shareholding (acquisition of NCI) during the prior year continued

(E) *Increase of shareholding in subsidiaries against consideration continued*

At the General Assembly Meeting held on 9 November 2022, the shareholders approved the acquisition of non-controlling interests in Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC (“Entities”) for a consideration of AED 151,560,938 thousand settled in the form of newly issued shares (note 20). The transaction was executed and completed on 25 November 2022. The Entities also have shareholding in other subsidiaries of the Group, where the effective shareholding increased as a result of the transaction. Following is the summary of increase in shareholding:

	<i>Alpha Dhabi Holding P.JSC</i>	<i>Multiply Group P.JSC</i>	<i>Al Seer Marine</i>	<i>Q Holding PJC</i>	<i>Aldar Properties P.JSC</i>	<i>Ghitha Holding P.JSC</i>	<i>Palms Sports P.JSC</i>	Total
Increase in shareholding (%)	43.28%	27.10%	36.05%	8.84%	0.42%	1.27%	3.21%	1.94%
Carrying value of the shareholding acquired (<i>AED '000</i>)	13,135,130	7,862,006	1,624,385	1,144,552	115,646	24,860	12,807	23,921,572
Less consideration (<i>AED '000</i>)								<u>(151,560,938)</u>
Difference recognised directly in merger, acquisition and other reserves (<i>AED '000</i>)								(127,639,366)

The increase in shareholding of certain subsidiaries, resulted in a decrease of non-controlling interest by AED 27,158,192 thousand for the year ended 31 December 2022.

International Holding Company PJSC

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7 PROPERTY, PLANT AND EQUIPMENT

	Land AED '000	Building and leasehold improvements AED '000	Plant and machinery AED '000	Furniture, fixtures and equipment AED '000	Barges support vessels, dredgers and vehicles AED '000	Bearer plants AED '000	Aircraft AED '000	Capital work in progress AED '000	Total AED '000
<i>Cost:</i>									
At 1 January 2022	385,044	2,995,873	3,836,825	1,020,317	7,196,645	26,862	-	1,582,742	17,044,308
Acquired in business combination (note 6.1 & 6.2)	-	10,553,990	4,510,878	2,713,868	176,941	-	-	249,788	18,205,465
Additions during the year	-	1,885,747	282,657	194,156	1,334,901	34,859	-	1,628,446	5,360,766
Disposals during the year	-	(22,507)	(301,919)	(127,425)	(641,325)	-	-	(1,919)	(1,095,095)
Transfer to investments in associates (note 10)	-	(2,303)	-	(237)	(83,546)	-	-	-	(86,086)
Transfer to investments properties (note 9)	-	(464,319)	-	-	-	-	-	(10,262)	(474,581)
Transfer to inventories	-	-	(6,009)	-	-	-	-	-	(6,009)
Transfer from intangible assets (note 8)	-	-	-	2,959	-	-	-	-	2,959
Transfer to intangible assets (note 8)	-	-	-	-	-	-	-	(463)	(463)
Derecognition of subsidiaries (note 6.4(b))	-	(246)	-	(7,344)	(2,012)	-	-	-	(9,602)
Transfer from capital work in progress	-	132,394	706,790	71,510	68,198	-	-	(978,892)	-
Reclassifications	-	(2,750)	130,559	(150,727)	20,258	-	-	(15)	(2,675)
Transferred to assets held for sale (note 19.1)	-	-	-	-	-	-	-	(137,215)	(137,215)
Write-off during the year	-	(5,904)	(22,755)	(98)	-	-	-	(3,106)	(31,863)
Exchange differences	(43,165)	(53,385)	(13,016)	(8,368)	(9,171)	(18,025)	-	(30,782)	(175,912)
At 31 December 2022	341,879	15,016,590	9,124,010	3,708,611	8,060,889	43,696	-	2,298,322	38,593,997
At 1 January 2023	341,879	15,016,590	9,124,010	3,708,611	8,060,889	43,696	-	2,298,322	38,593,997
Acquired in business combination (note 6.1 & 6.2)	11,975	926,514	588,814	84,321	108,699	-	-	126,763	1,847,086
Additions during the year	53,816	390,229	395,012	202,641	602,863	30,096	1,470	2,190,783	3,866,910
Disposals during the year	-	(83,410)	(43,359)	(23,112)	(62,622)	-	-	(1,753)	(214,256)
Transfer from investments properties (note 9)	-	36,055	-	-	-	-	-	-	36,055
Transfer from development work in progress (note 16)	22,597	-	-	-	-	-	-	-	22,597
Transfer to intangible assets (note 8)	-	-	-	-	-	-	-	(1,090)	(1,090)
Derecognition of subsidiaries (note 6.4 (a))	-	(981,101)	(2,852,706)	(1,679,798)	(60,585)	-	-	(118,323)	(5,692,513)
Transfer from capital work in progress	-	234,780	77,528	377,618	267,613	-	62,437	(1,019,976)	-
Reclassifications	-	-	1,594	(152,776)	151,182	-	-	-	-
Write-off during the year	-	(206)	-	-	(714)	-	-	-	(920)
Exchange differences	(14,979)	(19,408)	(5,215)	(2,237)	(2,354)	(8,834)	-	10,095	(42,932)
At 31 December 2023	415,288	15,520,043	7,285,678	2,515,268	9,064,971	64,958	63,907	3,484,821	38,414,934

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7 PROPERTY, PLANT AND EQUIPMENT continued

	Land AED '000	Building and leasehold improvements AED '000	Plant and machinery AED '000	Furniture, fixtures and equipment AED '000	Barges support vessels, dredgers and vehicles AED '000	Bearer plants AED '000	Aircraft AED '000	Capital work in progress AED '000	Total AED '000
<i>Accumulated depreciation and impairment:</i>									
At 1 January 2022	-	1,296,620	1,451,385	831,361	4,131,191	-	-	-	7,710,557
Acquired in business combination (note 6.1 & 6.2)	-	6,009,091	3,045,604	2,095,989	122,335	-	-	11,060	11,284,079
Charge for the year	-	376,935	472,705	212,351	403,508	-	-	-	1,463,499
Impairment loss for the year	-	12,143	23,215	2,022	-	-	-	357,085	394,465
Reversal of impairment	-	(312,362)	-	-	-	-	-	-	(312,362)
Derecognition of subsidiaries (note 6.4(b))	-	(39)	-	(4,539)	(1,714)	-	-	-	(6,292)
Reclassification	-	195	92,977	(143,544)	50,659	-	-	-	287
Transferred to investments in associates (note 10)	-	(1,245)	-	(186)	(61,018)	-	-	-	(62,449)
Transferred to investments properties (note 9)	-	(358,364)	-	-	-	-	-	-	(358,364)
Transferred from intangible assets (note 8)	-	-	-	2,711	-	-	-	-	2,711
Relating to disposals	-	(14,107)	(295,810)	(124,208)	(553,221)	-	-	-	(987,346)
Write-off during the year	-	(393)	(7,793)	-	-	-	-	-	(8,186)
Exchange differences	-	(15,956)	(7,220)	(5,338)	(2,212)	-	-	-	(30,726)
At 31 December 2022	-	6,992,518	4,775,063	2,866,619	4,089,528	-	-	368,145	19,091,873
At 1 January 2023	-	6,992,518	4,775,063	2,866,619	4,089,528	-	-	368,145	19,091,873
Acquired in business combination (note 6.1 & 6.2)	-	370,706	347,058	53,281	70,984	-	-	-	842,029
Charge for the year	-	492,289	495,191	257,230	405,272	-	6,391	-	1,656,373
Impairment loss for the year	-	5,413	1,593	-	-	-	-	-	7,006
Reversal of impairment	-	(2,726)	-	-	-	-	-	-	(2,726)
Transferred from investments properties (note 9)	-	1,681	-	-	-	-	-	-	1,681
Derecognition of subsidiaries (note 6.4 (a))	-	(477,198)	(2,124,767)	(1,259,088)	(51,365)	-	-	-	(3,912,418)
Relating to disposals	-	(36,581)	(38,768)	(20,029)	(55,655)	-	-	-	(151,033)
Reclassifications	-	5	(1,387)	145,626	(144,244)	-	-	-	-
Write-off during the year	-	(51)	-	-	(714)	-	-	-	(765)
Exchange differences	-	(1,616)	(503)	(289)	(461)	-	-	-	(2,869)
At 31 December 2023	-	7,344,440	3,453,480	2,043,350	4,313,345	-	6,391	368,145	17,529,151
<i>Carrying amount:</i>									
At 31 December 2023	<u>415,288</u>	<u>8,175,603</u>	<u>3,832,198</u>	<u>471,918</u>	<u>4,751,626</u>	<u>64,958</u>	<u>57,516</u>	<u>3,116,676</u>	<u>20,885,783</u>
At 31 December 2022	341,879	8,024,072	4,348,947	841,992	3,971,361	43,696	-	1,930,177	19,502,124

International Holding Company PJSC

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7 PROPERTY, PLANT AND EQUIPMENT continued

As at 31 December 2023, capital work in progress mainly comprises of construction of labour camps, buildings, vessels and district cooling plants, the expansion of plant capacity and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers that are yet to be finalised and ready for use (2022: construction of labour camps, buildings, vessels and district cooling plants, the expansion of plant capacity, development and enhancement of hospitality and leisure facilities and costs incurred towards the acquisition of dredgers, trucks, pipelines, dry dockers, medical machinery and equipment).

During the year ended 31 December 2023, the Group capitalised finance costs related to its borrowings of AED 6,345 thousand (2022: AED 8,485 thousand). The capitalisation rate used to determine these finance costs was EIBOR +1.85% (2022: EIBOR +3%).

Included in additions for the year ended 31 December 2023:

- During the year, Aldar Investment Properties LLC, a subsidiary, signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 33,592 thousand to the property, plant and equipment, being the portion of the asset occupied by the Group. The remaining portion amounting to AED 48,008 thousand, which is leased to a third party, has been classified as investment properties (note 9).
- During the year, NRTC International Investment SP LLC, a subsidiary, acquire the distribution rights and assets from a company in the Kingdom of Saudi Arabia for a total consideration of AED 253,472 thousand. Management concluded that the assets acquired do not represent a business as per the requirement of IFRS 3 Business Combinations.

Included in additions for the year ended 31 December 2022:

- During 2022, Aldar Hotels & Hospitality – Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the entire economic interest in Bab Resorts LLC, owner of Rixos Bab Al Bahr Ras Al Khaimah hotel and Double Tree by Hilton Hotel (Ras Al-Khaimah, UAE), resulting in additions to property, plant and equipment of AED 767,528 thousand and AED 697,978 thousand respectively.
- During 2022, Aldar Hotels & Hospitality – Sole Proprietorship LLC, a subsidiary, entered into an agreement for purchase of the hotel building of Nurai Island Hotel, resulting in additions to property, plant and equipment of AED 232,966 thousand.

In accordance with the requirements of IFRS 3 Business Combinations, the above were accounted as acquisitions of assets, as substantially all of the fair value of the gross assets acquired are concentrated in a single identifiable asset (note 6.3(b)).

During the year, the Group transferred AED 34,374 thousand from investment properties to property, plant and equipment representing the portion of the asset being occupied by the Group (2022: AED 116,217 thousand transferred from property, plant and equipment to investment properties due to change in use).

Property, plant and equipment with a carrying amount of AED 4,902,172 thousand (2022: AED 7,362,013 thousand) are pledged as security against borrowings (note 24).

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

7 PROPERTY, PLANT AND EQUIPMENT continued

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	1,009,908	992,143
General and administrative expenses (note 32)	608,763	460,775
Selling and distribution expenses (note 33)	18,928	11,311
Biological assets (note 15)	16,314	1,270
Capitalised to bearer plants	2,460	-
	<u>1,656,373</u>	<u>1,465,499</u>

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Impairment of capital work in progress ⁽ⁱ⁾	-	357,085
Impairment of healthcare related assets	-	23,215
Impairment of other assets	<u>7,006</u>	<u>14,165</u>
Total impairment	7,006	394,465
Reversal of impairment loss ⁽ⁱⁱ⁾	<u>(2,726)</u>	<u>(312,362)</u>
Net impairment during the year	<u>4,280</u>	<u>82,103</u>

Impairment loss for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	-	82,103
General and administrative expenses (note 32)	7,006	-
Selling and distribution expenses (note 33)	<u>(2,726)</u>	<u>-</u>
	<u>4,280</u>	<u>82,103</u>

- (i) During the year, the Group conducted impairment assessments on ongoing projects classified under capital work in progress and concluded that no additional impairment is required (2022: certain ongoing projects classified under capital work in progress were impaired, which resulted in an impairment of AED 357,085 thousand). Following is a summary of 2022 impairments:

	Traditional Souk building ^(a) AED'000	Kasr Al Bahr hotel ^(b) AED'000	Others AED'000	Total AED'000
Balance at 1 January 2022	169,702	442,412	-	612,114
Additions	3,766	171,392	5,760	180,918
Impairment	<u>(36,253)</u>	<u>(315,072)</u>	<u>(5,760)</u>	<u>(357,085)</u>
Transferred to assets held for sale (note 19.1)	137,215	298,732	-	435,947
	<u>(137,215)</u>	<u>-</u>	<u>-</u>	<u>(137,215)</u>
Balance at 31 December 2022	<u>-</u>	<u>298,732</u>	<u>-</u>	<u>298,732</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

7 PROPERTY, PLANT AND EQUIPMENT continued

- (a) During 2022, Q Holding PSC, a subsidiary, entered into an agreement with a buyer for the sale of the Traditional Souk building. Accordingly, an amount of AED 137,215 thousand was transferred to assets held for sale in accordance with the requirements of IFRS 5 "Non-current assets held for sale and discontinued operations." Prior to the transfer, the Group performed an impairment assessment on the building and recorded an impairment of AED 36,253 thousand.
- (b) During 2022, the Group performed an impairment assessment on Kasr Al Bahr hotel in Morocco, which is currently being constructed and recorded under capital work in progress. Accordingly, the Group recorded an impairment amounting to AED 315,072 thousand in the consolidated statement of profit or loss. The impairment was determined by reference to a discounted cash flow method performed by an independent valuer, using a growth rate of 2% and a discount rate of 8.5%.
- (ii) During the year, the Group carried out a review of recoverable amount of its hotel properties. As a result of the review, the recoverable value was higher than the carrying value and accordingly no impairment was recorded (2022: a reversal of impairment loss amounting of AED 312,362 thousand). The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method, using exit yield of 7.5 % to 9.5% (2022: 7.5% to 9.5%) and a discount rate of 7.5% to 9.5% (2022: 9.5% to 11.5%). The reversal of impairment during the year amounting to AED 2,726 thousand (2022: nil), relates to a building.

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31 December 2023

8 INTANGIBLE ASSETS AND GOODWILL

	Goodwill AED '000	Brand names AED '000	Concession rights AED '000	Customer relationships AED '000	Customer contracts AED '000	Trademarks AED '000	Trade license AED '000	Lease benefits AED '000	Software and others AED '000	Total AED '000
At 1 January 2023	5,215,776	3,346,455	71,712	1,206,334	487,816	15,613	21,709	971,193	279,867	11,616,475
Relating to business combinations (note 6.1 (a) & 6.2 (a))	1,909,789	118,387	-	630,923	275,187	-	22,504	-	99,839	3,056,629
Additions during the year	-	15	-	-	-	-	7,021	-	139,391	146,427
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b))	20,008	-	-	(48,000)	-	-	-	(800)	-	(28,792)
Derecognition of a subsidiary (note 6.4 (a))	(1,342,106)	(1,356,041)	-	(545,603)	(244,022)	(582)	(11,000)	(877,308)	(99,884)	(4,476,546)
Transferred from property, plant and equipment (note 7)	-	-	-	-	-	-	-	-	1,090	1,090
Write-off	-	-	-	-	-	-	-	-	(11,932)	(11,932)
Amortisation during the year	-	(42,241)	(2,162)	(160,226)	(42,405)	(181)	(24,202)	(6,312)	(71,268)	(348,997)
Others	(2,863)	(4)	-	71	(71)	-	-	-	(250)	(3,117)
Exchange differences	(2,446)	(139)	-	1,251	(2,688)	-	-	-	(277)	(4,299)
At 31 December 2023	5,798,158	2,066,432	69,550	1,084,750	473,817	14,850	16,032	86,773	336,576	9,946,938
At 1 January 2022	885,381	163,286	73,874	105,204	1,147,883	15,144	12,408	-	39,532	2,442,712
Relating to business combinations (note 6.1 (b) & 6.2 (b))	3,297,616	3,210,925	-	1,157,717	592,535	754	11,000	972,784	206,262	9,449,593
Additions during the year	-	-	-	-	-	-	-	-	92,169	92,169
Settlement of pre-existing rights ⁽ⁱ⁾	1,040,438	-	-	-	(1,040,438)	-	-	-	-	-
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 6.2 (b))	18,314	-	-	-	(44,602)	-	-	-	-	(26,288)
Transferred to property, plant and equipment (note 7)	-	-	-	-	-	-	-	-	(248)	(248)
Transferred from property, plant and equipment (note 7)	-	-	-	-	-	-	-	-	463	463
Write-off	-	-	-	-	-	-	-	-	(6,441)	(6,441)
Amortisation during the year	-	(27,710)	(2,162)	(55,420)	(160,765)	(285)	(1,699)	(1,591)	(52,668)	(302,300)
Others	(493)	(185)	-	96	-	-	-	-	-	(582)
Exchange differences	(25,480)	139	-	(1,263)	(6,797)	-	-	-	798	(32,603)
At 31 December 2022	5,215,776	3,346,455	71,712	1,206,334	487,816	15,613	21,709	971,193	279,867	11,616,475

(i) During 2022, the acquisition of SEHA resulted in settlements of pre-existing rights relating to customer contracts recognised during 2021 from the acquisitions of Rafed and Union71. On the acquisition date of SEHA, management carried out an assessment of the contracts and determined that the contracts have no favorable or unfavorable components and that the pricing of the contracts are comparable to current market transactions. Accordingly, no gain or loss was recognised in the consolidated statement of profit or loss. The amount recognised as customer contracts as of the acquisition date of SEHA of AED 1,040,438 thousand was adjusted against goodwill in 2022.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

8 INTANGIBLE ASSETS AND GOODWILL continued

Amortisation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED '000	2022 AED '000
Cost of revenue (note 31)	110,183	109,569
General and administrative expenses (note 32)	238,814	192,731
	348,997	302,300

Goodwill

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units. Management has assessed that no impairment loss is required against goodwill at reporting date (2022: AED nil).

Brand names

Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Concession rights

In December 2018, PAL Cooling Holding LLC, subsidiary of the Company, acquired rights and obligations attached to a district cooling concessional contract relating to part of Sector 4, Reem Island Development Area, Abu Dhabi from its shareholder PAL Group of Companies LLC for AED 80 million (who concurrently acquired the same rights and obligations from Pal Technology Services LLC, a related party of the Group) to provide district cooling services to customers in a concession area developed by Tamouh. The duration of the contract is 37 years from the date of construction of the district cooling plant.

Customer contracts and customer relationship

These represent long term non-cancellable contracts with customers and non-contractual relationships which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trademarks

Trademarks represent future economic benefits in the form of future business linked with the trademarks which were acquired in various business combinations and meet the criteria for recognition as intangible assets under IAS 38.

Trade license

Trade license mainly includes the following:

- License of an acquired subsidiary, Royal Horizon Holding LLC, that allows the use of the name “Fazaa” for its retail stores. The license has a useful life of 8 years; and
- License of an acquired subsidiary, National Health Insurance Company PJSC (“Daman”), that allows them to carry out insurance related activities and is carried at an indefinite useful life. The license was derecognised during the year as part of the derecognition of Pure Health Holding PJSC.

Lease benefits

Lease benefits represents the future economic benefits in the form of favorable lease arrangements the Group acquired in business combinations. These represent leases of retail shops and cold storage facilities having a useful life of 15 years.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

8 INTANGIBLE ASSETS AND GOODWILL continued

During the year ended 31 December 2023, management performed its annual impairment review of goodwill and certain intangible assets with indefinite useful life, using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment has been recorded.

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2% - 4.2% (2022: 1.1% - 3%); and
- Discount rate: 7.6% - 27.5% (2022: 9.7% - 16%).

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2023.

9 INVESTMENT PROPERTIES

	<i>Land AED'000</i>	<i>Leased properties AED'000</i>	<i>Properties under development AED'000</i>	<i>Total AED'000</i>
2023				
Cost:				
At 1 January 2023	1,751,011	29,240,276	981,906	31,973,193
Additions during the year	977,659	535,566	509,272	2,022,497
Transfer from properties under development	-	223,264	(223,264)	-
Transfer from development work in progress (note 16)	-	34,068	282,463	316,531
Transfer to property, plant and equipment (note 7)	-	(36,055)	-	(36,055)
Disposed during the year	(206,151)	(147,043)	-	(353,194)
Derecognition of a subsidiary (note 6.4(a))	-	(6,240)	-	(6,240)
Foreign currency exchange	-	(38,314)	(32,187)	(70,501)
At 31 December 2023	<u>2,522,519</u>	<u>29,805,522</u>	<u>1,518,190</u>	<u>33,846,231</u>
Accumulated depreciation and impairment:				
At 1 January 2023	212,998	1,830,794	327,275	2,371,067
Charge for the year	-	894,281	-	894,281
Transfer to property, plant and equipment (note 7)	-	(1,681)	-	(1,681)
Relating to disposals	-	(4,826)	-	(4,826)
Impairment (reversal of impairment) loss for the year (note 31)	1,768	(87,106)	-	(85,338)
Derecognition of a subsidiary (note 6.4(a))	-	(3,095)	-	(3,095)
At 31 December 2023	<u>214,766</u>	<u>2,628,367</u>	<u>327,275</u>	<u>3,170,408</u>
Net carrying amount:				
At 31 December 2023	<u>2,307,753</u>	<u>27,177,155</u>	<u>1,190,915</u>	<u>30,675,823</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

9 INVESTMENT PROPERTIES continued

	<i>Land AED'000</i>	<i>Leased properties AED'000</i>	<i>Properties under development AED'000</i>	<i>Total AED'000</i>
2022				
Cost:				
At 1 January 2022	2,157,188	5,305,003	1,354,941	8,817,132
Acquired in business combinations (note 6.2(b))	613,361	18,091,487	1,622,906	20,327,754
Additions during the year	464	4,939,630	260,759	5,200,853
Transfer from properties under development	-	754,631	(754,631)	-
Transfer to assets held for sale (note 19.1)	-	-	(994,858)	(994,858)
Transfer to inventories (note 13)	(67,702)	(57,120)	(17,122)	(141,944)
Transfer from development work in progress (note 16)	-	24,949	-	24,949
Transfer to development work in progress (note 16)	(952,300)	-	(441,399)	(1,393,699)
Transfer from property, plant and equipment (note 7)	-	474,581	-	474,581
Disposed during the year	-	(226,792)	-	(226,792)
Foreign currency exchange	-	(66,093)	(48,690)	(114,783)
At 31 December 2022	<u>1,751,011</u>	<u>29,240,276</u>	<u>981,906</u>	<u>31,973,193</u>
Accumulated depreciation and impairment:				
At 1 January 2022	37,045	642,126	211,059	890,230
Acquired in business combinations (note 6.2(b))	-	2,796	-	2,796
Transfer from property, plant and equipment (note 7)	-	358,364	-	358,364
Charge for the year	-	687,205	-	687,205
Relating to disposals	-	(72,300)	-	(72,300)
Relating to transfer to assets held for sale (note 19.1)	-	-	(260,768)	(260,768)
Impairment loss for the year (note 31)	<u>175,953</u>	<u>212,603</u>	<u>376,984</u>	<u>765,540</u>
At 31 December 2022	<u>212,998</u>	<u>1,830,794</u>	<u>327,275</u>	<u>2,371,067</u>
Net carrying amount:				
At 31 December 2022	<u>1,538,013</u>	<u>27,409,482</u>	<u>654,631</u>	<u>29,602,126</u>

Investment properties with a fair value of AED 5,424,212 thousand (2022: AED 6,959,301 thousand) are pledged against borrowings (note 24).

Included in additions for the year ended 31 December 2023:

- During the year, Alpha Dhabi Hospitality LLC, a subsidiary, acquired a 100% ownership interest in C 2 R Real Estate Investment - Sole Proprietorship LLC, resulting in additions to investment properties of AED 79,650 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- During the year, Aldar Investment Properties LLC , a subsidiary, acquired a 60% ownership in AMI Properties Holding Limited (“AMI”), resulting in additions to investment properties of AED 163,854 thousand. AMI owns two plots of land on Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- During the year, Aldar Investment Properties LLC, a subsidiary, signed an agreement for the purchase of staff accommodation building in Ras Al Khaimah, UAE for a total consideration of AED 81,600 thousand resulting in additions of AED 48,008 thousand to investment properties, being the portion of the asset leased to a third party. The remaining portion amounting to AED 33,592 thousand, being the portion of the asset occupied by the Group, has been classified as property, plant and equipment (note 7).

9 INVESTMENT PROPERTIES continued

Included in additions for the year ended 31 December 2022:

- During 2022, Aldar Investment Properties LLC, a subsidiary, acquired a 100% ownership interest in Confluence Partners (HQ) RSC Ltd. ("Confluence"), resulting in additions to investment properties of AED 4,373,000 thousand. Confluence owns the Abu Dhabi Global Market towers located in Al Maryah Island. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(b)).
- During the prior year, Aldar Investment Properties LLC, a subsidiary, acquired a 60% ownership interest in Al Maryah Property Holdings Limited, an entity that owns Al Maryah Tower. The transaction resulted in additions to investment properties of AED 481,500 thousand. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(b)).

Land

During the year, impairment loss amounting to AED 1,768 thousand on land was recorded by the Group (2022: AED 175,953 thousand).

A market-based valuation suggests that the fair value of the Group’s plots of land approximates AED 2,411,105 thousand at 31 December 2023 (2022: AED 1,614,204 thousand).

Leased properties

Leased properties mainly include real estate properties and labour camps. The fair value of the leased properties as at 31 December 2023 amounted to AED 31,197,982 thousand (2022: AED 29,455,842 thousand). As a result of the valuation, reversal of impairment amounting to AED 87,106 thousand was recorded during the year (2022: impairment of AED 212,603 thousand).

(Reversal of impairment losses) impairment losses were derived from the following properties:

	2023 AED’000	2022 AED’000
Moon Flower ⁽ⁱ⁾	(154,990)	154,990
Construction Workers Residential City ⁽ⁱⁱ⁾	(42,366)	42,366
Remal Mall ⁽ⁱⁱⁱ⁾	66,923	-
Baniyas Towers ^(iv)	26,459	-
Daman House - Capital Center ^(v)	13,415	-
Saadiyat Accommodation Village ^(vi)	11,224	-
Other properties	<u>(7,771)</u>	<u>15,247</u>
Net (reversal) impairment during the year	<u>(87,106)</u>	<u>212,603</u>

- (i) The fair value of the Moon Flower project, performed by an independent external valuer, resulted in a reversal of impairment loss of AED 154,990 thousand (2022: impairment loss of AED 154,990 thousand). The valuation was determined by using the discounted cashflow approach at a discount rate of 8.54% (2022: 7.51%).
- (ii) The fair value of the Construction Workers Residential City project, performed by an independent external valuer, resulted in a reversal of impairment loss of AED 42,366 thousand (2022: impairment loss of AED 42,366 thousand). The valuation was determined by using the discounted cashflow approach at a discount rate of 9.14% (2022: 7.60%).
- (iii) The fair value of Remal Mall, performed by an independent external valuer, resulted in an impairment loss of AED 66,923 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 12.5%.

9 INVESTMENT PROPERTIES continued

Leased properties continued

- (iv) The fair value of the Baniyas Towers, performed by an independent external valuer, resulted in an impairment loss of AED 26,459 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 10.5%.
- (v) The fair value of the Daman House – Capital Center, performed by an independent external valuer, resulted in an impairment loss of AED 13,415 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 9.25%.
- (vi) The fair value of the Saadiyat accommodation village, performed by an independent external valuer, resulted in an impairment loss of AED 11,224 thousand. The valuation was determined by using the discounted cashflow approach at a discount rate of 25%.

Properties under development

Properties under development comprise of land and buildings under construction, where the Group has approved plan to develop commercial and residential properties.

During the year, the Group conducted impairment assessments on its ongoing projects classified as properties under development, which resulted in no impairment. During 2022, an impairment amounting to AED 376,984 thousand was recorded against the following projects:

	2022 AED’000
Traditional Souk ⁽ⁱ⁾	260,768
Reem residential towers	<u>116,216</u>
	<u>376,984</u>

- (i) The construction of the Traditional Souq with a balance of AED 734,090 thousand was transferred to assets held for sale in line with the requirements of IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations,” as the Group resolved to sell the related properties under development and not continue with its original intended use. Prior to the transfer, the Group performed an impairment assessment and based on the assessment recorded an impairment provision of AED 260,768 thousand.

The fair value of the Group’s investment properties as at 31 December 2023 and 2022 has been arrived by management by reference to valuation carried out on the respective dates by independent valuers not related to the Group. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the relevant locations.

The fair value of investment properties is determined using market-based approach and discounted cash flow (DCF) model.

Market based approach considers recent market transactions for similar assets or quotes / bid prices for same or similar assets.

DCF considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary) and lease terms factors specific to the respective properties.

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9 INVESTMENT PROPERTIES continued

The following table shows the fair value analysis of assets by level of the fair value hierarchy for the year ended 31 December:

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
31 December 2023				
Investment properties (excluding properties under development)	<u>=</u>	<u>171,100</u>	<u>33,437,987</u>	<u>33,609,087</u>
31 December 2022				
Investment properties (excluding properties under development)	<u>-</u>	<u>155,900</u>	<u>30,914,146</u>	<u>31,070,046</u>

There were no transfers between level 1, level 2 and level 3 fair values during current and previous year.

Following is the summary of valuation techniques and inputs used in the valuation of investment properties:

<i>Property</i>	<i>Valuation technique</i>	<i>Significant unobservable inputs</i>
Land	Sales comparison	- Sales rate: AED 2 - 350 /sq.ft. (2022: AED 2 - 402 /sq. ft.); and - Acquisition fee: 2.25% (2022: 2.25%).
Leased properties	Sales comparison	- Estimated rental value per annum, for the different leased properties, is as follows: ▪ Residential properties: AED 78,000 - AED 350,000 per unit (2022: AED 900 - AED 335,000 per unit); ▪ Commercial properties: AED 45/sq. ft - AED 1,200/sq. ft. (2022: AED 47/sq. ft. - AED 1,200/sq. ft.); ▪ Retail: AED 110/sq. ft. - AED 1,250/sq. ft. (2022: 92/sq. ft. - AED 1,250/sq. ft.); and ▪ Car park: AED 1,180 - AED 6,300 per unit (2022: AED 572 - AED 6,300 per unit). - Operating expenses: 10% - 32% of market rent (2022: 3% - 35%); and - Terminal capitalisation rate: 7.5% - 8.75% (2022: 7.2% - 8.75%).
Leased properties	Discounted cash flow (DCF)	- Estimated rental value per annum, for the different leased properties, is as follows: ▪ Residential properties: AED 20,400 - AED 350,000 per unit (2022: AED 19,200 - AED 210,000 per unit); ▪ Commercial properties: AED 45/sq. ft. - 386/sq. ft. (2022: AED 70/sq. ft. - 3,750/sq. ft.); ▪ Retail: AED 9/sq. ft. - 743/sq. ft. (2022: 460/sq. ft. - 7,500/sq. ft.); and ▪ Labour camp: AED 250 - AED 610 per person (2022: AED 250 - 610 per person) and AED 156 million (2022: AED 156 million) per year. - Operating expenses: AED 29/sq. ft. - AED 36/sq. ft. (2022: AED 193 /sq. ft. - AED 366/sq. ft); - Labour camp operating expense: ▪ Rent charge: AED 27,000,000 to AED 34,275,000 per year (2022: AED 2,682,764 to AED 4,309,737 per year) ▪ Variable rent: AED 15 per person (2022: AED 15 per person) - Discount rate: 7.25% - 12.5% (2022: 7.25% - 10.5%); and - Terminal capitalisation rate: 6.75% - 10% (2022: 6.51% - 10%).

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

9 INVESTMENT PROPERTIES continued

Depreciation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	891,304	683,375
General and administrative expenses (note 32)	<u>2,977</u>	<u>3,830</u>
	<u>894,281</u>	<u>687,205</u>

The property rental income earned by the Group from its investment properties, part of which is leased out under operating leases and the direct operating expenses arising on the investment properties are as follows:

	2023 AED'000	2022 AED'000
Rental income	2,605,624	1,910,507
Direct operating expenses	<u>(912,175)</u>	<u>(566,686)</u>
	<u>1,693,449</u>	<u>1,343,821</u>

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

Details of the Group’s associates and joint ventures are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			2023	2022
Associates: Emirates Refreshments P.S.C	Bottling and selling mineral water, carbonated soft drinks and evaporated milk, as well as manufacturing plastic bottles and containers.	UAE	21%	21%
Canal Sugar S.A.E	Sugar farming and production.	Egypt	33%	33%
Principia SAS	Engineering and consultancy services.	France	33%	33%
Al Jazira Technical Solutions & Consulting LLC	Consulting in computer devices and equipment.	UAE	35%	35%
Response Plus Holding PJSC	Healthcare services and medical facilities.	UAE	36.15%	36.15%
Sawaed Holding PJSC	Manpower and investment solutions.	UAE	36.69%	36.69%
BGI for Commercial Investment LLC (formerly “Al Bustan Farms Limited”)	Agriculture enterprise investment.	Mozambique	30%	30%
Lynx Technology Group Ltd. (i)	Custom software application development services and IT consulting services.	British Virgin Islands	-	25%
Iskandar Holdings Limited	Real estate enterprise.	Cayman Islands	19%	19%
Al Sdeirah Real Estate Investment	Real estate enterprise.	UAE	30%	30%
Abu Dhabi Finance PJSC	Finance company.	UAE	32%	32%
Invictus Investment Company PLC	Trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items.	UAE	22.96%	22.96%
Royal Gardens for Investment Property Co.	Real estate development.	Egypt	20%	20%

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2023</i>	<i>2022</i>
Associates: continued				
Deco Vision Company – WLL	Interior design implementation works (decor), retail sale of wallpaper, decor and partitions material and importing.	UAE	45%	45%
Burjeel Holdings PLC	Medical related services.	UAE	14.48%	14.55%
Bayanat AI PLC (ii)	Data collection, analysis, storing and recovering, survey planning and information and maps management systems.	UAE	-	15.03%
Lulo Bank S.A	Online banking services.	Columbia	46.16%	46.16%
Gordon Technologies LLC*	Sale of drilling equipment, downhole tools, technology and related services.	United States of America	25%	25%
Safeen Survey and Subsea Services LLC (vii)	Survey and diving business.	UAE	49%	49%
EHC Investment LLC (iii)	Holding company.	UAE	34.57%	50%
Kizad Communities Development and Services Company LLC (iv)	Real estate lease and management services.	UAE	23.91%	-
NICC Infrastructure Construction LLC (vi)	Construction and infrastructure activities.	UAE	49%	-
Presight AI Holding PLC (v)	Artificial intelligence research and information technology related services.	UAE	15.35%	-
WISY Holding Cyprus Ltd** (vii)	Holding company.	Cyprus	44.4%	-
Nammos World SARL**	Hospitality management.	Monaco	44.4%	-
WISY Management Cyprus Ltd**	Hospitality management.	Cyprus	44.4%	-
Anina Culinary Art Ltd. (viii)	Development of a technology that prepares a nutritionally balanced meal from fresh ugly produce that otherwise would have been discharged.	Israel	45%	-
National Corporation for Tourism and Hotels PJSC (viii)	Own, manage and invest in hotels and leisure complexes and to undertake other related business.	UAE	36.39%	-
Yas Projects LLC (viii)	Construction.	UAE	49%	-
Ta'ziz UAE Investment Company RSC Limited (viii)	Investment in chemical projects.	UAE	25.07%	-
Pure Health Holding LLC (ix)	Hospitals and other healthcare related services, including health insurance.	UAE	41.61%	-
Modon Properties PJSC (x)	Infrastructure development and managing of completed operating properties.	UAE	49%	-
Joint ventures:				
Lazio Real Estate Investment LLC	Real estate enterprise investment, development, institution and management.	UAE	65%	65%
Progressive Real Estate Development LLC (xi)	Real estate enterprise investment, development, institution and management.	UAE	-	70%
China Railway Construction	Construction.	UAE	49%	49%
ORA Developers Investment Holding Limited (vi)	Develop, finance, own and operate, lease or sell directly or indirectly, the Plots or any of its components.	UAE	30%	-

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2023</i>	<i>2022</i>
Joint ventures: continued				
The Challenge Egyptian Emirates Marine Dredging Company	Dredging and associated land reclamation works, civil engineering, port contracting and marine construction.	Egypt	49%	49%
Eltizam Asset Management LLC (xii)	Services management holding company.	UAE	-	50%
EDE Research Institute LLC	Diagnostics, imaging & IT, information systems consultancy & workflow & solutions.	UAE	50%	50%
Emirates International Gas LLC (iii)	Production bottling and storage of compressed natural gas, liquified petroleum gas, propane, butane, and aerosol propellant.	UAE	-	50%
Al Qudra Sports Management LLC	Sport enterprises investment, institution and management.	UAE	50%	50%
Al Qudra Addoha pour L'Investissement Immobilier	Import and export and trading of oil and gas related material.	UAE	50%	50%
ABGC DMCC (vii)	Activities related to shipping lines of freight and passenger transportation, ship charter, sea freight and passenger charters, sea cargo services, ship management and operation and freight broker.	UAE	51%	51%
WIO Holding Restricted Ltd.	Digital banking services.	UAE	51%	51%
Exceed Holding for Sports LLC	Sport enterprises investment, institution and management.	UAE	50%	50%
Al Raha International Integrated Facilities Management LLC	Facilities management.	UAE	50%	50%
Royal House LLC	Hotel operations.	UAE	50%	50%
Palmyra SODIC Real Estate Development	Real estate development.	Syria	50%	50%
Deyafah Holding Limited	Special purpose vehicle.	UAE	50%	50%
Kalyon Enerjij Yatirimlari A.S	Clean and renewable energy related projects.	Turkey	50%	50%
Sky Go Transport of Goods LLC (vii)	Engaged in air transportation for goods using unmanned aerial vehicles (Drones).	UAE	50%	50%
Munich Health Daman Holding Limited***	Healthcare services.	UAE	-	49%
MW Energy	Development and renewal of energy related projects.	UAE	50%	50%
Mawarid Desert Control LLC****	Agriculture and landscaping services and irrigation system installation and maintenance.	UAE	-	50%
Trojan General Contracting and Six Construct Limited – Guggenheim Museum	Construction.	UAE	50%	50%
Trojan General Contracting and Six Construct Limited –Zayed National Museum	Construction.	UAE	50%	50%
Micad Credit JV RSC LTD (vi)	Investment holding company	UAE	20%	-
Impact Nation Research Institute Limited (vi)	Carbon management, control and mitigation of emissions and energy generation.	UAE	50%	-
DTEC Industries Limited (viii)	Providing independent and specialist industrial participation and offset services for the global defense and security market primarily in the maritime industry.	UAE	57.50%	-

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

<i>Name of entity</i>	<i>Principal activities</i>	<i>Place of incorporation and operation</i>	<i>Ownership interest</i>	
			<i>2023</i>	<i>2022</i>
Joint ventures: continued				
NT Energies (vi)	Engineering and consulting services.	UAE	51%	-
Mawarid Intelligent Irrigation Technologies LLC (vi)	Agriculture enterprise investment.	UAE	50%	-
Avobar Restaurant – Sole Proprietorship LLC (vi)	Restaurant.	UAE	30%	-
APHE Restaurants Management LLC (vi)	Restaurant management.	UAE	50%	-
South Development One DWC LLC (vi)	General warehousing.	UAE	50%	-
Richmond Hill Developments (Jersey) Limited**	Real estate development.	Jersey	15%	-
Vulcan Wharf Holdings LLP**	Real estate development.	United Kingdom	50%	-
VST JV (vi)	Construction.	UAE	33%	-

* Gordon Technologies LLC, an associate of Transcend Blocker INC, has been transferred to assets held for sale (note 19.2).
** These became associates and joint ventures of the Group during the year as a result of business combinations.
*** Derecognised as a result of derecognition of a subsidiary (note 6.4(a)).
**** During the year, the Group acquired the remaining shareholding interest in Mawarid Desert Control LLC, an entity with net liabilities on transaction date of AED 2,867 thousand, and accordingly the entity became a subsidiary from the date of acquisition with its previous held interest having a nil fair value (note 6.2(a)).

(i) Lynx Technology Group Ltd.

Effective 1 December 2023, the Group obtained control over Lynx Technology Group Ltd. and accordingly, the investment in associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED’000</i>
Fair value of previously held equity interest (note 6.2(a))	4,973
Carrying value of previously held equity interest	<u>(3,205)</u>
Fair value gain on revaluation of previously held equity interest	<u><u>1,768</u></u>

(ii) Bayanat AI PLC (“Bayanat”)

Bayanat was previously classified as an investment in associate, due to the Group having significant influence through representation on the Board of Directors of Bayanat and the participation in decisions over the relevant activities. With effect from 29 December 2023, the Group ceased to have a board representation in Bayanat, therefore lost significant influence over Bayanat. Accordingly, the investment in Bayanat with a carrying value of AED 469,575 thousand was transferred to investment in financial assets at its fair value of AED 1,287,202 thousand (note 11.2), resulting in a fair value gain of AED 817,627 thousand (note 34).

(iii) EHC Investment LLC (“EHC”) and Emirates International Gas LLC (“EIG”)

With effect from 1 October 2023, the Group disposed off its 75% equity interest in Fooj Fire Fighting Services LLC (note 6.4(a)) and 50% equity interest in EIG for in-kind consideration being in the form of 98,708 new shares in EHC. Accordingly, the additional investment in EHC was recognised at the fair value of the in-kind consideration of AED 66,395 thousand, and the investment in EIG was derecognised, resulting in a gain of AED 32,895 thousand.

Further, the Group’s shareholding in EHC was diluted as a result of the issuance of 191,292 new shares to third parties, resulting in a gain on deemed disposal of AED 78,731 thousand.

10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(iv) Kizad Communities Development and Services Company LLC (“KIZAD”)

On 1 January 2023, the Group acquired a 50% shareholding in Al Eskan Al Jamae LLC, by acquiring Tri Star Investment LLC, an entity accounted for as an asset acquisition from an entity under common control (note 6.3(a)). Accordingly, the acquisition was recorded at its predecessor (i.e. the previous owner) equity – accounted carrying value on the date of acquisition of AED 762,313 thousand.

Subsequently, with effect from 1 April 2023, the Group acquired a 23.91% shareholding in Kizad Communities Development and Services Company LLC for in-kind consideration, being the 50% ownership in Al Eskan Al Jamae LLC. Accordingly, the investment in KIZAD was recognised at the fair value of the in-kind consideration of AED 1,171,439 thousand, and the investment in Al Eskan Al Jamae LLC was derecognised, resulting in a gain of AED 417,279 thousand.

(v) Presight AI Holding PLC (“Presight”)

During the year, the Group acquired a 15.52% shareholding in Presight for a consideration of AED 1,170,410 thousand. Although the Group holds less than 20% of the voting power in Presight, significant influence exists due to having representation on the Board of Directors and participation in decisions over the relevant activities.

(vi) NICC Infrastructure Construction LLC (“NICC”), ORA Developers Investment Holding Limited (“ORA”), NT Energies, Micad Credit JV RSC LTD (“Micad”), Impact Nation Research Institute Limited (“Impact Nation), Mawarid Intelligent Irrigation Technologies LLC (“Mawarid Intelligent”), Avobar Holding Limited (“Avobar”), APHE Restaurants Management LLC (“APHE”), South Development One DWC LLC (“South Development”) and VST JV (“VST”)

NICC, ORA, NT Energies, Micad, Impact Nation, Mawarid Intelligent, Avobar, APHE, South Development and VST were incorporated by the Group during the year by injecting cash against the share of capital of AED 17,983 thousand, AED 1,103 thousand, AED 77 thousand, USD 20, AED 500 thousand, AED 150 thousand, AED 529 thousand, AED 6,428 thousand, AED 75 thousand and nil, respectively. Further, an additional contribution was paid to Micad, ORA, APHE and South Development amounting to AED 154,319 thousand, AED 9,919 thousand, AED 7,353 thousand and AED 9,925 thousand respectively.

(vii) Safeen Survey and Subsea Services LLC (“Safeen”), WISY Holding Cyprus Ltd (“WISY Holding”), ABGC DMCC and Sky Go Transport of Goods LLC (“Sky Go”)

The Group injected additional cash in Safeen, WISY Holding, ABGC DMCC and Sky Go amounting to AED 49,000 thousand, AED 34,654 thousand, AED 118,754 thousand and AED 180 thousand respectively.

(viii) Anina Culinary Art Ltd. (“Anina”), National Corporation for Tourism and Hotels PJSC (“NCTH”), Yas Projects LLC (“YAS”), Ta’ziz UAE Investment Company RSC Limited (“Ta’ziz”) and DTEC Industries Limited (“DTEC”)

During the year, the Group acquired a 45%, 36.39%, 49%, 25.07% and 57.5% shareholding in Anina, NCTH, YAS, Ta’ziz and DTEC respectively for a consideration of AED 36,735 thousand, AED 730,000 thousand, AED 10,790 thousand, AED 103,565 thousand and AED 129 thousand respectively. Further, the Group injected additional cash in DTEC amounting to AED 298 thousand. The acquisition of NCTH resulted in a gain of AED 100,080 thousand.

(ix) Pure Health Holding PJSC (formerly “Pure Health Holding LLC”) (“Pure Health”)

Effective 30 March 2023, Pure Health, previously a subsidiary, became a joint venture of the Group due to loss of control (note 6.4(a)). Subsequently on 22 December 2023, upon listing the shares of Pure Health on the primary market of Abu Dhabi Exchange, the conditions for maintaining joint control, as originally stipulated in shareholders’ agreement, were no longer applicable and accordingly, the investment was reclassified to investment in associate. The Group retains significant influence in Pure Health, through its board representation (i.e. two out of five board members) and its participation in decisions over the relevant activities.

The Group’s ownership in Pure Health was diluted from 46.12% to 41.61% due to the issuance of new share on listing date, which resulted in a gain on deemed disposal of AED 65,963 thousand.

International Holding Company PJSC

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(x) Modon Properties PJSC (“Modon”)

The Group entered into a sale and purchase agreement (“Agreement”) on 31 July 2023 with a third party, to acquire a 49% stake in Modon for a consideration of AED 490,000 thousand. On the date of entering into the Agreement, Modon’s principal activities were to manage the development of integrated urban and commercial projects of a developmental and community nature on behalf of the Government of Abu Dhabi.

The completion of the acquisition was subject to obtaining regulatory approval on the transfer of shares to the Group. The regulatory approval was obtained in early November 2023, at which time the shares were allotted to the Group and Modon’s shareholders register was amended.

During the period from the agreement date to the date at which the shares were registered in the name of the Group, Land plots with fair value of AED 25,634,620 thousand were granted by the Government of Abu Dhabi and legally transferred to Modon.

As required by IAS 28, the Group performed a purchase price allocation exercise, which resulted in a gain of AED 12,194,173 thousand for the excess of the Group's share of the net fair value of Modon’s identifiable assets and liabilities over the cost of investment in Modon, as summarised below:

	<i>AED’000</i>
Modon net assets on acquisition date	197,018
Intangible assets identified, net of deferred tax (i.e. contract backlog)	54,429
Fair value of land plots	<u>25,634,620</u>
	<u>25,886,067</u>
Group’s share of net assets (i.e. 49%)	12,684,173
Less: consideration paid	<u>(490,000)</u>
Gain on acquisition of Modon	<u>12,194,173</u>

(xi) Progressive Real Estate Development LLC

Effective 1 January 2023, the Group obtained control over Progressive Real Estate Development LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED’000</i>
Fair value of previously held equity interest (note 6.2(a))	5,781
Carrying value of previously held equity interest	<u>(5,571)</u>
Fair value gain on revaluation of previously held equity interest	<u>210</u>

(xii) Eltizam Asset Management LLC

Effective 1 July 2023, the Group obtained control over Eltizam Asset Management LLC and accordingly, the investment in joint venture was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	<i>AED’000</i>
Fair value of previously held equity interest (note 6.2(a))	506,500
Carrying value of previously held equity interest	<u>(189,779)</u>
Fair value gain on revaluation of previously held equity interest	<u>316,721</u>

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Movements in investment in associates and joint ventures are as follows:

	<i>2023 AED’000</i>	<i>2022 AED’000</i>
At 1 January	7,654,312	12,103,106
Acquired in business combination (note 6.1 & 6.2)	416,801	155,726
Additions during the year ⁽ⁱ⁾	19,174,156	7,624,954
Disposals during the year ⁽ⁱⁱ⁾	(908,763)	(920,652)
Derecognition of a subsidiary (note 6.4)	(46,273)	-
Transferred to investment in subsidiaries	(198,555)	(10,891,279)
Transferred to investment in financial assets	(469,575)	-
Transferred to assets held for sale (note 19.2)	(626,061)	-
Share of profit for the year ⁽ⁱⁱⁱ⁾	13,233,218	245,820
Share of other comprehensive income (loss) for the year	80,573	(23,587)
Foreign exchange translation	(8,530)	(113,383)
Dividend received during the year	<u>(241,046)</u>	<u>(526,393)</u>
At 31 December	<u>38,060,257</u>	<u>7,654,312</u>

(i) Included in additions are:

2023:

- AED 14,159,134 thousand, being the fair value of the retained interest in Pure Health Holding LLC at the date on which the Group lost control (i.e. 30 March 2023) (note 6.4).
- AED 762,313 thousand relating to Al Easkan Al Jamae LLC, which became an associate of the Group due to the acquisition of Tri Star Investment LLC, an entity treated as an acquisition of assets (note 6.3).
- AED 1,171,439 thousand, being the fair value of the non-monetary contribution to acquire Kizad Communities Development and Services Company LLC (note 10 (iv)).
- AED 129 thousand advance paid during 2022 to acquire DTEC Industries Limited, which was previously included in trade and other receivables in 2022.
- AED 66,395 thousand, being the fair value of the non-monetary contribution to acquire additional shareholding in EHC Investments LLC (note 10 (iii)).

2022:

- AED 9,188 thousand, being the fair value of the previously held interest in Esyssoft Holding Ltd. at the date on which the Group obtained significant influence. The previously held interest was recorded as an investment in financial assets (note 11.2).
- AED 61,496 thousand advance paid during 2021 to acquire ABGC, which was previously included in trade and other receivables in 2021.
- AED 140,067 thousand, being the fair value of the non-monetary assets contributed to Safeen, by transferring its diving and subsea division property, plant and equipment with a carrying value of AED 23,637 thousand (note 7), employees and revenue contracts. The transaction resulted in a gain of AED 116,430 thousand (note 34).
- AED 28,544 thousand and AED 754,820 thousand relating to Deco Vision and Aldar respectively, that were transferred from related parties under common control.
- AED 920,587 thousand, being the second tranche of Kalyon consideration, which was recorded in 2021 under due to related parties.

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

(ii) Included in disposals are:

2023:

- AED 762,313 thousand, being the carrying value of Al Eskan Al Jamae LLC derecognised to acquire Kizad Communities Development and Services Company LLC.
- AED 85,240 thousand received by the Group from EDE Research Institute LLC (“EDE”), being the reduction in the additional capital contributed, as per the shareholders resolution passed on 14 April 2023.
- AED 13,905 thousand received by the Group as a further capital reduction in Abu Dhabi Finance PJSC. The Group’s carrying value of the investment as of 31 December 2023 is nil.
- AED 2,226 thousand, being the carrying value of Emirates International Gas LLC derecognised to acquire additional shareholding in EHC Investments LLC.

2022:

- AED 800,000 thousand received by the Group from EDE, being the reduction in the additional capital contributed. As per the resolution passed in the General Assembly meeting held on 26 August 2022, an amount of AED 800,000 thousand recorded by EDE as additional capital contribution, is to be repaid to the Group in four equal monthly instalments starting from September 2022. As of 31 December 2022, the full amount was recovered by the Group.
- AED 32,000 thousand received by the Group as a capital reduction in Abu Dhabi Finance PJSC.

(iii) Included in share of profit for the year are:

	<i>2023</i> <i>AED’000</i>	<i>2022</i> <i>AED’000</i>
Gain on acquisition of associates (note 10 (viii & x))	12,294,253	-
Gain on deemed disposal (note 10 (iii & ix))	144,694	-
Impairment loss during the year, net of reversals	(28,493)	(177,731)
Share of profit for the year	<u>822,764</u>	<u>423,551</u>
	<u>13,233,218</u>	<u>245,820</u>

During the year, the Group performed impairment assessment for investments in associates and joint ventures and concluded the following:

	<i>2023</i> <i>AED’000</i>	<i>2022</i> <i>AED’000</i>
Impairment of Lulo Bank S.A	65,874	-
Impairment of BGI for Commercial Investment LLC	4,419	-
Impairment of Lazio Real Estate Investment LLC	200	-
Impairment of Canal Sugar S.A.E	-	143,078
(Reversal of) impairment of EDE Research Institute LLC	(42,000)	42,000
Reversal of impairment of Abu Dhabi Finance PJSC	<u>-</u>	<u>(7,347)</u>
	<u>28,493</u>	<u>177,731</u>

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Included in the consolidated statement of profit or loss as of 31 December 2023 and 31 December 2022 is as follows:

	<i>2023</i> <i>AED’000</i>	<i>2022</i> <i>AED’000</i>
Gain on disposal of Al Eskan Al Jamae LLC (note 10(iv))	417,279	-
Gain on disposal of Emirates International Gas LLC (note 10(iii))	32,895	-
Gain on disposal of Agriculture Investment Holding Company	-	37,379
Gain on partial disposals of investment in associates, net	<u>42,936</u>	<u>25,732</u>
Total gain on disposal of investment in associates and joint ventures	493,110	63,111
Share of profit for the year	13,233,218	245,820
Fair value gain on revaluation of previously held equity interest	<u>318,699</u>	<u>2,848,679</u>
	<u>14,045,027</u>	<u>3,157,610</u>

Summary of fair value gain on revaluation of previously held equity interests:

	<i>2023</i> <i>AED’000</i>	<i>2022</i> <i>AED’000</i>
Lynx Technology Group Ltd. (note 10(i))	1,768	-
Progressive Real Estate Development LLC (note 10(xi))	210	-
Eltizam Asset Management LLC (note 10(xii))	316,721	-
NRTC Food Holding LLC (note 6.2(b))	-	90,000
Aldar Properties PJSC (note 6.2(b))	-	2,742,265
Esyasoft Holding Ltd. (note 6.2(b))	<u>-</u>	<u>16,414</u>
	<u>318,699</u>	<u>2,848,679</u>

Contingencies and commitments:

The Group’s share in material contingencies and commitments of the associates and joint ventures is as follows:

	<i>2023</i> <i>AED’000</i>	<i>2022</i> <i>AED’000</i>
Letters of guarantees and credits	<u>489,022</u>	<u>211,372</u>
Capital commitments	<u>2,038,484</u>	<u>2,946</u>

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10 INVESTMENT IN ASSOCIATES AND JOINT VENTURES continued

Summarised financial information in respect of each associates and joint ventures of the Group is set out below:

Summarised statements of financial position:

	Pure Health AED '000	Kalyon Enerji AED '000	Burjeel Holding AED '000	Presight AED '000	Kizad AED '000	NCTH AED '000	W/O Holding AED '000	Lulo Bank AED '000	Invictus AED '000	Modon AED '000	WTSY Holding AED '000	RPM AED '000	Safeen AED '000	Others AED '000	Total AED '000	2022 AED '000
Non-current asset	8,363,592	7,758,349	3,021,354	27,773	5,133,386	2,262,487	7,615	207,879	39,679	25,646,101	169,594	68,455	499,002	2,084,180	55,289,446	11,239,878
Current assets	18,584,268	441,882	2,126,051	4,045,195	474,112	577,773	13,488,898	725,601	2,643,456	2,462,329	102,424	254,984	549,264	6,931,090	53,407,327	13,374,176
Non-current liabilities	(3,891,508)	(3,678,359)	(2,015,545)	(33,771)	(867,449)	(381,725)	-	-	(7,516)	(547,165)	(87,510)	(13,331)	-	(1,252,408)	(12,776,287)	(6,957,604)
Current liabilities	(8,183,287)	(627,848)	(1,574,803)	(987,961)	(326,163)	(213,306)	(11,648,618)	(123,916)	(1,608,366)	(1,729,627)	(52,656)	(58,486)	(565,324)	(4,287,849)	(31,988,210)	(6,780,550)
Equity (100%)	14,873,065	3,894,024	1,557,057	3,051,236	4,413,886	2,245,229	1,847,895	809,564	1,067,253	25,831,638	131,852	251,622	482,942	3,475,013	63,932,276	10,875,900
Less: non-controlling interests	(4,173)	(1,113)	(47,472)	(83,105)	-	-	(646,763)	(17,981)	-	-	(35,315)	-	-	-	(835,922)	(727,174)
Equity attributable to the owners of the entities	14,868,892	3,892,911	1,509,585	2,968,131	4,413,886	2,245,229	1,201,132	791,583	1,067,253	25,831,638	96,537	251,622	482,942	3,475,013	63,096,354	10,148,726
Group percentage holding	41.61%	50%	14.48%	15.35%	23.91%	36.39%	51%	46.16%	22.96%	49%	44.40%	36.15%	49%			
Group's share in net assets	<u>6,186,946</u>	<u>1,946,456</u>	<u>218,588</u>	<u>455,608</u>	<u>1,055,360</u>	<u>817,039</u>	<u>612,577</u>	<u>365,395</u>	<u>245,041</u>	<u>12,657,503</u>	<u>42,862</u>	<u>90,961</u>	<u>236,642</u>	<u>1,219,150</u>	<u>26,150,128</u>	<u>3,354,817</u>
Group's carrying amount of the investment (including goodwill)	<u>14,466,926</u>	<u>2,065,268</u>	<u>1,574,635</u>	<u>1,244,126</u>	<u>1,184,640</u>	<u>841,315</u>	<u>697,294</u>	<u>661,251</u>	<u>608,532</u>	<u>12,689,635</u>	<u>327,384</u>	<u>244,762</u>	<u>236,642</u>	<u>1,217,847</u>	<u>38,060,257</u>	<u>7,654,312</u>

Summarised statements of profit or loss:

	Pure Health AED '000	Kalyon Enerji AED '000	Burjeel Holding AED '000	Presight AED '000	Kizad AED '000	NCTH AED '000	W/O Holding AED '000	Lulo Bank AED '000	Invictus AED '000	Modon AED '000	WTSY Holding AED '000	RPM AED '000	Safeen AED '000	Others AED '000	Total AED '000	2022 AED '000
Revenue	12,378,788	692,697	4,535,008	1,780,559	435,260	425,890	266,428	49,774	8,101,003	46,089	130,329	345,367	446,273	5,312,228	34,945,693	12,749,620
Profit (loss) from operations	315,714	457,116	540,415	570,602	69,729	30,870	1,247	(90,953)	213,665	11,147	37,680	48,555	97,092	569,047	2,871,926	1,208,894
Less: profit (loss) attributable to non-controlling interests	-	-	24,223	494	-	-	-	(4,223)	-	-	-	-	-	815	21,309	(132,369)
Profit (loss) attributable to the owners of the Company	<u>315,714</u>	<u>457,116</u>	<u>516,192</u>	<u>570,108</u>	<u>69,729</u>	<u>30,870</u>	<u>1,247</u>	<u>(86,730)</u>	<u>213,665</u>	<u>11,147</u>	<u>37,680</u>	<u>48,555</u>	<u>97,092</u>	<u>568,232</u>	<u>2,850,617</u>	<u>1,341,263</u>
Group percentage holding	41.61%	50%	14.48%	15.35%	23.91%	36.39%	51%	46.16%	22.96%	49%	44.40%	36.15%	49%			
Group's share of profit (loss)	<u>145,799</u>	<u>228,558</u>	<u>74,912</u>	<u>87,728</u>	<u>16,672</u>	<u>11,235</u>	<u>636</u>	<u>(40,035)</u>	<u>49,498</u>	<u>5,462</u>	<u>16,730</u>	<u>17,553</u>	<u>47,575</u>	<u>160,441</u>	<u>822,764</u>	<u>423,551</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

11 INVESTMENT IN FINANCIAL ASSETS

	Notes	2023 AED'000	2022 AED'000
Investments carried at fair value through other comprehensive income	11.1	1,391,383	1,788,035
Investments carried at fair value through profit or loss	11.2	60,237,417	56,774,667
Investments carried at amortised cost	11.3	124,320	229,509
		<u>61,753,120</u>	<u>58,792,211</u>
Disclosed in the consolidated statement of financial position as follows:			
		2023 AED'000	2022 AED'000
Current		39,912,437	32,176,907
Non-current		21,840,683	26,615,304
		<u>61,753,120</u>	<u>58,792,211</u>

11.1 Investments carried at fair value through other comprehensive income

	2023 AED'000	2022 AED'000
Quoted equity investments	176,872	355,657
Unquoted equity investments	1,214,511	1,343,237
Unquoted debt instruments	-	89,141
	<u>1,391,383</u>	<u>1,788,035</u>

Management of the Group has elected to designate these investments in financial instruments as fair value through other comprehensive income, as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

The geographical distribution of investments is as follows:

	2023 AED'000	2022 AED'000
Inside the UAE	464,237	542,011
Outside the UAE	927,146	1,246,024
	<u>1,391,383</u>	<u>1,788,035</u>

As of 31 December 2023, investment in shares with a fair value of AED 745 thousand (2022: AED 1,152 thousand) were held in the name of a related party under common control, for the beneficial interest of the Group.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

11 INVESTMENT IN FINANCIAL ASSETS continued

11.1 Investments carried at fair value through other comprehensive income continued

The investments are recorded at fair value using the valuation techniques as disclosed in note 41. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	2023			2022		
	Debt instruments AED'000	Equity securities AED'000	Total AED'000	Debt instruments AED'000	Equity securities AED'000	Total AED'000
At 1 January	89,141	1,698,894	1,788,035	-	1,143,972	1,143,972
Additions ⁽ⁱ⁾	2,040	399,140	401,180	3,435	1,030,157	1,033,592
Acquired in business combinations (note 6.1 & 6.2)	-	-	-	82,114	348,532	430,646
Disposals	(1,778)	(3,443)	(5,221)	-	(56,085)	(56,085)
Derecognition of a subsidiary (note 6.4(a))	(90,504)	(147,929)	(238,433)	-	-	-
Transfer to investment in subsidiaries ⁽ⁱⁱ⁾	-	(13,025)	(13,025)	-	(283,234)	(283,234)
Foreign exchange loss	-	-	-	-	(586)	(586)
Changes in fair value	1,101	(542,254)	(541,153)	3,592	(483,862)	(480,270)
At 31 December	-	1,391,383	1,391,383	89,141	1,698,894	1,788,035

(i) Included in additions during the year ended 31 December 2023 are:

- AED 1,718 thousand, being an investment acquired as part of an acquisition of an entity treated as an asset acquisition during the year (note 6.3(a)).
- AED 209 thousand, being an investment acquired by Palms Sports PJSC, a subsidiary of the Group, from the Ultimate Parent for nil consideration. The investment was recorded at its fair value of AED 209 thousand, and the excess of the fair value over the consideration was recognised within equity under merger, acquisition and other reserves.

(ii) Represents the following:

2023:

During the year, the Group obtained control over LVL Technology Holding (formerly “Switch Technology Holding”) through acquiring an additional 33% ownership interest. Accordingly, the fair value of the previously held interest amounting to AED 13,025 thousand was transferred to investment in subsidiaries (note 6.2(a)).

2022:

AED'000

Previously held interest in Ras Al Khaimah Cement Investment PJSC (note 6.1(b))	12,162
Q Holding PJSC shares acquired in business combination (note 6.6(b)(A))	261,420
Alpha Dhabi Holding PJSC shares acquired through business combination (note 6.6(b)(A))	9,652
	<u>283,234</u>

11.2 Investments carried at fair value through profit or loss

	2023 AED'000	2022 AED'000
Quoted equity investments	47,059,273	46,264,412
Unquoted equity investments	12,864,992	10,414,260
Unquoted debt instruments	<u>313,152</u>	<u>95,995</u>
	<u>60,237,417</u>	<u>56,774,667</u>

International Holding Company PJSC

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31 December 2023

11 INVESTMENT IN FINANCIAL ASSETS continued

11.2 Investments carried at fair value through profit or loss continued

The geographical distribution of investments is as follows:

	2023 AED'000	2022 AED'000
Inside the UAE	39,380,125	35,468,464
Outside the UAE	<u>20,857,292</u>	<u>21,306,203</u>
	<u>60,237,417</u>	<u>56,774,667</u>

As of 31 December 2023, shares with a fair value of AED 31,409,510 thousand (2022: 30,718,580 thousand), are pledged as security against borrowings (note 24).

The investments are recorded at fair value using the valuation techniques as disclosed in note 41. Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	2023			2022		
	Debt instruments AED'000	Equity securities AED'000	Total AED'000	Debt instruments AED'000	Equity securities AED'000	Total AED'000
At 1 January	95,995	56,678,672	56,774,667	-	9,096,931	9,096,931
Additions	211,976	5,858,480	6,070,456	96,521	24,541,620	24,638,141
Acquired in business combinations (note 6.1 & 6.2)	-	-	-	-	3,699,827	3,699,827
Derecognition of a subsidiary (note 6.4)	-	(343,085)	(343,085)	-	-	-
Disposals	(1,562)	(4,398,922)	(4,400,484)	(5,831)	(1,525,978)	(1,531,809)
Transferred to investment in subsidiaries ⁽ⁱ⁾	-	-	-	-	(332,495)	(332,495)
Transferred from investment in associates (note 10)	-	1,287,202	1,287,202	-	-	-
Transferred to investment in associates (note 10)	-	-	-	-	(9,188)	(9,188)
Foreign exchange loss	-	(19,304)	(19,304)	-	(816,516)	(816,516)
Changes in fair value (note 34)	6,743	861,222	867,965	5,305	22,024,471	22,029,776
At 31 December	<u>313,152</u>	<u>59,924,265</u>	<u>60,237,417</u>	<u>95,995</u>	<u>56,678,672</u>	<u>56,774,667</u>

(i) The balance transferred to investment in subsidiaries during 2022, represents the following:

	AED'000
Q Holding PJSC shares acquired in business combination (note 6.6(b)(A))	57,190
Aldar Holding PJSC shares acquired through business combination (note 6.6(b)(A))	<u>275,305</u>
	<u>332,495</u>

11.3 Investments carried at amortised cost

	2023 AED'000	2022 AED'000
Debt instruments	<u>124,320</u>	<u>229,509</u>

Debt instruments are stated at amortised cost using the effective profit rate method.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

11 INVESTMENT IN FINANCIAL ASSETS continued

11.3 Investments carried at amortised cost continued

The geographical distribution of investments is as follows:

	2023 AED'000	2022 AED'000
Inside the UAE	47,733	19,389
Outside the UAE	<u>76,587</u>	<u>210,120</u>
	<u>124,320</u>	<u>229,509</u>

Movement in investment in financial assets carried at amortised cost is as follows:

	2023 AED'000	2022 AED'000
At 1 January	229,509	-
Acquired in business combinations (note 6.2(b))	-	192,115
Additions	586,336	454,532
Disposals	(652,149)	(375,799)
(Allowance for) reversal of expected credit losses	(372)	20
Foreign exchange loss	<u>(39,004)</u>	<u>(41,359)</u>
At 31 December	<u>124,320</u>	<u>229,509</u>

During the year ended 31 December 2023, the Group recorded an expected credit loss charge of AED 372 thousand on the financial assets carried at amortised cost (2022: acquired in business combinations an amount of AED 20 thousand, which was fully reversed in the same year).

International Holding Company PJSC

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31 December 2023

12 INTEREST IN JOINT OPERATIONS

The Group has share of assets, liabilities and results of operations for the following joint operations along with share percentage:

	2023	2022
Joint operations		
Technip – NPCC – Satah Full Field	50%	50%
NPCC – TECHNIP – UZ-750 (EPC-1)	40%	40%
NPCC – TECHNIP UL-2	50%	50%
NPCC – TECHNIP AGFA	50%	50%
NPCC – Technip JV - US GAS CAP Feed	50%	50%
NPC-ATC JV	50%	50%
NPC-BCEG JV	50%	50%
WOW Hydrate Limited ⁽ⁱ⁾	-	50%
Saipem – NPCC – Hail and Ghasha	50%	-
Technicas – NPCC – Meeram	50%	-

(i) During the year, Quant Lase Lab LLC, a subsidiary, terminated its joint operation agreement relating to WOW Hydrate Limited.

The consolidated financial statements include the following amounts representing the Group's interests in joint operations:

	2023 AED'000	2022 AED'000
Total assets	<u>1,582,691</u>	<u>65,626</u>
Total liabilities	<u>1,543,700</u>	<u>64,140</u>
Net assets	<u>38,991</u>	<u>1,486</u>
Total revenue	<u>71,049</u>	<u>11,033</u>
Profit for the year	<u>36,475</u>	<u>10,663</u>

13 INVENTORIES

	2023 AED'000	2022 AED'000
Land plots held for sale ⁽ⁱ⁾	10,808,105	8,163,029
Real estate properties	2,793,809	2,992,350
Spares and consumables	803,462	676,730
Other finished goods	328,006	152,820
Packing and raw material	290,025	188,559
Food and its related non-food items	122,003	75,753
Household furniture	114,452	151,750
Fish and fish products	40,281	33,176
Animal feed	24,116	-
Medical supplies	16,904	1,011,159
Poultry products	<u>213</u>	<u>3,324</u>
	<u>15,341,376</u>	<u>13,448,650</u>
Goods in transit	10,819	17,561
Work in progress	80,943	22,287
Less: allowance for slow moving inventories	<u>(111,234)</u>	<u>(487,127)</u>
	<u>15,321,904</u>	<u>13,001,371</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

13 INVENTORIES continued

- (i) During the year, Aldar Properties PJSC, a subsidiary, acquired 3.4 million square meters of land plots on Al Fahid Island and 3 parcels of land in Dubai, for consideration of AED 2.5 billion and AED 2.08 billion respectively, which are payable over a period of 5 years. These lands are recognised at the present value of the consideration payable amounting to AED 3.86 billion (note 27).

Movement in allowance for slow moving inventories is as follows:

	2023 AED'000	2022 AED'000
At 1 January	487,127	281,658
Acquired in business combinations	4,100	215,575
Charge for the year	57,201	21,117
Write-off during the year	(41,598)	(31,223)
Derecognition of a subsidiary	(395,596)	-
At 31 December	111,234	487,127

As at 31 December 2023, inventories amounting to AED 56,445 thousand were pledged as security against borrowings (2022: AED 562,576 thousand) (note 24).

The determination of net realisable value ("NRV") of land plots held for sale is based on external valuations using various valuation methodologies and techniques. Based on the NRV assessment conducted during the year, land plots held for sale were written down to its NRV by an amount of AED 109,198 thousand (note 32) (2022: AED 71,191 thousand).

During the year, completed properties with an aggregate value of AED 44,391 thousand were transferred to inventories from development work-in-progress (note 16) upon completion (2022: investment properties of AED 141,944 thousand (note 9) and development work-in progress of AED 206,280 thousand (note 16) were transferred to inventories).

During the year, land plots held for sale amounting to AED 882,063 (2022: AED 426,622 thousand) (note 16) were transferred to development work in progress, as management intends to develop these lands for future sale.

Allowance for slow moving charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2023 AED'000	2022 AED'000
Cost of revenue (note 31)	1,061	-
General and administrative expenses (note 32)	56,140	21,117
	57,201	21,117

As at 31 December 2023 and 31 December 2022, the Group determined the net realisable value of its inventories and conclude that they are stated at the lower of cost and net realisable value.

International Holding Company PJSC

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31 December 2023

14 TRADE AND OTHER RECEIVABLES

	2023 AED'000	2022 AED'000
Trade receivables	14,156,121	12,137,267
Due from policy holders	-	1,046,248
Less: allowance for expected credit losses	(1,021,069)	(1,110,771)
	13,135,052	12,072,744
Advances to suppliers and sub-contractors	4,167,584	4,044,447
Margin receivables, net ⁽ⁱ⁾	2,736,987	2,110,218
Receivable under sale purchase agreements ⁽ⁱⁱ⁾	1,585,949	1,983,110
Prepayments	1,210,905	948,389
Retention receivables, net	1,174,145	734,838
Advances paid towards investments	434,719	720,478
Receivables relating to project finance	140,263	144,125
Unbilled revenue	374,787	145,804
Accrued interest/ profit receivable	120,750	54,410
Due from security markets	4,938	20,342
Government funded programs receivables	-	1,740,078
Subsidy receivable from Government ⁽ⁱⁱⁱ⁾	-	961,380
Reinsurance receivables	-	199,780
Deferred commission expense	-	33,481
Deposits and other receivables	3,297,644	2,901,210
	28,383,723	28,814,834
Less: non-current portion	(2,922,578)	(2,674,851)
	25,461,145	26,139,983

Non-current portion consists of the following:

Receivable under sale purchase agreement ⁽ⁱⁱ⁾	1,236,517	1,647,558
Trade receivables, net of allowance for expected credit losses	1,122,292	761,571
Retention receivable, net	266,012	54,303
Receivables relating to project finance	131,940	135,262
Other non-current receivables	165,817	76,157
	2,922,578	2,674,851

- (i) Margin receivables relate to receivables from customers from margin trading services. As at 31 December 2023, the securities available in the margin trading account amounted to AED 7,794,556 thousand (2022: AED 6,849,921 thousand), which are held as collateral against the margin receivables. There were no provision for impairment on margin trade receivables as of 31 December 2023 (2022: AED 43 thousand).

- (ii) During 2022, the Group entered into an agreement to acquire equity shares. As per the agreement, the Group is entitled to receive a guaranteed return over a period of time reduced by any dividends that may be declared and paid by the investee. Accordingly, the Group recognised a non-current receivable of AED 1.94 billion on the transaction date, using a discount rate of 8%, with a corresponding deferred income.

International Holding Company PJSC

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31 December 2023

14 TRADE AND OTHER RECEIVABLES continued

(iii) Movement in subsidy receivable from Government, relating to an insurance product offered by a subsidiary of the Group, is as follows:

	2023 AED'000	2022 AED'000
Balance at 1 January	961,380	-
Acquired in business combination	-	930,159
Subsidy earned	239,903	208,414
Funds collected	-	(177,193)
Derecognition of a subsidiary	(1,201,283)	-
Balance at 31 December	-	961,380

The average credit period on sale of goods and rendering of services is 30 - 90 days. No interest is charged on the outstanding trade receivables.

The Group measures the loss allowance for trade receivables, contract assets and other receivable at an amount equal to lifetime ECL. The expected credit losses on financial assets and contract assets are estimated using a provision matrix based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Below is the information about the credit risk exposure on the Group's trade receivables:

	Total AED'000	Not past due AED'000	<30 days AED'000	31-60 days AED'000	61-120 days AED'000	121-360 days AED'000	>360 days AED'000
31 December 2023							
Expected credit loss rate		0.34%	1.08%	1.92%	1.68%	6.98%	38.72%
Estimated total gross carrying amount at default	14,156,121	6,551,819	1,546,444	1,579,905	1,283,172	965,719	2,229,062
Life time ECL	1,021,069	22,073	16,750	30,269	21,582	67,363	863,032
31 December 2022							
Expected credit loss rate		0.89%	1.01%	5.91%	5.32%	11.27%	38.31%
Estimated total gross carrying amount at default	13,183,515	5,300,508	1,511,656	982,605	1,423,494	2,237,250	1,728,002
Life time ECL	1,110,771	47,423	15,279	58,109	75,692	252,227	662,041

The movement in the allowance for expected credit losses on trade receivables during the year is as follows:

	2023 AED'000	2022 AED'000
Balance at 1 January	1,110,771	433,312
Acquired in business combinations	72,964	507,566
Charge for the year (note 32)	34,555	266,994
Derecognition of subsidiaries	(141,594)	(3,602)
Transfer from ECL on balances due from related parties (note 35.1)	2,985	1,959
Written off during the year	(58,612)	(95,458)
Balance at 31 December	1,021,069	1,110,771

International Holding Company PJSC

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31 December 2023

15 BIOLOGICAL ASSETS

	2023 AED'000	2022 AED'000
<i>Immature livestock</i>		
- Cows	39,377	-
- Camels	6,006	-
	45,383	-
<i>Mature livestock</i>		
- Cows	46,442	-
- Camels	5,598	-
	52,040	-
Plants	-	273
Sheep	19,039	27,008
Chicken	11,738	6,140
Fish, caviar and shrimps	67,873	51,500
	98,650	84,921
	196,073	84,921

Movement in biological assets is as follows:

	2023 AED'000	2022 AED'000
At 1 January	84,921	30,636
Acquired in business combinations (note 6.1)	109,536	22,916
Additions	52,568	7,691
Depreciation capitalised (note 7)	16,314	1,270
Disposals	(42,915)	(1,054)
Depreciation for the year (note 31)	(16,982)	(5,870)
Change in fair value, net of impairment losses (note 34)	(7,369)	29,332
At 31 December	196,073	84,921

Biological assets are classified in the consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Current	40,643	35,246
Non-current	155,430	49,675
	196,073	84,921

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31 December 2023

16 DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed for sale. Land granted without consideration to the Group is accounted for at nominal value.

Movement during the year is as follows:

	2023 AED'000	2022 AED'000
At 1 January	6,990,398	1,737,183
Acquired in business combinations (note 6.2)	1,152,558	3,678,915
Development costs incurred during the year	5,284,627	2,651,727
Transferred from investment properties ⁽ⁱ⁾ (note 9)	-	1,393,699
Transferred from inventories (note 13)	882,063	426,622
Transferred to property, plant and equipment ⁽ⁱⁱ⁾ (note 7)	(22,597)	-
Transferred to investment properties ⁽ⁱⁱⁱ⁾ (note 9)	(316,531)	(24,949)
Transferred to inventories (note 13)	(44,391)	(206,280)
Recognised in direct costs of properties sold	(3,674,913)	(1,804,757)
Project costs written-off ^(iv) (note 31)	(133,216)	(37,715)
Foreign exchange difference	(443,679)	(824,047)
	9,674,319	6,990,398
Less: provision for impairment	(563,925)	(622,850)
At 31 December	9,110,394	6,367,548

- (i) During 2022, investment properties with a carrying value of AED 1,393,699 thousand were transferred to development work-in-progress due to change in use, as the Group commenced development of such properties with a view to sell. There were no such transfers during the year.
- (ii) During the year, the Group transferred development work-in-progress with a carrying value of AED 22,597 thousand to property, plant and equipment due to change in use, as the Group intends to construct labor camps on the land.
- (iii) During the year, the Group transferred development work-in-progress with a carrying value of AED 316,531 thousand (2022: AED 24,949 thousand) to investment properties due to change in use, as these properties are under development for lease and management intends to lease these properties on completion.
- (iv) During the year, project costs of AED 133,216 thousand (AED 37,715 thousand) were written-off. These costs relate to non-viable design/ uses and other costs relating to projects under planning which management considers not feasible to continue.

There are no borrowing costs capitalised within development work-in-progress during the year (2022: nil).

Movement in provision for impairment is as follows:

	2023 AED'000	2022 AED'000
At 1 January	622,850	387,359
(Reversal) charge for the year, net ⁽ⁱ⁾ (note 31)	(52,927)	235,491
Write off during the year	(5,998)	-
At 31 December	563,925	622,850

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

16 DEVELOPMENT WORK-IN-PROGRESS continued

- (i) During the year, the Group determined the net realisable value of its development work in progress and concluded that the carrying value was lower than the net realisable value for certain projects and accordingly a net reversal of provision of impairment amounting to AED 52,927 thousand was recorded (2022: carrying value higher than net realisable value by AED 235,491 thousand). The estimates of net realisable values are based on the most reliable evidence available at the reporting date, of the amount that the Group is expected to realise in its ordinary course of business. These estimates also take into consideration the purpose for which the asset is held.

17 CONTRACT ASSETS

Amounts relating to contract assets are balances due from customers under contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

	2023 AED'000	2022 AED'000
Contract assets	9,088,213	6,115,434
Contract costs ⁽ⁱ⁾	1,047,327	1,708,665
Reinsurance contract assets (note 28)	-	394,127
	10,135,540	8,218,226
Less: allowance for expected credit losses	(158,925)	(89,970)
	9,976,615	8,128,256

- (i) Contract costs represents costs incurred on projects, on which the Group is not contractually entitled to recognise revenue until various work packages are completed and handed over. While the work packages are yet to be handed over up to 31 December 2023, commencing from the year 2024, a number of packages are scheduled to be completed and handed over, which will result in winding down of the balance throughout the remaining contractual period.

The movement in the allowance for expected credit loss against contract assets during the year is as follows:

	2023 AED'000	2022 AED'000
At 1 January	89,970	103,478
Acquired in business combinations	2,000	-
Charge (reversal) for the year, net (note 32)	69,573	(14,285)
Transfer from allowance from expected credit losses against amounts due from related parties	-	777
Written off during the year	(2,618)	-
At 31 December	158,925	89,970

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31 December 2023

18 CASH AND CASH EQUIVALENTS

	2023 AED'000	2022 AED'000
Cash on hand	45,112	28,281
Bank balances:		
Current and call accounts	16,618,902	18,963,877
Group's bank accounts for clients' deposits ⁽ⁱ⁾	5,485,675	4,741,008
Term deposits	11,142,343	13,287,836
Margin accounts	94,242	16,380
Wakala deposits with Islamic financial institutions	563,286	223,816
Less: allowance for expected credit loss	(31,001)	(31,056)
Cash and bank balances	33,918,559	37,230,142
Less: term deposits and margin accounts with an original maturity of more than three months	(3,335,165)	(4,097,079)
Less: restricted cash ⁽ⁱⁱ⁾	(8,020,227)	(5,540,613)
Less: Wakala deposits with Islamic financial institutions	(242,572)	(171,617)
Less: Group's bank accounts for clients' deposits	(5,485,675)	(4,741,008)
Less: bank overdrafts (note 24)	(787,676)	(38,688)
	16,047,244	22,641,137
Add: cash and bank balances attributable to a subsidiary held for sale (note 19.2)	36,394	2,048
Cash and cash equivalents	16,083,638	22,643,185

(i) In accordance with the regulations issued by the Emirates Securities and Commodities Authority ("ESCA"), a subsidiary of the Group maintains separate bank accounts for advances received from its customers ("clients' deposits"). The clients' deposits are not available to the Group other than to settle transactions executed on behalf of the customers. Although the use of the clients' deposits by the Group is restricted, they have been presented on the consolidated statement of financial position as notified by ESCA.

(ii) Restricted cash mainly includes an amount of AED 6,624,183 thousand (2022: AED 2,970,712 thousand), which are deposited into escrow accounts representing cash received from customers against the sale of development properties. The remaining balance of restricted cash mainly represent balances designated against government projects and dividends payable for which separate bank accounts are maintained.

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirham and earn interest at market rates. These deposits have original maturity between 1 to 12 months.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

	2023 AED'000	2022 AED'000
Assets held for sale – buildings (note 19.1)	-	1,256,424
Discontinued operations (note 19.2)	1,348,827	683,327
	1,348,827	1,939,751
Liabilities directly associated with discontinued operations (note 19.2)	41,986	8,015

19.1 Assets held for sale – buildings

Buildings

Al Tamouh Investments Company LLC, a subsidiary, entered into a sale and purchase agreement in respect of one of its assets, having a net book value of AED 385,119 thousand. As at 31 December 2023, the sale was finalised resulting in a gain on sale of AED 35,987 thousand.

Property, plant and equipment and investment properties

During 2022, Q Holding PSC, a subsidiary, committed based on a sale and purchase agreement to sell its property, plant and equipment and investment properties relating to the Traditional Souq project with carrying value of AED 137,215 thousand (note 7) and AED 734,090 thousand (note 9) respectively. As at 31 December 2023, the sale was finalised resulting in a gain on sale of AED 182,361 thousand.

Total gain on the completion of the above sale of assets resulted in a gain of AED 218,348 thousand (note 34).

The movement during the year is as follows:

	2023 AED'000	2022 AED'000
At 1 January	1,256,424	394,250
Transfer from investment properties (note 9)	-	734,090
Transfer from property, plant and equipment (note 7)	-	137,215
Completed sales during the year ⁽ⁱ⁾	(1,256,424)	(9,131)
At 31 December	-	1,256,424

(i) During 2021, the Group entered into sale and purchase agreements for 5 commercial units that were previously classified under investment properties. During 2022, the units with a value of AED 9,131 thousand were sold in full.

19.2 Discontinued operations

Paragon Malls LLC ("Paragon")

On 31 October 2020, the Group signed a sale and purchase agreement to sell a subsidiary, Paragon Mall LLC. During 2021, a loan amounting to AED 242,422 thousand was settled, in order to meet one of the conditions precedent set in the sale and purchase agreement. As at 31 December 2023, the sale was not completed.

Holiday Inn Abu Dhabi ("Holiday Inn")

Holiday Inn Abu Dhabi, a subsidiary classified as held for sale, became part of the Group as a result of the acquisition of Q Holding PSC in 2021. Prior to acquisition, the buyer and Q Holding entered into a sale and purchase agreement for the sale of Holiday Inn and accordingly, the subsidiary was classified under discontinued operations. The sale of Holiday Inn was not completed at 31 December 2023.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19 DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE continued

19.2 Discontinued operations continued

Transcend Blocker. INC (“Transcend”)

During the year, the Group decided to dispose of Transcend Blocker INC., a subsidiary, therefore classifying it under discontinued operations as at 31 December 2023. Subsequent to the year end, the sale of Transcend was completed on 9 January 2024.

The carrying value of the assets and liabilities of each discontinued operations as of 31 December 2023 and 2022 are as follows:

	<i>Paragon 2023 AED'000</i>	<i>Holiday Inn 2023 AED'000</i>	<i>Transcend 2023 AED'000</i>	<i>Total 2023 AED'000</i>	<i>Paragon 2022 AED'000</i>	<i>Holiday Inn 2022 AED'000</i>	<i>Total 2022 AED'000</i>
ASSETS							
Property, plant and equipment – building	503,096	162,080	-	665,176	503,096	162,080	665,176
Investment in associates and joint ventures	-	-	626,061	626,061	-	-	-
Trade and other receivables	9,859	5,930	5,093	20,882	9,859	5,930	15,789
Inventories	-	223	-	223	-	223	223
Due from related parties	-	91	-	91	-	91	91
Cash and bank balances	-	2,048	34,346	36,394	-	2,048	2,048
TOTAL ASSETS	512,955	170,372	665,500	1,348,827	512,955	170,372	683,327
LIABILITIES							
Employees’ end of service benefits	-	867	-	867	-	867	867
Contract liabilities	408	-	-	408	408	-	408
Trade and other payables	-	6,740	33,971	40,711	-	6,740	6,740
TOTAL LIABILITIES	408	7,607	33,971	41,986	408	7,607	8,015
NET ASSETS	512,547	162,765	631,529	1,306,841	512,547	162,765	675,312

Building held for sale with a carrying value of AED 162,080 thousand (2022: AED 162,080 thousand) are mortgaged as security against borrowings (note 24).

The results of operations of the discontinued subsidiaries were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

20 SHARE CAPITAL

	<i>2023 AED'000</i>	<i>2022 AED'000</i>
<i>Authorised issued and fully paid</i>		
2,193,540 thousand shares of AED 1 each		
(31 December 2022: 2,193,540 thousand shares of AED 1 each)	<u>2,193,540</u>	<u>2,193,540</u>

In the General Assembly Meeting held on 9 November 2022, the shareholders approved to increase the share capital of the Company from AED 1,821,429 thousand to AED 2,193,540 thousand, through the issuance of 372,111 thousand new shares with a fair value of AED 151,560,938 thousand in order to acquire additional shareholding in existing subsidiaries, namely Alpha Dhabi Holding PJSC, Multiply Group PJSC and Al Seer Marine Supplies and Equipment Company PJSC (note 6.6(b)(E)). The issuance of the new shares resulted in a share premium of AED 151,188,827 thousand. The transaction was executed and completed on 25 November 2022.

During the year, in the Annual General Meeting held on 19 April 2023, the shareholders approved the transfer of AED 127,639,366 thousand from share premium to merger, acquisition and other reserves and the transfer of AED 23,549,461 thousand from share premium to retained earnings.

International Holding Company PJSC

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21 STATUTORY RESERVE

In accordance with UAE Federal Law No. (32) of 2021 and the Company’s Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

22 HYBRID EQUITY INSTRUMENTS

Aldar Investment Properties LLC, a subsidiary, had issued hybrid equity instruments in two tranches to an investor (“Noteholder”) worth USD 500 million (the “Notes”). The first tranche amounting to USD 310.5 million was received during March 2022 and the second tranche of USD 189.5 million was received during April 2022.

Issuance period	Issued amount	Coupon rate
March 2022	USD 310.5 million (AED 1,140 million)	Fixed interest of 5.625% with a reset after 15 years
April 2022	USD 189.5 million (AED 696 million)	Fixed interest of 5.625% with a reset after 15 years

As per the terms of the agreement, the Notes do not have any maturity date and the Group may elect at its sole discretion not to pay interest on the Note and the Noteholder does not have a right to claim such interest. Such event will not be considered an Event of Default. Pursuant to the terms and conditions of the agreement, the instrument is classified as hybrid equity instrument in line with the requirements of *IAS 32 Financial Instruments: Presentation*.

Transaction costs of AED 20,604 thousand related to issuance of the Notes were recorded directly in equity.

The movement in hybrid equity instruments net off transaction costs is as follows:

	<i>2023 AED'000</i>	<i>2022 AED'000</i>
At 1 January	1,815,646	-
Acquired in business combinations (note 6.2(b))	-	1,126,639
Proceeds from issuance of second tranche	-	689,007
	<u>1,815,646</u>	<u>1,815,646</u>

During the year, the Group paid a coupon amounting to AED 103,289 thousand (2022: AED 51,645 thousand) on the hybrid instrument.

23 EMPLOYEES’ END OF SERVICE BENEFITS

	<i>2023 AED'000</i>	<i>2022 AED'000</i>
At 1 January	2,771,254	809,804
Acquired in business combinations (note 6.1 & 6.2)	212,894	1,816,532
Charge for the year	335,696	303,005
Actuarial loss recognised in other comprehensive income	-	35,748
Derecognition on disposal of subsidiaries (note 6.4(a))	(1,541,480)	(2,858)
Paid during the year	(263,458)	(191,528)
Transfer from related parties	<u>681</u>	<u>551</u>
	<u>1,515,587</u>	<u>2,771,254</u>

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24 BORROWINGS

Movement in borrowings during the year is as follows:

	2023 AED'000	2022 AED'000
Balance at 1 January	36,319,442	8,421,423
Acquired in business combinations (note 6.1 & 6.2)	913,801	5,654,889
Drawdowns during the year	18,088,956	33,572,235
Derecognition of a subsidiaries (note 6.4)	(293,131)	(3,429)
Foreign exchange difference	(119,911)	(174,229)
Repayments during the year	(11,914,130)	(11,151,447)
	42,995,027	36,319,442
Less: unamortised transaction cost	(59,711)	(52,725)
Balance at 31 December	42,935,316	36,266,717

Disclosed in the consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Non-current portion	36,613,733	33,829,725
Current portion	6,321,583	2,436,992
	42,935,316	36,266,717

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31 December 2023

24 BORROWINGS continued

Borrowings from financial institutions	Interest rates	Maturity	2023 AED'000	2022 AED'000	Instalments	Purpose	Security
Term loan 1	EIBOR + 3%	March 2025	25,790	40,437	Quarterly	To finance the construction of a factory	Corporate guarantee and mortgage over the asset
Term loan 2	EIBOR + 1.85%	December 2023	-	10,640	Semi-annual	To finance the construction of a plant	Mortgage over the asset, including Mustaha rights over the plot and subordination of a loan from a related party
Term loan 3	EIBOR + 1.85%	December 2024	74,864	111,885	Annual	To finance the construction of a plant	Personal guarantee of a related party and mortgage of the asset
Term loan 4	EIBOR + 1.85%	September 2030	83,656	95,648	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 5	EIBOR + 1.85%	December 2027	129,830	139,106	Quarterly	To finance the construction of a plant	Mortgage over the asset and an irrevocable corporate guarantee of a related party
Term loan 6	3.25% - 4.41%	November 2025	35,836	33,517	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank, assignment of insurance policy over financed motorcycles and motor vehicles
Term loan 7	3.25%	November 2024	1,069	6,783	Monthly	To finance the purchase of motor vehicles	Personal guarantees of the shareholders of the subsidiary, updated cheque drawn on customer account, general assignment of receivables and proceeds in favor of the bank
Term loan 8	EIBOR + 2.4%	September 2024	43,153	100,753	Quarterly	Project financing	Assignment of project proceeds and first degree mortgage over certain properties
Term loan 9	EIBOR + 1.3%	March 2029	192,049	219,084	Quarterly	To finance the construction of residential apartments	Assignment of property proceeds and a first degree mortgage over the asset
Term Loan 10	EIBOR + 2%	September 2025	21,344	31,439	Semi- annual	Project financing	Corporate guarantees of related parties, mortgage over certain properties, including assignment of insurance policy of and rental proceeds from the mortgaged properties
Term Loan 11	3.75% up to 31 December 2023 and subsequently EIBOR + 2%	December 2028	223,622	239,708	Quarterly	General corporate purpose	First degree mortgage over a plot of land, irrevocable corporate guarantee and irrevocable assignment of project profits pertaining to the 1,500 Government Villa West Baniyas Project (as and when the project is awarded)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term Loan 12	EIBOR + 2.5% (minimum 3%)	June 2030	107,623	110,608	Quarterly	General corporate purpose	Unsecured
Term Loan 13	EIBOR + 2.5%	October 2026	54,613	78,613	Quarterly	Construction of factory building	Irrevocable corporate guarantees and mortgage over certain properties, including assignment of insurance policy of the mortgaged properties
Term Loan 14	EIBOR + 2.25%	December 2023	6,000	24,000	Quarterly	Project financing	Projects proceeds
Term Loan 15	EIBOR + 2.65%	December 2026	-	441,698	Quarterly	Investment purpose	Projects proceeds
Term Loan 16	LIBOR + 0.90%	March 2027	844,721	1,109,155	Quarterly	Project financing	Mortgage of property, plant and equipment
Term Loan 17	EIBOR + 1.15%	December 2026	185,414	217,414	Quarterly	To finance the purchase of a machinery	Mortgage over the asset acquired and assignment of insurance policy of the asset acquired
Term Loan 18	2.75%	December 2025	158,151	194,295	Annual	To finance purchase of a hotel	Mortgage over the assets
Term Loan 19	2.5%	October 2028	367,568	367,500	Semi-annual	To finance construction of a factory	Unsecured
Term Loan 20	EIBOR + 1.85%	February 2028	179,445	234,445	Semi-annual	To finance purchase of a hotel	Mortgage over the asset, including assignment of insurance policy of the mortgaged asset
Term Loan 21	2%	April 2024	1,500,000	1,500,000	Bullet payment on maturity	To finance the investment in financial asset	Custody of financial instruments covering minimum of 200% of the facility amount and assignment of related dividend proceeds
Term loan 22	EIBOR + 2%	September 2025	-	30,557	Quarterly	To finance the purchase of machinery and equipment	Corporate guarantee
Term loan 23	3.6% - EIBOR + 1.9%	December 2029	113,884	85,821	Quarterly	To finance the purchase of equipment and vehicles	Corporate guarantees and mortgage over the assets
Term loan 24	EIBOR +2%	February 2027	56,874	69,999	Quarterly	To finance the construction of warehouse	Pledge and hypothecation of inventories and movables over stocks and deed of assignment of receivables

International Holding Company PJSC

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31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 25	3.4%	September 2024	71	161	Monthly	To finance the purchase of vehicles	Mortgage over the asset
Term loan 26	LIBOR + 2.25%	January 2032	191,298	84,574	Quarterly	Project financing	Mortgage of investment property
Term loan 27	EIBOR + 3.5%	November 2036	-	294,316	Quarterly	Investment purposes	Secured on movable assets and shares
Term loan 28	2.85% - EIBOR + 3.5%	February 2027	2,079,354	1,819,354	Two equal instalments during 2025 and 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends
Term loan 29	EIBOR + 1.70%	May 2027	4,500,000	2,760,000	Two equal instalments during May 2025 and May 2027	Investment purposes	Pledge of shares covering minimum of 154% of the facility amount
Term loan 30	EIBOR + 0.88%	May 2032	390,257	436,169	Quarterly	Finance acquisition of vessels	Mortgage of vessel acquired
Term loan 31	EIBOR + 1%	March 2025	419,949	419,949	Revolving facility	General corporate purposes	Unsecured
Term loan 32	EIBOR + 2%	March 2025	(3,995)	295,305	Revolving facility	General corporate purposes	Unsecured
Term loan 33	EIBOR + 1.2%	March 2027	(4,404)	(4,427)	Revolving facility	General corporate purposes	Unsecured
Term loan 34	EIBOR + 1%	March 2025	469,320	469,166	Revolving facility	General corporate purposes	Unsecured
Term loan 35	EIBOR + 1%	March 2027	(6,165)	1,173,750	Revolving facility	General corporate purposes	Unsecured
Term loan 36	EIBOR + 1%	March 2027	(4,237)	(4,306)	Revolving facility	General corporate purposes	Unsecured
Term loan 37	EIBOR + 1%	June 2026	298,104	297,319	Revolving facility	General corporate purposes	Mortgage of retail and commercial properties

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 38	EIBOR + 2.25%	October 2027	-	94,626	Semi-annual	General corporate purposes	Assignment of receivables and insurance policies
Term loan 39	CBE Corridor + 0.9%	October 2027	65,304	81,578	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 40	CBE Corridor + 1.2% - 1.5%	December 2031	149,241	189,058	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 41	CBE Corridor + 0.7%	December 2024	55,935	29,814	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 42	CBE Corridor + 0.7% - 0.85%	June 2027	31,342	131,618	Quarterly	Project financing	Mortgage of property, assignment of receivables and insurance policies
Term loan 43	CBE Corridor + 1%	June 2028	26,429	37,172	Bullet payment on maturity	Project financing and general corporate purposes	Mortgage of property, assignment of receivables and insurance policies
Term loan 44	3.32%	December 2028	845,960	944,986	Semi-annual	To refinance existing debts	Mortgage of properties and pledge of shares
Term loan 45	EIBOR + 2.50%	January 2027	99,776	108,460	Semi-annual	To finance construction project	Mortgage of land plot
Term loan 46	EIBOR + 2.50%	January 2030	63,951	71,265	Semi-annual	To finance construction project	Mortgage of land plot
Term loan 47	EIBOR + 1.75%	February 2027	309,268	199,268	Two equal instalments one in 2025 and the second in 2027	Investment purposes	Pledge of shares covering minimum of 170% of the facility amount and assignment of related dividends
Term loan 48	3.5%	April 2027	3,675,000	3,675,000	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount

International Holding Company PJSC

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31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 49	3.5%	April 2027	3,675,000	3,675,000	Two equal instalments one in April 2025 and the second in April 2027	Investment purposes	Pledge of shares covering minimum of 200% of the facility amount
Term loan 50	SOFR + Variable Margin	October 2023	-	60,039	Bullet payment on maturity	Investment purposes and working capital purposes	Mortgage of assets.
Term loan 51	EIBOR +2%	October 2023	-	1,207	Revolving facility	To support working capital	Corporate guarantee
Term loan 52	EIBOR +0.95%	September 2027	994,920	995,055	Bullet payment on maturity	General corporate purposes	Unsecured
Term loan 53	EIBOR +0.9%	September 2027	498,041	497,560	Revolving facility	General corporate purposes	Unsecured
Term loan 54	EIBOR +0.95%	September 2027	995,009	995,250	Bullet payment on maturity	General corporate purposes	Unsecured
Term loan 55	5.5%	July 2024	688	1,307	Monthly	To support working capital	Post dated cheques.
Term loan 56	5.6%	September 2025	16,308	24,955	Monthly	To fund acquisition of new subsidiary	Corporate guarantee of subsidiaries of the Company
Term loan 57	2.25%	April 2025	11,279	1,162	Monthly	To finance purchase of motor vehicle	Mortgage over the asset.
Term loan 58	3.88%	July 2027	5,996,988	5,996,150	Two equal bullet payments on July 2025 and July 2027	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount.
Term loan 59	3.88%	August 2025	1,000,000	1,000,000	Two equal bullet payments on February 2024 and August 2025	To finance the acquisition of investments.	Pledge of shares covering minimum of 200% of the facility amount.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 60	4.2%	August 2027	496,744	496,674	Two equal bullet payments on September 2025 and August 2027.	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 61	EIBOR + 0.85%	September 2025	333,134	499,684	Semi-annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 62	EIBOR + 2.25%	September 2026	-	5,600	Semi-annual	To finance the acquisition of properties	Mortgage of acquired properties
Term loan 63	4.99%	December 2027	400,000	500,000	Annual	Investment purposes	Mortgage over the acquired investment and assignment of related dividends
Term loan 64	EIBOR + 0.95%	September 2027	398,058	398,055	Bullet payment on maturity.	General corporate purposes	Unsecured
Term loan 65	EIBOR + 0.95%	November 2023	499,555	499,555	Bullet payment on maturity.	General corporate purposes	Mortgage of commercial properties
Term loan 66	EIBOR + 1.55%	February 2027	367,500	367,500	Two equal instalments in February 2025 and February 2027	Acquisition of vessels	Pledge of shares covering minimum of 200% of the facility amount and assignment of related dividends
Term loan 67	5.03%	December 2027	600,000	750,000	Annual	Investment purposes	Pledge of acquired investments.
Term loan 68	EIBOR + 4.50 % (minimum of 6%)	September 2024	303	-	Monthly	To finance the working capital	Corporate and personal guarantee
Term loan 69	EIBOR + 1.50%	July 2030	354,960	-	Fixed Monthly.	Investment purposes	Pledge of shares and corporate guarantee
Term loan 70	EIBOR + 1.10%	January 2028	400,000	-	Bullet payment on maturity	To finance construction project	Pledge of shares
Term loan 71	2.75%	April 2027	862	-	Monthly	To finance purchase of motor vehicle	Mortgage of vehicles

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 72	EIBOR + 1.70%	May 2024	447	-	Bullet payment on maturity	General corporate purposes	Unsecured
Term loan 73	EIBOR + 1% +3%	May 2028	1,545,000	-	Two equal instalments during May 2026 and May 2028	Investment purposes	Pledge of shares.
Term loan 74	EIBOR + 1.5%	May 2028	480,000	-	Quarterly	Investment purposes	Pledge of shares
Term loan 75	EIBOR + 0.91% (minimum 3%)	December 2029	490,000	-	Annual	To finance the working capital	Pledge of shares covering minimum of 165% of the facility amount
Term loan 76	EIBOR + 0.91% (minimum 3%)	December 2029	375,000	-	Annual	Investment purposes	Pledge of shares covering minimum of 165% of the facility amount
Term loan 77	EIBOR + 1.25%	September 2028	150,000	-	Annual	Finance the acquisition of a subsidiary	Unsecured
Term loan 78	5.5%	August 2027	104	-	Monthly	To finance the working capital	Post dated cheques
Term loan 79	SOFR + 2.3%	November 2026	275,500	-	Bullet payment on maturity	To finance the working capital	Mortgage over the asset
Term loan 80	EIBOR +0.85%	March 2026	832,823	-	Semi-annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 81	EIBOR +0.85%	June 2026	158,226	-	Semi annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 82	EIBOR +0.85%	September 2026	309,803	-	Semi annual	To finance the acquisition of investments	Pledge of shares covering minimum of 200% of the facility amount
Term loan 83	5.5%	October 2026	3,040	-	Monthly	To finance purchase of motor vehicle	Post dated cheques

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 84	EIBOR + 1.5%	November 2027	38,300	-	Quarterly	To finance the purchase of a factory premises	Mortgage over the assets
Term loan 85	CBE Corridor + 0.80%	December 2030	54,619	-	Quarterly	General corporate purposes	Commercial properties including land
Term loan 86	EIBOR + 0.85%	March 2029	498,687	-	Quarterly	General corporate purposes	Unsecured
Term loan 87	EIBOR + 0.70%	March 2024	299,271	-	Revolving facility	General corporate purposes	Unsecured
Term loan 88	EIBOR + 0.90%	June 2030	197,593	-	Quarterly	General corporate purposes	Unsecured
Term loan 89	SONIA + 2.95%	March 2024	529,415	-	Quarterly	General corporate purposes	Unsecured
Term loan 90	EIBOR + 0.70%	January 2024	102	-	Quarterly	General corporate purposes	Unsecured
Term loan 91	EIBOR + 0.75%	December 2028	(4,917)	-	Revolving facility	General corporate purposes	Unsecured
Term loan 92	20.00%	January 2026	5,395	-	Monthly	To fund the working capital	Equity terms placed upon the debt
Term loan 93	6.5%	April 2024	245	-	Monthly	Working capital requirements	Post dated cheques
Term loan 94	5%	January 2025	2,369	-	Monthly	Working capital requirements	Assignment of contractor's vehicle insurance policy in favour of the bank, mortgage of vehicle favoring the bank and a security cheque drawn in favour of the bank
Term loan 95	EIBOR + 1.85%	November 2029	33,000	-	Quarterly	To finance the construction of a plant	mortgage of plant and machineries of the district cooling plant and an irrevocable corporate guarantee
Term loan 96	4.95%	Jan 2024	111,793	-	Quarterly	General corporate purposes	Unsecured

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED'000</i>	<i>2022 AED'000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Term loan 97	EIBOR +0.91%	January 2028	365,000	-	Annual	Investment purposes	Mortgage over the acquired investment and assignment of related dividends
Short term loan I	EIBOR + 3%	150 days	10,576	9,582	Bullet payment on maturity	Working capital requirements	Corporate guarantee and assignment of insurance policy
Short term loan II	EIBOR + 3.5%	90-120 days	-	4,771	Bullet payment on maturity	Working capital requirements	Personal and corporate guarantees and assignment of receivables
Short term loan III	EIBOR + 3%	30-90 days	-	1,159	Bullet payment on maturity	To finance the construction of waste heat recovery plant	Pledge over the asset and assignment of comprehensive insurance policy on waste heat recovery plant
Short term loan IV	14%	May 2023	-	195	Monthly	To finance purchase of inventory	Cheque in favor of bank covering 120% of principal amount
Short term loan V	10%	April 2023	-	500	Bullet payment on maturity	Working capital requirement	Unsecured
Short term loan VI	SONIA+ Variable margin	October 2023	-	112,265	Bullet payment on maturity	Investment & working capital	Mortgage over assets
Short term loan VII	SOFR + Variable margin	October 2023	-	36,828	Bullet payment on maturity	Investment & working capital	Mortgage over assets
Short term loan VIII	SONIA+ Variable margin	October 2023	-	13,331	Quarterly	To support working capital	Mortgage over assets
Short term loan IX	EIBOR + 2.25%	April 2023	-	2,602	Quarterly	To support working capital	Corporate and personal guarantee
Short term loan X	EIBOR + 2.25%	March 2023	-	6,803	Annual	To support working capital	Corporate and personal guarantee
Short term loan XI	EIBOR + 3%	April 2023	-	2,613	Quarterly	To support working capital	Corporate and personal guarantee
Short term loan XII	4%	October 2023	-	8,887	Two equal instalments during April and October 2023	To support working capital	Unsecured

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

24 BORROWINGS continued

<i>Borrowings from financial institutions</i>	<i>Interest rates</i>	<i>Maturity</i>	<i>2023 AED '000</i>	<i>2022 AED '000</i>	<i>Instalments</i>	<i>Purpose</i>	<i>Security</i>
Short term loan XIII	EIBOR + 2.00% (minimum rate of 4.5 %)	April 2024	8,024	-	120 days Maturity from Invoice date	To support working capital	10% Cash margin to be maintained
Short term loan XIV	3%-5.51%	November 2027	1,007	-	Monthly	To finance purchase of motor vehicle	Mortgage over the assets
Trust receipts	Various rates	Various	280,605	166,460			
Bank overdraft	EIBOR + margin	90 to 180 days	787,676	38,688		To meet working capital requirements and daily operations	Partially secured against approved payment certificates
Total borrowings			42,935,316	36,266,717			

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
31 December 2023

24 BORROWINGS continued

Term loan 32,33,35, 36 and 91

There were no drawdowns taken by the Group on these revolving loan facilities as at 31 December 2023. Further, the transaction costs relating to these loans were settled by the Group.

Borrowing cost included in the cost of qualifying assets for the year was AED 6,345 thousand (2022: AED 8,485 thousand).

Borrowings are denoted in the following currencies:

	<i>2023 AED '000</i>	<i>2022 AED '000</i>
United Arab Emirates Dirham (AED)	40,072,934	33,810,603
United States Dollar (USD)	1,561,738	1,755,524
Egyptian Pound (EGP)	382,870	469,240
Great Britain Pound (GBP)	916,708	231,350
Euro (EUR)	447	-
Indian Rupee (INR)	619	-
	<u>42,935,316</u>	<u>36,266,717</u>

Movement of unamortised transaction cost during the year is as follows:

	<i>2023 AED '000</i>	<i>2022 AED '000</i>
Balance at 1 January	52,725	13,486
Acquired in business combinations	-	28,372
Paid during the year	11,146	23,071
Amortised during the year (note 38)	(4,151)	(12,067)
Foreign exchange difference	(9)	(137)
	<u>59,711</u>	<u>52,725</u>

The following table details the Group’s remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of borrowings based on contractual undiscounted payments.

	<i>2023 AED '000</i>	<i>2022 AED '000</i>
On demand	787,676	38,688
Less than 3 months	1,079,408	521,096
After 3 months but no more than 12 months	5,965,776	2,689,488
After one but not more than five years	38,970,877	35,769,955
More than 5 years	856,917	1,216,468
	<u>47,660,654</u>	<u>40,235,695</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

25 NON-CONVERTIBLE SUKUK

Sukuk launched in 2018 (“Sukuk 1”)

On 1 October 2018, Aldar Sukuk Ltd., a subsidiary acquired during the prior year, issued non-convertible sukuk for a total value of AED 1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 4.750% per annum payable semi-annually and due for repayment in September 2025.

	2023 AED'000	2022 AED'000
Balance at 1 January	1,847,444	-
Acquired in business combinations (note 6.2(b))	-	1,900,622
Accrued profit	73,173	58,164
Amortisation of issue costs	4,706	3,442
Other movement	-	(78,432)
Less: settled during the year	<u>(73,179)</u>	<u>(36,352)</u>
	<u>1,852,144</u>	<u>1,847,444</u>

Sukuk launched in 2019 (“Sukuk 2”)

On 22 October 2019, Aldar Sukuk (No.2) Ltd., a subsidiary acquired during the prior year, issued non-convertible sukuk for a total value of AED1,836,750 thousand (USD 500,000 thousand), carrying a profit rate of 3.875% per annum payable semi-annually and due for repayment in October 2029.

	2023 AED'000	2022 AED'000
Balance at 1 January	1,834,472	-
Acquired in business combinations (note 6.2(b))	-	1,831,759
Accrued profit	41,511	41,518
Amortisation of issue costs	4,832	1,418
Other movement	-	18,891
Less: settled during the year	<u>(41,713)</u>	<u>(59,114)</u>
	<u>1,839,102</u>	<u>1,834,472</u>

Sukuk launched in 2023 (“Sukuk 3”)

During the year, Aldar Investment Properties Sukuk 3 Limited, a subsidiary, issued non-convertible sukuk for a total value of AED 1,836,250 thousand (USD 500,000 thousand), carrying a profit rate of 4.875% per annum payable semi-annually and due for repayment in May 2033.

	2023 AED'000	2022 AED'000
Gross value of issue	1,836,250	-
Discount on issue	<u>(22,313)</u>	<u>-</u>
Net proceeds from issue	1,813,937	-
Issue costs	(12,863)	-
Accrued profit	31,580	-
Amortisation of issue costs	1,434	-
Less: settled during the year	<u>(22,380)</u>	<u>-</u>
	<u>1,811,708</u>	<u>-</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

25 NON-CONVERTIBLE SUKUK continued

Non-convertible sukuk are disclosed in the consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Current portion	46,098	37,104
Non-current portion	<u>5,456,856</u>	<u>3,644,812</u>
	<u>5,502,954</u>	<u>3,681,916</u>

26 DERIVATIVE FINANCIAL INSTRUMENTS

In order to reduce the Group's exposure to interest rate fluctuations on variable interest-bearing borrowings and to cover specific foreign currency payments and receipts, the Group has entered into interest rate swap and interest rate cap arrangements and forward currency contracts with counter-party banks, generally for amounts matching to those particular borrowings.

Derivatives designated as hedging instruments:

	Fix leg on instrument	Notional amount AED'000	Assets AED'000	Liabilities AED'000
31 December 2023				
- Foreign exchange forward contracts		164,255	-	(9,790)
- Interest rate swaps	0.80%	422,338	<u>24,602</u>	<u>-</u>
			<u>24,602</u>	<u>(9,790)</u>
31 December 2022				
- Foreign exchange forward contracts		644,445	-	(47,236)
- Interest rate swaps	0.80% - 2.82%	2,023,578	<u>248,792</u>	<u>-</u>
			<u>248,792</u>	<u>(47,236)</u>

Derivatives not designated as hedging instruments:

	Fix leg on instrument	Notional amount AED'000	Assets AED'000	Liabilities AED'000
31 December 2023				
- Interest rate swaps	4.27%	355,501	-	(2,348)
- Interest rate cap	2.52% - 3.00%	441,664	<u>8,311</u>	<u>-</u>
			<u>8,311</u>	<u>(2,348)</u>
31 December 2022				
- Interest rate swaps	4.27%	470,314	<u>-</u>	<u>(2,935)</u>

Derivative financial instruments are disclosed in the consolidated statement of financial position as follows:

	Assets		Liabilities	
	2023 AED'000	2022 AED'000	2023 AED'000	2022 AED'000
Current	24,602	41,747	12,138	50,171
Non-current	<u>8,311</u>	<u>207,045</u>	<u>-</u>	<u>-</u>
	<u>32,913</u>	<u>248,792</u>	<u>12,138</u>	<u>50,171</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

27 TRADE AND OTHER PAYABLES

	2023 AED'000	2022 AED'000
Provisions, accruals and other payables	16,844,426	18,674,831
Trade payables	6,951,331	5,276,185
Payable to customers relating to brokerage business	5,410,851	4,123,980
Payable for the acquisition of land ⁽ⁱ⁾	3,602,076	189,727
Retention payable	2,210,846	2,526,422
Deferred income	1,500,003	1,818,655
Payable to a government authority for purchase of lands	695,829	778,469
Payables related to government funded programs	-	1,870,024
Insurance and reinsurance payables	-	984,236
Deferred government grant	-	42,143
	<u>37,215,362</u>	<u>36,284,672</u>
Less: non-current portion	<u>(5,794,202)</u>	<u>(3,334,080)</u>
	<u>31,421,160</u>	<u>32,950,592</u>
Non-current portion consists of the following:		
Payable for the acquisition of land ⁽ⁱ⁾	3,197,385	184,557
Deferred income	1,075,473	1,431,594
Payable to a government authority for purchase of lands	638,006	713,253
Retention payable	545,692	678,996
Trade payables	132,044	15,013
Deferred government grant	-	42,143
Other payables	<u>205,602</u>	<u>268,524</u>
	<u>5,794,202</u>	<u>3,334,080</u>

(i) Mainly represents the consideration payable for land plots on Al Fahid Island and 3 parcels of land in Dubai, which are payable over a period of 5 years and are recognised at the present value of the consideration payable (note 13).

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade payables.

28 CONTRACT LIABILITIES

Contract liabilities represent contracts for which consideration has been received by the Group, however, the performance obligation remains unsatisfied as at the reporting date, including construction contracts where a particular milestone payment exceeds the revenue recognised to date and contracts for goods or services where the transaction price is received by the Group before the control of promised goods or service is transferred to the customer.

	2023 AED'000	2022 AED'000
Amounts received in advance from customers	6,464,979	6,051,115
Amounts related to construction contracts	9,310,380	3,489,106
Amounts related to insurance contracts ⁽ⁱ⁾	<u>-</u>	<u>2,482,806</u>
	<u>15,775,359</u>	<u>12,023,027</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

28 CONTRACT LIABILITIES continued

(i) Amounts related to insurance contracts relate to a subsidiary derecognised during the year, National Health Insurance Company (Daman) PJSC.

	2023 AED'000	2022 AED'000
Insurance contract liabilities		
Claims incurred but not reported and claims reported but not approved	-	1,019,789
Unearned premiums	-	1,451,286
Unallocated loss adjustment expense reserve	<u>-</u>	<u>11,731</u>
Total liabilities as of year end	<u>=</u>	<u>2,482,806</u>
Reinsurance contract assets		
Reinsurance share of claims incurred but not reported and claims reported but not approved	-	(178,831)
Reinsurance share of profit commission	-	(7,799)
Reinsurance share of unearned premiums	<u>-</u>	<u>(207,497)</u>
Total reinsurance contract assets as of year end (note 17)	<u>=</u>	<u>(394,127)</u>
Insurance contract liabilities - net		
Claims incurred but not reported and claims reported but not approved (net)	-	840,958
Unearned premiums (net)	-	1,243,789
Unallocated loss adjustment expense reserve (net)	<u>-</u>	<u>11,731</u>
Net insurance contract liabilities	<u>=</u>	<u>2,096,478</u>

The gross and net claims incurred but not reported and claims reported but not approved, in addition to the unallocated loss adjustment expense reserve, were calculated by the Group's independent actuary.

International Holding Company PJSC

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31 December 2023

29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets:

	Land AED'000	Warehouses, office spaces, shops and cinema halls AED'000	Others AED'000	Total AED'000
2023				
At 1 January 2023	996,935	1,942,150	15,706	2,954,791
Acquired in business combinations (note 6.1(a) & 6.2(a))	4,346	525,074	-	529,420
Additions ⁽ⁱ⁾	112,667	204,332	5,470	322,469
Depreciation expense	(67,971)	(202,746)	(8,230)	(278,947)
Derecognition of a subsidiary ⁽ⁱⁱ⁾	-	(1,362,872)	(5,768)	(1,368,640)
Termination of a lease	(5,054)	(6,623)	-	(11,677)
Lease modifications	(2,249)	(72,360)	1,195	(73,414)
Reclassification	19,362	(19,362)	-	-
Exchange difference	594	3,347	(231)	3,710
At 31 December 2023	1,058,630	1,010,940	8,142	2,077,712

2022				
At 1 January 2022	600,214	369,838	761	970,813
Acquired in business combinations (note 6.1(b) & 6.2(b))	381,950	337,447	7,291	726,688
Additions	70,837	1,482,774	12,613	1,566,224
Depreciation expense	(56,797)	(162,377)	(5,289)	(224,463)
Derecognition on disposal of subsidiaries (note 6.4(b))	-	(1,070)	-	(1,070)
Termination of a lease	(6,885)	(9,194)	(62)	(16,141)
Lease modifications	7,634	1,226	-	8,860
Eliminated on acquisition of subsidiary ⁽ⁱⁱⁱ⁾	-	(75,089)	-	(75,089)
Exchange difference	(18)	(1,405)	392	(1,031)
At 31 December 2022	996,935	1,942,150	15,706	2,954,791

Right of use assets with a carrying value of AED 51,000 thousand (2022: AED 54,232 thousand) are pledged as security against borrowings (note 24).

Lease liabilities:

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2023 AED'000	2022 AED'000
As at 1 January	3,082,342	1,004,432
Acquired in business combinations (note 6.1(a) & 6.2(a))	526,516	757,876
Additions during the year ⁽ⁱ⁾	291,441	1,552,858
Interest expense (note 38)	98,450	89,491
Repayments made during the year	(281,891)	(228,178)
Derecognition of a subsidiary ⁽ⁱⁱ⁾	(1,469,222)	(1,133)
Termination of a lease	(4,830)	(13,643)
Lease modifications	(93,531)	8,860
Eliminated on acquisition of a subsidiary ⁽ⁱⁱⁱ⁾	-	(83,479)
Covid-19 related rent concessions (note 34)	-	(386)
Exchange difference	3,472	(4,356)
As at 31 December	2,152,747	3,082,342

International Holding Company PJSC

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29 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

- (i) During the year, ADMO Lifestyle Holding Limited, a subsidiary, acquired a 95% ownership interest in Monterock Investments Nedafushi Maldives, resulting in additions to right-of use assets and lease liabilities of AED 56,947 thousand and AED 29,207 thousand respectively. In accordance with the requirements of IFRS 3 Business Combinations, the acquisition was accounted for as an asset acquisition (note 6.3(a)).
- (ii) These amounts presented are net of elimination at the group level (note 6.4(a)).
- (iii) Represents elimination of a lease of Pure Health Holding LLC ("Lessee"), which become an intercompany lease, after the acquisition of Aldar Properties PJSC ("Lessor") in 2022.

Lease liabilities are disclosed in the consolidated statement of financial position as:

	2023 AED'000	2022 AED'000
Non-current portion	1,896,446	2,814,243
Current portion	256,301	268,099
	2,152,747	3,082,342

Maturity analysis of lease liabilities is disclosed in note 43.

The following are the amounts recognised in the consolidated statement of profit or loss:

	2023 AED'000	2022 AED'000
Depreciation expense (included in cost of revenue) (note 31)	57,336	48,841
Depreciation expense (included in general and administrative expenses) (note 32)	184,679	146,974
Depreciation expense (included in selling and distribution expenses) (note 33)	36,932	28,648
Expense relating to short-term leases	269,874	324,308
Interest expense on lease liabilities (included in finance cost) (note 38)	98,450	89,491
Covid-19 related rent concessions adjustment (note 34)	-	(386)
	647,271	637,876

International Holding Company PJSC

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30 REVENUE

	2023 AED'000	2022 AED'000
<i>Type of goods or services</i>		
Marine and dredging revenue	17,940,095	11,797,360
Construction and related services revenue	9,925,468	7,519,993
Developing of properties	6,401,343	4,085,237
Food and related non-consumable items	4,027,539	2,386,566
Rental income	3,823,022	2,827,270
Management of properties, facilities and development projects	3,309,837	1,420,921
Healthcare and other medical supplies	3,125,220	13,315,778
Manpower and consultancy services	2,131,054	769,697
Information technology related revenue	2,122,024	810,237
Hospitality and leisure revenue	1,553,797	1,177,786
Premiums and other insurance related revenue	1,466,282	1,050,133
Education and related services	686,579	453,160
Coaching and training services	673,295	619,483
Sale of properties and land	479,820	714,088
Sale of cosmetics and related personal care services	383,458	360,500
Sale of furniture	381,428	311,249
Sale of cement and other related products	315,503	189,658
Revenue from brokerage services	313,134	213,106
District cooling services	266,159	271,580
Media and marketing services	239,206	107,362
Delivery services	160,530	110,274
Others	364,647	434,695
	<u>60,089,440</u>	<u>50,946,133</u>
<i>Timing of revenue recognition</i>		
Revenue at a point in time	16,175,991	22,631,563
Revenue over time	43,913,449	28,314,570
	<u>60,089,440</u>	<u>50,946,133</u>
<i>Geographical markets</i>		
UAE	51,023,034	44,061,745
Outside the UAE	9,066,406	6,884,388
	<u>60,089,440</u>	<u>50,946,133</u>
Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.		
	2023 AED'000	2022 AED'000
Within one year	40,416,467	33,158,848
After one but no more than five years	39,600,459	24,254,532
More than five years	29,516,562	28,102,004
	<u>109,533,488</u>	<u>85,515,384</u>

International Holding Company PJSC

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31 COST OF REVENUE

	2023 AED'000	2022 AED'000
Other direct materials and charges	17,149,278	14,646,803
Subcontracting and maintenance costs	12,268,867	8,881,773
Staff costs	9,193,496	6,299,365
Cost related to consumer products	3,212,735	1,772,195
Insurance claims incurred	1,267,217	1,014,506
Cost of healthcare and other medical supplies	602,357	2,890,209
Cost incurred on leased properties	190,005	78,927
Cost related to sale of furniture	178,881	164,211
Cost of properties and land sold	173,708	18,058
Royalty fees	16,275	14,929
Depreciation (note 7, 9, 15 & 29)	1,975,530	1,730,229
Amortisation (note 8)	110,183	109,569
(Reversal of) impairment of non-financial assets, net ⁽ⁱ⁾	(5,049)	1,120,849
Allowance for slow moving inventories (note 13)	1,061	-
Supply of installation of water desalination	-	22,252
Others	714,879	504,970
	<u>47,049,423</u>	<u>39,268,845</u>
(i) The breakup of impairment of non-financial assets is as follows:		
	2023 AED'000	2022 AED'000
Impairment loss on property, plant and equipment, net of reversals (note 7)	-	82,103
(Reversal of) impairment loss on investment properties (note 9)	(85,338)	765,540
(Reversal of) impairment loss on development work in progress (note 16)	(52,927)	235,491
Write-off of project costs in development work in progress (note 16)	133,216	37,715
	<u>(5,049)</u>	<u>1,120,849</u>
32 GENERAL AND ADMINISTRATIVE EXPENSES		
	2023 AED'000	2022 AED'000
Staff costs	2,814,620	3,371,413
Rent, utilities and communication	369,234	443,366
Professional and legal expenses	388,028	384,013
Board of Directors remuneration (note 35.2)	100,000	-
Allowance for expected credit loss (note 14, 17 & 35)	382,990	450,628
Depreciation (note 7, 9 & 29)	796,419	611,579
Amortisation (note 8)	238,814	192,731
Allowance for slow moving inventories (note 13)	56,140	21,117
Impairment ⁽ⁱ⁾	127,258	72,251
Other expenses	826,325	1,908,974
	<u>6,099,828</u>	<u>7,456,072</u>

International Holding Company PJSC

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32 GENERAL AND ADMINISTRATIVE EXPENSES continued

(i) The breakup of impairment of other assets is as follows:

	2023 AED'000	2022 AED'000
Impairment loss on property, plant and equipment (note 7)	7,006	-
Impairment loss on land plots held for sale (note 13)	109,198	71,191
Impairment loss on other assets	<u>11,054</u>	<u>1,060</u>
	<u>127,258</u>	<u>72,251</u>

33 SELLING AND DISTRIBUTION EXPENSES

	2023 AED'000	2022 AED'000
Staff cost	103,354	50,780
Sales promotion and marketing	272,463	457,444
Rent, utilities and communication	12,610	11,863
Freight and other direct selling expenses	57,001	14,800
Depreciation (note 7 & 29)	55,860	39,959
Reversal of impairment on property, plant and equipment (note 7)	(2,726)	-
Other expenses	<u>22,611</u>	<u>16,340</u>
	<u>521,173</u>	<u>591,186</u>

34 INVESTMENT AND OTHER INCOME

	2023 AED'000	2022 AED'000
Interest and dividends income	1,928,332	840,492
Reversal of excess provisions ⁽ⁱ⁾	1,484,332	189,132
Change in the fair value of financial assets carried at fair value through profit or loss (note 11.2)	867,965	22,029,776
Gain on revaluation of equity accounted interest transferred to financial assets carried at fair value through profit or loss (note 10)	817,627	-
Amortisation of deferred income	387,061	116,647
Income from government grant	330,767	1,423,331
Gain on disposal of assets held for sale (note 19.1)	218,348	-
Unwinding of discounting of long-term receivables	146,225	47,808
Recovery of bad debts written off	23,925	71,496
Liabilities written back ⁽ⁱⁱ⁾	91,317	-
Reversal of provision for infrastructure cost ⁽ⁱⁱⁱ⁾	114,283	-
Net gain on disposal of property, plant and equipment	41,883	326,871
Gain on disposal of investment properties	28,788	27,952
Fair value gain on remeasurement of a joint venture (note 10)	-	116,430
COVID-19 related rent concessions (note 29)	-	386
Change in fair value of biological assets, net of impairment losses (note 15)	(7,369)	29,332
Foreign exchange loss	(57,395)	(819,291)
Loss on reassessment of non-current receivables	(169,616)	-
Others	<u>515,666</u>	<u>393,080</u>
	<u>6,762,139</u>	<u>24,793,442</u>

International Holding Company PJSC

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31 December 2023

34 INVESTMENT AND OTHER INCOME continued

- (i) Represents reversal of provisions which were no longer required following management's assessment at the reporting date of the estimated cash flows required based on the latest information.
- (ii) Liabilities written back represent project accruals previously recorded by the Group against development work performed by a related party on the Traditional Souq Project amounting to AED 47,953 thousand and work performed by contractors on residential development projects amounting to AED 43,364 thousand. During the year, the Group entered into settlement agreements with the related party and other contractors whereby all the amounts payable in connection with the projects were considered to be fully and finally settled leading to the reversals noted.
- (iii) During the year, the Group completed the required infrastructure works on certain sold plots of land accordingly the deferred revenue and the related excess provision for infrastructure work was released given that the required provisions were no longer required.

35 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 *Related Party Disclosures*. These represent transactions with related parties, i.e. shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

35.1 Balances

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

	2023 AED'000	2022 AED'000
Due from related parties:		
Current:		
Entities under common control	564,200	481,888
Joint ventures	302,072	235,363
Joint operations	234	234
Associates	232,507	44,851
Entities managed by key management personnel	635,298	1,397,237
Ultimate Parent	4,161	2,025
Other related parties	<u>826,618</u>	<u>292,345</u>
	2,565,090	2,453,943
Less: allowance for expected credit losses on current portion	<u>(737,493)</u>	<u>(465,611)</u>
	<u>1,827,597</u>	<u>1,988,332</u>
Non-current:		
Joint ventures	210,999	210,918
Entities under common control ⁽ⁱ⁾	<u>951</u>	<u>951</u>
	211,950	211,869
Less: allowance for expected credit losses on non-current portion	<u>(210,999)</u>	<u>(210,918)</u>
	<u>951</u>	<u>951</u>
Total due from related parties, net	<u>1,828,548</u>	<u>1,989,283</u>

(i) This balance pertains to retention receivables on contracts signed with related parties.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

35 RELATED PARTY BALANCES AND TRANSACTIONS continued

35.1 Balances continued

Due from related parties: continued

Movement in allowance for expected credit losses of due from related parties is as follows:

	2023 AED'000	2022 AED'000
Balance at 1 January	676,529	301,331
Acquired in business combinations	-	184,416
Charge for the year (note 32)	278,862	197,919
Write-off during the year	-	(5,178)
Eliminated on derecognition of a subsidiary	(3,914)	-
Transfer to ECL on trade and other receivables (note 14)	(2,985)	(1,959)
Balance at 31 December	948,492	676,529

	Nature of relationship	2023 AED'000	2022 AED'000
<i>Loans to related parties:</i>			
Related party loan 1	Key management personnel	-	1,200
Related party loan 2 ⁽ⁱ⁾	Joint venture	616,505	-
Related party loan 3 ⁽ⁱⁱ⁾	Entities under common control	1,400	-
Related party loan 4 ⁽ⁱⁱ⁾	Joint venture	4,300	-
		622,205	1,200

(i) During the year, Multiply Group PJSC, a subsidiary, signed loan agreements with one of its joint venture's, Kalyon Enerjij Yatirimlari A.S amounting to AED 616,505 thousand (USD 128 million and EUR 36 million), in order to support their working capital requirements. The loans carry interest ranging from 8.25% to 10.5% per annum payable on a quarterly basis starting from 31 December 2023. The principle is repayable in full after 8 years from the date of the first drawdown (i.e. September 2031), being the maturity date.

(ii) During the year, Palms Sports PJSC, a subsidiary, signed loan agreements with related parties carrying interest ranging from 2% to 3% per annum and repayable within one year.

Disclosed in the condensed consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Non-current	616,505	-
Current	5,700	1,200
	622,205	1,200

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

35 RELATED PARTY BALANCES AND TRANSACTIONS continued

35.1 Balances continued

	2023 AED'000	2022 AED'000
<i>Due to related parties:</i>		
<i>Current:</i>		
Entities under common control	595,373	723,265
Joint ventures	11,181	1,312,798
Associates	74,962	3,650
Entities managed by key management personnel	81,945	1,882,625
Ultimate Parent	2,418	4,183
Other related parties	583,014	413,996
	1,348,893	4,340,517

Non-current:

Ultimate Parent	2,520	2,520
Entities under common control	-	613
	2,520	3,133

Total due to related parties **1,351,413** **4,343,650**

	Nature of relationship	2023 AED'000	2022 AED'000
<i>Loans from related parties:</i>			
Related party loan 1 ⁽ⁱ⁾	Ultimate Parent	31,785	40,995
Related party loan 2 ⁽ⁱⁱ⁾	Other related party	34,860	39,178
Related party loan 3 ⁽ⁱⁱⁱ⁾	Entity under common control	13,300	13,300
Related party loan 4 ^(iv)	Other related party	78,571	-
Related party loan 5 ^(v)	Other related party	1,662	-
		160,178	93,473

Disclosed in the consolidated statement of financial position as follows:

	2023 AED'000	2022 AED'000
Non-current	122,118	76,899
Current	38,060	16,574
	160,178	93,473

(i) A subsidiary of the Group obtained a loan from Royal Group Holding LLC, to finance 20% of the total cost of a district cooling plant project in Abu Dhabi, carrying interest of 5%. The principal portion of the loan is repayable in 4 equal annual instalments starting from 31 December 2023 and the interest portion is repayable in 12 annual instalments starting 31 December 2018. The loan is secured by a mortgage over the Musataha rights granted to the subsidiary in respect of district cooling plot, pledge over the equipment.

(ii) A subsidiary of the Group obtained a loan from Aafaq Islamic Finance PSC, to finance the purchase of sharia compliant commodities. The loan carries interest of 2.5% per annum and is repayable on monthly instalments up until 2026. The loan is secured by a corporate guarantee.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35 RELATED PARTY BALANCES AND TRANSACTIONS continued

35.1 Balances continued

Loans from related parties: continued

- (iii) A subsidiary of the Group obtained a loan from RG Treasury Holding LLC, to support the working capital requirements. The loan is repayable in 2025. The loan does not carry any interest.
- (iv) Prior to its acquisition by the Group, Al Ain Farms for Livestock Production, obtained a loan from one of its existing shareholders, Abu Dhabi Fund for Development. The loan carries interest of 2.5% per annum and is payable semi-annually over a period of ten years.
- (v) A subsidiary of the Group, LVL Technology Holding, obtained a loan from its existing shareholders, to support the working capital requirements. The loan carries interest of 13% per annum and is repayable in one bullet payment during April 2024.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35 RELATED PARTY BALANCES AND TRANSACTIONS continued

35.2 Transactions

During the year, the Group entered into the following transactions with related parties:

	2023 AED'000	2022 AED'000
Revenue:		
Entities under common control	240,410	598,476
Joint ventures	647,051	335,534
Associates	46,558	41,976
Entities managed by key management personnel	104,232	50,368
Other related parties	<u>523,855</u>	<u>437,565</u>
	<u>1,562,106</u>	<u>1,463,919</u>
Cost of revenue		
Entities under common control	15,484	47,667
Joint ventures	29,543	1,534,456
Associates	17,049	5,542
Entities managed by key management personnel	83,491	10,603
Other related parties	<u>75,831</u>	<u>28,168</u>
	<u>221,398</u>	<u>1,626,436</u>
General and administrative expenses		
Entities under common control	7,086	5,009
Joint ventures	10,360	1,521
Entities managed by key management personnel	621	21,768
Other related parties	<u>1,154</u>	<u>20,948</u>
	<u>19,221</u>	<u>49,246</u>
Investment and other income (interest income)		
Joint ventures	<u>31,038</u>	<u>-</u>
Disposal of investment in a joint venture to a related party	<u>-</u>	<u>101,000</u>
Disposal of investment in a subsidiary to a related party	<u>31,275</u>	<u>114,300</u>

Refer to note 6, 10 and 11 for the acquisitions of subsidiaries, associates and financial assets respectively, that fall under entities under common control.

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

35 RELATED PARTY BALANCES AND TRANSACTIONS continued

35.2 Transactions continued

During the year, the Group made additional equity contributions to the following subsidiaries:

- Subsequent to the acquisition, the Group made an equity contribution of AED 140,000 thousand to Al Ain Farm against which no contribution was made by the non-controlling interest. The transaction resulted in an increase in non-controlling interest by AED 78,218 thousand, representing 49% of the contribution made.
- During the year, the Group made an equity contribution of AED 2,319 thousand, to Shory Technology LLC against which no contribution was made by the non-controlling interest. The transaction resulted in an increase in non-controlling interest by AED 696 thousand, representing 30% of the contribution made.

The above amounting to AED 78,914 thousand were recorded as other equity movement in the consolidated statement of changes in equity.

Balances and transactions with a financial institution (other related party):

Balances:

	2023 AED'000	2022 AED'000
Balances with a financial institution	<u>18,434,217</u>	<u>15,618,285</u>
Borrowings	<u>32,970,889</u>	<u>27,139,091</u>

Transactions:

	2023 AED'000	2022 AED'000
Interest expense	<u>1,118,713</u>	<u>581,662</u>
Interest income	<u>289,731</u>	<u>52,738</u>
Drawdowns of borrowings	<u>10,810,444</u>	<u>26,497,337</u>
Repayment of borrowings	<u>4,999,049</u>	<u>3,738,119</u>

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

Key management remuneration

	2023 AED'000	2022 AED'000
Salaries and other benefits – short term	<u>60,347</u>	<u>37,437</u>
End of service benefits and pension – long term	<u>2,508</u>	<u>1,083</u>
Board of Directors remuneration (note 32)	<u>100,000</u>	<u>-</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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36 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments.

	2023	2022
Profit attributable to owners of the Company (AED'000)	<u>27,523,100</u>	<u>12,652,578</u>
Weighted average number of shares (shares in '000)	<u>2,193,540</u>	<u>1,859,149</u>
Basic and diluted earnings per share for the year (AED)	<u>12.55</u>	<u>6.81</u>

As of 31 December 2023 and 31 December 2022, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

37 CONTINGENT LIABILITIES AND COMMITMENTS

	2023 AED'000	2022 AED'000
Letters of guarantee	<u>29,642,137</u>	<u>19,567,353</u>
Letters of credit	<u>856,128</u>	<u>1,176,744</u>
Capital commitments	<u>53,522,340</u>	<u>46,514,089</u>

The Group's share in contingencies and commitments of the associates and joint ventures is disclosed under note 10.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that require to be accrued for as of 31 December 2023.

38 FINANCE COSTS

	2023 AED'000	2022 AED'000
Interest on borrowings	2,143,183	1,051,191
Interest on lease liabilities (note 29)	98,450	89,491
Amortisation of transaction costs (note 24)	4,151	12,067
Others	<u>31,582</u>	<u>35,510</u>
	<u>2,277,366</u>	<u>1,188,259</u>

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31 December 2023

39 TAXATION

UAE Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the consolidated financial statements for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to be substantively enacted for the purposes of accounting for Income Taxes.

The UAE CT Law shall apply to the Group with effect from 1 January 2024. The MoF continue to issue supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions) to further clarify certain aspects of the UAE CT Law. Such Decisions, and other interpretive guidance of the UAE Federal Tax Authority, are required to fully evaluate the impact of the UAE CT Law on the Group.

Since the provisions of UAE CT law will apply to Tax Periods commencing on or after 1 June 2023, the related current taxes shall be accounted for in the consolidated financial statements for the period beginning 1 January 2024. However, the related deferred tax accounting impact has been considered for the financial year ended 31 December 2023. Accordingly, the Group has recorded a deferred tax liability of AED 826,368 thousand as at 31 December 2023.

The Group's subsidiaries in United States of America, India, Kingdom of Saudi Arabia, Russia, Maldives, Arab Republic of Egypt, Cyprus, Switzerland, Seychelles, United Kingdom and Greece are subject to taxation. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

The major components of taxation for the years ended 31 December 2023 and 2022 are:

	2023 AED'000	2022 AED'000
Consolidated statement of profit or loss		
<i>Income tax:</i>		
Charge for the year	144,229	135,596
Adjustments in respect of current income tax of previous year	<u>(11,397)</u>	<u>(491)</u>
	132,832	135,105
<i>Deferred tax:</i>		
Relating to origination and reversal of temporary differences	<u>723,095</u>	<u>(46,231)</u>
Income tax expense reported in the consolidated statement of profit or loss	<u>855,927</u>	<u>88,874</u>
Consolidated other comprehensive income		
	2023 AED'000	2022 AED'000
<i>Deferred tax related to items recognised in OCI during the year:</i>		
Foreign exchange difference on translation of foreign operations	<u>4,760</u>	<u>13,991</u>
Deferred income tax charged to OCI	<u>4,760</u>	<u>13,991</u>

International Holding Company PJSC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2023

39 TAXATION continued

Reconciliation of tax expense and the accounting profit for 2023 and 2022:

	2023 AED'000	2022 AED'000
Accounting profit before tax	33,810,175	32,660,074
Income not subject to tax	<u>(32,781,148)</u>	<u>(31,933,426)</u>
Accounting profit subject to tax	<u>1,029,027</u>	<u>726,648</u>
At effective tax rate ranging from 10% to 33% (2022: 10% to 20%)	152,584	83,671
Tax losses	(973)	(12,572)
Temporary differences	723,951	(3,729)
Adjustment related to previous year	(11,397)	(491)
Permanent differences	<u>(8,238)</u>	<u>21,995</u>
Income tax benefit reported in the consolidated statement of profit or loss	<u>855,927</u>	<u>88,874</u>
Deferred tax		
Reconciliation of deferred tax (liabilities) assets:		
	2023 AED'000	2022 AED'000
At 1 January	41,209	15,053
Acquired in business combination (note 6.2)	(45,434)	(11,227)
Foreign currency translation adjustment	(16,923)	(22,839)
Tax (expense) income recognised in profit or loss during the year	(723,095)	46,231
Tax income recognised in OCI during the year	<u>4,760</u>	<u>13,991</u>
At 31 December – (liabilities) assets	<u>(739,483)</u>	<u>41,209</u>
Deferred tax assets (liabilities) relate to the following:		
	2023 AED'000	2022 AED'000
<i>Deferred tax assets</i>		
Foreign exchange difference on translation of foreign operations	18,845	9,853
Losses available for offsetting against future taxable income	34,373	12,949
Provisions and other	<u>82,341</u>	<u>83,555</u>
	<u>135,559</u>	<u>106,357</u>
<i>Deferred tax liabilities</i>		
Accelerated depreciation for tax purposes	(48,674)	(40,461)
Relating to business combinations prior to enactment of UAE CT Law	(751,829)	-
Relating to business combinations subsequent to enactment of UAE CT Law	(74,539)	-
Others	<u>-</u>	<u>(24,687)</u>
	<u>(875,042)</u>	<u>(65,148)</u>

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39 TAXATION continued

Deferred tax continued

Following is the deferred tax liability recorded on the application of UAE CT Law:

	2023 AED'000	2022 AED'000
Goodwill – prior to enactment of UAE CT Law	(236,231)	-
Intangible assets acquired as part of business combinations – prior to enactment of UAE CT Law	(317,605)	-
Intangible assets acquired as part of business combinations – subsequent to enactment of UAE CT Law	(74,539)	-
Investment properties	288,465	-
Inventory properties	(271,521)	-
Development work-in-progress	(169,903)	-
Property, plant and equipment	(44,639)	-
Others	(395)	-
	<u>(826,368)</u>	<u>-</u>

Furthermore, the UAE as a member of the OECD BEPS Inclusive Framework is committed to adopt Pillar Two rules (OECD Model Rules) in domestic legislation. OECD Pillar Two rules will apply to Multinational Enterprises (MNEs) such as the Group with consolidated revenues above EUR 750 million. The Pillar Two rules have not been yet adopted in the UAE or any foreign jurisdiction where the Group has presence.

Due to the uncertainties and on-going developments, the Group is not able to provide a reasonable estimation at the reporting date and is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance. The Group is currently assessing the impact of these laws and regulations and will apply the requirements as further guidance is provided by the relevant tax authorities, which will be applicable for the Group for the financial year beginning 1 January 2024.

40 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2023	2022
Alpha Dhabi Holding PJSC	United Arab Emirates	10.30%	10.30%
Multiply Group PJSC	United Arab Emirates	41.26%	41.26%
Q Holding PSC	United Arab Emirates	44.40%	44.44%
Ghitha Holding PJSC	United Arab Emirates	13.10%	13.10%
Sirius International Holding Limited	United Arab Emirates	16.31%	20.00%

International Holding Company PJSC

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40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

	2023 AED'000	2022 AED'000
Accumulated balances of material non-controlling interests:		
Alpha Dhabi Holding PJSC	34,320,904	36,882,236
Multiply Group PJSC	13,843,844	13,004,655
Q Holding PSC	7,793,841	7,498,447
Ghitha Holding PJSC	2,073,036	1,499,061
Sirius International Holding Limited	<u>688,431</u>	<u>424,942</u>
	<u>58,720,056</u>	<u>59,309,341</u>
Profit (loss) allocated to material non-controlling interests:		
Alpha Dhabi Holding PJSC	3,747,163	5,954,817
Multiply Group PJSC	354,659	12,884,871
Q Holding PSC	208,737	161,593
Ghitha Holding PJSC	16,944	87,535
Sirius International Holding Limited	<u>250,901</u>	<u>(38,428)</u>
	<u>4,578,404</u>	<u>19,050,388</u>

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	Alpha Dhabi AED'000	Multiply AED'000	Q Holding AED'000	Ghitha AED'000	Sirius AED'000
31 December 2023					
Revenue	45,415,595	1,293,883	882,396	4,566,913	444,383
Cost of revenue	(36,068,092)	(630,486)	(398,157)	(3,793,674)	(269,609)
General and administrative expenses	(4,389,381)	(302,772)	(276,426)	(406,980)	(109,698)
Selling and distribution expenses	-	-	(27,942)	(189,545)	(853)
Gain on acquisition of subsidiaries	1,502	-	-	-	-
Gain on derecognition of subsidiaries	7,457,394	-	-	-	-
Share of profit (loss) from equity accounted investments	458,239	228,558	(697)	38,686	69,845
Finance cost	(1,125,913)	(415,637)	(89,469)	(71,189)	(103,274)
Investment and other income	2,161,332	407,329	563,753	(69,127)	1,170,522
Taxation	(629,426)	(28,887)	(79,504)	(31,895)	(15,976)
Profit for the year	<u>13,281,250</u>	<u>551,988</u>	<u>573,954</u>	<u>43,189</u>	<u>1,185,340</u>
Attributable to non-controlling interests	<u>3,747,163</u>	<u>354,659</u>	<u>208,737</u>	<u>16,944</u>	<u>250,901</u>
31 December 2022					
Revenue	40,049,989	1,125,509	682,407	2,278,565	22,620
Cost of revenue	(30,312,280)	(556,351)	(917,530)	(1,895,244)	(48,866)
General and administrative expenses	(5,216,475)	(237,564)	(298,085)	(192,594)	(54,859)
Selling and distribution expenses	-	-	(17,839)	(48,758)	-
Gain on acquisition of subsidiaries	-	-	1,865,900	-	-
Loss on disposal of subsidiaries	-	-	(16,253)	-	-
Fair value gain on previously held equity interest	3,879,900	-	-	90,000	-
Share of profit (loss) from equity accounted investments	58,817	(14,533)	(7,421)	8,784	(99,834)
Finance cost	(583,798)	(150,081)	(116,443)	(13,382)	(1,907)
Investment and other income	2,799,753	18,395,968	(352,085)	104,774	2,186
Taxation	(68,532)	-	-	356	-
Profit (loss) for the year	<u>10,607,374</u>	<u>18,562,948</u>	<u>822,651</u>	<u>332,501</u>	<u>(180,660)</u>
Attributable to non-controlling interests	<u>5,954,817</u>	<u>12,884,871</u>	<u>161,593</u>	<u>87,535</u>	<u>(38,428)</u>

International Holding Company PJSC

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40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised statement of financial position of material partly-owned subsidiaries:

	<i>Alpha Dhabi</i> <i>AED'000</i>	<i>Multiply</i> <i>AED'000</i>	<i>Q Holding</i> <i>AED'000</i>	<i>Ghitha</i> <i>AED'000</i>	<i>Sirius</i> <i>AED'000</i>
31 December 2023					
Non-current assets	66,871,591	24,085,999	9,862,633	3,480,997	2,060,568
Current assets	73,482,096	18,072,650	11,448,448	3,584,374	9,503,733
Non-current liabilities	(27,000,537)	(9,574,954)	(2,075,730)	(900,328)	(7,886,834)
Current liabilities	<u>(37,376,119)</u>	<u>(2,397,119)</u>	<u>(4,316,691)</u>	<u>(1,750,237)</u>	<u>(514,007)</u>
Total equity	75,977,031	30,186,576	14,918,660	4,414,806	3,163,460
Less: non-controlling interest	32,142,748	1,277,745	1,149,566	1,678,622	173,353
Less: hybrid equity instruments	<u>1,815,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to the owners of the subsidiaries	<u>42,018,637</u>	<u>28,908,831</u>	<u>13,769,094</u>	<u>2,736,184</u>	<u>2,990,107</u>
Attributable to:					
Equity holders of parent	<u>39,840,481</u>	<u>16,342,732</u>	<u>7,124,819</u>	<u>2,341,770</u>	<u>2,475,029</u>
Non-controlling interest	<u>34,320,904</u>	<u>13,843,844</u>	<u>7,793,841</u>	<u>2,073,036</u>	<u>688,431</u>
	<i>Alpha Dhabi</i> <i>AED'000</i>	<i>Multiply</i> <i>AED'000</i>	<i>Q Holding</i> <i>AED'000</i>	<i>Ghitha</i> <i>AED'000</i>	<i>Sirius</i> <i>AED'000</i>
31 December 2022					
Non-current assets	56,145,804	28,125,027	8,906,345	2,498,353	1,832,898
Current assets	74,883,420	13,080,855	10,635,399	2,867,862	1,141,962
Non-current liabilities	(23,461,806)	(9,787,108)	(1,709,480)	(543,303)	(643,229)
Current liabilities	<u>(37,528,458)</u>	<u>(2,038,067)</u>	<u>(3,584,411)</u>	<u>(1,025,799)</u>	<u>(283,207)</u>
Total equity	70,038,960	29,380,707	14,247,853	3,797,113	2,048,424
Less: non-controlling interest	36,328,703	853,219	955,255	1,271,296	9,272
Less: hybrid equity instruments	<u>1,815,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity attributable to the owners of the subsidiaries	<u>31,894,611</u>	<u>28,527,488</u>	<u>13,292,598</u>	<u>2,525,817</u>	<u>2,039,152</u>
Attributable to:					
Equity holders of parent	<u>31,341,078</u>	<u>16,376,052</u>	<u>6,749,406</u>	<u>2,298,052</u>	<u>1,623,482</u>
Non-controlling interest	<u>36,882,236</u>	<u>13,004,655</u>	<u>7,498,447</u>	<u>1,499,061</u>	<u>424,942</u>

International Holding Company PJSC

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40 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information of material partly-owned subsidiaries:

	<i>Alpha Dhabi</i> <i>AED'000</i>	<i>Multiply</i> <i>AED'000</i>	<i>Q Holding</i> <i>AED'000</i>	<i>Ghitha</i> <i>AED'000</i>	<i>Sirius</i> <i>AED'000</i>
31 December 2023					
Operating	5,966,471	996,624	82,062	633,123	(1,368,724)
Investing	(13,206,832)	(1,755,097)	(323,918)	(568,142)	1,349,672
Financing	<u>2,210,450</u>	<u>1,041,285</u>	<u>18,102</u>	<u>255,329</u>	<u>699,187</u>
Net (decrease) increase in cash and cash equivalents	<u>(5,029,911)</u>	<u>282,812</u>	<u>(223,754)</u>	<u>320,310</u>	<u>680,135</u>
	<i>Alpha Dhabi</i> <i>AED'000</i>	<i>Multiply</i> <i>AED'000</i>	<i>Q Holding</i> <i>AED'000</i>	<i>Ghitha</i> <i>AED'000</i>	<i>Sirius</i> <i>AED'000</i>
31 December 2022					
Operating	13,479,250	857,155	711,484	162,744	(668,931)
Investing	(10,206,023)	(11,536,617)	(557,851)	(432,269)	752,253
Financing	<u>6,452,035</u>	<u>8,070,277</u>	<u>(791,928)</u>	<u>561,820</u>	<u>744,238</u>
Net increase (decrease) in cash and cash equivalents	<u>9,725,262</u>	<u>(2,609,185)</u>	<u>(638,295)</u>	<u>292,295</u>	<u>827,560</u>

41 FAIR VALUE MEASUREMENT

Fair value of the Group’s assets that are measured at fair value on recurring basis

Some of the Group’s financial assets are measured at fair value at the end of the reporting year. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

41 FAIR VALUE MEASUREMENT continued

Fair value of the Group’s assets that are measured at fair value on recurring basis continued
Following is the information on how the fair value of the financial assets, financial liabilities and biological assets are determined.

	<i>Fair value as at</i>					
	<i>31 December</i>	<i>31 December</i>		<i>Valuation</i>	<i>Significant</i>	<i>Relationship of</i>
	<i>2023</i>	<i>2022</i>	<i>Fair value</i>	<i>techniques and key</i>	<i>unobservable</i>	<i>unobservable inputs</i>
	<i>AED’000</i>	<i>AED’000</i>	<i>hierarchy</i>	<i>inputs</i>	<i>input</i>	<i>to fair value</i>
Financial assets						
Quoted equity investments – investment in financial assets	47,236,145	46,620,069	Level 1	Quoted bid prices in an active market.	None	Not applicable
Unquoted equity investments – investment in financial assets	14,079,503	11,757,497	Level 3	Discounted cash flow method and latest transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value
Unquoted debt investments – investment in financial assets	313,152	185,136	Level 3	Discounted cash flow method and latest transaction price	Net assets value	Higher the net assets value of the investees, higher the fair value
Derivative financial assets	32,913	248,792	Level 2	Significant observable inputs	None	Not applicable
Derivative financial liabilities	12,138	50,171	Level 2	Significant observable inputs	None	Not applicable
Non-financial assets						
Biological assets	50,450	78,781	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of the levels during the year. The fair values of all other financial assets and liabilities, other than the below, are not materially different from their carrying values at the reporting date.

Financial liabilities at amortised cost:

	<u>2023 AED’000</u>		<u>2022 AED’000</u>	
	<i>Gross carrying amount</i>	<i>Fair value</i>	<i>Gross carrying amount</i>	<i>Fair value</i>
Sukuk 1 (note 25)	1,852,144	1,820,844	1,847,444	1,803,119
Sukuk 2 (note 25)	1,839,102	1,722,890	1,834,472	1,683,694
Sukuk 3 (note 25)	1,811,708	1,782,319	-	-
	<u>5,502,954</u>	<u>5,326,053</u>	<u>3,681,916</u>	<u>3,486,813</u>

The non-convertible sukuk are categorised under Level 1 in the fair value hierarchy.

42 SEGMENTAL ANALYSIS

Real estate and construction includes construction, development and management of real estate, contracting services, landscaping design and execution, labour camp management and sale of properties.

Food includes freezing fish and seafood, preparing and packing food products, trading in general trading of foodstuff. It also includes sourcing, processing and sales of forage and animal feed to securing the food from milk, meat and poultry industry.

Technology includes the supply and maintenance of computer equipment, in addition to cyber risk management services.

Financial services includes brokerage services provided with respect to securities, in addition to health insurance solutions provided in UAE.

Marine and dredging includes the maintaining and trading of marine machinery and equipment, retail sale of ships and boats and sale of spare parts. Also included are dredging and its associated land reclamation works.

Healthcare includes healthcare and other medical supplies, rental of medical equipment income and sale of medical equipment.

Utilities includes the installation of district cooling and air conditioning, repair district cooling and investment in infrastructure projects.

Services and other segments mainly comprise of education, leisure & hospitality, communication and entertainment segments, investments in financial assets and its related financing activities, as well as other ancillary activities (i.e. retail trade of household and office furniture and other head office expenses).

42 SEGMENTAL ANALYSIS continued

	Real estate and construction		Food		Technology		Financial services		Marine and dredging		Healthcare		Utilities		Service and other segments		Inter-segment elimination		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	20,621,098	14,562,138	4,163,065	2,286,433	2,416,517	952,097	1,729,415	1,177,156	17,969,429	11,904,218	3,187,108	13,485,666	309,321	313,656	10,377,416	7,261,043	(683,929)	(996,274)	60,089,440	50,946,133
Cost of sales	(15,626,334)	(12,340,913)	(3,467,999)	(1,803,761)	(1,812,791)	(786,296)	(1,307,099)	(973,355)	(15,678,986)	(10,835,171)	(2,461,982)	(8,423,536)	(154,868)	(174,387)	(7,033,254)	(4,804,327)	495,690	872,801	(47,049,423)	(39,268,845)
Gross profit	4,994,764	2,221,225	695,066	482,672	603,726	165,801	422,316	203,801	2,290,443	1,069,047	725,126	5,062,130	154,453	139,269	3,344,162	2,456,716	(189,239)	(123,373)	13,040,017	11,677,288
Selling and distribution expenses	(140,102)	(373,761)	(189,722)	(55,172)	(4,127)	(7,364)	-	-	(329,942)	-	(16,135)	(29,645)	-	(434)	(162,253)	(117,865)	(8,834)	(6,945)	(521,173)	(591,186)
General and administrative expenses	(1,497,010)	(1,806,554)	(359,998)	(149,120)	(275,880)	(113,493)	(75,868)	(201,333)	(186,246)	-	(1,012,013)	(2,338,591)	(30,818)	(54,484)	(2,588,479)	(2,650,916)	68,180	44,965	(6,099,828)	(7,456,072)
Investment and other income	1,218,059	2,302	54,587	95,810	1,502,238	6,115	373,897	343,472	963,253	1,508,790	381,751	1,621,035	43,534	4,817	2,316,952	21,261,576	(92,622)	(50,475)	6,762,139	24,793,442
Share of profit (loss) from investment in associates and joint ventures	103,557	(107,848)	52,218	34,215	120,432	2,771	-	322	52,012	4,234	294,263	425,152	257,065	(14,535)	12,353,671	(98,491)	-	-	13,233,218	245,820
Gain on acquisition of subsidiaries	-	1,743,900	-	-	-	-	-	-	-	-	-	249	-	-	2,173	419,614	-	-	2,998	2,183,284
(Loss) gain on derecognition of subsidiaries	825	(16,253)	-	-	-	19,521	-	-	-	-	-	-	28,234	-	8,830,127	107,297	-	-	8,838,361	91,044
Fair value gain on revaluation of previously held equity interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) on disposal of investment in a joint venture and an associate	316,931	2,742,465	-	90,000	-	16,414	-	-	-	-	-	-	-	-	1,768	-	-	-	318,699	2,848,679
Share of other comprehensive loss of a joint venture reclassified to profit or loss on disposal	417,279	(6,152)	-	37,379	-	-	-	-	-	-	-	591	32,895	-	42,956	31,293	-	-	493,110	63,111
Finance costs	(574,724)	(507,500)	(68,260)	-	(62,549)	(19,137)	(50,034)	(28,873)	(220,977)	(127,684)	(68,551)	(45,109)	(20,841)	(10,946)	(1,244,194)	(462,549)	32,764	24,740	(2,277,366)	(7,1077)
Taxation	(91,021)	(21,344)	(31,895)	356	(6,613)	(11,357)	-	-	(33,640)	(41,982)	(53,684)	-	-	-	(539,074)	(14,547)	-	-	(855,927)	(88,874)
Profit (loss) for the year	4,648,558	3,869,980	150,196	517,862	1,879,317	59,271	670,311	317,389	2,721,149	2,226,159	250,757	4,695,812	464,922	63,687	22,357,789	20,932,128	(189,751)	(111,088)	32,954,248	39,571,200
Segment assets	106,234,666	82,834,355	5,857,068	4,078,838	5,980,547	2,184,474	9,313,528	14,828,737	28,758,291	21,865,850	8,561,073	27,243,693	43,10,681	3,291,313	112,690,090	87,222,769	(17,430,988)	(15,515,535)	264,274,953	228,034,494
Segment liabilities	45,415,595	35,108,472	3,062,183	2,588,027	3,622,915	1,253,023	7,581,582	12,108,112	17,503,900	13,145,878	1,024,648	9,696,323	1,218,342	1,608,302	45,324,629	38,108,901	(17,216,142)	(15,446,670)	107,538,082	98,670,385

* Gain from derecognition of Pure Health Holding PJSC and gain on acquisition of Modon amounting to AED 8,830,127 thousand and AED 12,194,173 thousand respectively, have been included within “services and other segments.”

International Holding Company PJSC

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43 FINANCIAL RISK MANAGEMENT

Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group’s approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by net debt and equity. Net debt is calculated as borrowings, non-convertible sukuk, lease liabilities, loan from related parties, trade and other payables, contract liabilities, due to related parties less cash and bank balances. Total capital is calculated as ‘equity’ as shown in the consolidated statement of financial position plus net debt.

	2023 AED’000	2022 AED’000
Borrowings	42,935,316	36,266,717
Lease liabilities	2,152,747	3,082,342
Loan from related parties	160,178	93,473
Trade and other payables	37,215,362	36,284,672
Non-convertible sukuk	5,502,954	3,681,916
Contract liabilities	15,775,359	12,023,027
Due to related parties	1,351,413	4,343,650
Cash and bank balances	(33,918,559)	(37,230,142)
Net debt	71,174,770	58,545,655
Equity	156,736,871	129,364,109
Net debt and equity (capital)	227,911,641	187,909,764
Gearing ratio	0.31	0.31

Financial instruments risk management objectives and policies

The Group is exposed to the following risks related to financial instruments – market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group’s overall risk management program focuses on the unpredictability of the financial markets and seeks to optimise potential adverse effects on the Group’s financial performance.

The Board of Directors of the Company establishes and oversees the Company’s risk management framework, while the management and respective boards of certain companies within the Group takes responsibility for the establishment and oversight of risk management frameworks at the entities’ levels.

The Group’s risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group’s Audit, Risk and Compliance Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

43 FINANCIAL RISK MANAGEMENT continued

Market risk management

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, price risk and interest rate risk. Financial instruments affected by market risk include investment in financial assets, borrowings and derivative financial instruments.

Foreign exchange risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a foreign currency), investment in financial assets and the Group’s net investments in foreign subsidiaries, associates and joint ventures.

The carrying amounts of the Group’s monetary assets and liabilities in major foreign currencies at the reporting date are as follows:

	<i>Assets</i>	<i>Liabilities</i>	<i>Net</i>			<i>Net</i>
	<i>2023</i>	<i>2023</i>	<i>Exposure</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Exposure</i>
	<i>AED’000</i>	<i>AED’000</i>	<i>2023</i>	<i>2022</i>	<i>2022</i>	<i>2022</i>
			<i>AED’000</i>	<i>AED’000</i>	<i>AED’000</i>	<i>AED’000</i>
Egyptian Pound (‘EGP’)	5,550,932	4,036,112	1,514,820	5,920,099	3,816,710	2,103,389
Euro (‘Eur’)	1,822,918	443,630	1,379,288	163,213	50,191	113,022
Great Britain Pound (‘GBP’)	2,937,181	1,941,297	995,884	1,193,875	672,998	520,877
Moroccan Dirham (‘MD’)	369,688	374,312	(4,624)	221,401	223,376	(1,975)
Indian Rupees (‘INR’)	7,240,853	11	7,240,842	10,410,562	-	10,410,562
Others	437,427	428,227	9,200	202,525	369,282	(166,757)

Foreign currency sensitivity analysis

The Group is exposed to currencies not denominated in USD or AED, as the latter is pegged to the UAE Dirham. The major exposure to foreign currencies at the end of reporting period relates to EGP, Euro, GBP, MD and INR. The following table demonstrates the sensitivity of AED on the Group’s equity to a reasonably possible change by 5% against following foreign currencies, with all other variables held constant. The Group’s exposure to foreign currency changes for all other currencies is not material.

	<i>Effect on</i>	<i>Effect on</i>
	<i>Equity</i>	<i>Equity</i>
	<i>2023</i>	<i>2022</i>
	<i>AED’000</i>	<i>AED’000</i>
Egyptian Pound (‘EGP’)	75,741	105,169
Euro (‘Eur’)	68,964	5,651
Great Britain Pound (‘GBP’)	49,794	26,044
Moroccan Dirham (‘MD’)	(231)	(99)
Indian Rupees (‘INR’)	362,042	520,528
Others	460	(8,338)

43 FINANCIAL RISK MANAGEMENT continued

Market risk management continued

Price risk

The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group’s quoted investment portfolio amounted to AED 47,236,145 thousand (2022: AED 46,620,069 thousand). At the reporting date if the prices of investments were 5% higher/lower with all other variables held constant, the Group’s equity and profit or loss would have increased/decreased as follows:

	<i>2023</i>	<i>2022</i>
	<i>AED’000</i>	<i>AED’000</i>
Impact on the Group’s profit for the year (increase/decrease)	<u>2,352,964</u>	<u>2,313,221</u>
Impact on the Group’s other comprehensive income for the year (increase/decrease)	<u>8,844</u>	<u>17,783</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group’s exposure to the risk of changes in market interest rates relates primarily to the Group’s borrowings with floating interest rates.

At 31 December 2023, if interest rates on the borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 220,614 thousand (2022: AED 151,976 thousand).

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract. The notional principal amounts are disclosed in note 26.

Interest rate cap contracts

The Group is exposed to interest rate risk on interest bearing debt and manages its exposure to interest rate risk through the proportion of fixed and variable rate debt in its total net debt portfolio.

As part of the London Square business acquisition, the Group acquired interest rate cap contracts with counterparties operating in England and Wales, which manage the exposure to variable rate interest on borrowings. The interest rate cap contracts derivatives are not designated as hedges, with the fair value changes being recognised in the Group’s consolidated statement of profit or loss. The notional principal amounts are disclosed in note 26.

Credit risk management

Credit risk is managed on a Group basis, except for credit risk relating to accounts receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management’s assessment on a case by case basis. The utilisation of credit limits is regularly monitored. The Group’s policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group’s exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

43 FINANCIAL RISK MANAGEMENT continued

Liquidity risk management

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group’s debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets. The table below analyses the Group’s financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	<i>On demand</i>	<i>Less than</i>	<i>3 to 12</i>	<i>1 to 5</i>	<i>More than</i>	
	<i>AED '000</i>	<i>3 months</i>	<i>months</i>	<i>years</i>	<i>5 years</i>	<i>Total</i>
		<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
<i>At 31 December 2023</i>						
Borrowings	787,676	1,079,408	5,965,776	38,970,877	856,917	47,660,654
Lease liabilities	12,062	60,117	252,409	863,001	1,862,850	3,050,439
Due to related parties	380,251	460,415	508,227	-	2,520	1,351,413
Loan from related parties	-	-	38,060	122,118	-	160,178
Derivative financial instruments	-	12,138	-	-	-	12,138
Non-convertible sukuk	-	-	46,098	2,792,886	4,127,679	6,966,663
Trade and other payables	434,964	11,345,458	16,754,618	4,520,863	-	33,055,903
Total	1,614,953	12,957,536	23,565,188	47,269,745	6,849,966	92,257,388
<i>At 31 December 2022</i>						
Borrowings	38,688	521,096	2,689,488	35,769,955	1,216,468	40,235,695
Lease liabilities	6,504	103,139	193,561	1,460,037	2,114,888	3,878,129
Due to related parties	663,068	687,596	2,989,853	3,133	-	4,343,650
Loan from related parties	-	-	16,574	76,899	-	93,473
Derivative financial instruments	-	50,171	-	-	-	50,171
Non-convertible sukuk	-	-	37,104	2,161,743	2,161,742	4,360,589
Trade and other payables	103,595	17,398,992	12,098,024	1,793,928	-	31,394,539
Total	811,855	18,760,994	18,024,604	41,265,695	5,493,098	84,356,246

44 DIVIDENDS

Dividends attributable to non-controlling interest amounting to AED 1,209,205 thousand was declared in 2023 (2022: AED 1,849,124 thousand).

45 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current year consolidated financial statements. Such reclassification has no impact on previously reported profit or equity of the Group.

46 SUBSEQUENT EVENTS

Subsequent to the year end, the Group acquired shareholding interests in the following:

- Alpha Mind Holding Limited (“Alpha Mind”) - 51% equity interest
(Alpha Mind is involved in the hospitality business)
- Learn Education Investment LLC (“Learn”) - 100% equity interest
(Learn is an education services enterprise, dealing in investment and management of educational institutes)

Further, subsequent to the year end, the Group entered into the following transactions:

- The transfer of 2PointZero to the Group was completed. 2PointZero, a holding company incorporated in UAE, invests in companies across a multitude of sectors, with a focus on financial services, investment banking, technology & AI, mining & resource management and digital & crypto ecosystems.
- Tamween Companies Management LLC sold 3% of its ownership interest in Apex Investment PSC (“Apex”).

In addition, the Group entered into the following major agreements:

- The Group and ADQ Real Estate and Hospitality Investments LLC entered into a share purchase agreement (“Agreement”) to combine Modon Properties PJSC, Abu Dhabi National Exhibition Company (ADNEC) PJSC and other assets, with Q Holding PSC. The shareholders approved the transaction in the General Assembly meeting held on 28 November 2023, and the transaction is subject to completion upon the satisfaction of the associated conditions precedents set in the Agreement.
- Subsequent to year end, the Group formed a joint venture, Enersol Rsc Ltd, in collaboration with ADNOC Drilling Company PJSC, wherein ownership stakes are distributed as 49% and 51% respectively. The principal objective of this venture is to spearhead the development of an oil field services technology platform, with a total commitment amounting to USD 1,500 million. As an integral part of this endeavour, the Group contributed its 25% stake in Gordon Technologies LLC to Ener sol Rsc Ltd, for a consideration of USD 87 million.



5.0 ESG Report

- 5.1 About this Report
- 5.2 A Letter from the CEO
- 5.3 About IHC
- 5.4 Our Sustainability Approach
- 5.5 Key Sustainability Initiatives at IHC
- 5.6 ESG Integration and Impact
- 5.7 Sustainable Operation

5.1

About this Report

(GRI 2-1, GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5, G7, G8, G9)

About the Report

International Holding Company's (IHC) 2023 Sustainability Report details the company's Environmental, Social, and Governance (ESG) Strategy and highlights the progress and performance of a selection of subsidiaries on key material ESG topics.

For a more comprehensive overview of our performance, we recommend reviewing this report in conjunction with IHC's 2023 Annual & Integrated Reports.



Reporting Boundary

This report covers the 12-month period from 1 January to 31 December 2023 unless otherwise stated.

IHC has a vast and rapidly expanding portfolio comprising of over 600+ subsidiaries and investments, as of 31 December 2023, spanning a wide variety of business sectors.

Given the size and nature of IHC as a diversified company, we have chosen to focus the report on the primary revenue generators within the portfolio: Multiply Group PJSC and Alpha Dhabi Holding PJSC (ADH), which together account for a majority of the Group's total revenue.

As ADX-listed entities, both companies have published their own publicly available ESG reports. For this reason, we have opted to highlight key quantitative and qualitative aspects of their ESG achievements, along with those of a selection of their subsidiaries that are actively advancing their sustainability strategies.

These indirect subsidiaries of IHC are themselves independently listed on the ADX and therefore also publish standalone sustainability reports which readers may refer to for a more comprehensive view of their performance.

The table below shows the list of direct and indirect IHC subsidiaries featured in this report as well as links to their respective Sustainability Reports.

Direct Subsidiaries	Indirect Subsidiaries
 Alpha Dhabi Holding PJSC (ADH)	 Aldar Properties PJSC
	 PureHealth Holding PJSC
 Multiply Group PJSC	 Emirates Driving Company PJSC (EDC)

Given the above, the quantitative data contained in this report predominantly pertains to IHC at the Holding level, allowing IHC to adopt a more focused reporting approach.

Finally, this report also showcases IHC's approach to responsible investing through case studies of select direct and indirect subsidiaries making an impact in the sustainability space.

These include

- Sirius International Holding (direct subsidiary)
 - Mawarid Holding Investment (MHI) (indirect subsidiary – an ADH subsidiary)
 - Rebound (indirect subsidiary – a Sirius subsidiary)
- Esyasoft (indirect subsidiary – a Sirius subsidiary)
 - RESET (direct subsidiary)
 - Botanical Water Technologies (indirect subsidiary – a Sirius subsidiary)

Reporting Frameworks

The report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021 Update, which is effective for reports published from 1 January 2023 onwards.

It is also aligned with the Abu Dhabi Securities Exchange's (ADX) ESG disclosure guidelines and its 31 ESG metrics as well as the Abu Dhabi Vision 2030, a government strategy that will guide the next decade of economic, social, and environmental development in the emirate.

Finally, the report is also aligned with those Sustainable Development Goals (SDGs) that are deemed most material to the Holding company's activities.

Alignment with the relevant reporting standards and frameworks is clearly indicated under each segment. In addition, the reader can refer to the Appendix section which includes indices indicating alignment with the various standards and frameworks.



Assurance

The information and data contained in this report have been reviewed for accuracy and completeness by relevant internal stakeholders as well as a reputable third-party consulting firm.

The Board of Directors acknowledges its responsibility for ensuring the integrity of this report and confirms that the information contained within fairly represents IHC's performance and accurately references the applied reporting standards.

Forward-Looking Statements

While every effort has been made to ensure the accuracy of the data contained in this report at the time of publication, the report contains forward-looking statements that could be subject to change beyond the control of IHC.

The Group bears no obligation to publicly update or revise any forward-looking statements included in this report unless required to do so by applicable laws and regulations.

Feedback

IHC constantly reviews its sustainability reporting methodology. The production of this report is a collaborative process, and we welcome any feedback that may enhance its' development.

For any queries or feedback about the content of this report, please contact: ir@IHCuae.com

5.2

A Letter from the CEO

(GRI 2-2)

Investing in Sustainability with Innovation at our Core

In 2023, the UAE demonstrated leadership on the global stage, not only by hosting the COP28 United Nations Climate Change Conference but by playing a decisive role in galvanizing all nations to agree on a course of action that keeps the world on track to prevent the worst impacts of climate change.

COP28 will go down in history as a pivotal moment in the fight against global warming, one where the world chose to intensify efforts to curb greenhouse gas emissions and pave the way for a sustainable, low-carbon economy. The UAE can feel justly proud of the role it played in securing this landmark agreement – the “UAE Consensus.”

IHC is inspired by this leadership. While the company has for some time been strategically investing in the renewable energy and clean tech sectors, in line with our mandate to drive the diversification of the UAE’s non-oil economy, we have now embarked on a mission to strengthen our approach to sustainable development.

IHC has adopted a more strategic approach to sustainability through a combination of targeted investments, Group-wide initiatives, and a new ESG framework that will enable us to assess and better prepare our subsidiaries to effectively manage ESG risks and opportunities while amplifying our social, environmental, and economic impact.

We aim to achieve our goals by fostering global and local partnerships and through investments and acquisitions across multiple sectors, particularly in new innovative technologies and infrastructure that align with global sustainable development goals, while always seeking opportunities in high quality businesses that generate competitive financial returns for investors.

Technology and climate systems are key areas of growth for IHC in the current market and we are intent on developing innovative solutions that can support the transition to a more sustainable economy. Over the past 12 months we have looked to invest in companies and develop technologies that can support our vision for sustainable impact.



Key target sectors have included

- 01. Artificial Intelligence (AI) & Big Data Analytics across multiple sectors
- 02. Methane Abatement & Carbon Capture
- 03. Energy & Utilities
- 04. Deep Technology
- 05. Sustainable Water Solutions
- 06. EV Infrastructure & Mobility
- 07. Blockchain & Cryptocurrency Solutions

With sustainability and technology being a key focus, in 2023 IHC established Sirius International Holding with a commitment to catalyze the digital revolution. The company will focus on the nexus between green technology, digital transformation, and health tech to provide a better quality of life for all.

Under this new subsidiary, at COP28 IHC announced the establishment of ‘Smart Sustainability Solutions’ (S3), a pioneering climate company that will offer end-to-end industrial scale solutions for the transition to a net-zero economy. S3’s focus is on four critical segments of the new climate economy: Methane, Carbon, Circularity (Circular Economy), and Water Efficiency. With a clear commitment to advancing the transition to a sustainable future, the company has already begun to implement impactful solutions in these areas.

In addition, during 2023 IHC launched a new Sustainability Hub – Proseed, which is accelerating IHC’s sustainability journey. Firstly, it acts as a Center of Excellence to support talent development and build sustainability expertise and know-how within our organization and network. Through the Hub, IHC is delivering sustainability training & development programs and launch awareness and knowledge sharing campaigns. Secondly, it is also providing a platform to infuse UAE government sustainability programs and initiatives into our portfolio companies. And thirdly, the sustainability hub provides a platform for communicating and delivering IHC’s Sustainability Agenda and Framework.

We remain committed to fostering innovation, sustainability, community development and driving economic growth in the markets in which we operate. The Group is steadfastly focused on building a global ecosystem that harnesses the power of technology and innovation to drive growth across our portfolio for the benefit of shareholders and the environment.

Innovation has been key to IHC successfully navigating and growing throughout the global economic uncertainties of the past three years. Empowering employees and business unit leaders towards intrapreneurship, developing new business projects, scaling up innovative solutions, and building value chains have been fundamental to our extraordinary growth story and will continue to be as we march forward.

As we continue to evolve, IHC’s business-led decision making will also focus on creating a positive impact on the world by exploring new opportunities and achieving the best outcomes for people and planet.

Syed Basar Shueb,
Managing Director &
Chief Executive Officer

5.3

About IHC

(GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-28)

Who We Are

Headquartered in Abu Dhabi, IHC was founded in 1998 with a mandate to diversify and develop non-oil business sectors in the UAE and has grown to become the most valuable listed holding company in the Middle East.

The company endeavors to implement sustainability, innovation, and economic diversification initiatives across what is now one of the region's largest conglomerates. Listed on the Abu Dhabi Securities Exchange (ADX), IHC is included in FTSE ADX 15 Index (FADX 15), representing the top 15 largest and most liquid companies on the ADX.

IHC has a clear objective of enhancing its portfolio through acquisitions, strategic investments, and business combinations. Comprising more than 600+ subsidiaries and over 155,00+ employees, IHC seeks to expand and diversify its holdings across a growing number of sectors, including Asset Management, Healthcare, Real Estate and Construction, Marine and Dredging, AI & Technology, Financial Services, Food & Agriculture, Utilities, and Services.

With a core strategy to enhance shareholder value and achieve growth, IHC drives operational synergies and maximizes cost efficiencies across all verticals – it also continues to evaluate investment opportunities through direct ownership and entering partnerships in the UAE and abroad. As the world changes and new opportunities arise, IHC remains focused on resilience, innovation, and redefining the marketplace for itself, its clients, and its partners.

IHC's strategy is aligned with UAE National priorities, such as the "We the UAE 2031" vision, as well as Abu Dhabi's Economic Vision 2030 to drive the development of an inclusive, innovative and sustainable economy through tactical acquisitions of established businesses that deliver immediate shareholder value.



Our Vision

To build a robust and diversified operating asset holding company through strategic acquisitions in growth-driven industries and the creation of innovative companies that add value and bring sustainable improvements to communities, businesses, and governments.

Our Mission

To empower, enhance, advance and improve lives and opportunities. For our shareholders, our mission is to generate value, increase returns and create sustainable growth through:

- Organic Growth
- Strategic Acquisitions
- Strong Corporate Governance
- Business Combinations
- Consolidated Finance

Featured Subsidiaries

While not technically part of the reporting boundary, this report features data on certain key subsidiaries and affiliates to highlight the progress of portfolio companies in integrating ESG strategies and roadmaps. In addition, it showcases select examples of how IHC's portfolio companies generate positive social and environmental impact through their core activities.

Alpha Dhabi Holding PJSC (ADH)

Direct Subsidiary

Alpha Dhabi Holding (ADH) was established in 2013 and is one of the fastest growing Abu Dhabi-based investment holding companies, with more than 150 businesses spread across healthcare, renewable energy, climate capital and other industries such as real estate, construction and hospitality. With over 90,000 employees, ADH is a strategic contributor to the UAE economy and is committed to drive continuous growth for its stakeholders through investments in emerging businesses, supporting innovation and diversity. ADH is listed on the Abu Dhabi Securities Exchange (ADX) under the symbol 'ALPHADHABI'.



Multiply Group PJSC

Direct Subsidiary

With its trademark growth mindset, Multiply Group PJSC (ADX: MULTIPLY), is an Abu Dhabi-based holding company that invests in transformative cash-generating businesses it understands. Multiply Group will continue to deploy capital across its two distinct arms, both of which follow a disciplined approach to investing and ensure consistent, sustainable value creation for shareholders in the short, medium and long-term

- 01.** Multiply, the investments and operations in long-term strategic verticals, currently investing and operating in Mobility, Energy & Utilities, Media & Communications and Wellness & Beauty. Anchor investments provide long-term recurring income, through which bolt-on acquisitions are made.
- 02.** Multiply+, a flexible, sector-agnostic, and opportunistic investment arm.



Aldar Properties PJSC

Indirect Subsidiary - An ADH Subsidiary

Aldar Properties PJSC is the leading real estate developer, investor, and manager in the UAE with a diversified and sustainable operating model centered around two core businesses: Aldar Development and Aldar Investment. Aldar is driven by a vision to be a leading real estate developer and manager in the region by playing a key role in the development of quality, comfortable, desirable destinations that people can live in, work at and visit. Aldar's shares are traded on the Abu Dhabi Securities Exchange (ADX) under the symbol 'ALDAR'.



PureHealth Holding PJSC

Indirect Subsidiary - An ADH Subsidiary

PureHealth is the largest integrated healthcare platform in the Middle East, with an ecosystem that challenges lifespans and reimagines health spans. With 25+ hospitals, 100+ clinics, multiple diagnostic centers, health insurance solutions, pharmacies, health tech, procurement, investments and more, its groundbreaking innovations are at the forefront of healthcare, as the company is on a mission to unlock time for humankind. Abu Dhabi-based PureHealth is listed on the ADX under the symbol 'PUREHEALTH'.



Emirates Driving Company PJSC (EDC)

Indirect Subsidiary - A Multiply Group Subsidiary

Emirates Driving Company (PJSC) was established in 2000 and is considered the leading company for training and qualifying drivers and enhancing traffic safety on the roads in the Emirate of Abu Dhabi, using modern technologies and innovative methods in its training programs. Listed on the Abu Dhabi Securities Exchange (ADX) under the symbol 'DRIVE' since 2005, the company has partnerships with major international organizations to implement best practices in the field of driver training and awareness of road safety in the emirate.



Sirius International Holding

Direct Subsidiary

Sirius International Holding, headquartered in Abu Dhabi, is a subsidiary of IHC that stands at the forefront of the future of sustainability through technology and the digital transformation landscape. With a vision to drive profound change and ignite the possibilities of a better future, Sirius International Holding comprises of more than 20 subsidiaries globally, each contributing to shape today's health, climate and digital eco-system.



Mawarid Holding Investment (MHI)

Indirect Subsidiary - An ADH Subsidiary

Founded in 2016, Mawarid Holding Investment (MHI) is a leading investor in the field of natural capital conservation services in the UAE. Headquartered in Abu Dhabi, the MHI Group has a diversified portfolio of innovative businesses operating across multiple business lines. The Group adopts the latest emerging technologies and innovations to combat climate change, desertification, and water scarcity. Sustainable forestry, rehabilitation of degraded lands, sustainable usage of groundwater, wildlife management, and sustainable agricultural practices are at the heart of the Group's vision to nurture and conserve the UAE's unique biodiversity. Through its subsidiaries, the Group now manages 200,000 hectares of forests comprising over 13.5 million trees.



RESET

Direct Subsidiary

RESET is a leading energy service company (ESCO) based in the UAE, renowned for its expertise in delivering comprehensive energy and water-saving solutions for buildings and infrastructure. Committed to sustainability, RESET prioritizes the optimization of energy consumption, reduction of environmental impact, and attainment of cost savings. Aligned with the UAE government's strategic environmental initiatives, RESET is actively working towards achieving net-zero emissions by 2050, contributing to the global fight against climate change.



Rebound

Indirect Subsidiary

Rebound was established with a global mission of keeping plastics out of the environment and within the economy, to become part of the solution to reducing plastic pollution. Rebound, backed by IHC, has been founded to address these challenges through their trading platform along with their advisory services.



Esyasoft

Indirect Subsidiary

Esyasoft is a technology & analytics product company catering to the distinct challenges of the energy sector. The company harnesses digital technologies to produce solutions, including advanced Meter Data Management (MDM) systems, that play a pivotal role in optimizing energy usage and enhancing demand-based generation. Esyasoft collaborates with leading utilities, OEMs, and system integrators to implement smart grid and smart city solutions.



5.4 Our Sustainability Approach

(GRI 2-2)

As a company entrusted by its shareholders to drive the diversification of the UAE's non-oil economy, IHC has for some time been expanding into the renewable energy and clean tech sectors through strategic acquisitions.

In 2023, the UAE's 'Year of Sustainability' and the year the country hosted the successful COP28 UN Climate Change Conference, IHC embarked on a mission to accelerate its involvement in sustainable development and climate finance.

The company's ESG journey includes a new internal framework that enables it to assess and prepare subsidiaries to effectively manage ESG risks and opportunities, while amplifying its social and environmental impact.

IHC is accelerating progress through global and local partnerships, investments and acquisitions across multiple sectors, particularly in new innovative technologies and infrastructure that aligns with global social development goals, while always seeking opportunities in high quality businesses that generate competitive financial returns.

IHC's ESG Integration Framework

IHC has developed an ESG Integration Framework & Roadmap, in line with globally recognized sustainability standards, that aligns with the company's role as:

- A responsible business operator
- A responsible investor
- A responsible asset owner

This Framework & Roadmap will guide decision-making as IHC continues its sustainability journey while enabling the company to communicate its ESG Statement and Commitments to all key stakeholders.

The Framework & Roadmap is underpinned by a Sustainability Statement that captures IHC's commitment and overarching approach:

"At International Holding Company, we are committed to driving sustainable development in the UAE & globally through impact investing, focusing on companies that prioritize sustainability technological solutions while driving growth. We are dedicated to transparency in our efforts and regularly reporting on the progress of our portfolio companies."



ESG Framework

IHC approached the development of the ESG Integration Framework from two perspectives:

01. The 'Bottom Up' approach, based on a materiality assessment of the companies within the IHC portfolio
02. The 'Top Down' approach, which looks at materiality at the Holding level

By analyzing the company from two opposing angles, IHC developed a comprehensive framework that covers all ESG-related risks that IHC needs to manage.

Bottom Up

The 'bottom-up' approach enabled us to identify all material ESG risks that IHC must embed in its Risk Management Framework. This was based on an analysis of IHC portfolio companies that carry the most weight in terms of revenue generation and sustainability impact. This process also enabled us to identify the most significant sustainability opportunities that IHC can address through its various entities.

While IHC has investments in more than 500 entities, a shortlist of portfolio companies met the criteria for initial inclusion in the organizational boundary for materiality assessment based on the significance of their ESG and economic impact. This included all IHC direct subsidiaries and first-level indirect subsidiaries.



Each of these companies was then classified into sectors and industries in accordance with SASB's Sustainable Industry Classification System (SICS) and MSCI's Global Industry Classification Standards (GICS).

By classifying its entities, IHC ensures that its ESG framework and performance are better aligned with the global frameworks that are commonly used by ESG rating agencies, global investors, and other key stakeholders.

IHC mapped all selected entities against their corresponding ESG material topics as per the SASB Standards, which considers impacts on enterprise value (financially material) as well as MSCI, which looks at how the company impacts externalities connected to each ESG issue.

We identified 22 ESG topics that are most material to IHC from a risk perspective, as well as four strategic sustainability opportunities:

- Environmental - 6 Topics**

 - Energy Management
 - Waste & Hazardous Materials Management
 - Water & Wastewater Management
 - GHG Emissions
 - Climate Change Vulnerability
 - Biodiversity & Land Use
- Governance - 7 Topics**

 - Business Ethics
 - Systemic Risk Management
 - Critical Incident Risk Management
 - Board
 - Pay
 - Accounting
 - Tax Transparency
- Social - 9 Topics**

 - Product Safety & Quality
 - Human Capital Development
 - Employee Engagement, Diversity & Inclusion
 - Health & Safety
 - Labor Management
 - Privacy & Data Security
 - Selling Practices & Product Labelling
 - Community Relations (Access & Affordability)
 - Customer Welfare
- Opportunities - 4 Topics**

 - Green buildings
 - Clean tech
 - Renewable Energy
 - Nutrition & Health

Top Down

The ‘top-down’ approach enabled us to identify those ESG topics that are specific to IHC’s operation at the holding level. These are related to IHC’s continued quest to become a responsible business operator, a responsible investor and a responsible asset owner.

Combining both the Bottom Up and Top Down materiality approach, IHC has developed a comprehensive ESG Framework encompassing ESG Risk Management issues, ESG integration topics, and opportunities, as shown in the diagram below.



ESG risk management issues

Environment

- GHG Emissions
- Waste Management
- Water Management
- Energy Management
- Climate Change
- Biodiversity & Land

Social

- Employee Health & Safety
- Human Capital Dev.
- Labour Management
- Engagement, Diversity and Inclusion
- Product Safety & Quality
- Privacy & Data Security
- Customer Welfare
- Community Relations (Incl. Access & Affordability)

Governance

- Business Ethics
- Systemic Risk Mgmt.
- Critical Incident Risk Management
- Board & Pay
- Accounting
- Tax Transparency

ESG integration material (top-down)

Responsible Corporate Citizen

- Ensure to provide gainful employment
- Engage with the community and contribute to its wellbeing
- Transition towards a circular workplace
- Continuously strengthen governance structure and ensure Business Ethics

Responsible Investor

- Incorporate ESG issues into investment analysis and decision-making processes
- Align investment mandates, monitoring procedures, performance indicators and incentive structure accordingly
- Disclose how ESG issues are integrated within investment practices and all active ownership activities

Responsible Asset Owner

- Be active owners and incorporate ESG issues into ownership policies and practices
- Seek appropriate disclosure on ESG issues by IHC investee companies
- Engage with investee companies on ESG issues
- Exercise voting rights and file shareholder resolutions consistent with long-term ESG considerations

Participate in collaborative engagement initiatives

- Encourage academic and other research on Sustainability and ESG
- Advocate ESG training
- Form partnerships or join alliances to enhance effectiveness in implementing ESG integration

ESG opportunities

- Green building
- Clean tech
- Renewable energy
- Nutrition & health

Developing an ESG Roadmap

Based on the above Framework, IHC is developing a Roadmap to deepen ESG integration over the coming year with a view to advancing our sustainability journey and enhancing ESG performance.

As part of this process, we are evaluating potential initiatives as well as as strategic objectives and KPIs. In tandem, we are assessing ways to strengthen our ESG governance with appropriate policies and procedures to ensure a consistent approach moving forward. Furthermore, we are evaluating ways to effectively integrate ESG considerations into our investment decision-making while also considering how we can embed ESG into IHC’s risk management framework. Throughout this journey, we will maintain close engagement with all key stakeholders.

For further alignment and refinement of the ESG Roadmap and Strategy, IHC will refer to globally recognized standards and frameworks. This includes potentially conducting an SDG mapping exercise to identify those SDGs that the Group impacts the most as well as evaluating the benefits of joining strategic networks such as The United Nations Principles for Responsible Investment (PRI) and The United Nations Global Compact.

Beyond this, we will evaluate ways to further enhance engagement with our investee companies, upskill IHC companies from an ESG perspective, and report on portfolio GHG emissions, among other initiatives.

Stakeholder Engagement

Maintaining continuous dialogue with key stakeholders is critical to gathering feedback for our ESG materiality assessment and the development of IHC’s ESG strategy. Our close relationships with these stakeholders ensure we have a clear understanding of the issues that matter most to them which, in turn, enables us to identify and prioritize the ESG risks and opportunities that must be managed moving forward.

The table below shows the seven key stakeholder groups identified, the methods we use to engage with them, and what matters to them.

Stakeholder	What Matters to Them	Engagement Methods
Customers (Subsidiaries)	• Market leading products and services • Innovation and sustainability • Value for money • Efficient and proactive customer channels • Friendly and responsive customer service	• Face to face meetings • Social media channels • Customer service offices for IHC companies
Employees (Holding and Subsidiaries)	• Career progression and growth • Training & development opportunities • A safe and secure work environment • Fair compensation	• In house meetings • Internal communications · Recognition and rewards · Social gatherings • Team building exercises
Shareholders	• Strong balance sheet and continuous cash flows • Ambitious expansion vision • Robust governance and risk management • Transparency and disclosure • Strong market position	• Annual General Meetings (AGM) • Investor relations • Reporting (Annual, Corporate Governance, ESG) • Stock Exchange announcements
Communities	• Support underprivileged members of society • Promoting health, education, security, sports and culture • Environmental initiatives	• Sponsorship of events that promote social wellbeing • Partnerships with other organisations • Participation campaigns and initiatives to protect the environment • Donations to charitable causes • Social welfare campaigns

Stakeholder	What Matters to Them	Engagement Methods
Government & Regulators	- Compliance with all applicable laws and regulations - Alignment with federal and local government strategies - Protecting the interests of investors and shareholders - Consumer protection - Environmental protection	- Regulatory disclosures - Annual reports - Public-private business forums and conferences - Direct relationships - Legal and Compliance Department
Partners	- New business opportunities - Timely payments - Transparent bidding and tendering processes	- Supplier portal at IHC Subsidiaries - Procurement department · Supplier feedback surveys
Portfolio Companies	- Access to growth capital Strategic direction - Access to a wider network - Governance support	- Regular meetings - Board of Director meetings - Review meetings - Interim and full year financial statements

Our Enhanced Material Topics

Feedback gathered through stakeholder engagement provides vital input for the materiality assessment that IHC conducts to identify the material ESG topics the company needs to manage and report on at the Holding level.

In addition, the materiality assessment utilizes global frameworks and standards including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB).

Using a dual approach to materiality, we assessed ESG topics in terms of their potential impact on the business as well as the external impact of our operations on the economy, society and the environment.

The following table highlights those material ESG topics that are a priority for IHC.

	What Matters to Them	Engagement Methods
1	Climate Change	- GRI 302 - Energy - GRI 305 - Emissions
	Energy	- E1: GHG Emissions - E2: Emissions Intensity - E3: Energy Usage - E4: Energy Intensity - E5: Energy Mix
	Emissions	- E7: Environmental Operations - E8: Environmental Oversight - E9: Environmental Oversight - E10: Climate Risk Mitigation
2	Human Development	- GRI 401 - Employment - GRI 402- Labour Management Relations - GRI 404-Training and Education - GRI 405 - Diversity and Equal Opportunity - GRI 406 - Non-discrimination
	Diversity & Equal Opportunity	- S2: Gender Pay Ratio - S3: Employee Turnover - S4: Gender Diversity - S5: Temporary Worker Ratio - S6: Non-Discrimination
	Non-discrimination	S11: Nationalisation

	What Matters to Them	Engagement Methods
3	Responsible Investment	GRI 203 Indirect Economic Impact
4	Governance	- GRI 205 - Anti-Corruption - G1: Board Diversity - G2: Board Independence - G3: Incentivized Pay - G5: Ethics & Prevention of Corruption - S1: CEO Pay - S9: Child and Forced Labour - S10: Human Rights

5.5 Key Sustainability Initiatives at IHC

Integrating ESG Values into Investees

IHC looks to integrate ESG considerations into investment decision-making and build our portfolio through strategic acquisitions of companies that can make a positive social and environmental impact. As a responsible asset owner we also consider how we embed ESG values into our existing portfolio of companies.

Given the size and the diverse nature of IHC's vast portfolio, there can be no 'one size fits all' approach to ESG integration within our investee companies. Instead, each company will have considerable latitude to adopt the most appropriate and effective approach for them. How each entity goes about this process may depend on a variety of factors, including the size of the company, and the jurisdictions and the sectors in which they operate.

What matters is that IHC, at the holding level, is sending a clear signal to its investees that managing ESG risks and opportunities while maximizing social and environmental impacts is a priority for all moving forward. In doing so, they may be guided by our newly developed sustainability framework, which has been designed to serve this purpose, as well as IHC's vision, mission, and values.

In addition, investees can use globally recognized frameworks and standards, such as the Task Force on Climate-related Financial Disclosures (TCFD), the Science-based Targets initiative (SBTi), and the Sustainable Development Goals (SDGs), among others to develop their ESG frameworks and strategies. This report highlights how a selection of the larger entities within our portfolio operating across diverse sectors have gone about this process. Featured examples of companies that have made substantial progress with their own ESG journeys include Multiply Group, Emirates Driving Company (EDC), and PureHealth, among others.





ProSeed: Spreading Awareness, Sharing Knowledge

To effectively facilitate the dissemination of ESG values throughout the portfolio, IHC has launched the Proseed Sustainability Hub which will provide a forum for our entities to engage, share their experiences, and exchange knowledge around sustainability issues. The Hub will also host training sessions and informative talks by thought leaders on sustainability topics and insights on how to manage ESG risks and opportunities. As such, it will be one of the cornerstones of IHC's efforts to infuse sustainability and ESG values across the portfolio. For more details on the Proseed Sustainability Hub.

Integrating ESG values into our investees will play a critical role in strengthening the overall ESG profile of our portfolio, enhancing our reputation as a responsible investor and asset owner, while supporting IHC's mission to maximize value for all stakeholders.

ProSeed Hub by IHC for Transformative Environmental Stewardship



IHC launched the Proseed Sustainability Hub at its headquarters in Abu Dhabi in October 2023. Inaugurated by His Excellency Dr Sultan Al Jaber, UAE Minister of Industry and Advanced Technology and COP28 President, the hub provides a platform for IHC to enact its sustainability agenda and contribute towards the UAE's sustainability ambitions.

The Proseed Hub is a multi-functional space designed to serve a variety of purposes. It demonstrates IHC and its subsidiaries commitment to sustainability, including how three companies have announced their SBTi-based Net-Zero Commitments, and underscores how the private sector can play a critical role in addressing climate change while driving inclusive and sustainable economic development.

The Hub will serve as an interactive platform, facilitating IHC's engagement with Government Programs, external parties, and internal champions to infuse sustainability across its portfolio. It will host training sessions, think tanks and events to spark conversations and exchange knowledge around sustainability. Finally, it will provide a forum for IHC partners and subsidiaries to collaborate, ideate, and implement innovative solutions, enhancing sustainability across operations and fostering sector-wise growth.

FACTBOX

- Located at Khalifa Park at IHC's headquarters, the Hub is comprised of six zones, each depicting IHC's sustainability journey and providing a space for collaboration.
- Guests can enjoy a user-friendly experience as they embark on a journey to explore the sustainability initiatives of IHC and its subsidiaries.
- Engaging video content will introduce them to IHC's investments, portfolio, products, and services, offering insight into the company's sustainability drive.
- The journey concludes at the "Meeting & Amphitheatre Space", a vibrant space designed for hosting workshops, ESG signing ceremonies, company presentations, thought leadership sessions and facilitating active ESG participation.
- The second floor showcases sustainability innovations and displays by esyasoft and easylease
- IHC, through Proseed, has also launched a corporate wellness offering in its Digital Wellness Studio.



IHC at COP28

IHC had a prominent presence at the COP28 United Nations Climate Change Conference, which was held at Expo City Dubai from November 30 to December 13, 2023. The company, participated as a Climate Supporter and showcased the sustainability efforts of 19 portfolio companies across three thematic zones: Energy Transition Hub; Healthcare Cluster; and Technology and Innovation Hub.

During the two-week event, IHC held a dedicated 'Thematic Day Program' which highlighted the company's 'Abu Dhabi to the World' sustainability impact. The following table shows the 19 IHC companies that featured at COP28, the theme of their participation, and a brief description.



Company		Theme	Description
	Alpha Dhabi Holding	Elevating Potential	Pioneering across a diverse portfolio, prioritizing sustainability, synergized, for an eco-conscious future
	Aldar	Enriching Sustainable Communities	Decarbonizing real estate for liveable and sustainable spaces while fostering education to shape a brighter future
	Sirius Intl Holding	Global Climate Delivery Systems	Harnessing technology for a sustainable, interconnected, and improved quality of life
	Multiply Group	Empowering Excellence	Investing in Clean Energy, Mobility and Wellness for a Sustainable Future
	Ghitha	Sustaining Life, Championing Food Security	Nurturing Growth, Ensuring Food Security with Sustainable Agriculture and Produce

	EasyLease	Empowering Eco-Friendly Mobility	Decarbonizing the mobility sector through sustainable transportation solutions
	Q Holding	Building Sustainable Investments & Landscapes	Driving sustainable real estate, hospitality, and diverse economic growth
	Arena	Extraordinary Global Live Experiences	Delivering exceptional, eco-friendly events globally to positively impact communities
	Reset	Redefining Energy Solutions	Turnkey solutions for energy and water savings in urban areas
	Palms Sports	Integrating Wellbeing into Everyday Life	Emphasizing the significance of sports, health, and leisure through education
	Emirates Stallions Group	Building a Greener Future	Integrating Sustainability in Real Estate, Landscaping, Construction, and Agriculture
	OCI	Elevating Potential, for clean logistics	Producing and distributing methanol and hydrogen solutions to fuel the world sustainably
	Mawarid Holding Investment	Elevating Potential, for nature-based solutions	Responsible approaches to forest, wildlife, water, biosciences, landscaping, and agriculture
	Trojan	Elevating Potential, for building sustainable communities	Providing large-scale, multidisciplinary construction and community development
	Wio Bank	Elevating Potential, empowering individuals	The region's first platform bank created to reboot banking for all
	Esyasoft	Transforming the Energy Industry	Pioneering Smart Grid and Decarbonization for global water, gas and energy utility companies
	Botanical Water Technologies	World's Most Sustainable Drinking Water	Striving to positively impact 100 million lives by providing drinking water, sustainably and efficiently
	Rebound	Revolutionizing Plastic Recycling	Trust-based trade to reduce plastic pollution's impact for a Cleaner, Greener Planet
	Emirates Driving Company (EDC)	Driving Safe Mobility Education	Advancing the future of mobility with sustainability and technological innovation

11 Announcements at COP28 across the following sectors:	01. Carbon Capture	07. Construction
	02. Methane Abatement	08. EV Infrastructure and Mobility
	03. Finance	09. Real Estate & Urbanization
	04. Sustainable water solutions	10. Healthcare
	05. Circular Economy	11. Nature & Biodiversity
	06. Energy Efficiency & Utilization	

Sirius International Holding – Shaping the Future of Sustainability through Technology and Digital Transformation

Sirius International Holding, headquartered in Abu Dhabi, is a subsidiary of IHC that seeks to harness technology and digital transformation to shape the future of sustainability. The company is comprised of more than 20 subsidiaries globally, working at the vanguard of today's health, climate and digital eco-systems.

In November 2023, IHC transferred four of its key 'green businesses' under the Sirius umbrella as part of IHC's plans

to grow the company into one of its key subsidiaries. The transfer included Green Energy Investment Holding RSC LTD, Green Enterprise Investment Holding RSC LTD, Green Vitality LTD and IHC's 80% ownership of Rebound Limited. Each of these subsidiaries leverages disruptive technologies to engineer solutions that can combat climate change, and with a dedication to driving digital transformation through investments.

Smart Sustainability Solutions (S3)

In December 2023, during COP28 in Dubai, Sirius International Holding announced the establishment of Smart Sustainability Solutions (S3), a pioneering climate company focused on offering end-to-end industrial scale solutions for the transition to a net-zero economy.

S3 is committed to providing innovative and effective solutions to combat climate change and create a sustainable future for all. The objective is to bridge the gap in the market and establish itself as the largest company dedicated to combating climate change.

S3 will focus on four critical segments of the new climate economy: Methane, Carbon, Circularity (Circular Economy), and Water Efficiency.



Methane

S3 is developing a full-service engineering and construction company dedicated to mitigating methane emissions and promoting methane abatement across the entire Oil & Gas industry, covering upstream, midstream, and downstream segments.



Carbon

S3 is pioneering the world's first vertically integrated carbon management enterprise, extending the Oil & Gas value chain from the point of CO2 capture. A separate unit within the Company will also capitalize on existing carbon accounting and trading platforms.



Circular Economy

Strategically positioned as an in-house investment manager, this vertical will focus on scaling up industrial technologies aligned with circular economy principles. The strategic initiative includes harnessing excess waste energy from diverse sources and orchestrating synergistic clean energy transformations and production loops.



Water

This vertical is dedicated to commercializing cutting-edge technologies aimed at optimizing water usage and recovery of water resources from agricultural processing and industrial operations. S3's objective in this domain is to combat water scarcity in specific locations by providing a new source of drinkable, sustainable, plant-derived water for initiatives with social and environmental impact.

Sirius International Holding (Sirius), headquartered in Abu Dhabi, is a subsidiary of IHC harnessing technology and digital transformation to shape the future of sustainability. The company is comprised of more than 20 subsidiaries globally, working at the vanguard of today's digital, climate and health eco-systems.

Investment Strategy and Approach

In November 2023, IHC transferred four of its key 'green businesses' under the Sirius umbrella as part of IHC's plans to grow the company into one of its key subsidiaries. The transfer included Green Energy Investment Holding RSC LTD, Green Enterprise Investment Holding RSC LTD, Green Vitality LTD and IHC's 80% ownership of Rebound Limited. Each of these subsidiaries leverages disruptive technologies to engineer solutions that can combat climate change, and with a dedication to driving digital transformation through investments.

Sirius is dedicated to advancing sustainable practices by strategically investing in companies at the forefront of developing innovative technologies aimed at reducing carbon footprints. These investments not only contribute to mitigating environmental impact but also align with Sirius' commitment to foster a better world. The investment approach seeks to support ground-breaking initiatives that drive positive change, creating a more environmentally conscious and socially responsible future.

Sirius has committed to investing the capital required to fully develop these business verticals, capitalizing on its existing assets, and operationalizing its strategy, including 'finance-build-operate-transfer' models. Sustainability-linked assets IHC transferred under Sirius management in November will be integrated into one of S3's four business verticals, as appropriate.

These business verticals will play a pivotal role in advancing corporate agendas focused on achieving net zero emissions, fulfilling methane reduction pledges, and implementing strategies for net positive water impact.

Technologies

Investment in Botanical Water Technologies – aimed at addressing water scarcity and contamination challenges through under S3, Sirius' sustainability vertical. This investment enables Sirius us to harness BWT's expertise and expand their reach, making a tangible difference worldwide. Investing in clean water harvesting technologies to support the vision of giving clean drinking water and positively impacting 100 million of the world's most vulnerable people by 2025.

SOCAR

Sirius partners with SOCAR to explore and spearhead sustainable solutions within Azerbaijan's dynamic oil and gas sector to lead the way in methane abatement and CCTUS, shaping a greener future. This partnership marks a significant milestone to excellence, innovation, and the pursuit of greener energy solutions. Sirius and SOCAR will focus on recycling waste energy by identifying waste energy sources and evaluating their sustainability, as well as designing and building facilities to recover and reuse waste energy. As part of their collaboration in the area of water efficiency, the two entities will implement advanced water metering infrastructure, identify inefficient water users in the industry, and design and implement solutions to recover and reuse wastewater.

Achievements and Impact

Esyasoft are working towards Blockchain-based Carbon registry & exchange for emission reduction & delivery as well as Installation of +500 million utility metering & IOT infrastructure for power, water & gas. This innovative registry enhances transparency and traceability in carbon markets, ensuring secure and efficient transactions. This will result in Smart meter CO2e savings of 1.1 billion tons for +1 billion lives.

Rebound marked significant achievements, notably the launch of Rebound Solutions, its advisory and consultancy division, successfully partnering with multiple businesses. This year, Rebound earned prestigious accolades: it was honoured as the Technology Pioneer by the World Economic Forum, the only company in the region to receive this recognition. Furthermore, Rebound's innovative expertise was acknowledged with the Future100 award, the Most Innovative Technology award, and the Small & Mighty award for the most innovative businesses of the year.





5.6

ESG Integration and Impact

Alpha Dhabi Holding – Investing in a Sustainable Future



In 2023, Alpha Dhabi Holding (ADH) worked on streamlining its Environmental, Social, and Governance (ESG) efforts to ensure their effectiveness, scalability, and impact.

The Group is navigating the complexities of embedding ESG principles into its operations while pursuing strategic objectives, exploring how business decisions impact the broader societal and environmental context, and how these can coexist with ADH’s duty to deliver shareholder value. This journey is marked by an effort to align actions with material ESG topics while ensuring that endeavours are both impactful and aligned with corporate strategy.

ADH is working to enhance ESG practices within its existing subsidiaries, viewing this as an essential process to ensure the long-term resilience of the portfolio. While continuously seeking to align with the UAE government’s vision for economic diversification and sustainable development, ADH is laying the groundwork for a future where its commitment to sustainability is progressively integrated into its core business operations, thus serving the dual objectives of creating shareholder value while promoting responsible business practices.

Operationalizing ESG

ADH’s ESG approach is based on the principle of continuous improvement and strategic alignment across subsidiaries. In 2022, the Group conducted a comprehensive materiality assessment that spanned its industries. This exercise resulted in a broad spectrum of material ESG topics and paved the way for a more focused approach in 2023 that reflects the diversity of operations within the company’s portfolio.

More ADH subsidiaries are conducting their own materiality assessments to pinpoint ESG topics that are pertinent to their operations. This decentralized approach allows for more precise and operation-specific ESG reporting, moving away from the ‘one-size-fits-all’ model. The aim is to foster an environment where ESG integration is not only strategic but also relevant to each subsidiary and their stakeholders.

ESG Material Topics

ADH’s materiality assessment in 2023 focused on refining the Group’s role as an investor, identifying material ESG topics for corporate operations at the holding level.

Drawing on stakeholder feedback, internal expertise in investment, sustainability, and risk management, as well as insights from sustainability industry experts, and utilizing global frameworks and standards including the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB), ADH pinpointed the following key focus areas:

Environment Prioritizing carbon emissions and energy efficiency	Compliance & Ethical Behavior Maintaining robust governance frameworks
Human Capital Development Cultivating talent and ensuring workforce wellbeing	Finance Ensuring fiscal practices that support sustainable growth

These topics align with core functions and responsibilities at the holding level rather than the broader operational concerns of ADH subsidiaries.

However, common material topics across subsidiaries, such as Carbon Emissions, Human Capital Development, Health & Safety, and Governance, are integrated into ADH's reporting framework ensuring that, while subsidiaries maintain autonomy over their ESG agendas, there is alignment in addressing issues of universal importance across the group.

These common topics will allow ADH to present a group-wide perspective on critical areas of ESG reporting.

This strategic shift underscores ADH's commitment to an ESG approach that is both decentralized in assessment yet unified in vision. It reflects a commitment to empower subsidiaries with the autonomy they need to advance their ESG practices, while ADH as the parent company maintains oversight on Group-wide material topics, ensuring they align with the our overarching values and objectives.

Integrating ESG Across Subsidiaries

ADH collaborates with subsidiaries to gradually enhance their ESG practices. In 2023, the focus was on empowering subsidiaries through education and direct engagement, supporting them to understand and measure their ESG impact.

Through bespoke materiality assessments, each subsidiary identifies and prioritizes their material ESG topics, aligning them with specific corporate goals and values. This tailored approach ensures that while each entity progresses, it contributes to the overall ESG progress of the ADH Group.

Towards Decarbonization

Within the broader context of integrating ESG across subsidiaries, ADH has made significant strides in advancing its carbon emissions strategy. The cornerstone of ADH's carbon strategy is the establishment of a detailed GHG inventory which serves as a measure of the group's environmental impact as well as a benchmark for future improvement. ADH is implementing a digital GHG accounting platform across select subsidiaries, empowering them with the means to independently calculate, manage and report emissions. While currently limited in scope, these efforts lay the groundwork for a more comprehensive and effective ESG strategy across the Group. The initiative promises not only environmental benefits but also operational and economic efficiencies, underscoring the multifaceted value of integrating ESG practices.



Multiply Group A Blueprint for Sustainable Success

MULTIPLY
GROUP

Multiply Group has made substantial progress with its sustainability journey since becoming listed on the Abu Dhabi Securities Exchange (ADX) in 2021 reflecting a commitment to responsible business practices while creating sustainable value for all stakeholders. Moving forward, Multiply intends to fine tune its approach to ESG in line with the UAE's strategic sustainability priorities as well as international standards and best practices.

2022

Multiply Group laid the groundwork for the start of its sustainability journey by developing a practical and action-oriented framework, which outlined ESG pillars and key material topics for the company, ranked on their level of importance.

2023

Established a comprehensive ESG strategy, including clear objectives and actionable initiatives for each pillar.

Built upon the foundational work undertaken in 2022, streamlining and focusing our material topics and areas of impact.

2024 & Ahead

Multiply Group will develop an ESG Integration Framework to seamlessly incorporate ESG factors into investment analysis, due diligence approach, and operational decision-making processes.

As a diversified holding company, Multiply recognizes the importance of leveraging ESG to manage risks and opportunities, maximize long-term sustainable growth, and generate positive social and environmental impacts. As a responsible investor, the company is prioritizing the integration of ESG principles into our investment strategy and decision-making processes while as a responsible asset owner, Multiply encourages portfolio companies to incorporate ESG considerations into their operations.

15.8 Sustainalytics Score

Received a rating of 15.8 from Sustainalytics, a leading global ESG rating agency, indicating a low ESG risk score.



COP28 Climate Supporters

Proudly took on the role of Climate Supporters at COP28 as part of our active role in addressing global climate challenges.



Sustainability Framework

Multiply Group’s sustainability framework is comprised of four pillars:

- Foundational Excellence
- Growing Our Human Capital
- Investing in a Sustainable Future
- Managing Our Influence

Aligned with the company’s strengths, mission-driven values, and organizational scope, the framework is designed to address both internal priorities and external ESG risks and opportunities and serves as a strategic roadmap for ESG integration throughout the portfolio. Emphasizing solid internal practices, workforce development, responsible resource allocation, and ethical business practices, the framework underscores Multiply Group’s commitment to sustainability and long-term success.

These four pillars guide decision-making and support actions that produce a positive sustainable impact in line with each of the priorities and material topics. As such, the framework provides a practical tool to help drive meaningful change across the organization.

Sustainability Strategy

During 2023, Multiply Group developed a comprehensive sustainability framework and long-term strategy, aligning operations with a commitment to responsible business practices and having a positive impact on the environment and society.

Central to this strategy is the establishment of an ESG blueprint. Designed with clear, actionable objectives for each pillar of the framework, the blueprint provides a structured and transparent pathway for all stakeholders to understand and engage with Multiply Group’s sustainability efforts.

Defining specific goals ensures accountability, supports the measurement of progress, and reinforces a commitment to continuous improvement in ESG practices.

In addition, the strategy provides a comprehensive roadmap of actions, both immediate and long-term, including detailed initiatives and milestones that ensure a systematic approach to implementation.

Immediate actions are focused on embedding ESG principles into core business processes and decision-making frameworks, thereby fostering a culture of responsibility and awareness across the group. The Roadmap also anticipates evolving challenges and opportunities in sustainability, ensuring that Multiply remains agile and responsive in the face of a fast-changing landscape.

Pillar 1: Robust Foundations

This pillar focuses on implementing robust governance structures, overseeing compliance, championing sustainable practices, and integrating ESG risks into the organization’s risk management approach. By prioritizing ESG-centric leadership and developing a culture rooted in ethics and human rights, Multiply Group fosters strong corporate governance, which is critical for building stakeholder trust and setting an example for subsidiaries to follow.

Pillar 2: Growing our Human Capital

Initiatives related to this pillar revolve around the development and wellbeing of the company’s most valuable asset: its people. Investing in the workforce helps underpin sustainable growth, innovation, and delivering on the company’s sustainability vision. By focusing on diversity, safety, and wellbeing, along with aligning compensation to ESG performance, Multiply can attract top talent, drive innovation, and boost productivity.

Pillar 3: Investing in a Sustainable Future

Priorities under this pillar consist of shaping the investment landscape with ESG-centric decision-making. This involves considering material ESG factors in all investment decisions, engaging with portfolio companies on ESG, aligning financial growth with ESG commitments, and supporting subsidiaries to do the same. In this way, Multiply Group can play a significant role in driving sustainability while ensuring long-term profitability.

Pillar 4: Managing our Influence

Actions under this pillar revolve around driving positive environmental and social impacts to successfully build a resilient and future-ready business. This involves aligning with global climate and environmental initiatives, adopting sustainable energy solutions, championing community development, supporting local businesses, and ensuring an ethical supply chain, among other key initiatives.

Multiply Group’s sustainability framework and strategy goes beyond a theoretical approach to provide a dynamic, practical tool for driving positive change across the organization while ensuring that the company manages all material ESG risks and opportunities and creates long-term value for all stakeholders. In short, it offers a blueprint for the Group’s sustainable success far into the future.

IHC Climate - Action Champions: Leading the Charge Towards a Sustainable Future

PureHealth - Towards a Healthier and Greener Future

PureHealth is the largest integrated healthcare platform in the Middle East, with an ecosystem that spans 25+ hospitals, 100+ clinics, multiple diagnostic centers, health insurance solutions, pharmacies, health tech, and more. The ADX-listed company has committed to reach Net Zero by 2040, making it the first healthcare entity in the MENA region to sign up to the UN-backed 'Race to Zero' initiative and commit to SBTi.

In 2022, PureHealth established a comprehensive greenhouse gas (GHG) baseline at the Group level, providing a clear picture of the company's environmental footprint.

Baseline emissions, including Scope 3 analysis, are fully aligned with the Science Based Targets initiative (SBTi) guidelines and GHG Protocol, ensuring that emissions reduction targets are ambitious, based on the latest science, and relevant across the entire value chain.

PureHealth then developed a decarbonization strategy and committed to reach Net Zero by 2040, making it the first healthcare entity in the MENA region to sign up to the UN-backed 'Race to Zero' initiative and commit to SBTi.



This commitment is backed by a robust implementation roadmap comprising of four key pillars:

Green Clinical Practices

Smart Facilities and Operations

Virtual Care

Value-Based Care

Achieving these decarbonization goals requires engaging and managing a diverse group of stakeholders, including employees, the communities it serves, supply chain partners, investors, and regulators.



Innovating for Net Zero

The initiatives under the four pillars are designed to bring holistic emissions reductions across PureHealth's operations and value chain. In 2023, the company developed a Group-wide program for Energy Transition and Energy Efficiency. A critical part of the Energy Transition program is the emissions from the existing vehicle fleet which contributed 55,000 tonnes of CO2 in 2022. To address this, PureHealth implemented the Green Mobility project, upgrading 350+ fleet vehicles to hybrid and CNG powered vehicles.

In addition to this, the company initiated work on a renewable energy project to increase the uptake of renewable energy to meet current demand, established a group wide inventory of assets, and initiated procurement for on-site solar deployment. A new hospital at Al Ain features a state-of-the-art on-site solar installation that is expected to reduce demand for conventional grid-based electricity.

Another priority area for PureHealth is virtual care and the digital transformation of healthcare delivery models through its Healthcare in the Cloud Strategy. This not only empowers patients to receive high-quality medical advice from the comfort of their homes, but significantly reduces the need for travel and associated emissions. Over the next five years, this expansion of virtual care services is expected to produce an estimated 8.82% reduction in the company's CO2 emissions.

In 2023, PureHealth launched several innovative tech driven solutions such as the Dawak- online pharmacy, Pura Super App, and PureNet which aim to transform healthcare delivery models and make healthcare democratized. In addition,

Improving Data Quality and Coverage

Building upon the data quality foundation established in 2022, PureHealth focused on enhancing carbon emissions tracking and reporting, rolling out a comprehensive approach involving the following:

Standardized Data Collection

Robust protocols have been implemented uniformly across all entities and facilities to ensure the reliability and consistency of recorded data. This standardization is fundamental to the accurate tracking, analysis, and reporting of emissions.

Stakeholder Engagement

Tailored workshops have been organized for various teams to develop a deeper understanding of data quality requirements and their pivotal role in achieving decarbonization goals. Stakeholder engagement ensures alignment and commitment to data quality objectives.

PureHealth explored the use of IOT-based monitoring solutions for optimizing energy consumption across various types of healthcare assets within the Group's operations.

Finally, PureHealth has partnered with AstraZeneca to explore decarbonization through clinical pathways for CKD and Asthma patients. The study is being conducted at SEHA hospitals to understand the impact of CKD treatment, comprising of Lifecycle Assessment across the different stages of CKD in adults. This would enable identification of sustainable clinical pathways supporting the transition to climate resilient health systems.



Data Cleansing and Integration

Actively identifying and addressing inconsistencies within collected data is a priority. This proactive approach ensures the integrity of data and facilitates seamless integration for comprehensive analysis.

Internal Reporting Cycle

A dedicated team at Group level conducts biannual data collection exercises, taking place at mid-year and year-end. This allows the company to monitor progress against ambitious decarbonization targets, identify areas for improvement, and maintain a rigorous internal reporting cycle.

Achieving Targets Across Assets

PureHealth maintains a collaborative approach across operations and the wider ecosystem as it strives to achieve its Net Zero targets. Several strategic measures have been implemented to facilitate this:

Empowering ESG Champions

A dedicated network of ESG Champions has been established across various entities within the group. These champions play a pivotal role in promoting sustainable practices within their respective entities with support from data owners. They drive awareness, facilitate coordination with individual data owners across assets, and act as catalysts for the seamless integration of Net Zero initiatives.

Thought Leadership for Impactful Change

Recognizing that awareness is fundamental to driving positive change, PureHealth actively participates in conversations about the interlinkages between climate change and public health. In 2023, the company focused on establishing strategic partnerships with Global Climate Action groups and strengthening ties with government agencies to support the UAE's vision on decarbonization and economic diversification.

In addition, PureHealth collaborated with esteemed organizations such as Economist Impact and Accenture to produce impactful whitepapers and research reports. This concerted effort extends to developing a knowledge repository specific to the unique challenges of the UAE, providing valuable insights into the connections between climate change and health within the region.

These efforts are instrumental in providing impetus, guidance and help scale the health sector's response on Climate Change in the UAE.

The Power of Partnerships

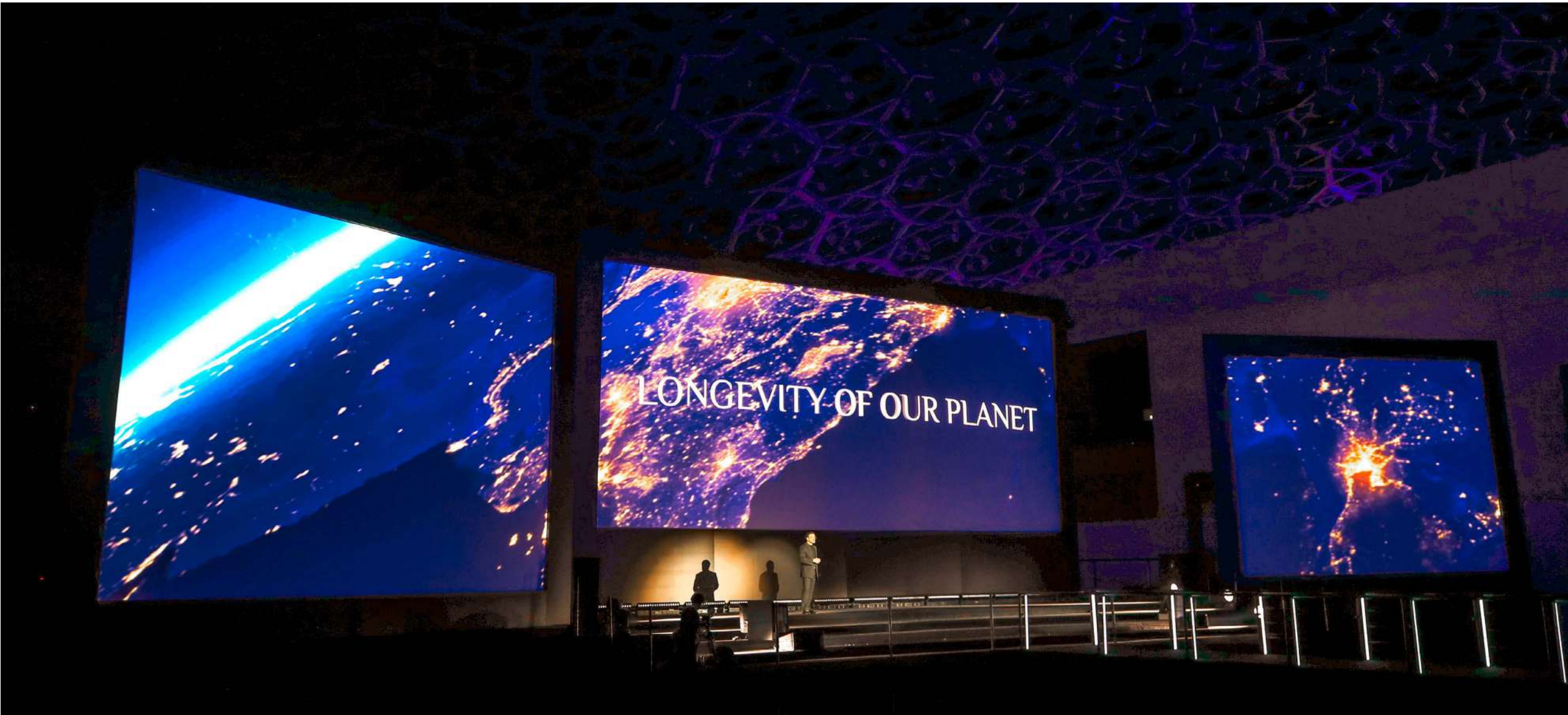
PureHealth is steadfastly committed to cultivating strategic partnerships with public and private sector entities that amplify its sustainability efforts. Understanding the collective impact of collaboration, the company has been engaging with government authorities, technology service providers, knowledge institutions, and local communities to foster meaningful partnerships. Notable collaborations in 2023 include:

MoUs with Government Entities

Formalized Memorandums of Understanding (MoU) with the Ministry of Climate Change and Environment (MOCCA) and the Environment Agency-Abu Dhabi (EAD). These strategic partnerships underscore a commitment to building a knowledge repository for the region, supporting policy development, and bolstering advocacy efforts.

Thought Leadership Collaborations

Fostering collaboration with organizations such as Economist Impact and Accenture, PureHealth has supported on the creation of white papers. These thought leadership initiatives aim to raise awareness about the interlinkages between climate change and public health, fostering impactful change through shared insights.



Research Partnerships for Environmental Studies

Collaborative efforts with VITO (Flemish Institute for Technological Research) have been directed towards air quality and heat stress studies. These partnerships contribute to PureHealth's understanding of environmental factors and aid in the formulation of targeted strategies to address and mitigate climate-related challenges.

These collaborations exemplify PureHealth's commitment to a multi-stakeholder approach, where partnerships with governmental entities, thought leaders, and research institutions play a pivotal role in advancing the sustainability agenda. Through these alliances, PureHealth aims to collectively drive positive change, contribute to environmental stewardship, and achieve its ambitious decarbonization goals.

Ahead of the Curve

To surpass expectations and achieve Net Zero by 2040, PureHealth closely monitors the regulatory landscape, with a particular focus on how these could impact the energy transition. This diligence ensures that strategies are not only ambitious but also compliant and well positioned to anticipate future regulatory developments. The company expects a fundamental transformation in healthcare delivery, propelled by cloud-based solutions and innovative technologies.

Ambitions extend beyond regulatory compliance and towards setting new standards. PureHealth's pledge to achieve net zero is a decade ahead of other major healthcare providers in the Middle East. The company was also the first healthcare company in the Middle East to be a part of esteemed initiatives including the Science Based Targets Initiative (SBTi), Global Green and Healthy Hospitals (GGHH) and UN backed Race to Zero initiative, emphasizing its position as a leader in advancing healthcare sustainability in the region.

Emirates Driving Company - Setting a Course for Net-Zero

Established in 2000, Emirates Driving Company PJSC (EDC) is the leading provider of driver education and the premier pre-licensing driving institute for the emirate of Abu Dhabi. The ADX-listed company is fully committed to supporting the UAE Federal Government’s Net Zero ambitions and being an industry leader on climate action. Here’s how they plan to go about it.

EDC was among the first private sector organizations in the UAE to commit to achieving Net-Zero emissions, in alignment with the UAE Net-Zero by 2050 Strategic Initiative, and to set targets in line with the Science Based Targets initiative (SBTi).

The company spent much of 2023 laying the groundwork for a new decarbonization and Net-Zero transition plan, beginning with a detailed carbon accounting of the business to gain a thorough understanding of the source of its GHG emissions followed by setting clear targets for emissions reductions. The process was aligned with globally recognized standards to ensure transparency and accountability. EDC adopted the GHG Protocol standard for GHG emissions calculations and aligned targets with the Science Based Targets initiative (SBTi) Corporate Standard.

Achieving Net-Zero will require close collaboration between EDC and key stakeholders and the company is engaging closely with all partners, including suppliers, government entities, investors, customers, communities, and others. In 2024, EDC will publicly disclose its annual GHG emissions as well as further details of the transition plan and progress on the road to Net-Zero.

Baseline

EDC set 2022 as the baseline year for emissions reduction targets, having produced its first GHG report validated by an independent auditor. The organizational boundary for the baseline was defined by the control approach, which covers all entities over which EDC has operational control. The 2022 accounting included offices in Abu Dhabi, Al Ain, and Madinat Zayed, as well as its subsidiary, Tabieah Property Investment, which owns a residential building in Abu Dhabi.

Baseline Data (2022):

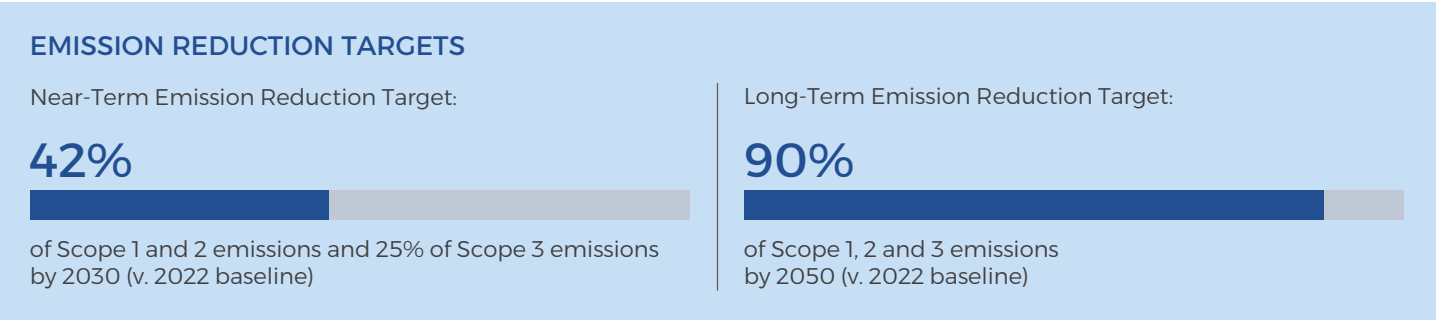
Scope of Emissions	Emissions (tCO2e)	% of total
Scope 1: direct GHG emissions	4,066	23.8
Scope 2: energy indirect GHG emissions	5,039	29.5
Scope 3: other indirect GHG emissions	7,978	46.7
Total GHG emissions	17,083	100.0



The operational boundary for the baseline was defined by the operational control approach, which accounts for sources directly owned or controlled by EDC. Combining both the Bottom Up and Top Down materiality approach, IHC has developed a comprehensive ESG Framework encompassing ESG Risk management issues, ESG integration topics, and opportunities, as shown in the graphic below.

Targets

Having completed the GHG accounting process, EDC initiated the development of both near- and long-term emissions reduction targets that align with the latest guidance by the Science-Based Targets initiative (SBTi). Once validated by the SBTi, EDC intends to formally adopt and implement the targets within its sustainability strategy.



** Provisional targets pending validation by SBTi*

Emissions Reduction Pathway

EDC will introduce ambitious measures to reduce emissions across its operations and supply chain by 2030.

Key actions that form the basis for the Net-Zero strategy include:

- Electrify Mobility
- Optimize Buildings Infrastructure Efficiency
- Integrate Solar Energy
- Promote Green Commuting
- Implement Sustainable Sourcing
- Eco-Optimize Investment Portfolio

In addition to addressing Scope 3 emissions, the most critical element of the plan is to develop comprehensive vehicle fleet and building decarbonization plans. This will involve transitioning the fleet towards electric vehicles (EV) and introducing measures to decarbonize buildings, such as solar PV integration, HVAC equipment efficiency improvement, and more. These plans will address the most significant sources of EDC’s emissions and enable the company to make significant reductions.

The transition is planned across three stages: Taking Action; Accelerating Change; and Net Zero by 2050. Until 2030, the primary focus will be on mitigating Scope 1 and 2 emissions, while also initiating efforts to address significant Scope 3 emissions, including purchased goods & services, capital goods, employee commuting, and investments.

From 2030 to 2050, EDC will intensify decarbonization efforts, working towards complete fleet and building decarbonization. The company will collaborate with employees, suppliers, and key stakeholders to reduce its environmental impact across the value chain, with a strong emphasis on mitigating

all relevant Scope 1, 2, and 3 emissions. EDC is committed to ensuring that any remaining emissions are also effectively mitigated to achieve its ambitious 2050 targets.

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Taking action

ELECTRIC FLEET TRANSITION

We are committed to a transition toward electrifying our fleet by 2030, incorporating both hybrid electric vehicles (HEVS) and electric vehicles (EVS) among our passenger cars.

BUILDING EFFICIENCY ENHANCEMENT

We will retrofit our head office in Abu Dhabi with higher efficiency chillers and extend similar upgrades to our other buildings.

ACTION ACROSS OUR VALUE CHAIN

We will engage with suppliers to collaborate on emission reduction strategies with a focus on our tier 1 suppliers and start adopting responsible investment processes.

GREEN COMMUTING INITIATIVES

We will mitigate the footprint of employee commuting by implementing teleworking arrangements, incentivizing carpooling and promoting the use of public transport.

Near-Term Targets by 2030*:

- 42% Emission Reduction in Scope 1 and 2
- 25% Emission Reduction in Scope 3

Baseline Emissions:

Scope 1: 4,066 tCO₂e
Scope 2: 5,039 tCO₂e
Scope 3: 7,978 tCO₂e

Accelerating change

FLEET MANAGEMENT OPTIMIZATION

We will persist in our journey towards full electrification, making essential infrastructure adjustments. We will also work on fleet optimization and route efficiency improvement to enhance overall operations.

GREENER BUILDINGS & RENEWABLE ENERGY ADOPTION

We will upgrade and replace major equipment to minimize refrigerant leaks and emissions while improving electricity consumption efficiency. We are also committed to integrating solar PV in our head office.

ONGOING SUPPLIER ASSESSMENT & COLLABORATION

We will continuously assess and collaborate with our suppliers, ensuring a collective effort towards achieving our targets, with periodic reassessments to track our progress.

By 2040*:

- 63% Emission Reduction across all Scopes

Net-zero by 2025

Embarking on our Net Zero Pathway, we are committed to delivering our promise by 2050. This journey is a collaborative effort, and we aspire to lead the way alongside key regional players. Active engagement with crucial stakeholders is key:

- Government
- Employees
- Customers
- Suppliers
- Other

Our focus will center on core areas, including fleet and building decarbonization, adoption of clean energy practices, and a dedication to continuous innovation. Together, we aim to create a sustainable future, driving positive change across our industry and beyond.

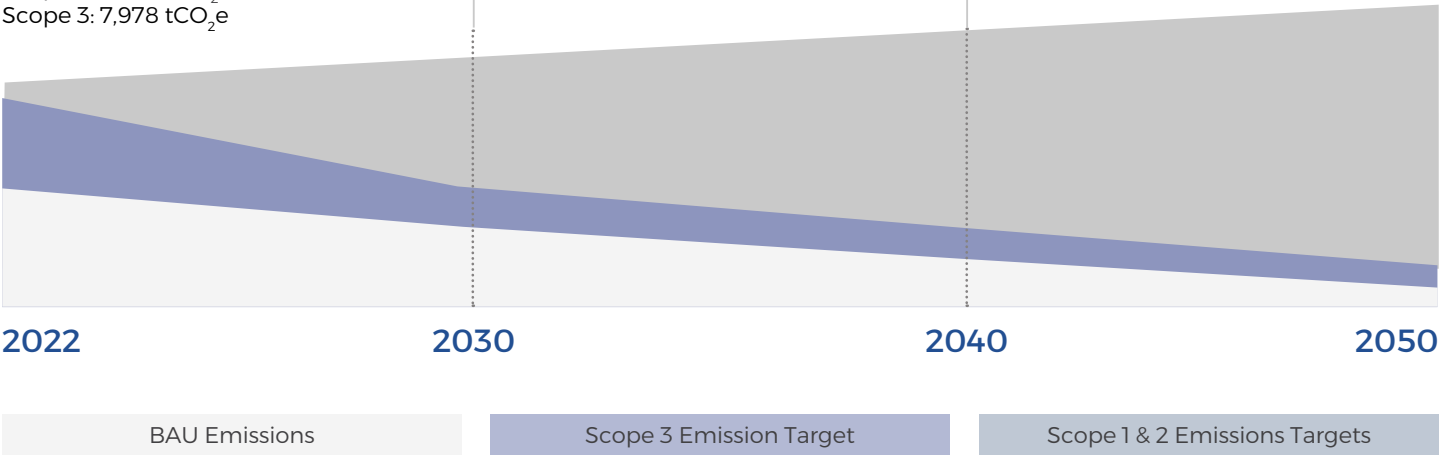
By 2050, we are committed to the electrification of the majority of our fleet.

By 2050, we are committed to achieving comprehensive supply chain emissions reduction through supplier engagement and transition.

Long-Term Targets by 2050*:

- 90% Emission Reduction in Scope 1, 2 and 3

BAU emissions are projected to rise to ~29,000 tCO₂eq in 2050-18 times beyond Net-Zero targets.



Emirates driving company's net-zero roadmap

Our guiding principles

- Accountability and transparency
- innovation and continuous improvement
- collaboration and partnership
- Adaptability and resilience

* Provisional targets pending validation by SBTi

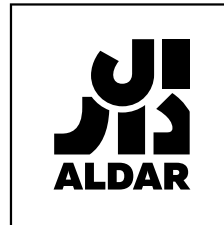
Aldar Properties – Decarbonizing the Building Sector

With a comprehensive Net Zero Plan now in place, Abu Dhabi's flagship real estate developer is taking the lead when it comes to curtailing emissions and making the built environment more sustainable.

Aldar Properties launched its Net Zero Plan in 2023, a pivotal milestone that reflects the company's commitment to sustainability and responsible growth.

The company aims to achieve net zero in Scope 1 and 2 emissions and a 45% reduction in Scope 3 emissions intensity by 2030 reach Net Zero across all emissions scopes by 2050.

With this Plan, Aldar is taking a holistic approach to decarbonizing its operation across the value chain, from design and construction to asset management and acquisitions. Embedding sustainability ensures that Aldar's growth aligns seamlessly with both societal and environmental goals, exemplifying the company's dedication to a future where corporate success is synonymous with positive impact.



Levers for Decarbonization

Aldar has strategically implemented eight key decarbonization levers across its development and investment activities to systematically reduce emissions throughout the lifecycle of its assets. Ongoing initiatives have already progress across these levers, some of which have been bolstered through partnerships to accelerate results.

The eight levers are:



01. Low carbon design

We are implementing an Aldar Sustainable Design Standard to embed low carbon active and passive design options, maximising energy efficiency, building performance, and asset climate resilience.



02. Low carbon supply chain

We are incentivising the supply chain to innovate around low carbon products, materials, and manufacturing processes.



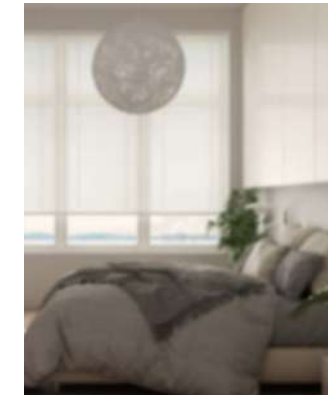
03. Green construction

We are taking a whole lifecycle approach to assets that prioritises low carbon site practices and construction material procurement.



04. Clean energy

We are prioritising use of clean energy through grid decarbonisation and procuring clean energy generated by government instruments.



05. Resource efficiency & management

We are upgrading our current systems to reduce leakage and improve asset efficiency in use.



06. Tenant initiatives

We are developing a programme of tenant engagement across all leased and managed assets, offering guidance and incentives for more sustainable behaviours.



07. Circular economy

We are focusing on better waste management during design, build and use phases, prioritising diversion from landfill, increasing greywater recycling and supporting the local waste sector.



08. Sustainable acquisitions

We are ensuring that all new investments and acquisitions will be guided by criteria that formally integrate sustainability considerations into the end-to-end investment decision making process.



In 2023, Aldar collaborated with various partners and government entities to address both immediate and long-term challenges to decarbonizing the built environment. As a result, the company has made significant headway across the following four levers:

Clean Energy

In 2023 Aldar conducted a detailed cost-benefit analysis of deploying solar photovoltaic (PV) panels on a select number of real estate assets. Subsequently, the company signed a partnership to deploy PV across 45 assets under Aldar's management. This transition to solar power is expected to save 23,000 tonnes of carbon dioxide emissions in the first year, marking a 12% reduction in Aldar's Scope 2 greenhouse gas (GHG) emissions related to purchased electricity compared to the 2022 baseline. Over the project's 20-year lifespan, over 560,000 tonnes of CO₂ are anticipated to be avoided. This strategic partnership is expected to increase Aldar's average clean energy consumption by 12% across its entire portfolio.

Low-Carbon Supply Chain

In 2023, Aldar moved to enhance the knowledge among its suppliers by offering to conduct bi-annual educational sessions on its sustainability procurement programs for all suppliers. The company also introduced sustainability training for contractors at the project commencement stage, with the aim of familiarizing them with Aldar's sustainability requirements, data collection processes, and green site practices.

Furthermore, almost all of Aldar's construction projects use green concrete, which has reduced the company's overall embodied carbon by 13%. Further, Aldar is working with steel and cement producers to explore opportunities to increase the use of low-carbon materials. Sustainable steel can provide up to a 60% reduction in steel-related CO₂ emissions while green cement can reduce cement-related CO₂ emissions by up to 70%.

Circular Economy

During COP28, and in collaboration with local and international companies specializing in circular economy practices, Aldar announced the development of Ecoloop, a waste management integrated facility to treat waste across the company's communities and operations. Aligned with Aldar's goal to reduce landfill waste and associated emissions, Ecoloop is projected to eliminate around 32,500 tonnes of carbon dioxide emissions per year. Ecoloop will divert municipal solid waste from landfills, treat it at a newly developed plant in Abu Dhabi, and convert it into by-products. The segregation process covers a wide range of recyclable materials including plastic and glass.

Resource Efficiency and Management

Building on the success of the initial two phases of the Aldar Energy Retrofit project involving 52 assets, Aldar launched a third phase in 2023 covering the retrofitting of nine additional buildings. In addition to the environmental benefits, the initiative yields significant financial benefits by reducing energy costs through the installation of more efficient systems.

Details of the three phases of the retrofitting project are as follows:

2021

Phase 1

Aldar invested ~AED 65 million across 39 owned assets, reducing energy consumption by ~AED 18 million and carbon emissions by ~23,000 tons per annum.

2022

Phase 2

Aldar invested ~AED 27 million across 13 managed assets, reducing energy consumption by ~AED 12 million and carbon emissions by ~20,000 tons per annum.

2023

Phase 3

Aldar invested ~AED 49 million across 9 owned and managed assets, reducing energy consumption by ~AED 10 million and carbon emissions by ~12,000 tons per annum.

For further information regarding Aldar's ESG disclosures, please refer to their report

(<https://www.aldar.com/en/explore-aldar/sustainability/reporting>)

IHC’s Impact Case Studies: Breakthroughs in Sustainable Success

Accelerating Decarbonization



Esysoft is a leader in smart grid and climate technologies, providing innovative solutions for the energy automation and IoT sectors. Collaborating with top utilities, OEMs, and system integrators, Esysoft implements smart grid and smart city solutions designed to meet the energy sector’s unique challenges. Pioneering on advanced metering infrastructure (AMI) systems and climate technologies, Esysoft facilitates net-zero strategies and efficient energy management.

By harnessing data from smart meters and IoT devices, Esysoft’s solutions enable utility companies to optimize operations, mitigate environmental impact, and encourage sustainable energy practices. Integrating smart meters with Esysoft’s Meter Data Management Systems (MDMS) propels energy distribution automation forward, updating grids and enhancing both reliability and billing precision. This shift aids the move towards a more sustainable and resilient energy future. Esysoft, recognized by Gartner for four consecutive years, is established as a trusted leader in advancing the energy sector’s digital transformation.

Guided by the vision of impacting 1 billion lives and removing 10 billion tonnes of carbon, Esysoft actively harnesses the power of innovation, aligning with the dynamic shifts in climate, technology, and customer needs. A commitment that positions Esysoft as a leader in driving towards a more sustainable and energy-efficient future.

Staying ahead of the curve

Innovation is central to Esysoft’s approach, and the company places strong emphasis on research and development. The current focus includes advancing AI algorithms and exploring the potential of Blockchain and Quantum computing for enhanced security and building a decarbonization digital infrastructure. These technologies are at the forefront of modern innovation, offering new avenues for addressing climate change actions and realizing netzero goals.

Esysoft has actively engaged in strategic partnerships and collaborations to enhance its capabilities. With the recent acquisition of Landis & Gyr Smart Metering manufacturing in India, Esysoft is positioned to lead the utilities transformation and accelerating decarbonization in the electricity, water and gas sector.

A notable partnership is with ADANI India, where Esysoft has collaborated to deploy end to end smart grid solutions. This joint effort combines ADANI’s infrastructure prowess with Esysoft’s Smart Grid capabilities, facilitating more efficient energy distribution and management. The synergy between ADANI’s extensive reach in the energy sector and Esysoft’s cutting-edge technology significantly enhances the efficiency and effectiveness of energy distribution and consumption monitoring.

Esysoft has collaborated with leaders in the electric vehicle (EV) charging, hydrogen infrastructure, and carbon management sectors. These partnerships are geared towards integrating the company’s smart metering and IoT solutions with the emerging technologies in these areas. This integration is key to supporting the transition to cleaner energy sources and promoting sustainable practices in energy consumption.



A safe and secure system

At Esysoft, cybersecurity and data privacy are paramount, especially given the sensitive nature of data in the energy industry. The company employs a multi-layered security strategy, rigorously complying with NIST standards, which sets a robust foundation for its cybersecurity protocols. Adherence to these industry-recognized standards ensures that the company’s technology products are safeguarded against a wide array of cyber threats, maintaining the integrity and confidentiality of sensitive data.

In addition, Esysoft’s security framework incorporates the OWASP Framework for web application security and utilizes Quantum proof keys, preparing its systems for future technological advancements and potential threats.

The integration of blockchain technology further strengthens Esysoft’s security measures, providing enhanced data protection through its decentralized and immutable nature. These comprehensive security practices demonstrate the company’s commitment to upholding the highest standards of data security and privacy in the energy sector.

A clean energy enabler

Esysoft is dedicated to achieving the monumental goal of reducing 10 billion tonnes of carbon over the next 10 years.

Its approach to product and service development is crafted to support this overarching goal, ensuring a significant contribution to minimizing environmental impact and advancing clean energy solutions.

The company is venturing into Electric Vehicle (EV) Charging and Hydrogen Infrastructure, acknowledging their vital role in a sustainable future. Esysoft’s focus on reducing its carbon footprint extends to every product, reflecting a commitment to environmentally responsible practices.

Additionally, Esysoft’s ESG (Environmental, Social, and Governance) services and application suite enable businesses to seamlessly integrate sustainable practices and adhere to global ESG standards.

Harnessing the power of AI

Artificial Intelligence (AI) and Machine Learning (ML) are rapidly reshaping the landscape of energy automation and the Internet of Things (IoT) sector. Esysoft is keenly aware of this transformative shift and is proactively integrating these technologies into its products particularly in enhancing the efficiency, reliability, and sustainability of energy systems.

For instance, in smart metering, AI algorithms analyze consumption patterns, detect irregularities, and project future usage trends. This capability is crucial for accurate energy demand forecasting, enabling utility companies to fine-tune energy production and distribution.

In terms of predictive maintenance, AI-driven analytics proactively identify potential faults in energy infrastructure, mitigating risks and reducing maintenance costs. In the IoT domain, AI augments the intelligence of interconnected devices, allowing them to autonomously make informed decisions based on real-time data. This enhances the efficiency and responsiveness of energy systems, marking a significant step towards smarter energy management.



Rebound - Transforming the Lifecycle of Plastics

Rebound was founded with a global mission to keep plastics out of the environment and in the economy. The company adopts a two-pronged approach to promoting the circular economy and being part of the solution to reducing plastics pollution.

The establishment of Rebound in the plastic recycling sector was inspired by a collective concern for the environment during the COVID-19 pandemic in 2020. The team delved into the lifecycle of plastics, identifying limitations in global plastic recycling regulations and the impact it had on the untapped market.



The approach involves two key components:

Rebound Platform	Rebound Solutions
Global B2B Digital Marketplace: The Rebound Platform acts as a unique global B2B digital marketplace connecting all stakeholders in the plastics industry. It promotes transparency and quality within the industry, ensuring responsible practices and reducing the likelihood of plastics entering the environment.	Expert Advisory Services: Rebound Solutions provides expert advisory services to individuals, households, businesses, and governments, empowering them to embrace circularity, minimize waste, and create economic value while addressing plastic pollution.

How They Work Together

The Rebound Platform focuses on ensuring quality and transparency in the trade of recycled plastics. The company has multiple global partners to guarantee the quality of recycled materials traded on the platform, offering members a reliable marketplace for their transactions. The actions taken on the platform revolve around a proprietary certification protocol.

To achieve a more comprehensive approach, Rebound Solutions was introduced. Through collaboration and partnerships across the entire value chain, from households to businesses and governments, Rebound Solutions addresses

the broader challenges associated with plastics ending up in the environment. This collaborative approach enables the company to provide expert advisory services, guiding entities on embracing circularity, and implementing sustainable practices.

Combining the technological infrastructure of the Rebound Platform with the collaborative efforts of Rebound Solutions creates a holistic solution that not only ensures the quality and transparency of plastic recycling transactions but also actively engages with stakeholders throughout the value chain.

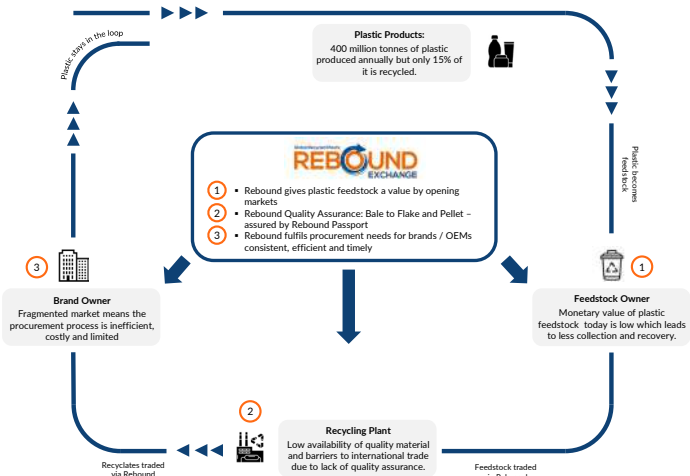
A Multi-Stakeholder Approach

Rebound collaborates with key stakeholders in the waste management and recycling ecosystem to amplify the impact of plastic recycling initiatives. Partnerships with local governments involve advocacy for robust waste management policies and joint efforts to develop essential recycling infrastructure. By aligning with regulatory frameworks, Rebound contributes to an environment conducive to sustainable practices.

Engaging with businesses is a core aspect of the strategy, focusing on establishing closed-loop systems that integrate recycled materials into production cycles. Rebound Solutions offers advisory services to guide businesses in adopting sustainable packaging and circular economy practices.

Collaboration with non-profit organizations extends to community outreach programs and research initiatives that raise awareness about the significance of plastic recycling at the grassroots level and contribute to innovative solutions through research and development.

Through these multifaceted collaborations, Rebound aims to create a comprehensive network of support that enhances the effectiveness of plastic recycling, promoting sustainable practices, and contributing to the global reduction of plastic pollution while reducing carbon emissions by diverting plastic from landfill and decreasing virgin plastic production.



Managing Challenges

In navigating the plastic recycling industry, Rebound has encountered multifaceted challenges, with a primary obstacle being the industry's initial resistance and scepticism towards a global recycled plastics trading platform.

As pioneers in developing such a platform, the challenge lay in convincing stakeholders to understand and accept this innovative approach. Market fragmentation posed logistical hurdles, but the core challenge was fostering industry trust in the viability of seamless cross-border transactions.

To address this, Rebound prioritized building credibility through transparent and efficient operations on the platform. The company implemented advanced quality controls to ensure the integrity of materials traded, easing concerns about the potential complications at borders. Collaborative efforts with local governments and businesses helped navigate regulatory compliance, emphasizing the company's commitment to aligning with international standards. There are also numerous challenges due to the technical complexity

of recycling the material, as output continuously depends on input, as well as technology used in the recycling process.

Beyond that, greenwashing remains a key challenge, as corporations that commit to incorporating recycled plastic content opt for virgin plastics only due to financials. However, regulations are playing a key role in shifting the demand while Rebound is enabling the supply side.

Rebound has successfully overcome the challenges and built trust with entities worldwide, establishing itself as a leading global recycled plastics trading platform. In just over a year since the Rebound Platform's launch, the company has garnered the support and participation of over 200 members from more than 50 countries around the world.

This rapid global adoption is a testament to its commitment to transparency, quality assurance, and efficient cross-border transactions.

Product Innovation

Rebound's approach to product innovation with recycled plastics is characterized by strategic collaborations and a commitment to delivering high-quality, sustainable materials.

Through partnerships with manufacturers, Rebound aims to integrate recycled plastics into diverse product lines, tailoring solutions to meet specific industry requirements. These collaborations involve not only supplying a consistent stream of top-tier recycled materials but also providing guidance on effective integration.

Rebound recently signed a collaboration with the Circular Packaging Association (CPA) which marks a significant milestone in the company's commitment to sustainable packaging. This collaboration is poised to revolutionize the landscape for eco-friendly practices within the packaging industry.

By working closely with CPA, Rebound aims to establish industry standards that ensure the quality and consistency of recycled plastics used in packaging materials. This initiative not only promotes the adoption of sustainable practices but also contributes to the broader goals of creating a circular economy.

Rebound's long-term vision centers on actively promoting circular economy practices to transform the lifecycle of plastic products, fostering sustainability and resource conservation. The company aims to be the global hub for all things recycled plastics.

RESET - Cutting Back on Energy and Water

RESET is a collaboration between IHC and Alliances for Global Sustainability, a company dedicated to identifying, developing, and investing in high-performing ventures and providing advisory services for global sustainability. The inspiration and driving force behind this collaboration is a commitment to the vision for a more sustainable future of Her Highness Sheikhha Shamma bint Sultan bin Khalifa Al Nahyan, Founder of RESET and the CEO of Alliances for Global Sustainability.



RESET was conceived as an Energy Service Company (ESCO) to support companies and organizations in the UAE to tackle the challenges of over-consumption and wastage that inevitably arise within the workplace and to help business owners reduce their energy usage and consequently lower their expenditure.

By efficiently monitoring and controlling energy usage, using analytics and algorithms, RESET's innovative solutions not only help to optimize energy consumption but also contribute to environmental sustainability. By reducing their overall carbon footprint companies can play their part in addressing climate change.

An Energy Management Center at RESET's head office plays a crucial role in monitoring projects and tracking utility cost savings, helping clients to achieve further reductions in operational expenses and utility consumption.

By implementing proven technologies covering HVAC, Lighting, Water & Irrigation, Pumps & Motors, Controls & Automation, and Solar PV & Hybrid Renewables, RESET's solutions can deliver significant energy and water savings.

Sourcing the Latest Technology

RESET's team of experts ensures it stays abreast of the latest emerging technologies and innovation trends to implement in its projects. The team spends a significant amount of time each year researching and evaluating those new technologies that can potentially make an even greater impact when it comes to tackling inefficiencies in building operations and therefore reducing carbon emissions and combatting climate change. It routinely engages with new suppliers and participates at relevant industry events to stay in touch with the market and any new opportunities that may arise.

Internally, RESET leverages cross-departmental collaboration and internal communications to ensure the company's sustainability initiatives are integrated into its day-to-day operations and decision-making processes.

Core services include Energy & Water Audits, Irrigation Audits, Energy Performance Contracting, Project Financing. Projects include buildings of all kinds, including residential and office buildings, schools, hotels, and even parks. RESET partners with clients of all kinds including public and private sector organizations and agencies, hotel operators, healthcare providers, real estate developers, and facilities management companies.

For each project, RESET aims to achieve a 15 to 30% reduction in utility costs for its clients. Through its existing projects RESET has identified AED 100 million in utility savings per year, some of which have already been implemented and are benefiting the UAE economy and supporting the country's climate action initiatives.



The company has set itself a series of sustainability goals, including:

01

Energy Saving Initiatives

Promote energy efficiency in all sectors

02

Employee wellbeing

Provide a safe and healthy work environment to improve happiness and productivity

03

Waste reduction and recycling efforts

Implementing efficient disposal solutions to reduce waste and promote recycling

04

Ethical sourcing

Sourcing materials and products from ethical suppliers to align with our values that promote fair labor practices, avoid modern slavery, and protect human rights

To support its sustainability initiatives, RESET partners and collaborates with other organizations, both within and outside the clean energy sector. For example, it currently has a partnership with RECAAP, a Veolia company, for plastic bottle recycling. Through the RECAP APP, RESET can track the volume of plastic waste recycled and the amount of carbon saved.

The company is also evaluating the possibility of signing an agreement with an external partner for paper recycling and is also considering going paperless. It expects to implement this initiative in 2024.

In the coming years, RESET's vision is to continue its evolution as a company that harnesses the latest technology to help clients reduce their energy and water consumption and position itself as a leading service provider in the UAE and the wider region in support of the quest to achieve Net-Zero.



Mawarid Holding Investment – Breath- ing Life into the Desert

Through its responsible environmental practices and efforts to conserve natural resources, MHI Group supports the UAE’s mission to be a global leader in environmental sustainability. In the face of challenges presented by the UAE’s desert climate, the company harnesses technology and innovative techniques including sustainable forestry, water conservation, renewable energy deployment, and agricultural practices to protect the country’s unique biodiversity and rehabilitate degraded land.

With a heritage deeply rooted in sustainability, MHI Group¹ continues to drive transformation across the UAE’s natural landscape, greening the desert through our sustainable afforestation and wildlife programs. MHI Group harnesses technology and innovative methods to provide natural capital conservation services in the UAE. Water-saving technologies, agri-tech, wildlife and forest management, and circular economy techniques are all central to the company’s mission to preserve the UAE’s natural environment amid the challenges presented by the country’s desert climate.



Biodiversity and Land Use Management

Through its subsidiary, Barari Natural Resources, MHI preserves the biodiversity of the UAE through Afforestation and Wildlife Management, activities that are mutually beneficial. Forests provide shelter and sustainable habitats for both native and non-native wildlife species which in turn support forests to thrive.

MHI Group oversees the welfare of more than 100,000 individual wild animals that inhabit its reserves, comprising 25 different species. The Group operates the world’s largest breeding center for the endangered Arabian Tahr. In addition, MHI Group cares for more than 120,000 wild birds, including over 30 endangered species, and sustains around 20,000 head of sheep of various breeds, across 27 sites.

Native ecosystems are protected from the negative impact of invasive species, particularly avian species, and forests are rehabilitated to provide optimal habitats for native fauna. Barari Natural Resources is proud to have contributed to the development of the UAE National Invasive Species Strategy and Action Plan 2022 – 2026 as a specialist in the field.

Population monitoring and management is an essential part of maintaining a healthy ecosystem and MHI Group conducts controlled animal capture programs to maintain appropriate herd management. In addition, captive breeding of animals is vital to rewilding programs that help maintain native populations at healthy levels.

MHI Group applies internationally accepted wildlife management standards across all its activities including husbandry, nutrition, veterinary care, breeding, biosecurity, pest control, and ancillary activities. Wildlife conservation efforts are supported by the Group’s own research centers and specialized laboratories run by expert professionals.

Sustainable Forestry Management

Through its subsidiaries, MHI Group manages over 400 individual forest sites and protected areas spread across some 200,000 hectares in Abu Dhabi and conserves and maintains more than 13.5 million predominantly native trees.

Forest management prevents and reverses soil erosion, enhances wildlife habitats, supports greening the desert, and promotes carbon sequestration. The Group leverages technology and innovative methods to convert deserts into afforested areas and rehabilitate degraded land.

Conservation and rehabilitation efforts are supported by four large tree and native plant nurseries with a capacity to produce more than 10 million seedlings per year, with an emphasis on native species that are well adapted to desert conditions. Forestry teams gather indigenous plant seeds from their habitats which can be stored using modern methods for future use. More than 130 species of native plant seeds have been preserved.

The Group also operates mangrove nurseries for the expansion and revival of coastal mangrove forests which support biodiverse ecosystems in addition to acting as effective carbon sinks.

Resource Management

MHI Group uses innovative solutions to ensure a secure and steady supply of water to forested areas. This includes an extensive irrigation network comprising of more than 160,000 km of irrigation pipes supported by some 5,000 water wells. Smart irrigation systems that use Artificial Intelligence (AI) technology based on wireless sensors have been selectively deployed to dispense the right amount of water at the right time to forests and food producers, thus helping to conserve water. In addition, the company favors native plants that are well adapted to desert conditions and require less water.

A variety of water-saving techniques are used, including Liquid Natural Clay (LNC), which can reduce irrigation water needs by up to 50%. Irrigation pipes are maintained to minimize water leakage and mulch is used to prevent water loss from evaporation in forests and farmlands. Furthermore, about 40,000 gallons (180,000 liters) per day of irrigation water is sourced from treated wastewater, meaning water recycling plays a key role in water savings.

In terms of energy management, Barari Natural Resources is incrementally introducing solar PV panels to replace diesel-powered generators resulting in reduced fuel consumption and CO2 emissions. Currently, close to 100 sites use solar power to support irrigation systems. The Group is also looking to draw more electricity from the national grid produced using a blend of nuclear power, natural gas, and solar power, and thus lower in carbon emissions than on-site diesel generators.

¹Mawarid Holding Investment LLC (MHI) and its subsidiaries are referred to as “MHI Group”

GHG Emissions Inventory

In 2023, MHI Group expanded its Scope 1 and 2 GHG emission inventory to cover all subsidiaries within the Group following the definition of its organizational boundary, in accordance with the Greenhouse Gas Protocol standard. This accounts for the nearly 7% increase in year-on-year emissions.

	2023	2022
2021	104,352.01	
2022	3,052.57	
2023	107,404.58	CGS Cycling, W

COP28 Climate Action

MHI was present at CoP28. It showcased its subsidiary Mawarid Desert Control (MDC), a leading provider of smart agriculture solutions to combat desertification and soil degradation. MDC focuses on sustainable ecosystem management across the Middle East using Liquid Natural Clay (LNC) and the reduction of water consumption. One application of LNC lasts for 3-5 years. Water savings take effect immediately as does the reduction in the quantum of fertilizer needed resulting in excellent return on investment. The process can turn degraded soil and deserts into fertile arable land.

Commitments to Global Initiatives

MHI is a participant to the United Nations Global Compact, the world’s largest corporate sustainability initiative.

For further information regarding Mawarid Holding Investment’s ESG disclosures, please refer to its ESG Progress Report – (<https://www.mawaridhi.com/esg.php>)





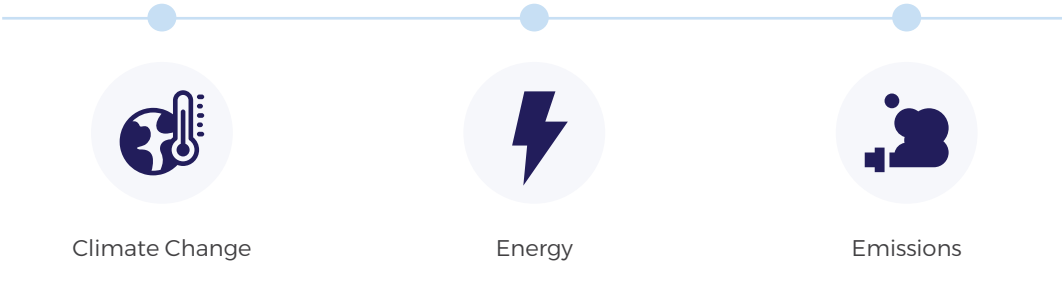


5.7 Sustainable Operation

(GRI 302-1, GRI 302-2, GRI 302-3, GRI 303-5, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 306-3, GRI 307-1, E1, E2, E3, E4, E5, E6, E7, E8, E9, E10)

Climate

Material Topics



SDGs

9 INDUSTRY INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

Vision 2030

- A large empowered private sector
- A sustainable knowledge-based economy
- Premium education, healthcare, and infrastructure assets
- The optimisation of the Emirate's resources



As a company with a mandate to diversify the UAE's economy, IHC is fully aligned with the country's climate ambitions and is addressing climate change through its portfolio investments. As highlighted earlier in this report, many of IHC's portfolio companies are moving to decarbonize their operations and, thus far, three have announced SBTi-based Net-Zero commitments.

In addition to the work being undertaken by individual portfolio companies, IHC has invested in many companies that offer solutions specifically designed to address pressing global challenges. IHC has consolidated businesses with a focus on developing sustainability and climate action solutions under Sirius International Holding, and specifically its recently launched subsidiary Smart Sustainability Solutions (S3), which is developing solutions focusing on methane abatement, carbon capture and storage (CCS), water availability and replenishment, and the circular economy.

S3 will offer industrial scale solutions and services for the transition to a net-zero economy. The objective is to invest \$5bn in a pipeline of projects aimed at combating climate change.

Environmental Initiatives

At the holding level, IHC adopts a culture of environmentally responsible behavior and has implemented initiatives to address our environmental footprint in the workplace.

Waste Management

IHC is committed to achieving SDG 12 (Responsible Consumption and Production) through the implementation of innovative waste management strategies to reduce the volume of waste we production.

In 2023, we conducted a workplace waste management workshop for all staff and implemented a tech-based waste recycling solution. REE™ is a software company that provides bespoke recycling solutions to tackle the problem of source segregation while providing full transparency and traceability. All employees segregate their waste and using REE's technology IHC has built its dashBoard with real-time accurate data on how much recycling that is generated and transparency with where everything goes. REE along with Proseed has been paramount to spread awareness, promoting circular economy and waste management amongst all employees of IHC. Within the first 4 months of installing REE, 174Kg of total waste was recycled and 166Kg of carbon emissions avoided.

Energy and Water Management

Reset Energy, an IHC portfolio company, conducted a comprehensive energy and water audit of IHC Headquarters. This subsequently resulted in retrofitting systems to improve energy and water efficiency and a 23% saving in consumption.

The solutions implemented included:

- Adiabatic cooling system for 2 chillers
- Lighting and lighting controls
- Building management system
- Cloud based analytics platform
- HVAC Control and Optimization
- Energy saving M&V and reporting

Energy Consumption			Unit	Unit	2021	2022	2023
	Fuel Consumption	Petrol	GJ		796.26	1,480.16	1,386.12
		Die-sel	GJ		0.00	0.00	0.00
	Electricity Consumption		GJ		118.89	140.68	295.85
	Chilled Water		GJ		0.00	0.00	0.00
	Total Direct Energy Consumption				796.26	1,480.16	1,386.12
	Total Indirect Energy Consumption				118.89	140.68	295.85
	Total Energy Consumption				915.15	1,620.84	1,681.97

Direct Energy Intensity	2021	2022	2023
Direct Energy Intensity	24.88	40.00	29.49
Indirect Energy Intensity	3.72	3.80	6.29
Total Energy Intensity	28.60	43.81	35.79

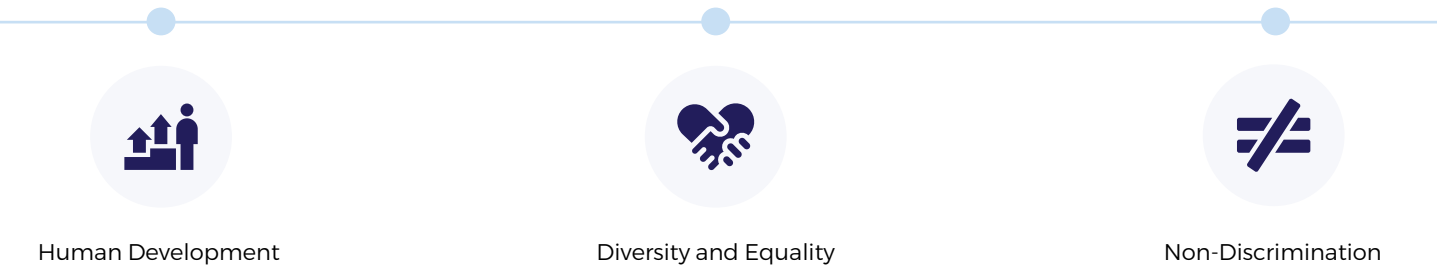
Scope	Item	Unit	2021	2022	2023
Scope 1	Combustion of Fuels	MTCO2e	52.10	95.40	86.75
	Process Emissions	MTCO2e	NA	NA	NA
		MTCO2e	NA	NA	NA
	Fugitive Emissions	MTCO2e	N/A	N/A	NA
Scope 2	Electricity Purchased for Own Use	MTCO2e	13.30	15.79	33.21
	Heat Purchased for Own Use	MTCO2e	N/A	N/A	NA

Scope	2021	2022	2023
Scope 1	52.10	95.40	86.75
Scope 2	13.30	15.79	33.21
Scope 3	0.00	71.07	140.19
Total Emissions (MT CO2e)	65.40	182.26	260.16

Scope	2021	2022	2023
Scope 1 - Intensity	1.63	2.58	1.85
Scope 2- Intensity	0.42	0.43	0.71
Scope 3- Intensity	0.00	1.92	2.98
Total Emissions Intensity (MT Co2e/employee)	2.04	4.93	5.54

Human Capital Development

Material Topics



SDGs



Vision 2030

- A large empowered private sector
- A sustainable knowledge-based economy
- Premium education, healthcare, and infrastructure assets



IHC is committed to identifying, recruiting, and nurturing outstanding talent with the potential to be world-class leaders. We see this as an integral element of driving our business growth and enabling us to successfully achieve our ambitious goals.

In return, we offer a challenging, stimulating, and supportive working environment where individuals can achieve their potential and reach their career goals.

Our employees are rewarded with attractive compensation packages accompanied by statutory as well as additional benefits and opportunities for training and development.

In addition, employees may enjoy other benefits including housing, schooling, transportation, and an annual flight allowance, among others.

Employee benefits offered as standard by IHC companies include:

- Life insurance
- Healthcare
- Disability and invalidity coverage
- Parental leave
- Retirement provision



Diversity and Inclusion

IHC fosters an inclusive working environment where diverse cultures, backgrounds and perspectives are respected and valued.

IHC has a Group Code of Conduct that enshrines the principles of fair and equal treatment for all employees and outlines how all workers should treat each other with dignity and respect, regardless of their station.

IHC has a zero-tolerance policy towards intimidation or verbal or physical harassment and forbids any discrimination based on race, gender, ethnic origin, nationality, religion, age, or physical ability.

Due to the rapid expansion of the Group, IHC’s workforce, at the holding level, has grown by close to 50% over the past two years, from 32 employees in 2021 to 47 in 2023.

In 2023, women made up more than 25% of IHC’s workforce, up from 15% in 2021 following a greater emphasis on female recruitment over the past two years.

There has also been a greater emphasis on youth recruitment. In 2023, 30% of IHC’s workforce were below 30 years of age while 68% were aged 30-50. This compares to 25% and 87.5% respectively in 2021. As a result, more junior ‘non-management’ staff now comprise close to half of employees at IHC, compared to 12.5% two years ago.

There are now 19 different nationalities employed compared to 12 in 2021, a rise of more than 50%.

Breakdown of employees:

Total Employees (Gender)					
	Female	Male	Female	Male	Total
2021	5	27	15.63%	84.38%	32
2022	6	31	16.22%	83.78%	37
2023	13	34	27.66%	72.34%	47

Total Employees (Age group)						
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old %	Between 30-50 years old %	Over 50 years old %
2021	8	28	1	25.00%	87.50%	3.13%
2022	11	25	1	29.73%	67.57%	2.70%
2023	14	32	1	29.79%	68.09%	2.13%

	Total Employees (Employment Category)					
	Non-Management (Staff)	Middle Management	Senior Management	Non-Management (Staff) %	Middle Management %	Senior Management %
2021	4	12	16	12.50%	37.50%	50.00%
2022	5	14	18	13.51%	37.84%	48.65%
2023	22	18	7	46.81%	38.30%	14.89%

	Permanent employees	
	Female %	Male %
2021	15.63%	84.38%
2022	16.22%	83.78%
2023	27.66%	72.34%

Hires Breakdown:

	Total New Hires (Gender)			
	Female	Male	Female%	Male%
2021	2	17	40.00%	62.96%
2022	3	5	50.00%	16.13%
2023	7	6	53.85%	14.71%

	Total New Hires (Age Group)					
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old%	Over 50 years old%
2021	4	14	1	50.00%	50.00%	100.00%
2022	1	7	0	9.09%	28.00%	0.00%
2023	6	6	0	42.86%	18.75%	0.00%

Turnover breakdown:

	Total Employees that left (Gender)			
	Female	Male	Female%	Male%
2021	2	1	40.00%	3.70%
2022	0	3	0.00%	9.68%
2023	1	2	30.77%	26.47%

Employee Turnover %			Employee Hire %	
2021			9.38%	59.38%
2022			8.11%	21.62%
2023			27.66%	25.53%

Diversity & Equality

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER						
	Non-Management (Staff)		Middle Management		Senior Management	
	Male	Female	Male	Female	Male	Female
2021	4	0	10	2	13	3
2022	5	0	11	3	15	3
2023	14	8	13	5	7	0

TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER						
	Non-Management (Staff)		Middle Management		Senior Management	
	Male	Female	Male	Female	Male	Female
2021	100.00%	0.00%	83.33%	16.67%	81.25%	18.75%
2022	100.00%	0.00%	78.57%	21.43%	83.33%	16.67%
2023	63.64%	36.36%	72.22%	27.78%	100.00%	0.00%

	TOTAL EMPLOYEES BY JOB CATEGORY AND BY GENDER								
	Non-Management (Staff)			Middle Management			Senior Management		
	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old	Below 30 years old	Between 30-50 years old	Over 50 years old
2021	1	3	0	5	12	0	2	13	1
2022	1	4	0	7	7	0	3	14	1
2023	8	14	0	6	12	0	0	6	1

Total Number of Nationalities	
2021	12
2022	15
2023	19



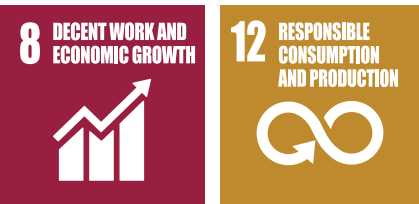
Responsible Investment

Material Topics



Responsible Investments

SDGs



Vision 2030

- A large empowered private sector
- Premium education, healthcare, and infrastructure assets
- A sustainable knowledge-based economy
- A continuation of strong and diverse international relationships
- A significant and ongoing contribution to the federation of the UAE



At IHC, a key area of focus has been on building global ecosystems by evaluating diversification opportunities and leveraging global trends that can generate long-term shareholder value.

Having already built strong internal processes that are augmented with technology for its Finance, Legal and Strategy functions, the aim was to continue enhancing digitisation solutions via investment and establishing companies that provide these digitisation services regionally and globally.

In the short and medium term, IHC has encouraged and enhanced the use cases for generative AI within the group and all its departments. The Group has shared with all subsidiaries a playbook for available AI tools that each sector and business function could leverage to enhance productivity and boost performance.

The Group CEO undertook a targeted exercise on building and utilising an internal Generative AI Application that can be utilised by select IHC subsidiaries to enhance financial analysis and performance. Providing the business unit leaders with

predictive analysis capabilities and utilising a customizable and modular AI platform that is specific to the company's sector. The aim is to pilot this across several subsidiaries, provide data driven information to leadership, and roll-out across the group.

Similarly, IHC has built and is testing an AI Platform to enhance synergy and internal-business development across its portfolio of 500 subsidiaries. The AI tool will provide all employees and leadership across the group to easily search and access all services, products and solutions within the group.

Lastly, the establishment of its new subsidiary, Sirius International Holding will lead digital transformation solutions for businesses and governments across the world in multiple sectors, including: energy, climate tech, block chain and crypto currency, business process automation, software development, and health tech

Governance

(GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-15, GRI 2-16, GRI 2-17, GRI 2-18, GRI 2-19, GRI 2-20, GRI 2-21, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27, GRI 205-1, GRI 205-2, GRI 205-3, S1, S9, S10, G2, G3, G4, G5)

Material Topics



Governance

SDGs



Vision 2030

- A large empowered private sector
- Premium education, healthcare, and infrastructure assets
- A sustainable knowledge-based economy
- A continuation of strong and diverse international relationships
- A significant and ongoing contribution to the federation of the UAE

IHC operates according to the highest standards of business integrity, transparency and accountability. To ensure this, and to manage operations efficiently, the company has embedded a strong corporate governance culture and structure, including appropriate systems for internal oversight and risk management.

This section provides a high-level overview of IHC's governance structure. For a more in-depth exploration, readers may refer to the company's latest Corporate Governance Report.

The Board of Directors

IHC's Board of Directors is responsible for the overall health of the company, protecting the interests of all key stakeholders, and creating value within an appropriate risk management framework.

The Board sets the company's strategy and oversees the Executive Management's implementation of the strategic vision, ensuring it delivers according to set targets over the short-, medium-, and long-term.

Either directly or through Board sub-committees and delegated authority, the Board provides independent judgment on all issues of strategy, performance, resources (including key appointments) and standards of conduct.

The Board established the Board Charter, which among other matters, recognizes their roles, responsibilities, functions, and powers, both collectively and individually.

The Board of Directors has five members that were re-elected at the Annual General Meeting in April 2023 for a term of three years. Since April 2020, IHC has had one female Board member.



Board Members



H.H. Sheikh Tahnoon Bin Zayed Al Nahyan
Chairman



Dr. Mohamed Somar Nassouh Ajalyaqin
Vice-chairman



Mr. Syed Basar Shueb
Board Member & Managing Director



Ms. Sofia Abdellatif Lasky
Board Member



Mr. Mohammed Nasser Saif Howaiden Al Shamsi
Board Member

Board Committees

The Board has established three committees to assist in the execution of its responsibilities.

Audit Committee

Chairwoman
Ms. Sofia Abdellatif Lasky

Vice-Chairman
Dr. Mohamed Somar Nassouh Ajalyaqin

Member
Mr. Mohammed Nasser Saif Howaiden Al Shamsi

The Audit Committee provides the Board with independent advice on the adequacy of management's arrangements with respect to the following key areas: Financial Reporting; Corporate Governance; Internal Control and Risk Management; External Audit; Group Internal Audit; Compliance Monitoring.

Nomination and Remuneration Committee

Chairman
Dr. Mohamed Somar Nassouh Ajalyaqin

Vice-Chairwoman
Ms. Sofia Abdellatif Lasky

Member
Mr. Mohammed Nasser Saif Howaiden Al Shamsi

The Nomination and Remuneration Committee proposes criteria for membership of the Board and Senior Management and helps to identify and recommend individuals qualified to join these bodies. It evaluates the performance of the Board and its members and Committees and considers succession planning for directors and other senior executives. The Committee also sets remunerations and benefits for Board members and employees and reviews and monitors the Group's human resources and training policies.

Follow-up and Insiders Transaction Supervision Committee

Chairman
Mr. Syed Basar Shueb

Member
Mr. Fawad Zahid

Member
Mr. Mohammed Nasser Saif Howaiden Al Shamsi

The Follow-up and Insiders Transaction Supervision Committee monitors the transactions of insiders, maintains their register, and submit statements and periodic reports to the market. It provides guidance to the Board and Senior Management on insider trading, monitors compliance with the IHC Securities Trading Policy, and initiates disciplinary action against non-compliant employees.

Corporate Governance Policies

IHC governance framework comprises of key policies and guidelines which promote and enhance consistent and efficient decision-making. These policies are currently being reviewed by the Board.

Corporate Governance Manual Covers the roles and responsibilities of all stakeholders involved in governance processes, including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, Managing Director & CEO, Senior Management, Internal Audit/Internal Control, External Audit, Board and Committees Secretary and other stakeholders.	Anti-Fraud Policy Facilitates the detection and prevention of fraud and provides an overall framework for managing suspected cases of fraud.
Code of Conduct and Business Ethics Guides the conduct of Directors and Employees	Whistleblower Policy Enables employees to report, in confidence, matters where they feel malpractice is taking place, or if ethical/ integrity standards are being compromised.
Board of Directors Charter Supports effective functioning of the Board.	Disclosure and Transparency Policy Provides guidelines to ensure that IHC makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.
Board Committees Charters Supports effective functioning of the three Board Committees	Compliance Management Policy Provides assurance that the Group is in conformance with its legal and policy obligations.
Conflict of Interest Policy Sets forth requirements for the avoidance and management of potential and actual conflicts of interest involving the Group.	Investment Policy Provides a framework and guidelines to IHC Senior Management and IHC's Investment Function on investment strategy and process.

Subsidiary Governance

All of IHC Group's subsidiaries, joint ventures, and affiliates have been grouped under one of eight verticals for efficient operations.

IHC's subsidiary governance" process is as follows:

- Establish strategic plans for subsidiaries and a monitoring process for review of actual performance vs strategic plan.
- All listed subsidiaries and affiliates have dedicated governance frameworks including independent Boards and Committees.
- For unlisted subsidiaries, where IHC does not fully own the subsidiary, organizational governance is based on the shareholders' agreement or similar constitutional documents applicable to the subsidiary.
- The Delegation of Authority Policy framework lists the matters reserved for IHC Shareholders, IHC Board, subsidiary Board/ IHC Managing Director & CEO (where the subsidiary Board is not established) and subsidiary management.
- IHC Managing Director & CEO with support from IHC Executive Management oversees the operations of the Group. To the extent permissible, IHC Managing Director & CEO may delegate authority to the Business Unit Management in accordance with the Delegation of Authority Policy Framework.

Risk Management

The Board of Directors is responsible for establishing the system of risk management, setting the risk appetite of the Group, and maintaining a sound internal control system.

The Group Audit Committee oversees the risk management process and assesses the effectiveness of risk management within the Group. The Group's business is structured into eight verticals based on sectors/industries and operating businesses have been categorized into one of these verticals.

The Risk Management responsibility and accountability, therefore, is vested largely in vertical management/business unit management structures. Any risk taken is considered within the scope of the Group's risk appetite and tolerance levels, which are reviewed annually by the IHC Board.

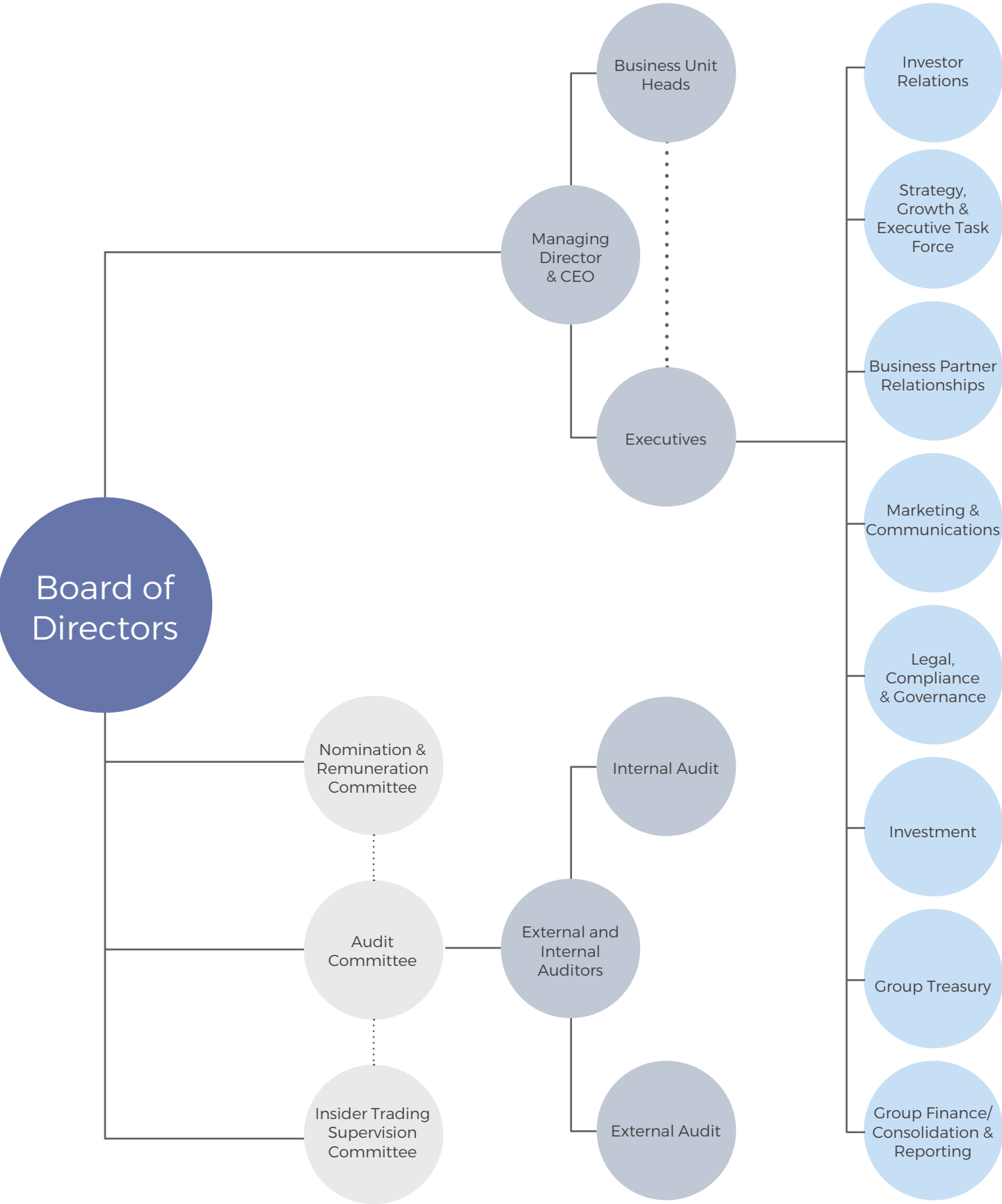
Internal Control System

The Board is responsible for ensuring that management maintains a system of internal control that provides assurance of effective and efficient operations, internal financial controls and compliance with laws and regulations and has delegated the responsibility for oversight of the Internal Control to the Audit Committee.

The Internal Control Department (ICD), supported by a third-party service provider, performs internal control, risk assessment and internal audit activities in relation to the group operating entities. The Audit Committee reviews the effectiveness of the ICD.



Group Governance Chart



Community

(GRI 202-2, GRI 413-1, S11, S12)

Material Topics



Community

SDGs



Vision 2030

- A sustainable knowledge-based economy
- Premium education, healthcare, and infrastructure assets
- The optimisation of the Emirate's resources
- A continuation of strong and diverse international relationships
- A significant and ongoing contribution to the federation of the UAE

As a responsible holding company, IHC adopts community-focused Corporate Social Responsibility (CSR) practices through a blend of charitable donations, sponsorships, volunteering, education support projects, and healthcare initiatives, among others.

The key focus areas of the Group's CSR strategy are aligned with national priorities and initiatives as well as pressing global challenges, including:

- Gender and Inclusivity
- Employee Health and Well being
- Sustainability Drives & Engagement
- Circular Economy
- Food Security

IHC partners with renowned non-governmental organizations (NGO) as well as government agencies, and other civil society groups to address social as environmental challenges and support communities. Major local partners include the National Food Loss and Waste Initiative (Neṁa), The Authority of Social Contribution (Ma'an) and the Emirates Red Crescent.

IHC also sponsors the men's (UAE Team Emirates) and women's cycling teams (Team ADQ).



Employee Engagement

IHC is now using its new Proseed Sustainability Hub to run workshops, seminars and other initiatives that promote employee wellbeing, active participation in the circular economy at work and at home and sustainable living for employees.

Total Amount of community investments in AED		Main contribution (please describe briefly)
2021	17,556,460	
2022	25,480,400	
2023	36,077,703	CGS Cycling, W Women Sports, KPI Sports etc





Investor Relations

For more information:

Linda Ballout
Investor Relations Officer
Linda.B@ihcuae.com
+971 2 644 8090 ext. 8103