

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated financial statements

for the three-month and nine-month periods ended 30 September 2024
(unaudited)

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

	Pages
Review report on interim condensed consolidated financial statements	1
Interim condensed consolidated statement of financial position	2
Interim condensed consolidated statement of comprehensive income	3
Interim condensed consolidated statement of changes in equity	4
Interim condensed consolidated statement of cash flows	5
Notes to the interim condensed consolidated financial statements	6 – 33



Review report on interim condensed consolidated financial statements to the board of directors of FIVE Holdings (BVI) Limited

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of FIVE Holdings (BVI) Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2024 and the related interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standards (IAS) 34, ‘Interim Financial Reporting’. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers Limited Partnership Dubai Branch
Dubai, United Arab Emirates
26 November 2024

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of financial position

	Note	As at	
		30 September 2024	31 December 2023
		AED'000 (Unaudited)	AED'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	3	8,465,336	8,299,985
Intangible assets	4	942,429	892,365
Right-of-use assets	5	174,891	251,363
Other assets	6	-	2,027
		9,582,656	9,445,740
Current assets			
Trade and other receivables	7	558,126	571,335
Prepayments	8	43,225	56,342
Inventories		35,132	27,374
Property held for development and sale	9	55,284	-
Bank deposits	10 (b)	152,064	117,962
Cash and cash equivalents	10 (a)	452,025	613,779
		1,295,856	1,386,792
Total assets		10,878,512	10,832,532
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to Owner of FIVE Holdings (BVI) Limited			
Share capital		-	-
Contributed capital		252,913	252,913
Statutory reserve		2,238	2,238
Revaluation reserve		4,828,836	4,855,611
Foreign currency translation reserve		101,404	83,678
Stock based compensation reserve	30	22,023	-
Retained earnings		1,318,926	1,166,075
		6,526,340	6,360,515
Non-controlling interests		30,004	28,848
Total equity		6,556,344	6,389,363
LIABILITIES			
Non-current liabilities			
Lease liabilities	5	156,527	224,464
Trade and other payables	11	44,431	34,119
Borrowings	12	1,460,030	1,431,873
Retention payables		11,575	37,080
Provision for employees' end of service benefits		18,606	14,074
Deferred tax liabilities	14	256,440	264,267
Finance liabilities	15	854,766	583,024
Deferred gain	16	668,728	445,769
		3,471,103	3,034,670
Current liabilities			
Lease liabilities	5	30,147	34,893
Due to related parties	17	-	7,783
Trade and other payables	11	356,169	766,410
Borrowings	12	3,401	191,151
Retention payables		22,695	257
Contract liabilities	13	104,061	214,578
Current tax liabilities		39,885	7,549
Finance liabilities	15	165,826	109,433
Deferred gain	16	128,881	76,445
		851,065	1,408,499
Total liabilities		4,322,168	4,443,169
Total equity and liabilities		10,878,512	10,832,532

These interim condensed consolidated financial statements were approved by the Board of Directors on 26 November 2024 and signed on behalf of the Board of FIVE Holdings (BVI) Limited by:

Kabir Mulchandani
Chairman

Jaydeep Anand
Director

The notes on pages 6 to 33 form an integral part of these interim condensed consolidated financial statements

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of comprehensive income

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
		AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Audited)	AED'000 (Unaudited)
Revenue	18	630,378	346,437	1,531,365	1,154,232
Cost of sales	19	(317,796)	(162,763)	(752,760)	(487,294)
Depreciation and amortisation	3,4 & 5	(77,302)	(55,814)	(214,959)	(159,174)
Gross profit		235,280	127,860	563,646	507,764
General and administrative expenses	20	(78,370)	(49,240)	(233,330)	(150,053)
Selling and marketing expenses	21	(34,782)	(19,796)	(85,630)	(68,887)
Other income	22	1,668	5,791	16,845	7,730
Operating profit		123,796	64,615	261,531	296,554
Finance income	23	4,190	6,546	13,689	19,189
Finance cost	23	(40,940)	(32,384)	(136,321)	(91,008)
Finance cost - net	23	(36,750)	(25,838)	(122,632)	(71,819)
Profit before income tax		87,046	38,777	138,899	224,735
Income tax expense	24	(17,643)	-	(32,392)	-
Profit for the period		69,403	38,777	106,507	224,735
Profit for the period attributable to:					
Owner of FIVE Holdings (BVI) Limited		68,311	38,721	103,411	223,375
Non-controlling interests		1,092	56	3,096	1,360
		69,403	38,777	106,507	224,735
		Three-month period ended 30 September		Nine-month period ended 30 September	
		2024	2023	2024	2023
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
Profit for the period		69,403	38,777	106,507	224,735
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss:</i>					
Revaluation gain on property and equipment (Refer note 3)		-	-	49,022	113,715
Reversal/(creation) of deferred tax liabilities on fair value change on revaluation of property and equipment (Refer note 14)		(9,594)	(15,176)	28,744	(2,698)
<i>Items that will be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign operations		86,368	-	17,726	-
Other comprehensive income/ (loss)		76,774	(15,176)	95,492	111,017
Total comprehensive income for the period		146,177	23,601	201,999	335,752
Total comprehensive income for the period attributable to:					
Owner of FIVE Holdings (BVI) Limited		145,085	23,545	198,903	334,392
Non-controlling interests		1,092	56	3,096	1,360
		146,177	23,601	201,999	335,752

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of changes in equity

	Attributable to Owner of FIVE Holdings (BVI) Limited									
	Share capital AED'000	Contributed capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Foreign	Stock based compensatio n reserve AED'000	Retained earnings AED'000	Total AED'000	Non- Controlling Interests AED'000	Total AED'000
					currency translation reserve AED'000					
At 1 January 2024	-	252,913	2,238	4,855,611	83,678	-	1,166,075	6,360,515	28,848	6,389,363
Profit for the period	-	-	-	-	-	-	103,411	103,411	3,096	106,507
Other comprehensive income	-	-	-	77,766	17,726	-	-	95,492	-	95,492
Total comprehensive income for the period ended 30 September 2024	-	-	-	77,766	17,726	-	103,411	198,903	3,096	201,999
<i>Transactions with owner in their capacity as owner:</i>										
Dividend (Note 25)	-	-	-	-	-	-	(55,103)	(55,103)	(1,940)	(57,043)
Stock based compensation expense (Note 30)	-	-	-	-	-	22,023	-	22,023	-	22,023
<i>Others:</i>										
Depreciation transfer for property and equipment under revaluation model	-	-	-	(104,541)	-	-	104,541	-	-	-
At 30 September 2024	-	252,913	2,238	4,828,836	101,404	22,023	1,318,925	6,526,339	30,004	6,556,343
	Attributable to Owner of FIVE Holdings (BVI) Limited									
	Share Capital AED'000	Contributed Capital AED'000	Statutory reserve AED'000	Revaluation reserve AED'000	Foreign	Stock based compensatio n reserve AED'000	Retained earnings AED'000	Total AED'000	Non- Controlling Interests AED'000	Total AED'000
					currency translation reserve AED'000					
At 1 January 2023	-	252,913	2,238	4,345,082	-	-	807,172	5,407,405	21,667	5,429,072
Profit for the period	-	-	-	-	-	-	223,375	223,375	1,360	224,735
Other comprehensive income	-	-	-	111,017	-	-	-	111,017	-	111,017
Total comprehensive income for period ended 30 September 2023	-	-	-	111,017	-	-	223,375	334,392	1,360	335,752
<i>Transactions with owner in their capacity as owner:</i>										
Dividend paid	-	-	-	-	-	-	(81,892)	(81,892)	(861)	(82,753)
<i>Others:</i>										
Transfer of revaluation reserve upon disposal	-	-	-	(16,245)	-	-	16,245	-	-	-
Depreciation transfer for property and equipment under revaluation model	-	-	-	(84,265)	-	-	84,265	-	-	-
At 30 September 2023	-	252,913	2,238	4,355,589	-	-	1,049,165	5,659,905	22,166	5,682,071

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of cash flows

	Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Cash flows from operating activities		
Profit before income tax	138,899	224,735
Adjustments for:		
Depreciation of property and equipment	188,472	142,457
Amortisation of intangible assets	3,895	-
Depreciation of right-of-use assets	22,591	16,717
Interest on lease liabilities	11,053	5,307
Interest cost on finance liabilities	95,151	55,659
Provision for employees' end of service benefits	4,532	2,131
Amortisation of deferred gain	(88,359)	(27,948)
Interest income	(13,689)	(19,189)
Interest cost on borrowings	116,096	53,735
Other finance cost	2,380	4,255
Gain on lease derecognition	(2,368)	-
Profit on disposal of property and equipment	-	(480)
Stock based compensation	22,023	-
Changes in working capital:		
Trade and other receivables	13,209	(228,807)
Prepayments	13,117	(26,369)
Inventories	(7,758)	2,456
Property held for development and sale	(9,870)	6,526
Trade and other payables	57,399	(211,963)
Retention payables	(3,067)	16,272
Due to related parties	(7,783)	(551)
Contract liabilities	(110,517)	293,344
Net cash generated from operating activities	445,406	308,287
Cash flows from investing activities		
Purchase of property and equipment	(198,569)	(337,149)
Proceed from sale of property and equipment	548	-
Purchase of intangible assets	(2,317)	(670)
Guarantee deposit for acquisition	-	(118,500)
Increase in bank deposits	(34,102)	-
Interest income	13,689	19,189
Net cash used in investing activities	(220,751)	(437,130)
Cash flows from financing activities		
Advance received under financing arrangements	-	233,845
Proceeds from financing arrangements	217,463	245,971
Interest payment on finance liabilities	(95,151)	(55,659)
Principal element of lease payments	(16,434)	(13,207)
Interest paid on lease liabilities	(11,053)	(5,307)
Dividends paid	(57,043)	(42,753)
Interest paid on borrowings	(104,820)	(57,990)
Proceed from bank borrowings	-	14,663
Repayment of borrowings	(319,372)	(144,473)
Net cash (used in) / generated from financing activities	(386,410)	175,090
Net (decrease) / increase in cash and cash equivalents	(161,754)	46,247
Cash and cash equivalents, beginning of the period	613,779	696,200
Cash and cash equivalents, end of the period	452,025	742,447

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

1 Legal status and operations

FIVE Holdings (BVI) Limited (the “Company”) is a Company limited by shares registered on 30 August 2013 with Registrar of Corporate Affairs in British Virgin Islands. The registered address of the Company is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. Kabir Mulchandani is the ultimate controlling and ultimate beneficial owner (the “Owner”).

The principal activities of the Company, its subsidiaries and joint operations collectively referred as the “Group” are to provide hospitality services primarily in the United Arab Emirates (UAE) and Switzerland. The Group is also engaged in real estate development projects in Dubai, UAE. The Group on 9th October 2023 acquired 100% equity of Universo Pacha, S.A. (‘Pacha’) incorporated in Ibiza, Spain. Pacha along with its subsidiaries and other affiliated entities (collectively referred as “Pacha Group”) are engaged in hospitality business comprising of two operational hotels under the brand name Destino and El Hotel Pacha and one night club under the brand name Pacha in Ibiza, Spain. Pacha Group also owns a merchandise establishment in Spain and owns brands like Toy Room, WooMoon and Storytellers that are engaged in organising the concept parties and events.

The consolidated financial statements of the Company includes subsidiaries listed in the table below:

Name of entities and country of incorporation	Principal activities	Percentage of ownership/ voting rights on	
		30 September 2024	31 December 2023
<i>United Arab Emirates</i>			
FIVE Holding Limited	Holding Company	100	100
SKAI Holdings Group Limited	Holding Company	100	100
FIVE International Holding Limited	Holding Company	100	100
FIVE JBR Holding (DIFC) limited	Property holding Company	100	100
Devco Real Estate Development LLC	Real Estate development Company	100	100
FIVE Luxe Hotel LLC*	Hotel operating Company	100	100
Assas Investments Limited	Property holding Company	100	100
FIVE Hotel Jumeirah Village L.L.C	Hotel operating Company	100	100
Unlimited 1 Limited	Property holding Company	100	100
FIVE Holiday Homes Rental LLC	Holiday Homes Rental Company	100	100
Rehan Limited	Property holding Company	100	100
FIVE Hotel FZE	Hotel operating Company	100	100
FIVE International Hotel Management L.L.C	Hotel management Company	100	100
FIVE Beach Club Limited (‘FIVE Beach’)	Property holding Company	85	85
Praia Restaurant FZE (100% subsidiary of FIVE Beach)	Restaurant operating Company	85	85
FIVE International Hotel Management Limited	Hotel management Company	100	100
FIVE Music FZ-LLC	Music production Company	100	100
Pacha Universe Holding Limited	Holding Company	100	100
Sea FIVE Yacht LLC	Water sports Company	100	100
FIVE International Real Estate Brokers LLC	Real estate brokerage Company	100	100
FIVE Mode FZ - LLC**	Garments, Textiles & Gifts E-Trading	100	-

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

1 Legal status and operations (continued)

Name of entities and country of incorporation	Principal activities	Percentage of ownership/ voting rights on	
		30 September 2024	31 December 2023
Cayman Islands			
Unlimited 1 Development	Holding Company	100	100
Sky's the Limit 1 LLC	Holding Company	100	100
Spain			
Universo Pacha, S.A. ***	Holding & Night Club Operating Company	100	100
El Hotel Pacha, S.L. ***	Hotel Operating Company	100	100
Nube, S.L. ***	Property and Brand holding Company	100	100
Pacha Merchandise, S.L. ***	Merchandise operating company	100	100
Pacha Franquicias, S.L. ***	Franchise operating Company	100	100
Sweet Pacha, S.L. ***	Events & Productions	100	100
Nomad Suntribe, S.A. ***	Events & Productions	100	100
Pacha Multimedia, S.L. ***	Music Production Company	100	100
Chioro ITG, S.L.U.****	Property holding Company	100	-
United Kingdom ***			
Toy Room Ltd ('TOY ROOM')	Holding Company and Brand Holding Company	51	51
Toy Room Brand Ltd (100% subsidiary of TOY ROOM)	Franchise operating Company	51	51
Switzerland			
5 Atlantis A G	Property holding and Hotel Operating Company	100	100

The consolidated financial statements also include the result of a 50% joint operation interest in Marisol Pacha Ibiza, A.I.E acquired along with Universo Pacha S.A. It is engaged in merchandise business and accounted for under the proportionate consolidation method.

* Effective 3 July 2023, the name of the entity was changed from FIVE JBR Hotel LLC to FIVE Luxe Hotel LLC.

** Newly incorporated entity during the nine months period ended 30 September 2024.

*** On 9 October 2023, the Group acquired these entities.

**** on 5th January 2024, the Group acquired this entity.

2 Material accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34: Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2023. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the consolidated financial statements for the year ended 31 December 2023.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

The interim condensed consolidated statement of comprehensive income is presented on the basis of by function. However, depreciation is separately presented within gross profit, this is considered appropriate presentation as the depreciation is a material line item, and IAS 1 “Presentation of Financial Statements”, permits material items to be separately presented.

Seasonality of operations

The Group’s interim results may not be indicative of fiscal year performance because of, among other reasons, macroeconomic conditions, including inflationary pressures, and seasonal and short-term variations. The Group’s hospitality segment is seasonal in nature and there are periods during which our properties experience variations in hotel revenue activities and margins that may vary and depend principally upon location and season. The Group’s development business revenue and margins are dependent on the number of new developments and percentage of completion which is prone to natural fluctuations in the real estate market of the region. The Group’s financial performance during the nine-month period ended 30 September 2024 reflects the commencement of commercial operations at FIVE Luxe JBR on 31 March 2024 and the impact of the Spain hospitality business acquisition on 9 October 2023 (refer Note 26).

New standards, interpretations, and amendments in issue and effective

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the new and amended standards as set out below.

(a) The new standards, interpretations, and amendments in issue and effective are mentioned below:

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1	1 January 2024
Lease liability in sale and leaseback – amendments to IFRS 16	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024

(b) New standards, interpretations, and amendments in issue and not yet 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 interim condensed consolidated financial statements are disclosed below.

Amendments to IAS 21- Lack of exchangeability	1 January 2025
Classification and Measurement of Financial Instruments– Amendment to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027

Management is currently assessing the impact of aforementioned new accounting standards, amendments and interpretations. However, the management’s preliminary view is that these are expected to have no material impact on the Group in the current or future reporting periods.

Alternative performance measures

The Group has identified certain measures that it believes will assist the understanding of the performance of the business. These alternative performance measures (“APMs”) are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for, or superior to, IFRS, provide stakeholders with an additional useful information on the underlying trends, performance and position of the Group and are consistent with how business performance is measured internally. The APMs are not defined by IFRS and therefore may not be directly comparable with other companies’ alternative performance measures.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

2 Material accounting policies (continued)

2.1 Basis of preparation (continued)

Alternative performance measures (continued)

The key APMs that the Group uses are earnings before interest, tax, depreciation and amortisation (“EBITDA”) and adjusted net income (“Adjusted net income”). These APMs are set out in note 29 including how it is calculated and how it reconciles to a statutory measure where relevant. EBITDA excludes items (i), (ii), (iii) and (iv) referred below and adjusted net income excludes items (iv) and (v) referred below.

i. Exceptional items

The Group classifies certain one-off charges or credits that have a material impact on the Group’s financial results as ‘exceptional items’. These are disclosed separately to provide further understanding of the financial performance of the Group. Management splits out these costs for internal purposes when reviewing the business.

ii. Pre-opening costs

Pre-opening costs can vary significantly depending on the number of new hotels acquired and opened in any period, and so do not reflect the costs of the day-to-day operations of the business. These costs are therefore split out in order to aid comparability with prior periods. Hotel pre-opening costs refer to costs incurred in getting new sites operational, and primarily include costs incurred before opening and in preparing for launch.

iii. Acquisition-related costs

Acquisition-related costs are costs incurred to effect a business combination. Those costs include advisory, legal, accounting, valuation and other professional or consulting fees including employees bonuses in connection with the successful completion of a transaction. Acquisition-related costs are expensed in the period in which the costs are incurred, and the services are received.

iv. Stock based compensation expense

Stock-based compensation expense is a non-cash expense arising from the grant of stock-based awards to employees. Excluding the effect of stock-based compensation from EBITDA assists management and investors in making period-to-period comparisons in company’s operating performance because (i) the amount of such expenses in any specific period may not directly correlate to the underlying performance of the business operations and (ii) such expenses can vary significantly between periods as a result of the timing of grants of new stock-based awards, including grants in connection with acquisitions. Additionally, excluding stock-based compensation from EBITDA assists management and investors in making meaningful comparisons between our company’s operating performance and the operating performance of other companies that may use different forms of employee compensation or different valuation methodologies for their stock-based compensation.

v. Depreciation on revaluation of property and equipment

The depreciation expense on revalued amount of property and equipment is a non-cash adjustment and does not reflect the Group’s operating expense. Therefore, adding back this depreciation expense to net income provides a clearer view of the Group’s operational performance.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

3 Property and equipment

	Land & Buildings (*) AED'000	Equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Leasehold improvements AED'000	Capital work- in- progress AED'000	Total AED'000
Cost or revaluation							
At 1 January 2023	6,038,461	19,148	99,177	1,932	9,623	1,373,057	7,541,398
Acquisition of business (Note 26)	234,239	14,405	5,656	619	-	949	255,868
Additions	40,816	2,958	886	1,003	-	367,929	413,592
Disposal	(49,823)	(128)	(73)	-	-	-	(50,024)
Transfer	32,640	-	-	-	-	(32,640)	-
Revaluation gain	117,109	-	-	-	-	728,669	845,778
Exchange difference	55,244	-	-	-	-	-	55,244
At 1 January 2024 (Audited)	6,468,686	36,383	105,646	3,554	9,623	2,437,964	9,061,856
Additions (refer note 3(iv))	196,411	3,760	14,317	1,428	2,273	71,528	289,717
Disposal	-	(68)	-	(731)	-	-	(799)
Transfer	2,291,471	18,762	148,663	-	1,670	(2,460,566)	-
Deferred tax liabilities (refer note 3(iv))	13,895	-	-	-	-	-	13,895
Revaluation gain	49,022	-	-	-	-	-	49,022
Exchange difference	457	184	64	26	-	888	1,619
At 30 September 2024 (Unaudited)	9,019,942	59,021	268,690	4,277	13,566	49,814	9,415,310
Accumulated Depreciation							
At 1 January 2023	481,383	18,919	65,583	1,709	6,937	-	574,531
Charge for the year	173,268	1,791	15,616	280	1,674	-	192,629
Disposal	(5,289)	-	-	-	-	-	(5,289)
At 1 January 2024 (Audited)	649,362	20,710	81,199	1,989	8,611	-	761,871
Charge for the period	160,504	6,833	20,075	291	769	-	188,472
Disposal	-	(25)	-	(226)	-	-	(251)
Exchange difference	(45)	(63)	(11)	1	-	-	(118)
At 30 September 2024 (Unaudited)	809,821	27,455	101,263	2,055	9,380	-	949,974
Net book amount							
At 30 September 2024 (Unaudited)	8,210,121	31,566	167,427	2,222	4,186	49,814	8,465,336
As at 31 December 2023 (Audited)	5,819,324	15,673	24,447	1,565	1,012	2,437,964	8,299,985

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

3 Property and equipment (continued)

- i. *The land and building were fair valued cumulatively by an independent valuer for Dubai, Ibiza and Zurich hotel and 20% of this cumulative value is considered as land.
- ii. For the year ended 31 December 2023, interest expense of AED 34,890 thousand was capitalised. The capitalisation rate was 8% to 9.5% for 2023 in FIVE Luxe JBR hotel.
- iii. Out of the total carrying value of property and equipment, the assets aggregated to AED 8,210,121 thousand (2023: AED 6,781,459 thousand) is pledged against the Group's borrowings.
- iv. During the nine-month period ended 30 September 2024, the Group acquired Chioro ITG, S.L.U. ('Chioro') which is a privately held company based in Spain, owning two significant real estate assets namely EL Hotel Pacha and an adjacent parking plot. Given Chioro's nature of business which does not require operation process and adherence to the concentration test, the acquisition does not meet the criteria for defining a business under IFRS 3 and consequently the Group treated it as an asset acquisition under IAS 16 which resulted in an addition of AED 160,181 thousand to property and equipment. As the purchase price is more than the carrying value of these assets, a deferred tax liability is recognised (refer note 14).

Carrying amounts that would have been recognised if property and equipment were stated at cost:

If property and equipment were stated on the historical cost basis, the amounts would be as follows:

	Land and Buildings	Capital Work in Progress	Total
	AED'000	AED'000	AED'000
30 September 2024			
Cost	2,413,644	1,006,413	3,420,057
Transfers	838,209	(1,033,569)	(195,360)
Additions	196,441	27,156	223,597
Exchange difference	252	-	252
Accumulated depreciation	(348,790)	-	(348,790)
Net book amount	3,099,756	-	3,099,756
31 December 2023			
Cost	2,140,500	670,175	2,810,675
Acquisition of business	234,239	949	235,188
Transfers	32,640	(32,640)	-
Additions	40,816	367,929	408,745
Disposal	(34,551)	-	(34,551)
Accumulated depreciation	(292,576)	-	(292,576)
Net book amount	2,121,068	1,006,413	3,127,481

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

4 Intangible assets

	Goodwill AED'000	Trademark & Franchise right AED'000	Others AED'000	Total AED'000
Cost or revaluation				
At 1 January 2023	-	-	235	235
Acquisition of business (Refer note 26)	685,737	206,684	-	892,421
Additions	-	-	1,860	1,860
At 1 January 2024	685,737	206,684	2,095	894,516
Additions	-	1,071	1,246	2,317
Exchange difference	49,357	2,285	-	51,642
At 30 September 2024 (Unaudited)	735,094	210,040	3,341	948,475
Accumulated amortization				
Charge for the year	-	799	1,352	2,151
At 1 January 2024	-	799	1,352	2,151
Charge for the period	-	3,003	892	3,895
At 30 September 2024	-	3,802	2,244	6,046
At 30 September 2024 (Unaudited)	735,094	206,238	1,097	942,429
As at 31 December 2023 (Audited)	685,737	205,885	743	892,365

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. The goodwill recognised by the Group has resulted from the business combination of Universo Pacha S.A. during the year ended 31 December 2023 (Refer Note 26).

Trademark and Franchise rights include intangible assets acquired through business combinations. The trademark of Destino has a useful life of 3 years whereas for Pacha the useful life is indefinite. The major assumptions used in the calculation includes discount rate in the range of 10% to 12% and growth rate of 2%. The carrying value of Trademark & Franchise right as at 30 September 2024 includes AED 193,877 thousand (2023: AED 192,163 thousand) related to Pacha trademark.

Trademarks are valued under the relief from royalty methodology and a royalty rate of 8.0% - 12.0% in line with comparable data on the brand name in similar sectors.

Franchisees are valued under the Net Present Value of the Income approach with a 5-year useful life and a discount rate of 11.2 % equivalent to the weighted average cost of capital attributable to the respective entity.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

5 Right-of-use assets and lease liabilities

The Group's right-of-use asset mainly relates to the right obtained to use certain lands, staff accommodations and hotel rooms under sale and leaseback agreements through tenancy agreements. The leases typically range from 1 to 35 years. Some leases include an option to renew the lease where all the terms are negotiable. None of the leases include variable lease payments other than leases under sale and leaseback agreements.

	Land & Buildings
	AED'000
Cost	
At 1 January 2023	174,352
Additions	36,010
Acquisition of business (Refer Note 26)	131,497
Others	3,705
At 1 January 2024	345,564
Lease derecognition (*)	(53,313)
Others	(2,536)
At 30 September 2024	289,715
Accumulated depreciation	
At 1 January 2023	69,438
Charge for the year	24,763
At 1 January 2024	94,201
Charge for the period	22,591
Lease derecognition (*)	(1,968)
At 30 September 2024	114,824
At 30 September 2024	174,891
At 31 December 2023	251,363

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Lease liabilities		
Non-current	156,527	224,464
Current	30,147	34,893
	186,674	259,357

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Lease liabilities		
At 1 January	259,357	122,201
Addition	-	22,602
Acquisition of business (Refer Note 26)	-	131,497
Finance cost	11,053	9,695
Payment of lease liability	(29,554)	(31,041)
Others	(469)	4,403
Lease derecognition (*)	(53,713)	-
	186,674	259,357

(*) During the nine-month period ended 30 September 2024, the Group acquired Chioro ITG, S.L.U. ('Chioro') which resulted in the derecognition of right of use asset to the extent of AED 51,345 thousand and lease liabilities to the extent of AED 53,713 thousand, leading to a gain on lease de-recognition amounting to AED 2,368 thousand recorded in other income (Note 22).

(**) During the nine-month period ended 30 September 2024, certain leases of Five Jumeriah Village Circle, has expired and new leases are signed with variable payments. These lease rental expenses amounting to AED 469 thousand are shown in General & Administrative expenses classified in Others (Note 20).

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

6 Other assets

As at 31 December 2023, the other assets of AED 2,027 thousand represents a guaranteed deposit paid to acquire 100% equity shares of Chioro ITG, S.L.U. ('Chioro'), pursuant to a share purchase agreement executed between one of the subsidiaries of the Group, namely Nube, S.L.U. ('Nube'), and the seller, Ibiza Investments Limited. The purchase was subsequently completed on 5 January 2024 at an enterprise value of AED 213,775 thousand and consequently 100% equity of Chioro was purchased by Nube for AED 78,608 thousand after adjusting Chioro's existing borrowings and other adjusting items from the enterprise value.

7 Trade and other receivables

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Trade receivables*	29,870	193,490
Unbilled receivables**	324,677	232,526
Advances to suppliers	152,528	99,663
Other receivables	51,051	45,656
	558,126	571,335
Analysed as follows:		
Current portion	558,126	571,335
	558,126	571,335

*Included within trade receivables are amounts due from hotel customers who pay by credit card and these amounts are usually collected during the next working day and do not carry any significant credit risk.

** The unbilled receivables represent revenue recognised under percentage of completion method for the off-plan sale of properties held for development and sale for which collection is due at later date in accordance with the contractual terms.

The fair value of trade receivable approximates their carrying value. Trade and other receivables of the Group are denominated in AED, CHF and EUR.

The Group has a broad base of customers with no concentration of credit risk within trade and other receivables as at 30 September 2024 and 31 December 2023. Management is of the opinion that this concentration of credit risk will not result in a significant loss to the Group for the period ended 30 September 2024. Other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. There is no collateral against other receivables.

8 Prepayments

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Deferred sales commission*	22,954	38,628
Prepaid visa fees	3,956	4,034
Others	16,315	13,680
	43,225	56,342

*It mainly relates to sales commission that is paid to the real estate brokers (refer note 21) and amortized in the interim condensed consolidated statement of comprehensive income based on percentage of completion of the related project.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

9 Property held for development and sale

	Property held for development and sale
	AED'000
At 1 January 2023	6,526
Additions	318,916
Cost of sales	(325,442)
At 31 December 2023	-
Additions	219,789
Cost of sales	(171,925)
Deferred tax liabilities (Refer Note 14)	4,863
Exchange difference	2,557
At 30 September 2024	55,284

Addition during the nine-month period ended 30 September 2024 includes acquisition of a land parcel in Ibiza, Spain for the future development amounting to AED 47,629 as part of Chioro acquisition (refer note 3 and 6). As the purchase price is more than the carrying value of the land parcel, a deferred tax liability is recognised (refer note 14).

10 Cash and bank balances

(a) Cash and cash equivalents

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Cash on hand	3,067	3,491
Cash at banks	304,825	610,288
Term deposits with original maturity less than 3 months*	144,133	-
Cash and cash equivalents	452,025	613,779

(b) Bank deposits

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Term deposits with original maturity more than 3 months*	152,064	117,962

*The above term deposit carries an annual interest rate between 4.50% to 5.35% (31 Dec 2023: 3% to 5.45%)

Bank balances are held with locally incorporated banks and branches of international banks.

Cash at banks includes an amount of AED 181,419 thousand (31 December 2023: AED 400,967 thousand) held in escrow accounts. Cash held in escrow accounts represents cash received from customers that is held with banks authorised by the Dubai Real Estate Regularity Authority ("RERA"). Use of this cash is limited to specific development projects to which the cash receipts relate.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

11 Trade and other payables

	As at	
	30 September 2024	31 December 2023
	AED'000 (Unaudited)	AED'000 (Audited)
Trade payables#	133,754	128,565
Accruals	145,345	151,531
Advances from customers *	28,155	469,450
Tax payable	22,353	5,466
Deferred payment for asset purchase***	17,043	-
Staff payable**	14,841	22,674
VAT payable	4,068	2,605
Other payables (due within a year)	35,041	20,238
	400,600	800,529
Analysed as follows:		
Current portion	356,169	766,410
Non-current portion	44,431	34,119
	400,600	800,529

#As per the Addendum signed with China State Construction Engineering Corporation (Middle East) (LLC) dated 24 January 2022, Assas Investments Limited (“a subsidiary”) has to pay AED 65,000 thousand to the main contractor of the project FIVE Palm Jumeirah Hotel and will be payable in 86 monthly instalments. Trade payables include a discounted amount of AED 33,491 thousand (31 December 2023: 39,948 thousand) which is discounted to its present value using the discount rate of 6%.

* For the year ended 31 December 2023, advance from customers includes advances collected from disposal FIVE Luxe hotel units amounting to AED 449,685 thousand under financing arrangements. As FIVE Luxe has become operational as on 31 March 2024, the advance collected from the unit owners has been transferred to finance liabilities and deferred gain.

** Includes management incentives payable to key management personnel amounting to AED 5,688 thousand (31 December 2023: AED 16,592 thousand).

*** This pertains to deferment of purchase price of Chioro acquisition, which is payable after 18 months post-closing of the transaction

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

12 Borrowings

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Term loans*	294,258	449,140
Listed Green Bonds	1,238,057	1,256,424
Less: unamortised borrowing costs	(68,884)	(82,540)
	1,463,431	1,623,024
Analysed as follows:		
Current portion	3,401	191,151
Non-current portion	1,460,030	1,431,873
	1,463,431	1,623,024

*As at 30 September 2024, the term loan includes an amount of AED 146,122 thousand of Chioro's borrowings existed at the time of purchase of its 100% equity by the Group including an amount of AED 18,216 thousand obtained to finance the acquisition of Chioro.

13 Contract liabilities

Contract liabilities represent instalments received from customers towards the purchase of development properties, net of revenue recognised

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Opening	214,578	55,145
Advance from customers	18,396	462,408
Less : Revenue recognised	(128,913)	(302,975)
	104,061	214,578
Analysed as follows:		
Within 1 year	104,061	214,578

The aggregate amount of the sale price allocated to the performance obligations of the Group that are yet to be performed as at 30 September 2024 of AED 153,828 thousand (31 December 2023: AED 672,875 thousand).

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

14 Deferred tax assets and liabilities

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Deferred tax assets		
The balance comprises temporary differences attributable to :		
Losses available for offsetting against future taxable income	16,472	17,031
Net carrying value of finance liability and deferred gain as reduced by net carrying value of condo hotel units under financing arrangement	51,193	44,466
Unutilised interest expenses	1,446	1,446
Others	1,064	1,064
	70,175	64,007
Set-off of deferred tax liabilities pursuant to set-off provisions	(70,175)	(64,007)
Total	-	-
Deferred tax liabilities		
The balance comprises temporary differences attributable to :		
Revaluations of property and equipment	260,706	267,228
Intangible assets	61,046	61,046
Property held for development and sale	4,863	-
	326,615	328,274
Set-off of deferred tax assets pursuant to set-off provisions	(70,175)	(64,007)
Net deferred tax liabilities	256,440	264,267

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law) to enact a Federal corporate tax regime in the UAE. The Corporate Tax regime is effective for the accounting periods beginning on or after 1 June 2023. As the Group's financial year starts on 1 January, it shall be applicable to its UAE resident entities from financial year 2024. The UAE CT Law applies to the standalone results of the Group's entities. As of 30 September 2024, the Group has identified certain timing differences, primarily stemming from variations in the accounting treatment of its sale and leaseback transactions, financing arrangement and the revaluation of property and equipment of condo hotel units in its consolidated financial statements.

Movement	Deferred tax liability			Deferred tax assets			Total
	Intangible assets	Property held for development and sale	Property and equipment	Financing arrangement	Tax losses	Others	
At 1 January 2023	-	-	23,324	-	-	-	23,324
Acquisition of business (Refer note 26)	60,785	-	42,663	-	(11,407)	93	92,134
(Charged)/credited							
- to profit or loss	441	-	-	(44,466)	(5,624)	(2,869)	(52,518)
- to other comprehensive income	-	-	198,729	-	-	-	198,729
Others	(180)	-	2,512	-	-	266	2,598
At 31 December 2023	61,046	-	267,228	(44,466)	(17,031)	(2,510)	264,267
Charged							
- to profit or loss	-	-	-	(6,727)	559	-	(6,168)
- to other comprehensive income	-	-	(28,744)	-	-	-	(28,744)
Chioro acquisition	-	4,863	13,895	-	-	-	18,758
Others	-	-	8,327	-	-	-	8,327
	61,046	4,863	260,706	(51,193)	(16,472)	(2,510)	256,440
At 30 September 2024			326,615			(70,175)	256,440

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

15 Finance liabilities

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Opening Balance	692,457	555,671
Additions during the period / year	328,135	136,786
Payments made during the period / year	(95,151)	(83,223)
Interest on finance liabilities	95,151	83,223
Closing Balance	1,020,592	692,457
Analysed as follows:		
Current portion	165,826	109,433
Non-current portion	854,766	583,024
	1,020,592	692,457
Fixed/Variable		
Fixed portion (*)	388,044	95,272
Variable portion	632,548	597,185
	1,020,592	692,457

* The fixed portion of finance liability pertains to the units in FIVE Hotel Jumeirah Village Circle and FIVE Luxe Hotel - JBR which has guaranteed rental payments are to be made to the unit owners.

16 Deferred gain

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Opening Balance	522,214	464,482
Movement during the period / year	363,754	103,819
Amortisation during the period / year	(88,359)	(46,087)
Closing Balance	797,609	522,214
Analysed as follows:		
Current portion	128,881	76,445
Non-current portion	668,728	445,769
	797,609	522,214

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

17 Transactions and balances with related parties

Related parties include the Owner, non-controlling interests, key management personnel and any businesses which are controlled, directly or indirectly by the Owner and directors or over which they exercise significant management influence (the “other related parties”). During the period, the Group entered the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group’s management.

	Nine-month period ended 30 September		Three-month period ended 30 September	
	2024 AED’000 (Unaudited)	2023 AED’000 (Unaudited)	2024 AED’000 (Unaudited)	2023 AED’000 (Unaudited)
Dividend				
Owner	55,103	81,892	-	-
Non - controlling interest	1,940	861	568	231
Transactions with key management personnel in ordinary course of business				
Revenue				
Sale of property held for development and sale	-	7,121	-	2,411
Food and beverages	3,647	1,158	891	485
Rental income	300	1,567	-	925
Expenses				
Holiday home expenses	2,342	1,595	799	534
Salaries and Other benefits*	4,033	4,049	1,357	1,252
Management incentives programme*	15,301	18,490	5,608	5,740
Stock based compensation expense*	13,915	-	7,590	-
Other related parties **				
Capital and operating expenses	3,702	2,999	437	371
Sales incentive and commission expenses	15,672	26,714	6,110	11,214

* The compensation to key management personnel consists of the (i) base salary, (ii) incentive based on the Group's business performance i.e., incentive payments based on a certain percentage of realised profits, subject to certain leases and (iii) stock based compensation expense (refer Note 30).

** Other related parties include entities under the common control or having significant influence.

Balances with related parties

The amounts due to related parties, represent balances arising from funds and services provided and received in the normal course of business. The majority of the balance due to other related party, is in relation to the sales commission due to be paid.

	As at	
	30 September 2024 AED’000 (Unaudited)	31 December 2023 AED’000 (Unaudited)
Due to related parties		
Owner	-	450
Other related party*	-	7,333
	-	7,783

*Five Real Estate Brokers LLC, a company under the common control.

Due to related parties is unsecured in nature, bears no interest and payable on demand.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

18 Revenue

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
<i>At a point in time:</i>				
Food and beverages	261,029	92,816	620,449	319,490
Other operating departments*	98,135	4,284	160,709	12,257
	359,164	97,100	781,158	331,747
<i>Over time:</i>				
Sale of property held for development and sale**	122,926	148,416	315,181	492,948
Room revenue	141,843	96,253	417,350	313,556
	264,769	244,669	732,531	806,504
Rental income	6,445	4,668	17,676	15,981
	630,378	346,437	1,531,365	1,154,232

*Other operating department includes revenue generated from event admission and merchandising amounts to AED 104,650 thousand and AED 19,540 thousand in nine-month period ended 30 September 2024 and AED 72,083 thousand and AED 10,054 thousand for the three-month period ended 30 September 2024 respectively.

**Revenue from sale of property held for development is recognised based on percentage completion basis. These contracts were signed for a fixed cash consideration on varying instalment payment plans.

19 Cost of sales

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Cost of property held for development and sale	71,592	77,962	171,925	218,698
Staff costs	100,484	43,623	258,254	131,267
Stock based compensation (refer note 30)	3,696	-	6,779	-
Inventory consumption	44,362	19,294	114,071	66,076
Utility costs	16,627	11,166	39,745	29,155
Holiday home expenses	16,796	6,366	50,782	23,074
Music and entertainment	64,239	4,352	111,204	19,024
	317,796	162,763	752,760	487,294

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

20 General and administrative expenses

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Staff costs	12,252	14,153	34,410	39,758
Stock based compensation (refer note 30)	8,315	-	15,244	-
Hotel operating expenses*	25,652	19,339	74,484	52,353
Repairs and maintenance	8,210	6,306	24,705	22,686
Legal and professional fees	8,138	3,167	20,455	13,009
Credit card commission expenses	7,007	3,607	18,022	11,504
Pre-operating expenses**	1,183	1,043	26,655	1,043
Transaction costs	485	-	1,437	-
Travelling expenses	3,034	1,096	8,330	5,215
Charity	1,274	53	2,578	363
Others	2,820	476	7,010	4,122
	78,370	49,240	233,330	150,053

*Operating expenses include indirect costs such as IT support, general maintenance, other hotel support costs and hence these costs have been classified to general and administrative expenses.

** Pre-operating expenses mainly include AED 8,399 thousand pertains to staff cost, AED 3,341 thousand pertains to marketing expenses, AED 11,764 thousand pertains to holiday home expenses of FIVE Luxe and AED 3,151 thousand for other miscellaneous cost for the nine-month period ended 30 September 2024.

21 Selling and marketing expenses

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Sales incentive and commission	19,686	14,278	50,757	51,601
Advertising expenses	15,096	5,518	34,873	17,286
	34,782	19,796	85,630	68,887

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

22 Other income

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Delay fee	111	242	6,305	781
Profit on sale of disposal of property and equipment	-	-	-	480
Gain on lease adjustment (Refer note 5)	-	-	2,368	-
Forefeiture income	224	16	3,944	16
Others	1,333	5,533	4,228	6,453
	1,668	5,791	16,845	7,730

23 Finance costs, net

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
<i>Finance costs:</i>				
- Interest on borrowings	38,918	25,157	116,096	84,734
- Unwinding of interest on finance liabilities	30,437	15,732	95,151	55,659
- Unwinding of interest on lease liabilities	3,595	1,525	11,053	5,307
- Others	738	1,329	2,380	4,255
Less: Interest capitalised on qualifying assets	-	(10,885)	-	(30,999)
Less: Amortisation of deferred gain	(32,748)	(474)	(88,359)	(27,948)
Total finance costs (A)	40,940	32,384	136,321	91,008
<i>Finance income:</i>				
Interest income (B)	4,190	6,546	13,689	19,189
Finance costs – net ((A) - (B))	36,750	25,838	122,632	71,819

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

24 Income tax benefit

The Group recognised income tax expense based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year that would be applicable to the expected total annual earnings. Effective 1 January 2024, the Group operations in UAE are subject to income tax besides Switzerland and Spain tax jurisdictions.

During the three-month and nine-month period ended 30 September 2023, the tax rate was nil as corporate income tax was not applicable to the Group in the United Arab Emirates and no deferred taxes were recognised on losses arising from operations in Switzerland.

During the nine-month period ended 30 September 2024, deferred tax benefit of AED 6,110 thousand was recognised on profits arising from seasonality of Group's operations in Spain at the rate of 25% and current taxes of AED 45,229 thousand and deferred tax income of AED 6,727 thousand was recognised from Group's activities in the United Arab Emirates at the rate of 9% applicable tax rate.

The major components of income tax expense in the interim condensed consolidated statement of comprehensive income are:

	Three- month period ended 30th September		Nine- month period ended 30th September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Current tax:				
Current tax on profit for the period	24,564	-	45,229	-
Deferred income tax:				
On origination and reversal of temporary differences	-	-	(6,110)	-
Net carrying value of finance liability and deferred gain as reduced by net carrying value of condo hotel units under financing arrangement	(6,921)	-	(6,727)	-
Income tax expense	17,643	-	32,392	-

25 Dividend

During the nine-month period ended 30 September 2024, the Group declared and paid the dividend of AED 55,103 thousand (31 December 2023: 81,892 thousand). Dividends per share was AED 55,103 thousand per share (31 December 2023: AED 81,891 per share). The Group declared dividends of AED 1,940 thousand (31 December 2023: AED 2,909 thousand) to its minority shareholders.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

26 Business combination

26.1 Business combination

On 30 June 2023, the Group entered into a sale and purchase agreement (the “Acquisition Agreement”) with Mediterranean Sky International, S.A., E1 Firmamento Estelar, S.L. and MSI 2, S.C.A. (together, the “Sellers”) to acquire the 100% share capital (the “Share Purchase”) of Universo Pacha, S.A. (the “Target”) in order to obtain control of and invest in certain identified subsidiaries, assets and trademarks of the Target (the “Target Perimeter”/the “Acquisition”). The Target Perimeter comprises several entities and each Target Perimeter Subsidiary, which own a range of assets that include Pacha Nightclub (Ibiza), Destino Pacha Hotel (Ibiza), El Hotel Pacha (Ibiza) and some of the iconic brands namely Pacha, Toy Room, WooMoon Storytellers.

On 9th October 2023, the Group successfully completed the aforesaid transaction for a total enterprise value of AED 1,072,183 thousand and assumed the full control over the Target.

26.2 Transaction rationale

The acquisition will enhance the Group’s offering as it will be able to integrate globally recognised experiences associated with the renowned “Pacha” brand while introducing new entertainment concepts at its existing properties. The acquisition is also expected to provide significant credibility to the Group’s international ambitions and offer potential for further value creation. In addition, diversification into a prominent hospitality market with contrasting peak seasons will serve a natural hedge against seasonal demand volatility. The Group anticipates that the contrasting seasons of the Dubai and Ibiza (Spain) hospitality markets will allow for optimal resource allocation and minimise exposure to fluctuations in demand.

26.3 Assets acquired and liabilities assumed as a result of acquisition

The fair values of the identifiable assets and liabilities of Target Perimeter as at the date of acquisition (i.e. 9 October 2023) were:

	As at 9 Oct
	2023
Description	AED’000
Property and equipment (Note 3)	255,868
Right-of-use assets (Note 5)	131,497
Intangible asset (Note 4)	206,684
Trade and other receivables (*)	44,659
Deferred tax asset	970
Inventories	10,617
Cash and cash equivalents	35,993
Other Assets	1,772
Lease liabilities (Note 5)	(131,497)
Trade and other payables	(75,345)
Borrowings	(370,375)
Deferred tax liabilities	(93,104)
Net identifiable assets acquired	17,739
Less : Non controlling interest	(568)
Add : Goodwill on acquisition	685,737
Net assets acquired	702,908

(*) The fair value of acquired trade receivables is equivalent to the gross contractual amount for trade receivables and the expected loss allowance is insignificant.

The Target Perimeter is engaged in hospitality business and the Goodwill is allocated entirely to this segment comprising of various related assets. None of the goodwill recognised except the one which already exist in Universo Pacha S.A. Amounting to AED 128,220 is deductible for the income tax purposes. Out of the total such goodwill, the Group already deducted AED 43,168 as at 31 December 2023.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

26 Business combination (continued)

26.3 Assets acquired and liabilities assumed as a result of acquisition (continued)

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. The Group recognised the non-controlling interest (of 49%) in Toy Room Limited (one of the subsidiaries of Universo Pacha S.A.) at its proportionate share of the acquired net identifiable assets. See note 2.4 (b) for the Group's accounting policies for business combinations.

From the date of acquisition, the Target Perimeter contributed AED 21,784 thousand of revenue and AED 29,391 thousand to loss before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations of the Group would have been AED 2,089,778 thousand and profit before tax from continuing operations for the Group would have been AED 370,778 thousand.

Purchase consideration – cash outflow

Description	AED '000
Purchase consideration paid	703,458
Settlement of existing loan in target perimeter	370,365
Less: Cash acquired on business combination	(34,366)
Net cash flow on acquisition	1,039,457
Add: Transaction cost on acquisition	16,094
Net outflow of cash	1,055,551

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

27 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Assets as per the interim condensed consolidated statement of financial position		
<i>At amortised cost</i>		
Trade and other receivables, excluding advances to suppliers and tax receivable (Note 7)	392,827	456,494
Bank deposits (Note 10 B)	152,064	117,962
Cash and cash equivalents (Note 10 A)	452,025	613,779
	996,916	1,188,235
Liabilities as per the interim condensed consolidated statement of financial position		
<i>At amortised cost</i>		
Trade and other payables (excluding advances from customers, tax payable and VAT payable) (Note 11)	328,981	323,008
Borrowings (Note 12)	1,463,431	1,623,024
Lease liabilities (Note 5)	186,674	259,357
Finance liabilities (Note 15)	1,020,592	692,457
Retention Payables	34,270	37,337
Due to related parties (Note 17)	-	7,783
	3,033,948	2,942,966

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

28 Financial risk management

28.1 Financial risk factors

The Group's multinational operations and borrowings expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2023. There have been no changes in any risk management policies since year end.

28.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining availability under committed credit lines. Cash flow forecasting is performed by the Group on an ongoing basis to ensure it has sufficient cash to meet operational needs.

Liquidity risk management is carried out by a central treasury department at the Group level. Surplus cash held by the Group over and above the balance required are used for the payment of debt and to reduce the interest charges. The below table analyses the Group's financial liabilities into relevant maturity Groupings based on the remaining period at the interim condensed consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Contractual maturities of financial liabilities				Carrying value AED'000
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total contractual cash flows	
	AED'000	AED'000	AED'000	AED'000	
At 30 September 2024					
Trade and other payables * (note 11)	301,593	31,567	-	333,160	328,981
Borrowings (note 12)	126,636	1,826,898	-	1,953,534	1,463,431
Finance liabilities (note 15)	165,907	694,345	3,628,351	4,488,603	1,020,592
Lease liabilities (note 5)	30,148	95,008	188,112	313,268	186,674
Retention payables	22,695	11,575	-	34,270	34,270
	646,979	2,659,393	3,816,463	7,122,835	3,033,948

	Contractual maturities of financial liabilities				Carrying value AED'000
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total contractual cash flows	
	AED'000	AED'000	AED'000	AED'000	
At 31 December 2023					
Trade and other payables * (note 11)	285,978	39,605	-	325,583	323,008
Borrowings (note 12)	332,515	1,931,565	-	2,264,080	1,623,024
Finance liabilities (note 15)	109,433	464,897	2,332,549	2,906,879	692,457
Lease liabilities (note 5)	42,999	125,051	310,072	478,122	259,357
Retention payables	257	37,081	-	37,338	37,338
Due to related parties (note 17)	7,783	-	-	7,783	7,783
	778,965	2,598,199	2,642,621	6,019,785	2,942,967

*Excluding advances from customers, tax payable and VAT payable.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

28 Financial risk management (continued)

28.3 Capital risk management

The Groups' objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, finance liabilities, and lease liabilities less cash and bank balances. Total capital is calculated as 'total equity' as shown in the interim condensed consolidated financial position plus net debt.

The gearing ratios as at 30 September 2024 and 31 December 2023 were as follows:

	As at	
	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Total borrowings (Note 12)	1,463,431	1,623,024
Total finance liabilities (Note 15)	1,020,592	692,457
Total lease liabilities (Note 5)	186,674	259,357
Less: cash and bank balances (Note 10)	(604,089)	(731,741)
Net debt (A)	2,066,608	1,843,097
Total equity (B)	6,556,344	6,389,363
Total capital ((C) = (A) + (B))	8,622,952	8,232,460
Gearing ratio ((A)/(C))	24%	22%

28.4 Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Group include cash and cash equivalents and bank deposits, trade and other receivables excluding advance to suppliers and municipal fee receivable. Financial liabilities of the Group include trade and other payables excluding advance from customers, tax payable and VAT payable, borrowings, finance liabilities, lease liabilities and due to related parties.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

28.5 Net debt reconciliation

The below table summarises the net debt reconciliation for the nine-month period ended 30 September 2024

	Liabilities from financing activities				Cash and bank balances	Total
	Finance liabilities	Lease liabilities	Borrowings	Sub-total		
Net debt as at 31 December 2022	555,671	122,202	1,170,490	1,848,363	(696,200)	1,152,163
Addition (net of transaction cost)	136,786	154,099	1,882,247	2,173,132	(35,541)	2,137,591
Interest	83,223	9,695	129,890	222,808	-	222,808
Payments	(83,223)	(31,041)	(1,559,603)	(1,673,867)	-	(1,673,867)
Other movement	-	4,402	-	4,402	-	4,402
Net debt as at 31 December 2023	692,457	259,357	1,623,024	2,574,838	(731,741)	1,843,097
Additions	328,135	-	146,123	474,258	-	474,258
Interest	95,151	11,053	116,096	222,300	-	222,300
Payments	(95,151)	(29,554)	(421,812)	(546,517)	127,652	(418,865)
Lease adjustments (Note 5(*))	-	(53,713)	-	(53,713)	-	(53,713)
Other movement	-	(469)	-	(469)	-	(469)
Net debt as at 30 September 2024	1,020,592	186,674	1,463,431	2,670,697	(604,089)	2,066,608

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

29 Segment Reporting

The Group's operating segments are Real estate development and Hospitality. The Management evaluates the operating results of its operating segments separately for the purpose of making strategic decisions about allocating resources and assessing performance. Segment performance is measured based on the adjusted net income and EBITDA calculated in accordance with IFRS Accounting Standards. The Chief Operating Decision Maker reviews mainly the segment profit and loss for its strategic decision and therefore, the segment assets and liabilities are not disclosed in this section.

The Group identified EBITDA and adjusted net income which they believe will assist Chief Operating Decision Maker in understanding of the performance of the business after taking into consideration the APMs as explained in Note 2. Total segment results disclosed below does not include stock based compensation. The Chief Operating Decision Maker looks at EBITDA and adjusted net income for his strategic decision making.

a) For the nine-month ended 30 September 2024

Particulars	Hospitality	Real estate development	Others	Total
	AED'000	AED'000	AED'000	AED'000
Total Segment Results	410,061	120,890	-	530,951
Add: Preopening expenses	26,654	-	-	26,654
Unallocated Items				
Corporate expenses	-	-	(32,438)	(32,438)
EBITDA	436,715	120,890	(32,438)	525,167

b) For the nine-month ended 30 September 2023

Particulars	Hospitality	Real estate development	Others	Total
	AED'000	AED'000	AED'000	AED'000
Total Segment Results	260,754	227,649	-	488,403
Add: Preopening expenses	1,043	-	-	1,043
Unallocated Items				
Corporate expenses	-	-	(32,675)	(32,675)
EBITDA	261,797	227,649	(32,675)	456,771

Reconciliation between profit for the period and earnings before interest, tax, depreciation and amortisation:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024	2023	2024	2023
	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Profit for the period after tax	69,403	38,777	106,508	224,735
Stock based compensation (Note 30)	12,011	-	22,023	-
Additional depreciation due to revaluation adjustment	35,810	29,530	104,541	84,265
Adjusted net income	117,224	68,307	233,072	309,000
Add/ (less):				
Depreciation of property and equipment (Note 3)	32,632	20,217	83,931	58,192
Depreciation of right-of-use assets (Note 5)	7,507	6,067	22,591	16,717
Amortisation of intangible asset (Note 4)	1,353	-	3,895	-
Pre-opening expenses (Note 20)	1,183	1,043	26,655	1,043
Finance costs (Note 23)	40,940	32,384	136,321	91,008
Finance income (Note 23)	(4,190)	(6,546)	(13,689)	(19,189)
Income tax expense (Note 24)	17,643	-	32,391	-
Earning before interest, tax, depreciation and amortisation ("EBITDA")	214,292	121,472	525,167	456,771

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

29 Segment Reporting (continued)

Particulars	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Segment Revenue				
Hospitality	507,452	198,021	1,216,184	661,284
Real estate development	122,926	148,416	315,181	492,948
Total Segment Revenue	630,378	346,437	1,531,365	1,154,232
Segment Result				
Hospitality	185,273	71,910	410,061	260,754
Real estate development	40,336	55,099	120,890	227,649
Total Segment Results	225,609	127,009	530,951	488,403
Add/ (less): Unallocated Items				
Finance costs (Note 23)	40,940	32,384	136,321	91,008
Finance income (Note 23)	(4,190)	(6,546)	(13,689)	(19,189)
Corporate office	12,500	6,580	32,438	32,675
Stock based compensation (Note 30)	12,011	-	22,023	-
Depreciation and amortisation (Note 3, 4 & 5)	77,302	55,814	214,959	159,174
Income tax expense (Note 24)	17,643	-	32,391	-
Net profit	69,403	38,777	106,508	224,735
Stock based compensation	12,011	-	22,023	-
Additional depreciation due to revaluation adjustment	35,810	29,530	104,541	84,265
Adjusted net income	117,224	68,307	233,072	309,000

*Hospitality revenue and results includes AED 473,781 thousand of revenue and AED 164,436 thousand respectively for the nine-month period ended 30 September 2024 and AED 285,955 thousand of revenue and AED 116,240 thousand for the three-month period ended 30 September 2024 respectively generated from the subsidiaries outside the UAE.

Other information

The Group's management of the entity further evaluates the result of the Hospitality segment separately into Hotel Rooms, Food and Beverage - Entertainment, Food and Beverage - Non entertainment, and others, which are the key drivers of the performance of the business.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024

29 Segment Reporting (continued)

Other information (continued)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Hospitality - Revenue stream wise				
Rooms	116,780	77,829	342,413	270,754
EATertainment	269,896	48,783	522,738	171,817
Food and Beverage – Non Entertainment	68,655	44,033	212,226	147,672
Holiday Homes	25,063	10,609	74,937	34,780
Others	27,058	16,767	63,870	36,261
Total Hospitality - Revenue stream wise	507,452	198,021	1,216,184	661,284
Hospitality - Result stream wise				
Rooms	49,028	32,224	160,391	133,633
EATertainment	113,947	17,292	203,327	60,496
Food and Beverage – Non Entertainment	13,124	9,736	51,164	38,590
Holiday Homes	2,757	2,262	8,443	7,381
Others	6,417	10,396	(13,264)	20,654
Total Hospitality - Result stream wise	185,273	71,910	410,061	260,754
Add: Pre-opening Expenses	1,183	1,044	26,655	1,044
Total Other Adjustments Hospitality	1,183	1,044	26,655	1,044
Earning before interest, tax, depreciation and amortization (EBITDA)				
Rooms	49,028	32,224	160,391	133,633
EATertainment	113,947	17,292	203,327	60,496
Food and Beverage – Non Entertainment	13,124	9,736	51,164	38,590
Holiday Homes	2,757	2,262	8,443	7,381
Others	7,600	11,440	13,391	21,698
Total EBITDA	186,456	72,954	436,716	261,798

Notes: -

- Segment Result = Revenue – Cost of sales – General and administrative expenses – Selling and marketing expenses + Other Income

Notes to the interim condensed consolidated financial statements for the three-month and nine-month periods ended 30 September 2024**30 Stock based compensation plan**

The establishment of stock based compensation plan is in accordance with IFRS 2 which is designed to increase the employee's productivity, efficiency and improve their future performance which will help the Group in achieving its goals and objectives. The inclusion parameters for the program are based on the below factors:

For employees:

1. Service: Those employees who have completed 5 years and shown unwavering commitment.
2. Critical: Those employees in critical roles who have made exceptional contributions to Group's success in a short span of time.

Each eligible employee is entitled to two awards, a Performance-Based Long Term Incentive Plan ("LTIP") Award and an Initial Public Offering ("IPO") Bonus LTIP Award. The value of individual awards was determined based on a multiple of basic salary and communicated to the employees in April 2024.

Performance-Based LTIP Awards: These awards vest over time in tranches from April 2027 to April 2029 subject to employee's performance rating and satisfaction of corporate performance conditions i.e., occurrence of IPO or achieving the targeted financial performance as well as continued employment. Upon vesting, these awards will be typically converted to shares for nil consideration, though cash settlement may occur at the LTIP administrator's discretion.

IPO Bonus LTIP Awards: These awards vest and convert to shares at the IPO price upon IPO occurring at or above a specified market capitalization within five years. The shares are subject to a six-month lock-up period post-IPO.

The fair value of the aforementioned awards was determined based on communicated awards value subject to employees' attrition rate 5% per annum over the vesting period, aggregated to AED 65,372 thousand.

Upon applying sensitivity to attrition rate by +/- 1%, the fair value of the awards granted will decrease/(increase) by AED 733 thousand.

For key management personnel :

Upon attaining the age of 60 years the key management personnel will be awarded a certain amount of non-voting shares in the Company for nil consideration subject to continued employment. The fair value of these awards aggregate to AED 270,678 thousand, determined based on Group's valuation with weighted average cost of capital (WACC) of 11.9%, terminal growth rate of 2.2% and capitalisation rate of 9.7%.

Upon applying sensitivity to below assumptions, below is the impact on the fair value of the awards

WACC:

+1%	(9,305)
-1%	10,317

Capitalisation rate:

+0.5%	(17,741)
-0.5%	21,819

During the nine-month period ended 30 September 2024, the Group recognised aggregate stock based compensation expenses of AED 22,023 thousand with an amount of AED 6,779 thousand included in cost of sales (note 19) and an amount of AED 15,244 thousand in general and administrative expenses (note 20) with corresponding stock based compensation reserve of AED 22,023 thousand included within equity (AED 12,011 thousand for three-month period ended 30 September 2024 with an amount of AED 3,696 thousand included in cost of sales (note 19) and an amount of AED 8,315 thousand in general and administrative expenses (note 20) with corresponding stock based compensation reserve of AED 12,011 thousand included within equity).