

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

Emaar Properties PJSC and its Subsidiaries

Consolidated Financial Statements For the year ended 31 December 2024

Table of Contents

	<u>Pages</u>
Directors' Report	1 – 2
Independent Auditor's Report	3 – 9
Consolidated Income Statement	10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12
Consolidated Statement of Changes in Equity	13 – 14
Consolidated Statement of Cash Flows	15 – 16
Notes to the Consolidated Financial Statements	17 – 77

DIRECTORS' REPORT

The Board of Directors of Emaar Properties PJSC (the "Company") has the pleasure in submitting the consolidated statement of financial position of the Company and its Subsidiaries (the "Group") as at 31 December 2024 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2024.

Principal activities

The principal activities of the Group during the year ended 31 December 2024 were property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investment in providers of financial services.

Our performance in 2024

Emaar has shown strong commitment to the development of Dubai's economy and the improvement of our society. Our contributions in all areas have been substantial and effective, driven by steady growth in the real estate market, recovery in travel and tourism, and trust in Emaar's leading brands. During the year the Group acquired 141 million square feet of development land in prime area in Dubai with a total development value of AED 96 billion. This strategic expansion aims to redefine luxurious living while fostering a greener future within Dubai's landscape. In 2024, Emaar achieved group property sales of approximately AED 70 billion, marking a 72% increase compared to previous year and bolstering Group revenue backlog from property sales over AED 110 billion, including joint ventures.

Furthermore, our diverse recurring revenue portfolio, comprising malls, hospitality, leisure, entertainment, and commercial leasing, witnessed remarkable growth, surpassing AED 9.3 billion in revenue, representing a growth of more than 8% from the previous year (excluding Namshi, sold in February 2023 and one-off revenue adjustment in 2023). Notably, our flagship asset, the Dubai Mall, welcomed a record 111 million visitors, an increase of around 6% compared to the previous year, making the mall the most visited place on Earth for the second consecutive year.

The Group recorded a net profit attributable to the owners of the Company of AED 13,514 million for the year ended 31 December 2024.

In accordance with the Articles of Association of the Company and applicable UAE Federal Law, AED 1,351 million is transferred to general reserve from the distributable profit of AED 13,514 million.

The transfer to statutory reserve from the distributable profit has been suspended as the reserve has reached 50% of the paid-up share capital.

The Board of Directors of the Company has proposed a cash dividend of 100% of share capital, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit after considering appropriation to general reserve and proposed dividend (subject to approval of the shareholders at the Annual General Meeting) will be transferred to retained earnings. Total equity attributable to owners of the Company as at 31 December 2024 amount to AED 85,428 million prior to proposed dividend.

DIRECTORS' REPORT (continued)

Outlook for 2025

Looking ahead to 2025, our strategic brand positioning and robust project pipeline promise sustained growth and success. Our substantial revenue backlog from property sales lays a strong foundation for future growth, reinforced by the robust performance of our recurring revenue businesses and our plans to further expand this segment. We remain committed to unveiling innovative projects and unparalleled offerings across all our business divisions.

We have long recognized our responsibility to both society and the environment, and over the years, we have taken various initiatives to integrate ESG principles into our operations. In 2024, the Group established a comprehensive sustainability strategy focused on resource use, waste management, water stewardship, and responsible sourcing. Through the implementation of this strategy, we will continue to promote environmental responsibility, working toward a sustainable future for our planet and the betterment of all our stakeholders.

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 33. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

Mr. Jamal Bin Theniyah	(Chairman)
Mr. Ahmed Jawa	(Vice Chairman)
Mr. Mohamed Ali Alabbar	(Managing Director)
Mr. Buti Al Mulla	(Director)
Ms. Eman Abdulrazzaq	(Director)
H.E. Ahmad Bin Meshar	(Director)
H.E. Abdulla Alfalasi	(Director)
H.E. Omar BuShahab	(Director)
Mr. Omar Karim	(Director)

Auditors

KPMG were appointed as external auditors of the Group for the year ended 31 December 2024. The Board of Directors has recommended Ernst and Young as the auditors for 2025 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board



Jamal Bin Theniyah
Chairman

Dubai, United Arab Emirates
14 February 2025





KPMG Lower Gulf Limited
The Offices 5 at One Central
Level 4, Office No: 04.01
Sheikh Zayed Road, P.O. Box 3800
Dubai, United Arab Emirates
Tel. +971 (4) 4030300, www.kpmg.com/ae

Independent auditors' report

To the Shareholders of Emaar Properties PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Emaar Properties PJSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated income statement, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory 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 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants' 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 period. 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.

Key Audit Matters (continued)

Revenue recognition on sale of properties and lease rental income

See Note 2.2, 2.4 and 5 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group recognizes revenue on sale of properties in accordance with IFRS 15 <i>“Revenue from Contracts with Customers”</i> and Lease income in accordance with IFRS 16 <i>“Leases”</i>. The Group recognizes revenue on sale of properties in accordance with IFRS 15 <i>“Revenue from Contracts with Customers”</i>. The Group recognises revenue on sale of properties either at point in time or over time depending on the terms of contracts with its customer and the relevant laws and regulations of the jurisdiction in which it has entered into the contract with its customers. Revenue recognition on sale of properties was considered a key audit matter due to following key elements of judgement and estimation involved that warrant additional audit focus: - determining whether the performance obligations are satisfied over time or at a point in time; and - estimation of total costs required to meet performance obligations under the contracts with customers and for performance obligations satisfied over time, recognize revenue in proportion to the extent and upon satisfactory fulfillment of performance obligations. Rental income from leased properties is recognised in accordance with the terms of the lease agreed with the tenants on a straight-line basis from the operating lease commencement date over the period of the lease. The lease agreements may include certain clauses relating to (i) lease income computed based on lessee turnover; and (ii) tenant incentives which may affect the amount of rental income recognized during the year. Considering the inherent risks around the existence and accuracy, rental income from leased properties warrants additional audit focus.	- We have assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with International Financial Reporting Standards (<i>“IFRS Accounting Standards”</i>); - Obtained an understanding of the revenue process implemented by the Group; - We have performed test of design and implementation of relevant controls; - On a sample basis, we have assessed the contracts for sale of properties to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under IFRS 15; - On a sample basis, we have assessed the appropriateness of percentage of completion of the construction of properties by reference to costs incurred to date compared to the estimated total costs, where the performance obligation is satisfied over time; - On a sample basis, we have assessed the adequacy of the total estimated cost to complete through the management appointed external cost consultant's report, supporting agreements, retrospective evaluation of budgets and other relevant information. We have also evaluated, on a sample basis, the qualifications and competence of the management appointed cost consultants. - For costs incurred to date, we have tested, on a sample basis, significant items of cost components by comparing these to the relevant supporting documents including payment certificates to ascertain the existence and accuracy of the costs of work done; - On a sample basis, we tested lease agreements to ensure the existence and accuracy of the revenue recognised during the year and it's compliance with IFRS; and - We assessed the adequacy of the Group's disclosure in relation to the requirements of IFRS 15 and IFRS 16.

Key Audit Matters (continued)

Assessment of net realisable value and recoverable amount ("the value") of development properties and investment properties ("the properties") respectively

Refer to notes 2.2, 2.4, 13 and 18 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group owns both development properties (including completed projects and those under construction) and investment properties, collectively referred to as "the properties." Valuing these properties involves significant judgment, based on various assumptions and prevailing market conditions. These conditions include heightened geopolitical tensions, low economic growth in many major countries, and a "higher for longer" interest rate environment, all of which increase the potential for constrained credit markets, negative capital value movements, and continued volatility in some property markets over the short-to-medium term. Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Investment properties are measured at cost less accumulated depreciation and impairment if any. The Group engages professionally qualified management appointed valuers to assess the value for a substantial portion of its properties. This process of assessment of the value involves significant judgement in estimating the underlying assumptions to be applied. Considering the uncertainty surrounding the net realizable value of the Group's properties, management is required to carefully monitor the underlying assumptions, assess their impact on property values, and make significant estimates and judgments. In light of ongoing market volatility, this area warrants focused attention, as any inaccuracies in determining property values could materially affect their carrying value in the Group's consolidated financial statements.	• We have evaluated the qualifications of the management appointed valuers and read the terms of the engagement of the valuers with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; • We involved our real estate valuation specialist, who on a sample basis, assessed valuation methodologies used in the valuation process and challenged assumptions for key estimates of sales price, cost to complete, market rent, future rental income, operating costs, occupancy rate, discount rates, capitalization and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors; • We have assessed if there are any significant triggers during the audit period that would have a significant impact on the value of the properties; • On a sample basis, performed audit procedures to assess whether the source data used for determining the net realisable value are reasonable by comparing it to the underlying supporting information; • We have performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by management; and

Key Audit Matters (continued)

Assessment of net realisable value and recoverable amount ("the value") of development properties and investment properties ("the properties") respectively

Refer to notes 2.2, 2.4, 13 and 18 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
----------------------	---

- | | |
|--|---|
| | <ul style="list-style-type: none"> We assessed the adequacy of disclosures in the consolidated financial statements. |
|--|---|

Other Information

Management is responsible for the other information. The other information comprises the information included in the Integrated Annual Report (including Directors' Report), but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Integrated Annual Report after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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 on the other information that we have obtained prior to the date of this auditors' report, 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.

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 IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree 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.

Auditors' 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 auditors' 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 ISAs 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.
- 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 auditors' 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 auditors' 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 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 auditors' 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.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021 we report that for the year ended 31 December 2024:

- 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 Decree Law No. 32 of 2021;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 2.1 and 14 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2024;
- vi) note 33 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- 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 Group has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2024; and



Report on Other Legal and Regulatory Requirements

- viii) note 6 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2024.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: 14 February 2025

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

(US \$1.00 = AED 3.673)

		2024	2023
	<i>Note</i>	AED'000	AED'000
Revenue	5	35,504,920	26,749,821
Cost of revenue	5	(15,124,366)	(9,884,497)
GROSS PROFIT		20,380,554	16,865,324
Other operating income		654,199	553,239
Other operating expenses		(239,422)	(228,059)
Selling, general and administrative expenses	6	(3,232,282)	(2,785,958)
Depreciation of property, plant and equipment	17	(625,135)	(616,380)
Depreciation of investment properties	18	(801,584)	(780,383)
Finance income	7(a)	2,102,446	1,603,570
Finance costs	7(b)	(940,914)	(1,039,466)
Other income, net	8	1,596,321	2,508,201
Share of results of associates and joint ventures	16	5,597	236,975
Impairment of non-financial assets, net	2.2	-	(1,255,499)
PROFIT BEFORE TAX		18,899,780	15,061,564
Income tax expense	9	(1,450,707)	(232,414)
NET PROFIT FOR THE YEAR		17,449,073	14,829,150
ATTRIBUTABLE TO:			
Owners of the parent		13,513,938	11,629,238
Non-controlling interests		3,935,135	3,199,912
		17,449,073	14,829,150
Earning per share attributable to the owners of the Parent:			
-basic and diluted earnings per share (AED)	29	1.53	1.32

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	<i>(US \$1.00 = AED 3.673)</i>	
	<i>2024</i>	<i>2023</i>
<i>Notes</i>	<i>AED'000</i>	<i>AED'000</i>
Net profit for the year	17,449,073	14,829,150
<i>Other comprehensive income to be reclassified to income statement in subsequent year;</i>		
(Decrease) / Increase in unrealised gains reserve	(31,212)	5,536
Decrease in foreign currency translation reserve	(1,782,414)	(995,124)
Net other comprehensive income to be reclassified to income statement in subsequent year;	(1,813,626)	(989,588)
<i>Other comprehensive income not to be reclassified to income statement in subsequent year;</i>		
Change in fair value of investment	224,464	232,438
Net other comprehensive income not to be reclassified to income statement in subsequent year;	224,464	232,438
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	15,859,911	14,072,000
ATTRIBUTABLE TO:		
Owners of the parent	12,135,949	10,996,070
Non-controlling interests	3,723,962	3,075,930
	15,859,911	14,072,000

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

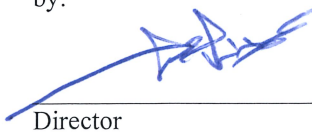
As at 31 December 2024

(US \$1.00 = AED 3.673)

		2024 AED'000	2023 AED'000
	Notes		
ASSETS			
Bank and cash balances	10	50,056,181	33,854,912
Trade and unbilled receivables	11	15,484,276	17,255,072
Other assets, receivables, deposits, and prepayments	12	10,051,527	6,765,083
Development properties	13	45,096,264	40,997,595
Investments in securities	14	1,508,066	2,010,632
Loans to associates and joint ventures	15	1,006,179	834,281
Investment in associates and joint ventures	16	5,430,854	5,629,566
Property, plant and equipment	17	8,986,894	9,490,932
Investment properties	18	21,340,217	21,493,515
Intangible assets	19	574,356	219,723
Right-of-use assets	20	687,554	845,921
TOTAL ASSETS		160,222,368	139,397,232
LIABILITIES AND EQUITY			
LIABILITIES			
Trade and other payables	21	17,570,826	14,737,470
Advances from customers	22	32,495,288	22,857,576
Income tax payable	9	1,237,838	238,268
Retentions payable	23	1,834,703	1,531,601
Deferred tax liabilities	9	1,145,754	754,315
Interest-bearing loans and borrowings	24	3,265,390	3,098,678
Sukuk	25	6,421,094	9,171,882
Provision for employee end-of-service benefits	26	181,441	176,424
TOTAL LIABILITIES		64,152,334	52,566,214
EQUITY			
Equity attributable to owners of the Company			
Share Capital	27	8,838,790	8,838,790
Employees' performance share program		(1,684)	(1,684)
Reserves	28	23,926,350	22,532,207
Retained earnings		52,664,771	46,354,820
		85,428,227	77,724,133
Non-controlling interests		10,641,807	9,106,885
TOTAL EQUITY		96,070,034	86,831,018
TOTAL LIABILITIES AND EQUITY		160,222,368	139,397,232

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2024.

The consolidated financial statements were authorised for issue by the Board of Directors and signed on their behalf by:


Director


Director

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(US \$1.00 = AED 3.673)

	<i>Attributable to the owners of the Company</i>					<i>Non-controlling interests AED'000</i>	<i>Total equity AED'000</i>
	<i>Share capital AED'000</i>	<i>Employees' performance share program AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>		
Balance at 1 January 2024	8,838,790	(1,684)	22,532,207	46,354,820	77,724,133	9,106,885	86,831,018
Net profit for the year	-	-	-	13,513,938	13,513,938	3,935,135	17,449,073
Other comprehensive income / (loss) for the year	-	-	(1,383,253)	5,264	(1,377,989)	(211,173)	(1,589,162)
Total comprehensive income for the year	-	-	(1,383,253)	13,519,202	12,135,949	3,723,962	15,859,911
Director's bonus	-	-	-	(10,350)	(10,350)	-	(10,350)
Dividend paid to shareholders (refer note 32)	-	-	-	(4,419,395)	(4,419,395)	-	(4,419,395)
Transfer to reserve (refer note 28)	-	-	1,351,394	(1,351,394)	-	-	-
Acquisition of subsidiary (refer note 2.1)	-	-	628,356	-	628,356	66,292	694,648
Dividend and directors' bonus of subsidiaries	-	-	-	(3,126)	(3,126)	(2,870,016)	(2,873,142)
Dilution of Interest on acquisition of a subsidiary	-	-	551,246	(1,178,586)	(627,340)	627,340	-
Other movements	-	-	-	-	-	(12,656)	(12,656)
Transfer of fair value reserve of investments designated at FVOCI	-	-	246,400	(246,400)	-	-	-
Balance as at 31 December 2024	8,838,790	(1,684)	23,926,350	52,664,771	85,428,227	10,641,807	96,070,034

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

(US \$1.00 = AED 3.673)

	Attributable to the owners of the Company					Non-controlling interests AED '000	Total equity AED '000
	Share capital AED '000	Employees' performance share program AED '000	Reserves AED '000	Retained earnings AED '000	Total AED '000		
Balance at 1 January 2023	8,838,790	(1,684)	21,999,630	38,161,738	68,998,474	6,427,604	75,426,078
Net profit for the year	-	-	-	11,629,238	11,629,238	3,199,912	14,829,150
Other comprehensive income for the year	-	-	(630,347)	(2,821)	(633,168)	(123,982)	(757,150)
Total comprehensive income for the year	-	-	(630,347)	11,626,417	10,996,070	3,075,930	14,072,000
Director's bonus	-	-	-	(10,350)	(10,350)	-	(10,350)
Dividend paid to shareholders (refer note 32)	-	-	-	(2,209,698)	(2,209,698)	-	(2,209,698)
Dividend and directors' bonus of subsidiaries	-	-	-	(3,126)	(3,126)	(413,618)	(416,744)
Movement in non-controlling interest	-	-	-	-	-	15,264	15,264
Transfer to reserves (refer note 28)	-	-	1,162,924	(1,162,924)	-	-	-
Other movement	-	-	-	(47,237)	(47,237)	1,705	(45,532)
Balance as at 31 December 2023	8,838,790	(1,684)	22,532,207	46,354,820	77,724,133	9,106,885	86,831,018

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

		<i>(US\$ 1.00 = AED 3.673)</i>	
		2024	2023
	<i>Note</i>	AED'000	AED'000
Cash flows from operating activities			
Profit before tax		18,899,780	15,061,564
Adjustments for:			
Share of results of associates and joint ventures	16	(5,597)	(236,975)
Depreciation	17,18,20	1,536,029	1,527,090
Amortisation of intangible assets	19	2,639	3,610
Provision / (Reversal) for end-of-service benefits, net		5,017	(620)
Gain on sale of interest in subsidiary	8	-	(699,884)
Loss on disposal of property, plant and equipment		-	4,991
Finance costs	7(b)	940,914	1,039,466
Finance income	7(a)	(2,102,446)	(1,603,570)
Provision for doubtful receivable and advances	6	39,897	61,805
Impairment on non-financial assets	2.2	-	2,011,495
Remeasurement of fair value of pre-existing interest in a acquiree	8	(229,161)	-
Cash from operations before working capital changes:		19,087,072	17,168,972
Working capital changes:			
Trade and unbilled receivables		1,998,385	5,143,446
Other assets, receivables, deposits and prepayments		(2,600,814)	(1,088,384)
Development properties		(2,551,358)	293,029
Advances from customers		8,442,322	3,293,847
Trade and other payables	2.2	33,382	(4,886,261)
Retentions payable		296,787	(88,942)
Income tax, net		(224,314)	(4,460)
Net cash flows from operating activities		24,481,462	19,831,247
Cash flows from investing activities			
Purchase of securities	14	(1,632,589)	(1,503,112)
Proceeds from disposal of securities		1,320,339	1,712,995
Finance income received		1,831,848	1,298,749
Dividends received from associates and joint ventures	16	76,455	397,287
(Investment) in and repayment of loans to associate and joint ventures	15,16	(46,870)	220,029
Amounts incurred on investment properties	18	(747,000)	(594,556)
Amounts incurred on property, plant and equipment	17	(533,569)	(578,407)
Proceeds from disposal of property, plant and equipment		-	307
Deposits maturing after three months (including deposits under lien)	10	(3,193,844)	(7,482,084)
Amounts incurred on intangible assets	19	(2,097)	(11,572)
Proceeds from sale of assets held for sale	4	-	1,231,190
Net cash and cash equivalents acquired on acquisition of subsidiary	2.1	657,107	-
Net cash flows used in investing activities		(2,270,220)	(5,309,174)

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

Emaar Properties PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the year ended 31 December 2024

		<i>(US\$ 1.00 = AED 3.673)</i>	
		2024	2023
	<i>Notes</i>	AED'000	AED'000
Cash flows from financing activities			
Proceeds from interest-bearing loans and borrowings	24	904,825	1,549,777
Repayment of interest-bearing loans and borrowings	24	(738,167)	(3,751,350)
Dividends (including dividends of subsidiaries)		(7,289,411)	(2,906,877)
Finance costs paid		(854,568)	(920,841)
Directors' bonus paid (including Directors' bonus of subsidiaries)		(13,476)	(14,250)
Movement by minority shareholders-net		(12,280)	15,264
Payment of lease liabilities	20	(140,588)	(157,261)
Payment of Sukuk		(2,750,788)	-
Loan from non-controlling shareholder	21	2,134,694	-
Net cash flows used in financing activities		(8,759,759)	(6,185,538)
Increase in cash and cash equivalents		13,451,483	8,336,532
Net foreign exchange difference		(444,059)	(257,015)
Cash and cash equivalents at the beginning of the year		25,624,573	17,545,056
Cash and cash equivalents at the end of the year	10	38,631,997	25,624,573

The accompanying notes 1 to 35 form an integral part of these consolidated financial statements.

1 DOMICILE AND ACTIVITIES

Emaar Properties Public Joint Stock Company (the “Company”) was established as a public joint stock company by Ministerial Decree number 66 in the year 1997. The Company was established on 23 June 1997 and commenced operations on 29 July 1997. The Company and its subsidiaries constitute the Group (the “Group”). The Company’s registered office is at P.O. Box 9440, Dubai, United Arab Emirates (“UAE”). The shares of the Company are traded on the Dubai Financial Market.

The principal activities of the Group are property investment, development and development management, shopping malls and retail, hospitality, property management and utility services and investments in providers of financial services.

The consolidated financial statements were authorized for issue on 14 February 2025.

2.1 BASIS OF PREPARATION

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

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company’s functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis except for financial assets at fair value through OCI (“FVOCI”) and profit or loss (“FVTPL”) that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Certain comparative amounts have been reclassified to conform to the presentation used in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities (including special purpose entities) controlled by the Group. Control is achieved where all the following criteria are met:

- (a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the Group has the ability to use its power over the entity to affect the amount of the Company’s returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses 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. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the consolidated income statement; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated income statement or retained earnings, as appropriate.

Details of the Company's significant subsidiaries as at 31 December 2024 are as follows:

Subsidiary	Place of incorporation	Principal activities	Percentage of effective interest
Emaar Development PJSC and its subsidiaries	UAE	Property development and development management	80.16%
Emaar Malls Management LLC and its subsidiaries	UAE	Retail development and management of shopping malls	100.00%
Dubai Creek Harbour LLC and its subsidiaries	UAE	Property development and development management	100.00%
Emaar Hospitality Group LLC	UAE	Providing hospitality services	100.00%
Emaar Hotels & Resorts Group	UAE	Providing hospitality services	100.00%
Emaar Entertainment LLC	UAE	Leisure and entertainment activities	100.00%
Dubai Hills Estate Retail LLC	UAE	Property development and management of leasing	50.00%
Emaar Misr for Development SAE and its subsidiaries*	Arab Republic of Egypt ("Egypt")	Property investment and development	73.79%
Emaar India Limited and its subsidiaries	India	Property investment and development	77.01%
Emaar Libadiye Gayrimenkul Gelistirme A.S.	Republic of Turkey ("Turkey")	Property investment and development, development of retail, shopping malls and hospitality assets	100.00%
Emaar Middle East LLC	Kingdom of Saudi Arabia ("KSA")	Property investment and development	100.00%

* the percentage of effective interest decreased on 19 December 2024 from 88.74% to 73.79%. (Refer note 2.1)

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

On the 2nd of August 2022, Emaar Misr for Development SAE (“Emaar Misr”), one of the Group subsidiaries, had acquired 25 percent interest in the equity shares of Albro North Coast for development S.A.E. (“Albro”), a company registered and incorporated on 25 Feb 2018 in accordance with the laws of Egypt. Albro is involved in developing urban communities in Egypt. This investment was previously recorded as an equity-accounted investee.

On the 19th of December 2024, Emaar Misr acquired the remaining 75% of the shares granting it full control of Albro.

Included in the identifiable assets and liabilities acquired at the date of acquisition of Albro are inputs (inventories and customer relationships), processes and an organised workforce. The Group has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. The transaction represented a business combination under IFRS 3 ‘Business Combination’ and had been accounted for using the acquisition method of accounting.

A. Consideration transferred

The consideration (equity instruments of Emaar Misr) amounting to EGP 9,615,044 thousand (AED 694,648 thousand) (net of transaction cost) of EGP 208,973 thousand (AED 15,098 thousand) is based on the fair value of identified net assets and intangibles.

B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of the assets acquired and liabilities assumed at the date of the acquisition.

	19 December 2024 AED’000
Bank and cash balances	657,107
Other assets, receivables, deposits and prepayments	285,179
Development properties (note 13)	1,588,148
Investment in securities	33,667
Property, plant and equipment, net (note 17)	550
Intangible assets (note 19)	352,684
Trade and other payables	(535,106)
Advances from customers (note 22)	(1,195,390)
Deferred tax liabilities	(236,472)
Retentions payable	(6,315)
Fair value of identifiable net assets	944,052

C. Goodwill

Goodwill arising from the acquisition had been recognised as follows:

	19 December 2024 AED’000
Equity instrument transferred	709,746
Add: Fair value of pre-existing interest in Albro	236,582
Less: Fair value of identifiable net assets	944,052
Goodwill arising on acquisition (note 19)*	2,276

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Subsidiaries (continued)

* Goodwill primarily comprises sales growth from future product offerings, new customers, expected synergies arising from the acquisition as well as certain other intangible assets that do not qualify for separate recognition under IAS 38 which includes customer contracts.

The remeasurement to fair value of the Group's existing 25 percent interest in Albro resulted in a gain of AED 229,161 thousand. This amount has been included in 'other income' (refer note 8).

Associates and joint ventures

Associates are companies in which the Group has significant influence, but not control, over the financial and operating policies even if the shareholding is 50% or more. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities even if the shareholding is 50% or more.

The Group's investment in associates and joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates and joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the associate and joint venture companies, less any impairment in value.

The consolidated income statement reflects the Group's share of results of its associates and joint ventures. Unrealised gains resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Special purpose entities

Special purpose entities are entities that are created to accomplish a narrow and well-defined objective. The financial information of special purpose entities is included in the Group's consolidated financial statements where the substance of the relationship is that the Group controls the special purpose entity and hence, they are accounted for as subsidiaries.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Judgments

The key judgments and estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. For some geographies where this is not the case, revenue is recognised at a point in time.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 *Revenue from Contracts with Customers* whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer. The title will be transferred to the customer only upon 100% collection, resulting in a low risk of default and loss thereof.

Transfer of real estate assets from property, plant and equipment to development properties

The Group sells real estate assets in its ordinary course of business. When the real estate assets which were previously classified as property, plant and equipment are identified for sale in the ordinary course of business, then the assets are transferred to development properties at their carrying value at the date of identification. Sale proceeds from such assets are recognised as revenue in accordance with IFRS 15.

Revenue recognition for turnover rent

The Group recognises income from turnover rent on the basis of audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Classification of investment properties

The Group determines whether a property qualifies as investment property in accordance with IAS 40 *Investment Property*. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by the Group. The Group has determined that hotels owned by the Group are to be classified as part of property, plant and equipment rather than investment properties since the Group also operates these assets.

Operating lease-- Group as lessor

The Group has entered into commercial and retail property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 *Financial Instruments*.

Significant judgement in 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 the option, under some of its leases to lease the assets for additional years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. 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.

Valuation of investment properties

The Group hires the services of external professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the consolidated financial statements.

Hyperinflation

Turkey became a hyperinflationary economy. Management have carried out a detailed assessment of the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies and noted that there is no impact of applying IAS 29 on its operations in Turkey, as the functional and presentation currency of the subsidiaries in Turkey is US Dollars.

Furthermore, management also monitors other qualitative and quantitative characteristics in its assessment of other potential hyperinflationary economies.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Held For sale assessment

Discussions are underway with certain buyers with regards to potential sale of stake in Emaar India Limited, however the conditions of classification as per IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations are not met as at the reporting date.

Estimations and assumptions

Consolidation of subsidiaries

The Group has evaluated all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10 *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

Impairment of trade, unbilled receivables and other receivables

An estimate of the collectible amount of trade, unbilled and other receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied based on expected credit losses on such receivables.

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. This estimate is determined after considering the expected usage of the asset or physical wear and tear. The management periodically reviews estimated useful lives and the depreciation / amortisation method to ensure that the method and period of depreciation / amortisation are consistent with the expected pattern of economic benefits from these assets.

Recognition of forfeiture income from sales cancellations

Upon termination or cancellation of contracts with customers, amounts received from customers become refundable subject to forfeiture clauses contained in the original sale contract documents and as per local real estate regulations. Forfeited amounts are carried as liability in the consolidated statement of financial position upon cancellation/ termination of the contract. Amounts forfeited on cancelled/terminated property units (net of customer refunds, where applicable) are subsequently recognised in the consolidated income statement based on management's judgment on whether the Group expects any future / continuing association with the erstwhile customer whose amounts are being forfeited.

Measurement of progress when revenue is recognised over time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

Cost to complete the projects and Project cost accruals

The Group estimates the cost to complete the projects and project cost accruals in order to determine the cost attributable to revenue being recognised. These estimates include the value attributable to work done till date, cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

During the current period, management has reassessed the adequacy of project accruals of certain projects and accordingly has written back AED 178 million (31 December 2023: AED 2,265 million) for projects which are fully completed and wherein final settlement is either obtained or management estimates no further contractor claims. Also refer note 5 and note 13.

Taxes

The Group is subject to income and capital gains taxes in all jurisdictions. Significant judgment is required to determine the total provision for current and deferred taxes. The Group established provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretations may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Group companies. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Considering continued higher inflationary environment and currency devaluation in one of the Company's international operations, during the previous year management had reassessed value in use of investment property and property, plant and equipment thereon and recorded a net impairment charge of AED 1,109 million in investment property and AED 146 million on property, plant & equipment. The estimate of value in use for the recoverable amount was determined using a pre-tax discount rate of 16%, a terminal yield of 7% and growth rate (rent increase rate) of 6%.

Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses. During the previous year, a write down of AED 756 million were recorded for certain land parcels in few international locations where estimated net realisable value was lower than their carrying value. Also refer note 5 and note 13.

Fair value measurement

When the fair values of financial assets and financial liabilities recorded in the 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.

The external valuer report on the valuation of the Group's development properties has drawn attention to the fact that a combination of global inflationary pressures, higher interest rates and recent geopolitical events have heightened the potential for greater volatility in property markets over the short-to-medium term, requiring management to closely monitor the valuation and track how market participants respond to current market volatility.

Considering the current heightened geopolitical tensions, low economic growth in many major countries, and a "higher for longer" interest rate sentiment have increased the potential for constrained credit markets, negative capital value movements and continued volatility in some property markets over the short-to-medium term, management has critically assessed asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported. Management will continue to closely monitor the impact of this evolving situation to assess its impact to the Group, if any.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

A number of new standards are effective for annual periods beginning after 1 January 2024 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following new or amended standards that are adopted in annual periods beginning on 1 January 2024:

(a) New standards, interpretations and amendments adopted by the Group Effective date

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current liability with covenants – Amendments to IAS 1 and	
Classification of Liabilities as Current and Non-current (Amendments to IAS 1)	1 January 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

These standards / improvements have no material impact on the consolidated financial statements of the Group.

(b) Standards, amendments and interpretations in issue but not effective

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

(b) Standards, amendments and interpretations in issue but not effective (continued)

Forthcoming requirements Effective date

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures*	Upon adoption by applicable regulatory authority
Sale or Contribution of Assets between an Investor its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	1 January 2025
Lack of Exchangeability – Amendments to IAS 21	1 January 2027
Presentation and Disclosure in Financial Statements issued (IFRS 18)**	1 January 2027

*effective upon adoption by applicable regulatory authority

** The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. IFRS 18 replaces IAS 1 Presentation of Financial Statements and will affect the presentation and disclosure of financial performance in the Group's consolidated financial statements when adopted.

The Group does not expect the adoption of the above new standards, amendments and interpretations, other than IFRS 18, issued to have a material impact on the future consolidated financial statements of the Group.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Revenue recognition

Revenue from contracts with customers

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

- Step 1. Identify the 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 the 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 will allocate 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 entity satisfies a performance obligation.

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

1. The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
2. The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised in the consolidated income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Lease to buy scheme

Sales under the lease to buy scheme are accounted for as follows:

- Rental income during the period of lease is accounted for on a straight-line basis until such time the lessee exercises its option to purchase;
- When the lessee exercises its option to purchase, a sale is recognised in accordance with the revenue recognition policy for sale of property as stated above; and
- When recognising the sale, revenue is the amount payable by the lessee at the time of exercising the option to acquire the property.

Revenue recognition for turnover rent

Income from turnover rent is recognised based on the audited turnover reports submitted by the tenants. In the absence of audited reports, management makes its own assessment about the tenants achieving or exceeding the stipulated turnover in the lease contracts based on their historical performance.

Revenue from sale of land

The performance obligation with regards to sale of land is satisfied at a point in time when customer has access to the plot. Upon recognition of revenue against a certain plot, the infrastructure cost allocated to the plot of land is released to the statement of comprehensive income, as cost of revenue.

Development services

Revenue from rendering of development management services 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. Revenue is recognised overtime.

Rental income from lease of investment property

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, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Customer loyalty programme

The Group operates a loyalty points programme, 'U by Emaar', which allows customers to accumulate points when they spend in any of the Group's hotel or leisure units. The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer. When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group anticipates its estimates of the points that will be redeemed on a quarterly basis and any adjustments to the contract liability balance are charged against revenue.

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. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in the consolidated income statement in the year in which they are incurred.

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 gross carrying amount of the financial asset.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax

Taxation is provided in accordance with the relevant fiscal regulations of the jurisdictions in which the Group operates. Current tax is the expected tax on the taxable income for the year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior years. Income tax relating to items recognised directly in other comprehensive income or equity is recognised directly in other comprehensive income or equity and not in the consolidated income statement.

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted as at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses 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 assets 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;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 income 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 income 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 assets 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 liability is settled, based on tax rates that have been 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.

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.

UAE Federal Decree-Law No (47) of 2022 on the Taxation of Corporations and Businesses:

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply. For the Group, current taxes is accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact for the UAE component has been considered for the consolidated financial statement for the year ended 31 December 2024.

Global Minimum Top-up Tax

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two). Various countries have either enacted or are in the process of enacting tax legislation to fully or partially comply with Pillar Two. The United Arab Emirates, where the Group's Ultimate Parent Entity is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises. The Group falls within the scope of these rules from 1 January 2025 and is currently assessing its exposure to these rules.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Global Minimum Top-up Tax (continued)**

There is uncertainty regarding whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes. In response to this uncertainty, the IASB and AASB issued amendments to IAS 12 'Income Taxes' on 23 May 2023 and 27 June 2023, respectively. These amendments introduce a mandatory temporary exception to the requirements of IAS 12, under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules. The Group applied this temporary exception as of 31 December 2024.

Property, plant and equipment

Property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Leasehold improvement	2 – 15 years
Sales centres (included in land and buildings)	1 – 10 years
Buildings	10 – 45 years
Computers and office equipment	2 – 5 years
Plant, machinery and heavy equipment	3 – 20 years
Motor vehicle	3 – 5 years
Furniture and fixture	2 – 10 years
Leisure, entertainment and other asset	2 – 25 years

No depreciation is charged on land and capital work-in-progress. The useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated income statement. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

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. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term up to 35 years. Right-of-use assets are subject to impairment.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**Investment properties**

Properties held for rental or capital appreciation purposes are classified as investment properties. Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

Buildings	10 – 45 years
Furniture, fixtures and others	4 – 10 years
Plant and equipment	3 – 10 years

No depreciation is charged on land and capital work-in-progress.

The useful lives, depreciation method and residual value method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of investment properties that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

Investment properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of investment properties may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated income statement. The recoverable amount is the higher of fair value less costs to sell of investment properties and the value in use. The fair value less costs to sell is the amount obtainable from the sale of investment properties in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of investment properties and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the investment properties no longer exist or have reduced.

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. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the estimated useful 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. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement.

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.

Amortisation is charged on a straight-line basis over the estimated useful lives as follows:

Customers relationship	5 years
Software	3 years

Goodwill and Brand is not amortised.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Development properties

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the consolidated income statement on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

The management reviews the carrying values of the development properties on an annual basis.

Inventories

Inventories represent consumables and other goods relating to hospitality and retail business segments of the Group. Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

Costs are those expenses incurred in bringing each product to its present location and condition on a weighted average cost basis. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal or completion.

Investment in associates and joint ventures

The consolidated income statement reflects the Group's share of the results of operations of its associates and joint ventures after tax and non-controlling in the subsidiaries of the associate. Where there has been a change recognised directly in the other comprehensive income or equity of an associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the interest in the associate or joint venture.

The financial statement of the associates and joint ventures 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.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, 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 recognises the impairment losses in the consolidated income statement.

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 differences between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated income statement. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. Trade receivables are initially recognised when they are originated. Trade and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

Classification of financial assets

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. 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.

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Equity investments

All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Group has made on adoption of IFRS 9 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity investments is recorded through the consolidated income statement 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 P&L and OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments as financial assets measured at fair value through other comprehensive income.

Debt instruments

Debt instruments are also measured at fair value through other comprehensive income (OCI) unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding facilities payable on demand.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Trade and unbilled receivables

Trade receivables are stated at original invoice amount (unless there is a significant financing component) less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the consolidated income statement.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements as unbilled receivables.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at fair value through profit or loss, the foreign exchange component is recognised in the consolidated income statement. For financial assets designated at fair value through other comprehensive income any foreign exchange component is recognised in the consolidated income statement and other comprehensive income. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'other gains and losses' line item in the consolidated income statement.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit loss's ("ECL") for all debt instruments and contract assets 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. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

For trade and unbilled receivables and other receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated income statement.

The Group consider 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.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) 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 or cash-generating unit's (CGU) fair value less costs to sell and its value in use and 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. Where 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. 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 or CGU. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses are recognised in the consolidated income statement in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit'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 income statement.

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Group (continued)

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

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. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The average rate applied is 4% to 8%.

Loans and borrowings

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated income statement when the liabilities are derecognised as well as through the amortisation process.

Sukuk

The sukuk are stated at amortised cost using the effective profit rate method. 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. Any directly attributable transaction costs are allocated to the liability component.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated income statement.

Offsetting of financial instruments

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

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, measured at acquisition date fair value. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed (except if related to issue of debt or equity).

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 at fair value on the date of acquisition. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9: *Financial Instruments* in the consolidated statement of comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

If the Company acquires an asset or a group of assets (including any liabilities assumed) that does not constitute a business, then the transaction is outside the scope of IFRS 3 because it cannot meet the definition of a business combination. Such transactions are accounted for as asset acquisitions in which the cost of acquisition is generally allocated between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. They do not give rise to goodwill or a gain on a bargain purchase.

In cases when an entity acquires a group of assets that does not constitute a business, and the sum of the individual fair values of the identifiable asset and liabilities differs from the transaction price, the Group may include identifiable assets and liabilities initially measured both at cost and at an amount other than cost.

The Company may acquire a group of assets and assume liabilities in an asset acquisition that require valuation reports to complete the allocation of cost. The measurement and allocation of cost in an asset acquisition are completed at the date of recognition of the assets acquired and liabilities assumed, if there are any. Unlike for a business combination, there is no measurement period for an asset acquisition. This is regardless of the size or complexity of the acquisition.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of net identifiable tangible and intangible assets acquired and liabilities assumed. If the consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated income statement. 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 forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit to which the goodwill relates. When the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the consolidated income statement. Impairment losses relating to goodwill cannot be reversed in future periods.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement

The Group measures financial instruments, such as investment in securities and hedges, at fair value at each reporting 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 the most advantageous market for the asset or liability.

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.

For investments traded in an active market, fair value is determined by reference to quoted market bid prices.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows.

The fair value of forward foreign exchange contracts is calculated by reference to current forward exchange rates with the same maturity.

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) 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).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign currency translations

The consolidated financial statements are presented in AED which is the functional currency of the Company. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are recorded in the functional currency at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated income statement. 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 closing rate.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Foreign currency translations (continued)

The assets and liabilities of foreign operation including goodwill and fair value adjustments arising on acquisition, are translated into AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AED at the exchange rates at the dates of the transactions. Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated income statement net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

3. SEGMENT INFORMATION

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Business segments

Business segment is the primary segment of the Group. For management purposes, the Group is organised into three major segments, namely, real estate (develop, sell and manage condominiums, villas, commercial units and plots of land), leasing, retail and related activities (develop, lease and manage malls, retail, commercial and residential spaces) and hospitality (develop, own and/or manage hotels, serviced apartments and leisure activities). Other segments include businesses that individually do not meet the criteria for a reportable segment as per IFRS 8 '*Operating Segments*'. These businesses are property management and utility services and investments in providers of financial services.

Revenue from sources other than property sales, leasing, retail and related activities and hospitality are included in other operating income.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

3 SEGMENT INFORMATION (continued)

Business segments (continued)

The following tables include revenue, profit and certain assets and liabilities information regarding business segments as at and for the years ended 31 December 2024 and 2023.

	Real estate AED'000	Leasing, retail and related activities AED'000	Hospitality AED'000	Others AED'000	Total AED'000
2024:					
Revenue					
Revenue from external customer					
- Over a period of time	23,551,313	5,710,542	827,817	-	30,089,672
- Point in time	2,979,257	1,248,798	1,187,193	-	5,415,248
	<u>26,530,570</u>	<u>6,959,340</u>	<u>2,015,010</u>	<u>-</u>	<u>35,504,920</u>
Results					
Profit before tax before impairment, (a) and (b)	13,882,488	4,666,960	739,085	424,649	19,713,182
(a) Unallocated selling, general and administrative expenses					(1,067,161)
(b) Unallocated finance income, net					253,759
Profit before tax for the year					<u>18,899,780</u>
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	191,832	729,701	202,023	157,013	1,280,569
Depreciation (Property, plant and equipment, right-of-use assets and investment properties)	261,134	939,670	267,215	68,010	1,536,029
Finance costs	823,557	92,567	22,926	1,864	940,914
Finance income	2,038,145	37,760	19,600	6,941	2,102,446
Assets and liabilities:					
Investments in associates and joint ventures	2,986,439	148,679	639,285	1,656,451	5,430,854
Other segment assets	119,908,658	26,724,701	6,234,650	1,923,505	154,791,514
Total segment assets	<u>122,895,097</u>	<u>26,873,380</u>	<u>6,873,935</u>	<u>3,579,956</u>	<u>160,222,368</u>
Total segment liabilities	<u>56,298,184</u>	<u>6,277,615</u>	<u>946,615</u>	<u>629,920</u>	<u>64,152,334</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

3 SEGMENT INFORMATION (continued)

Business segments (continued)

	Real estate AED'000	Leasing, retail and related activities AED'000	Hospitality AED'000	Others AED'000	Total AED'000
2023:					
Revenue					
Revenue from external customer					
- Over a period of time	14,679,906	5,674,482	734,678	-	21,089,066
- Point in time	3,153,440	1,450,445	1,056,870	-	5,660,755
	<u>17,833,346</u>	<u>7,124,927</u>	<u>1,791,548</u>	<u>-</u>	<u>26,749,821</u>
Results					
Profit before tax before impairment, (a) and (b)	<u>10,023,797</u>	<u>5,782,358</u>	<u>755,601</u>	<u>517,088</u>	<u>17,078,844</u>
Impairment, net	<u>-</u>	<u>(1,109,246)</u>	<u>(146,253)</u>	<u>-</u>	<u>(1,255,499)</u>
(a) Unallocated selling, general and administrative expenses					(836,188)
(b) Unallocated finance income, net					74,407
Profit before tax for the year					<u>15,061,564</u>
Other segment information					
Capital expenditure (Property, plant and equipment and investment properties)	<u>150,446</u>	<u>647,807</u>	<u>312,234</u>	<u>64,887</u>	<u>1,175,374</u>
Depreciation (Property, plant and equipment, right- of-use assets and investment properties)	235,872	936,554	269,428	85,236	1,527,090
Finance costs	837,160	150,804	50,428	1,074	1,039,466
Finance income	<u>1,559,775</u>	<u>28,492</u>	<u>11,212</u>	<u>4,091</u>	<u>1,603,570</u>
Assets and liabilities:					
Investments in associates and joint ventures	3,167,399	160,412	579,814	1,721,941	5,629,566
Other segment assets	<u>98,210,360</u>	<u>27,294,018</u>	<u>6,471,576</u>	<u>1,791,712</u>	<u>133,767,666</u>
Total segment assets	<u>101,377,759</u>	<u>27,454,430</u>	<u>7,051,390</u>	<u>3,513,653</u>	<u>139,397,232</u>
Total segment liabilities	<u>43,618,981</u>	<u>6,032,380</u>	<u>2,274,000</u>	<u>640,853</u>	<u>52,566,214</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

3 SEGMENT INFORMATION (continued)

Geographic segments

The Group is currently operating in number of countries outside the UAE and is engaged in development of several projects which have significant impact on the Group results. The domestic segment includes business activities and operations in the UAE and the international segment includes business activities and operations outside the UAE (including export sales).

The following tables include revenue and certain asset information regarding geographic segments as at and for the years ended 31 December 2024 and 2023.

	<i>Domestic AED'000</i>	<i>International AED'000</i>	<i>Total AED'000</i>
2024:			
Revenue			
Revenue from external customers			
- Over a period of time	29,710,567	379,105	30,089,672
- Point in time	2,483,837	2,931,411	5,415,248
	<u>32,194,404</u>	<u>3,310,516</u>	<u>35,504,920</u>
Assets			
Right-of-use	430,310	257,244	687,554
Investments in associates and joint ventures	4,047,338	1,383,516	5,430,854
Other segment assets	129,182,453	24,921,507	154,103,960
Total assets	<u>133,660,101</u>	<u>26,562,267</u>	<u>160,222,368</u>
Total liabilities	<u>50,779,594</u>	<u>13,372,740</u>	<u>64,152,334</u>
Other segment information			
Capital expenditure (property, plant and equipment and investment properties)	<u>1,003,524</u>	<u>277,045</u>	<u>1,280,569</u>
2023:			
Revenue			
Revenue from external customers			
- Over a period of time	20,758,253	330,813	21,089,066
- Point in time	2,266,967	3,393,788	5,660,755
	<u>23,025,220</u>	<u>3,724,601</u>	<u>26,749,821</u>
Assets			
Right-of-use	560,015	285,906	845,921
Investments in associates and joint ventures	3,921,959	1,707,607	5,629,566
Other segment assets	109,412,463	23,509,282	132,921,745
Total assets	<u>113,894,437</u>	<u>25,502,795</u>	<u>139,397,232</u>
Total liabilities	<u>40,537,556</u>	<u>12,028,658</u>	<u>52,566,214</u>
Other segment information			
Capital expenditure (property, plant and equipment and investment properties)	<u>799,371</u>	<u>376,003</u>	<u>1,175,374</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

4. SALE OF A SUBSIDIARY

During 2022, shareholders of the Company had approved to sell the entire share capital of Namshi Holding Limited ('Namshi'), a wholly owned subsidiary of the Group, to Noon AD Holdings Limited ("Noon"), a related party of the Group, for a cash consideration of AED 1,231,190 thousand (US\$ 335,200 thousand). The transaction completion was satisfactorily completed on 12 February 2023 and the Group had recorded a gain of AED 699,884 thousand on sale of its investment in Namshi in Q1 2023.

The major classes of assets and liabilities (after Group elimination) are as follows:

	<i>12 February 2023 AED '000 (Unaudited)</i>
<i>Assets</i>	
Bank balances and cash	29,865
Trade and unbilled receivables	97,500
Other assets, receivables, deposits and prepayments	520,751
Property, plant and equipment	4,087
Intangible assets	529,312
Right-of-use assets	1,776
Total assets	<u>1,183,291</u>
<i>Liabilities</i>	
Trade and other payables	582,771
Advances from customers	20,915
Interest-bearing loans and borrowings	40,000
Provision for employees' end-of-service benefits	8,299
Total liabilities	<u>651,985</u>
Net assets to be transferred/ to be transferred	<u>531,306</u>
Consideration received in cash	1,231,190
Cash and cash equivalents disposed of	(29,865)
Net cash inflow	<u>1,201,325</u>
Gain on sale of interest in Namshi	
Sales consideration	1,231,190
Less: Net asset transferred	(531,306)
Gain on sale of Namshi	<u>699,884</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

5. REVENUE AND COST OF REVENUE

	2024 AED'000	2023 AED'000
Revenue:		
Revenue from real estate		
Sale of residential units (net)	24,967,785	16,526,037
Sale of commercial units, plots of land and others	1,562,785	1,307,309
Revenue from hospitality	2,015,010	1,791,548
Revenue from leased properties, retail and related income	6,959,340	7,124,927
	<u>35,504,920</u>	<u>26,749,821</u>

Trade and unbilled receivables are included in note 11. Further, revenue comprises of income recognized in accordance with:

Revenue from contract with customers (IFRS 15)	30,196,436	21,467,709
Leases (IFRS 16)	5,308,484	5,282,112
	<u>35,504,920</u>	<u>26,749,821</u>

Cost of revenue:

Cost of revenue from real estate (refer note 2.2)

Cost of residential units	12,350,882	6,749,139
Cost of commercial units, plots of land and others	767,732	727,031
Write down of development properties (refer note 2.2 and 13)	-	755,997

Operating cost of hospitality	955,838	777,246
--------------------------------------	---------	---------

Operating cost of leased properties, retail and related activities	1,049,914	875,084
	<u>15,124,366</u>	<u>9,884,497</u>

6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2024 AED'000	2023 AED'000
Sales and marketing expenses	1,024,743	824,841
Payroll and related expenses	711,492	712,490
Property management expenses	304,916	352,002
Depreciation of right-of-use assets (note 20)	109,310	130,327
Provision for doubtful receivables and advances	39,897	61,805
Donations	46,784	53,932
Other expenses*	995,140	650,561
	<u>3,232,282</u>	<u>2,785,958</u>

* Primarily comprising of IT cost, legal and professional fees, dues and other general expenses.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

7(a) FINANCE INCOME

	2024 AED'000	2023 AED'000
Finance income from bank deposits and securities	1,830,206	1,352,657
Other finance income	272,240	250,913
	<u>2,102,446</u>	<u>1,603,570</u>

7(b) FINANCE COSTS

	2024 AED'000	2023 AED'000
Finance costs on borrowings	585,852	668,129
Other finance costs ((i) below and note 33)	355,062	371,337
	<u>940,914</u>	<u>1,039,466</u>

- (i) During the year, the Group recorded finance cost on unwinding of long-term payables amounting to AED 83,500 thousand (2023: AED 118,738 thousand).

8 OTHER INCOME, net

	2024 AED'000	2023 AED'000
Foreign currency translation gain, net	505,442	239,263
Gain on remeasurement to fair value of pre-existing interest in an acquiree (note 2.1)	229,161	-
Forfeiture income from sales cancellations, net (note 22)	9,345	710,058
Gain on sale of interest in a subsidiary (note 4)	-	699,884
Others*	852,373	858,996
	<u>1,596,321</u>	<u>2,508,201</u>

* Primarily consist of compensation award, write back of provisions, administrative fees charged to customers etc.

9 INCOME TAX

	2024 AED'000	2023 AED'000
Consolidated income statement		
Current income tax expenses	1,223,884	239,888
Deferred tax expense / (credit)	226,823	(7,474)
	<u>1,450,707</u>	<u>232,414</u>
Consolidated statement of financial position		
Income tax payable balance at the beginning of the year	238,268	242,728
Charge for the year, net	1,223,884	239,888
Paid during the year / other adjustment	(224,314)	(244,348)
	<u>1,237,838</u>	<u>238,268</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

9 INCOME TAX (continued)

	2024 AED'000	2023 AED'000
Net deferred tax liabilities balance at the beginning of the year	726,534	742,386
Expense / (credit) for the year	226,823	(7,474)
Liability created on acquisition of a subsidiary at fair value adjustment (note 2.1)	236,472	-
Other movements, net	(71,976)	(8,378)
Net deferred tax liabilities balance at the end of the year	<u>1,117,853</u>	<u>726,534</u>
Disclosed as:		
Deferred tax liabilities	1,145,754	754,315
Deferred tax assets (note 12)	(27,901)	(27,781)
Net deferred tax liabilities	<u>1,117,853</u>	<u>726,534</u>

Deferred tax assets and liabilities mainly comprises of temporary differences. Deferred tax liabilities were recognised in prior years on account of fair value gain on India assets which were decreased on account of the impairment on non-financial assets. The additional deferred tax liabilities recognised during the year mainly relates to the purchase price allocation impact due to the acquisition of a subsidiary in Egypt and temporary differences arising in Egypt from unrealized income. Furthermore, the recent implementation of the UAE corporate tax law also led to recognition of deferred tax liability on previously recognised goodwill.

Income tax expense relates to the tax payable on the results of the Group, as adjusted in accordance with the taxation laws and regulations of the jurisdictions in which the Group operate. The relationship between the tax expenses and the accounting profit can be explained as follows:

	2024 AED'000	2023 AED'000
Profit before tax	18,899,780	15,061,564
Profit not subject to tax, net	-	(16,102,974)
Accounting profit subject to income tax, net	18,899,780	(1,041,410)
Adjustment in determining taxable profit;		
Income/expenses not considered in determining taxable income	(724,674)	1,422,195
Benefit from transition exemption specified in Ministerial Decision No.120	(5,904,626)	-
Taxable profit	<u>12,270,480</u>	<u>380,785</u>
Income tax expense	(1,450,707)	(232,414)
Less: Derecognition of previously recognised deductible temporary differences	-	146,434
Net income tax charge for the year	<u>(1,450,707)</u>	<u>(85,980)</u>
Effective tax rate	<u>7.68%</u>	<u>22.58%</u>

The Group has recognised income tax expense based on the estimate made by the management. The Group's operations in the UAE are subject to income tax with effect from 1 January 2024. The Group ETR is lower primarily due to the relief available by application of Ministerial Decision 120 of 2023 ('MD 120') under Transitional rules for Federal Decree Law No. 47 of 2022 on taxation of Corporation and Businesses on immovable properties in the UAE. To ensure compliance and obtain further clarity on the appropriate method for calculating the impact of MD 120, a formal clarification request has been submitted to the Federal Tax Authority (FTA) of the UAE. Pending formal clarification, management has recognized the tax relief based on the most likely and probable amount, aligning with the principles of IFRIC 23 'Uncertainty Over Income Tax Treatments'. Any changes arising from the FTA's clarification will be reflected in subsequent reporting periods.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

10 BANK AND CASH BALANCES

	2024 <i>AED'000</i>	2023 <i>AED'000</i>
Cash in hand	7,001	9,277
Current and call bank deposit accounts	34,262,845	21,698,645
Fixed deposits with an original maturity of three months or less	4,362,151	3,916,651
Total	38,631,997	25,624,573
Deposits under lien (note 30 (a))	312,378	235,572
Fixed deposits with original maturities of three months or more, and restricted cash	11,111,806	7,994,767
	50,056,181	33,854,912
Bank balances and cash located:		
Within UAE	46,791,601	31,877,814
Outside UAE	3,264,580	1,977,098
	50,056,181	33,854,912
Bank balances and cash are denominated in the following currencies:		
United Arab Emirates Dirham (AED)	47,132,883	32,051,528
United States Dollar (USD)	2,158,864	1,232,400
Indian Rupee (INR)	420,085	372,748
Egyptian Pound (EGP)	149,076	24,437
Saudi Riyal (SAR)	72,762	62,540
Other currencies	122,511	111,259
	50,056,181	33,854,912

As at 31 December 2024, cash and cash equivalent amounts to AED 38,631,997 thousand (2023: AED 25,624,573 thousand).

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are placed for varying periods between one day and three months, depending on the cash requirements of the Group, and earn interest at the respective short-term deposit rates.

As at the reporting date, bank and cash balances include AED 30,513,091 thousand (2023: AED 19,125,005 thousand) representing advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

11 TRADE AND UNBILLED RECEIVABLES

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Trade receivables		
Amounts receivable within 12 months, net	1,270,528	1,528,964
Amounts receivable after 12 months, net	195,587	224,011
	1,466,115	1,752,975
Unbilled receivables		
Unbilled receivables within 12 months, net	9,707,185	6,937,948
Unbilled receivables after 12 months, net	4,310,976	8,564,149
	14,018,161	15,502,097
Total trade and unbilled receivables	15,484,276	17,255,072

The above receivables are net of AED 407,375 thousand (2023: AED 528,048 thousand) relating to provision for doubtful debts. All other receivables are considered recoverable in full.

Movement in the provision for doubtful debts during the year is as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Balance at the beginning of the year	528,048	476,399
Provision made during the year	3,691	53,658
Reversal / other adjustment during the year	(124,364)	(2,009)
Balance at the end of the year	407,375	528,048

At 31 December, the ageing analysis of net trade and unbilled receivables is as follows:

		<i>Neither past due nor impaired</i>	<i>Past due</i>			
	<i>Total AED'000</i>	<i>AED'000</i>	<i>Less than 30 days AED'000</i>	<i>Between 30 to 60 days AED'000</i>	<i>Between 60 to 90 days AED'000</i>	<i>More than 90 days AED'000</i>
2024	15,484,276	14,018,161	686,523	113,725	61,023	604,844
2023	17,255,072	15,502,097	821,392	230,910	83,300	617,373

Refer note 34(a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

12 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 AED'000	2023 AED'000
Advances to contractors and others (i)	3,103,437	2,011,530
Deferred sales commission (ii)	2,891,684	1,762,941
Receivables from Communities Owner Associations	730,326	460,764
Value added tax recoverable	524,756	438,309
Recoverable from non-controlling interests, net of provision	512,599	296,620
Prepayments	183,516	136,628
Inventory – Hospitality and Retail	49,770	62,299
Deferred tax assets (note 9)	27,901	27,781
Other receivables and deposits	2,027,538	1,568,211
	<u>10,051,527</u>	<u>6,765,083</u>
Other assets, receivables, deposits and prepayments maturity profile:		
Within 12 months	9,499,288	6,413,505
After 12 months	552,239	351,578
	<u>10,051,527</u>	<u>6,765,083</u>

- (i) Advances paid to contractors at the commencement of works are adjusted against progress billings issued by the contractors throughout the project construction period.
- (ii) Sales commission incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations, where applicable.

13 DEVELOPMENT PROPERTIES

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	40,997,595	42,240,585
Add: Costs incurred during the year	17,543,855	11,427,899
Add: Acquisition of a subsidiary (note 2.1)	1,588,148	-
Less: Costs transferred to cost of revenue during the year*	(13,118,614)	(10,579,301)
Less: Costs transferred to investment properties (note 18)**	(42,713)	(193,965)
Less: Write down (note 5)	-	(755,997)
Add: Cost transferred from property, plant and equipment (note 17)	1,270	-
Less: Foreign currency translation differences	(1,873,277)	(1,141,626)
Balance at the end of the year	<u>45,096,264</u>	<u>40,997,595</u>

* Gross of write back related to project cost and infrastructure cost accrual (refer note 2.2)

**The Group has transferred certain costs to investment properties based on the change in use of such developments.

	2024 AED'000	2023 AED'000
Development properties located:		
Within UAE	32,579,504	28,609,191
Outside UAE	12,516,760	12,388,404
	<u>45,096,264</u>	<u>40,997,595</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

13 DEVELOPMENT PROPERTIES (continued)

The net realisable value of the development properties as at the reporting date is AED 134,945,596 thousand (2023: AED 101,272,383 thousand).

The fair value of the Group's development properties was determined based on valuations performed by professionally qualified external valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The value of the development properties has been determined using market comparable and residual cost method, adjusted for cost to sell. Key observable inputs include market prices of similar transactions, margins derived and discount rates, any movement in the assumptions would result in the lower / higher fair value of these assets.

During the year, an amount of AED 38,202 thousand (2023: AED 110,879 thousand) was capitalised as cost of borrowings for the construction of development properties.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of its development properties (by valuation technique):

	<i>Total</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
2024	134,945,596	-	-	134,945,596
2023	101,272,383	-	-	101,272,383

14 INVESTMENTS IN SECURITIES

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Financial assets at fair value through other comprehensive income (i)	796,333	1,125,413
Financial assets at fair value through profit and loss	293,751	257,254
Financial assets at amortised cost	417,982	627,965
	1,508,066	2,010,632
<i>Investments in securities:</i>		
Within UAE	839,748	1,092,695
Outside UAE	668,318	917,937
	1,508,066	2,010,632

- (i) Financial assets at fair value through other comprehensive income include a contingent convertible instrument at fair value of AED 5,084 thousand (2023: AED 5,084 thousand) as well as funds managed by an external fund manager. Equity investments are in quoted, unquoted and index linked securities.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the value of financial assets at fair value (by valuation technique):

	<i>Total</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
2024	1,090,084	400,419	657,514	32,151
2023	1,382,667	404,795	945,721	32,151

14 INVESTMENTS IN SECURITIES (continued)

Valuations for Level 2 investments in securities have been derived by determining their redemption value which is generally net asset value per share of the investee companies. Significant unobservable inputs include adjustable market multiples, which would increase the fair value when higher. There were no transfers made between Level 1 and Level 2 during the year.

The following table shows a reconciliation of the opening and closing amount of Level 3 financial assets which are recorded at fair value:

	2024 AED'000	2023 AED'000
Balance at 1 January	32,151	52,617
Add: Additions during the year	-	-
Less: Disposals during the year	-	(20,466)
	<u>32,151</u>	<u>32,151</u>
Balance at 31 December	<u>32,151</u>	<u>32,151</u>

During the year, the Group purchased investments in securities and deposits of AED 1,632,589 thousand (2023: AED 1,503,112 thousand), this includes investment in funds and equity instruments of Nil (2023: AED 28,959 thousand).

15 LOANS TO ASSOCIATES AND JOINT VENTURES

	2024 AED'000	2023 AED'000
Emaar Dubai South DWC LLC (i)	667,426	688,815
Amlak Finance PJSC (ii)	38,188	40,480
Other associates and joint ventures	300,565	104,986
	<u>1,006,179</u>	<u>834,281</u>

Other than (ii) below, loans to associates and joint ventures are unsecured, repayable on demand / as per the terms of the agreement and do not carry any interest.

- (i) This includes AED 543,362 thousand (2023: AED 631,700 thousand) which is expected to be recovered after 12 months from the reporting date.
- (ii) As per the terms of the restructuring agreement entered in 2014, 20% of the principal amount of the loan was repaid by Amlak in 2014, 65% is restructured into a long-term facility maturing in 12 years carrying a profit rate of 2% per annum and 15% is restructured into a 12-year contingent convertible instrument.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	2024	2023
	AED'000	AED'000
Carrying value of investments in associates and joint ventures:		
Emaar, The Economic City (Saudi Joint Stock Company) - quoted* (i)	1,199,201	1,501,361
Amlak Finance PJSC - quoted * (ii)	709,933	775,294
Emaar Dubai South DWC LLC	677,811	502,658
Downtown DCP LLC *	471,399	485,969
DWTC Emaar LLC	307,130	358,773
Turner International Middle East Ltd	279,408	267,799
EII Capital P.S.C.*	128,937	130,641
Old Town Views LLC	13,357	24,510
Other associates and joint ventures	1,643,678	1,582,561
	5,430,854	5,629,566

* Represents Group's investment in associates.

- (i) The market value of shares held in Emaar, The Economic City ("EEC") (quoted on the Saudi Stock Exchange - Tadawul) as at 31 December 2024 was AED 2,276,434 thousand (31 December 2023: AED 2,024,757 thousand).
- (ii) The market value of shares held in Amlak Finance PJSC ("Amlak") (quoted on the Dubai Financial Market) as at 31 December 2024 was AED 625,326 thousand (31 December 2023: AED 580,608 thousand).

As at 31 December, the Group has the following effective ownership interest in its significant associates and joint ventures:

	Country	<u>Ownership</u>	2024	2023
Emaar, The Economic City (Saudi Joint Stock Company)	KSA	22.95%	22.95%	22.95%
Amlak Finance PJSC	UAE	48.08%	48.08%	48.08%
Emaar Bawadi LLC	UAE	50.00%	50.00%	50.00%
Turner International Middle East Ltd	UAE	65.00%	65.00%	65.00%
Eko Temali Parklar Turizm İşletmeleri Anonim Şirketi	Turkey	50.00%	50.00%	50.00%
EII Capital P.S.C.	UAE	40.00%	40.00%	40.00%
Emaar Dubai South DWC LLC	UAE	50.00%	50.00%	50.00%
DWTC Emaar LLC	UAE	50.00%	50.00%	50.00%
Downtown DCP LLC	UAE	20.00%	20.00%	20.00%
Old Town Views LLC	UAE	61.25%	61.25%	61.25%
Rove Hospitality LLC	UAE	50.00%	50.00%	50.00%
Albro North Coast for development S.A.E. (refer note 2.1)	EGYPT	100%	100%	25.00%

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2024 based on the amounts reported in Group's consolidated financial statement:

	<i>Emaar, The Economic City (Saudi Joint Stock Company) quoted* AED'000</i>	<i>EII Capital P.S.C. AED'000</i>	<i>Emaar Dubai South DWC LLC AED'000</i>	<i>Turner International Middle East Ltd AED'000</i>	<i>Old Town Views LLC AED'000</i>	<i>Downtown DCP LLC AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Revenue	338,950	419,945	769,932	147,083	1,987	456,643	1,557,225	3,691,765
Profit / (loss) before tax	(1,223,613)	24,062	370,685	59,360	3,148	198,787	203,358	(364,213)
Income tax expense	(105,043)	(1,266)	-	(3,556)	(250)	(17,891)	(52,928)	(180,934)
Profit / (loss) for the year	(1,328,656)	22,796	370,685	55,804	2,898	180,896	150,430	(545,147)
Other comprehensive income	(12,325)	-	-	-	-	-	(117,880)	(130,205)
Total comprehensive income for the year	(1,340,981)	22,796	370,685	55,804	2,898	180,896	32,550	(675,352)
Profit / (loss) attributable to owners of the Company	(1,328,657)	16,723	350,308	48,622	2,898	180,896	186,643	(542,567)
Group's share of profit / (loss) for the year	(304,868)	6,689	175,154	31,604	1,775	29,430	65,813	5,597
Dividend received during the year	-	8,393	-	19,996	12,929	24,000	11,137	76,455

* The Group has applied the equity method using latest available financial information as at 30 September 2024.

The financial information of the Group's associates and joint ventures' included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the income statements of the Group's associates and joint ventures for the year ended 31 December 2023 based on the amounts reported in Group's consolidated financial statement:

	<i>Emaar, The Economic City (Saudi Joint Stock Company) quoted* AED '000</i>	<i>EII Capital P.S.C. AED '000</i>	<i>Emaar Dubai South DWC LLC AED '000</i>	<i>Turner International Middle East Ltd AED '000</i>	<i>Old Town Views LLC AED '000</i>	<i>Downtown DCP LLC AED '000</i>	<i>Others AED '000</i>	<i>Total AED '000</i>
Revenue	1,040,242	377,271	793,992	159,401	24,993	429,756	1,294,802	4,120,457
Profit / (loss) before tax	(466,355)	29,488	192,710	78,976	44,496	208,933	335,675	423,923
Income tax expense	(101,076)	(6,956)	-	(1,331)	-	-	-	(109,363)
Profit / (loss) for the year	(567,431)	22,532	192,710	77,645	44,496	208,933	335,675	314,560
Other comprehensive income	24,114	-	-	-	-	-	(96,234)	(72,120)
Total comprehensive income for the year	(543,317)	22,532	192,710	77,645	44,496	208,933	239,441	242,440
Profit / (loss) attributable to owners of the Company	(567,431)	15,636	192,710	69,085	44,496	208,933	335,674	299,103
Group's share of profit / (loss) for the year	(130,200)	6,255	96,355	44,906	27,254	35,040	157,365	236,975
Dividend received during the year	-	5,000	-	42,883	287,524	46,880	15,000	397,287

* The Group has applied the equity method using latest available financial information as at 30 September 2023.

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2024 based on the amounts reported in Group's consolidated financial statement:

	<i>Emaar, The Economic City (Saudi Joint Stock Company) quoted* AED'000</i>	<i>EII Capital P.S.C. AED'000</i>	<i>Emaar Dubai South DWC LLC AED'000</i>	<i>Turner International Middle East Ltd AED'000</i>	<i>Old Town Views LLC AED'000</i>	<i>Downtown DCP LLC AED'000</i>	<i>Others AED'000</i>	<i>Total AED'000</i>
Total assets (including cash and cash equivalents of AED 5,643,797 thousand)	14,685,062	700,692	4,731,011	474,204	59,543	774,515	10,313,938	31,738,965
Total liabilities	9,458,781	378,350	3,373,413	216,088	37,736	70,668	4,905,356	18,440,392
Net assets	5,226,281	322,342	1,357,598	258,116	21,807	703,847	5,408,582	13,298,573
Group's share of net assets	1,199,201	128,937	678,799	167,776	13,357	140,769	2,618,259	4,947,098
Goodwill / intangible assets								575,325
Provision for impairment								(91,569)
								5,430,854

* The Group has applied the equity method using latest available financial information as at 30 September 2024.

As at 31 December 2024, the Group's share of associates and joint ventures contingent liabilities are AED 120,202 thousand (2023: AED 79,097 thousand) and commitments are AED 2,675,467 thousand (2023: AED 1,815,958 thousand).

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (continued)

The following table summarises the statements of financial position of the Group's associates and joint ventures as at 31 December 2023 based on the amounts reported in Group's consolidated financial statement:

	<i>Emaar, The Economic City (Saudi Joint Stock Company) quoted* AED '000</i>	<i>EII Capital P.S.C. AED '000</i>	<i>Emaar Dubai South DWC LLC AED '000</i>	<i>Turner International Middle East Ltd AED '000</i>	<i>Old Town Views LLC AED '000</i>	<i>Downtown DCP LLC AED '000</i>	<i>Others AED '000</i>	<i>Total AED '000</i>
Total assets (including cash and cash equivalents of AED 2,152,023 thousand)	15,264,223	675,829	2,335,737	464,476	101,745	798,344	9,219,992	28,860,346
Total liabilities	8,696,960	349,227	1,330,422	224,219	61,730	55,414	3,694,324	14,412,296
Net assets	6,567,263	326,602	1,005,315	240,257	40,015	742,930	5,525,668	14,448,050
Group's share of net assets	1,506,897	130,641	148,586	502,657	156,164	24,510	2,669,601	5,139,056
Goodwill / intangible assets								582,079
Provision for impairment								(91,569)
								5,629,566

* The Group has applied the equity method using latest available financial information as at 30 September 2023.

The financial information of the Group's associates and joint ventures included above have been adjusted to bring their accounting policies in line with the accounting policies followed by the Group.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

17 PROPERTY, PLANT AND EQUIPMENT

2024:

	<i>Leasehold improvements AED'000</i>	<i>Land and buildings AED'000</i>	<i>Computers and office equipment AED'000</i>	<i>Plant, machinery and heavy equipment AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Leisure, entertainment and other assets AED'000</i>	<i>Capital work-in- progress AED'000</i>	<i>Total AED'000</i>
Cost:									
At 1 January 2024	574,214	8,150,032	971,051	1,636,912	62,405	1,313,242	1,600,576	1,354,917	15,663,349
Additions/Adjustments	8,462	38,532	80,292	17,410	4,663	34,954	39,780	309,476	533,569
Disposals	(6)	(1,723)	(1,717)	(7,060)	(481)	(8,912)	(3,438)	(524)	(23,861)
Acquisition of subsidiary (note 2.1)	-	14	-	-	-	-	536	-	550
Transfers	58,432	367,392	6,632	29,013	595	27,159	17,516	(506,739)	-
Transferred to development properties (note 13)	-	-	-	-	-	-	-	(1,270)	(1,270)
Transferred to investment properties (note 18)	(5,339)	1,021	-	-	-	-	-	-	(4,318)
Foreign currency translation differences	(15,547)	(227,720)	(22,672)	(31,587)	(4,573)	(29,435)	(9,131)	(163,771)	(504,436)
At 31 December 2024	620,216	8,327,548	1,033,586	1,644,688	62,609	1,337,008	1,645,839	992,089	15,663,583
Accumulated depreciation:									
At 1 January 2024	300,970	2,346,086	812,159	627,458	47,299	956,863	1,081,582	-	6,172,417
Depreciation charge for the year	14,396	235,368	84,264	82,362	7,071	65,796	135,878	-	625,135
Disposals/adjustment	(6)	(1,690)	(2,005)	(6,875)	(302)	(8,022)	(3,325)	-	(22,225)
Transferred to investment properties (note 18)	(4,940)	-	-	-	-	-	-	-	(4,940)
Foreign currency translation differences	(9,368)	(26,449)	(16,166)	(12,340)	(3,447)	(18,326)	(7,602)	-	(93,698)
At 31 December 2024	301,052	2,553,315	878,252	690,605	50,621	996,311	1,206,533	-	6,676,689
Net carrying amount:	319,164	5,774,233	155,334	954,083	11,988	340,697	439,306	992,089	8,986,894

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

17 PROPERTY, PLANT AND EQUIPMENT (continued)

2023:

	<i>Leasehold improvements AED'000</i>	<i>Land and buildings AED'000</i>	<i>Computers and office equipment AED'000</i>	<i>Plant, machinery and heavy equipment AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Leisure, entertainment and other assets AED'000</i>	<i>Capital work-in- progress AED'000</i>	<i>Total AED'000</i>
Cost:									
At 1 January 2023	542,548	7,970,490	875,569	1,348,308	60,804	1,286,955	1,633,497	1,862,237	15,580,408
Additions/Adjustments	21,287	39,420	37,746	7,738	15,569	37,643	18,790	400,214	578,407
Disposals	-	(269)	(11,576)	(12,613)	(11,371)	(36,143)	(49,228)	(480)	(121,680)
Impairment (note 2.2)	-	(148,662)	-	-	-	-	2,411	-	(146,251)
Transfers	945	367,751	80,963	310,398	-	39,292	-	(799,349)	-
Transferred from investment properties (note 18)	-	15,933	-	-	-	-	-	-	15,933
Foreign currency translation differences	9,434	(94,631)	(11,651)	(16,919)	(2,597)	(14,505)	(4,894)	(107,705)	(243,468)
At 31 December 2023	574,214	8,150,032	971,051	1,636,912	62,405	1,313,242	1,600,576	1,354,917	15,663,349
Accumulated depreciation:									
At 1 January 2023	282,393	2,129,171	749,772	522,619	56,765	932,006	1,023,803	-	5,696,529
Depreciation charge for the year	14,620	229,420	82,704	108,013	3,769	68,885	108,969	-	616,380
Disposals	-	(269)	(10,761)	(12,416)	(11,227)	(33,187)	(47,263)	-	(115,123)
Transfers/adjustments	-	2,742	(84)	14,781	-	(1,980)	-	-	15,459
Transferred from investment properties (note 18)	487	460	-	-	-	-	-	-	947
Foreign currency translation differences	3,470	(15,438)	(9,472)	(5,539)	(2,008)	(8,861)	(3,927)	-	(41,775)
At 31 December 2023	300,970	2,346,086	812,159	627,458	47,299	956,863	1,081,582	-	6,172,417
Net carrying amount:	273,244	5,803,946	158,892	1,009,454	15,106	356,379	518,994	1,354,917	9,490,932

17 PROPERTY, PLANT AND EQUIPMENT (continued)

The valuation of the Group's significant revenue generating property, plant and equipment is carried out by professionally qualified valuers. The net income has been capitalised at terminal yield range of 6.75% to 8.75% (2023: 5.75% to 8.75%) and a discount rate range of 8.75% to 10.75% (2023: 7.75% to 16%) representing the characteristics and risk profile of an asset to determine the value of each of the revenue generating property, plant and equipment. At 31 December 2024, the fair value of these revenue generating property, plant and equipment assets is AED 11,715,433 thousand (2023: AED 10,802,010 thousand) compared with a carrying value of AED 7,994,805 thousand (2023: AED 8,136,015 thousand). Also refer note 2.2.

Certain property, plant and equipment assets are pledged as security against interest-bearing loans and borrowings as disclosed under note 24.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of its revenue generating property, plant and equipment (by valuation technique):

	<i>Total</i> <i>AED'000</i>	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>
2024	11,715,433	-	-	11,715,433
2023	10,802,010	-	-	10,802,010

Any significant movement in the assumptions used for the fair valuation of revenue generating property, plant and equipment such as discount rates, long term revenue/ margin growth etc. would result in significantly lower / higher fair value of those assets.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

18 INVESTMENT PROPERTIES

2024:

	<i>Land</i> <i>AED'000</i>	<i>Buildings</i> <i>AED'000</i>	<i>Plant and equipment</i> <i>AED'000</i>	<i>Furniture, fixtures and others</i> <i>AED'000</i>	<i>Capital work-in- progress</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cost:						
At 1 January 2024	2,094,020	23,278,583	438,334	1,558,515	643,125	28,012,577
Additions/adjustments	33,748	186,292	-	98,905	428,055	747,000
Disposals	-	-	-	(234)	(5,952)	(6,186)
Transfers / reclassification	7,681	(31,534)	42,102	103,576	(121,825)	-
Transferred from development properties (note 13)	(21,701)	-	-	-	64,414	42,713
Transferred from property, plant and equipment (note 17)	-	-	-	5,339	(1,021)	4,318
Foreign currency translation differences	(5,523)	(121,948)	-	-	(31,569)	(159,040)
At 31 December 2024	2,108,225	23,311,393	480,436	1,766,101	975,227	28,641,382
Accumulated depreciation:						
At 1 January 2024	-	5,004,199	437,054	1,077,809	-	6,519,062
Depreciation charge for the year	-	630,377	8,142	163,065	-	801,584
Disposals	-	-	-	(235)	-	(235)
Transferred from property, plant and equipment (note 17)	-	-	-	4,940	-	4,940
Foreign currency translation differences	-	(24,186)	-	-	-	(24,186)
At 31 December 2024	-	5,610,390	445,196	1,245,579	-	7,301,165
Net carrying amount:						
At 31 December 2024	2,108,225	17,701,003	35,240	520,522	975,227	21,340,217

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

18 INVESTMENT PROPERTIES (continued)

2023:

	<i>Land</i> <i>AED '000</i>	<i>Buildings</i> <i>AED '000</i>	<i>Plant and</i> <i>equipment</i> <i>AED '000</i>	<i>Furniture,</i> <i>fixtures</i> <i>and others</i> <i>AED '000</i>	<i>Capital</i> <i>work-in-</i> <i>progress</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
Cost:						
At 1 January 2023	2,020,014	23,218,377	438,334	1,168,044	1,599,338	28,444,107
Additions/adjustments	28,238	113,093	-	182,751	270,474	594,556
Disposals	-	-	-	(7,275)	-	(7,275)
Impairment (note 2.2)	-	(1,109,246)	-	-	-	(1,109,246)
Transfers	-	990,477	-	214,995	(1,205,472)	-
Transferred from development properties (note 13)	50,983	141,468	-	-	1,514	193,965
Transferred to property, plant and equipment (note 17)	(2,027)	(13,906)	-	-	-	(15,933)
Foreign currency translation differences	(3,188)	(61,680)	-	-	(22,729)	(87,597)
At 31 December 2023	2,094,020	23,278,583	438,334	1,558,515	643,125	28,012,577
Accumulated depreciation:						
At 1 January 2023	-	4,356,930	436,991	961,927	-	5,755,848
Depreciation charge for the year	-	657,163	63	123,157	-	780,383
Disposals	-	-	-	(7,275)	-	(7,275)
Transferred to property, plant and equipment (note 17)	-	(947)	-	-	-	(947)
Foreign currency translation differences	-	(8,947)	-	-	-	(8,947)
At 31 December 2023	-	5,004,199	437,054	1,077,809	-	6,519,062
Net carrying amount:						
At 31 December 2023	2,094,020	18,274,384	1,280	480,706	643,125	21,493,515

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

18 INVESTMENT PROPERTIES (continued)

The fair value of the freehold interest in Group's investment properties at 31 December 2024 was determined based on valuations performed by professionally qualified valuers. The valuation was performed in accordance with the RICS valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The values of the investment properties have been determined through analysis of the income cash flow achievable for the buildings and takes into account the projected annual expenditure. Both the contracted rent and estimated rental values have been considered in the valuation with allowances for void periods, running costs, vacancy rates and other costs. Based on the type and location of the property, the value of each of the properties has been determined by capitalising the estimated net income at an equivalent yield in the range of 6.5% to 7.5% (2023: 7.5% to 8.5%) (income capitalisation method). Where there are outstanding construction costs to complete the property these have been reflected in the valuation (residual method). Also refer note 2.2.

The fair value of investment properties as at 31 December 2024 is AED 73,455,318 thousand (2023: AED 70,027,293 thousand).

Investment properties represent the Group's interest mainly in land and buildings, shopping malls and retail assets situated in the UAE, Kingdom of Saudi Arabia, India, Turkey and Egypt. In the current year, revenue recognised from rental income is AED 5,308,484 thousand (2023: 5,282,112 thousand) (note 5).

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of its investment properties (by valuation technique):

	<i>Total AED'000</i>	<i>Level 1 AED'000</i>	<i>Level 2 AED'000</i>	<i>Level 3 AED'000</i>
2024	73,455,318	-	-	73,455,318
2023	70,027,293	-	-	70,027,293

Any significant movement in the assumptions used for the fair valuation of investment properties such as discount rates, yield, rental growth, vacancy rate etc. would result in significantly lower / higher fair value of those assets.

19 INTANGIBLE ASSETS

	<i>Goodwill AED'000</i>	<i>Customers relationship AED'000</i>	<i>Software AED'000</i>	<i>Total AED'000</i>
2024:				
Cost:				
At 1 January 2024	208,370	51,700	20,677	280,747
Additions			2,097	2,097
Acquisition of subsidiary (note 2.1)	2,276	352,684	-	354,960
Other movements	-	(135)	350	215
At 31 December 2024	210,646	404,249	23,124	638,019
Amortisation:				
At 1 January 2024	-	51,700	9,324	61,024
Charge for the year	-	-	2,639	2,639
At 31 December 2024	-	51,700	11,963	63,663
Net carrying amount:				
At 31 December 2024	210,646	352,549	11,161	574,356

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

19 INTANGIBLE ASSETS (continued)

	<i>Goodwill</i> <i>AED '000</i>	<i>Customers relationship</i> <i>AED '000</i>	<i>Software</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
2023:				
Cost:				
At 1 January 2023	208,370	51,700	9,286	269,356
Additions	-	-	11,572	11,572
Other movements	-	-	(181)	(181)
At 31 December 2023	208,370	51,700	20,677	280,747
Amortisation:				
At 1 January 2023	-	51,700	5,714	57,414
Charge for the year	-	-	3,610	3,610
At 31 December 2023	-	51,700	9,324	61,024
Net carrying amount:				
At 31 December 2023	208,370	-	11,353	219,723

Impairment assessment of goodwill

CGUs containing goodwill include Hamptons in the MENA region (AED 46,066 thousand), Mirage Leisure and Development Inc. (AED 162,304 thousand) and Albro North Coast for Development S.A.E. (AED 2,276 thousand) has been tested for impairment using a value in use model. The calculation of value in use was sensitive to the following assumptions:

- (i) *Gross margins* - Gross margins were based on the expectations of management based on past experience and expectation of future market conditions.
- (ii) *Discount rates* - Discount rates reflected management's estimate of the specific risks. The discount rate was based on the risk-free rate of the investment's country, market risk premium related to the industry and individual unit related risk premium/ discount. This was the benchmark used by management to assess performance and to evaluate future investment proposals. Management estimated that such discount rate to be used for evaluation of the investment should be between 7.5% to 17% (2023: 7.5% to 17%).
- (iii) *Growth rate estimates* - Management prepared a five-year budget based on their expectations of future results, thereafter a growth rate of 1% to 4% (2023: 1% to 4%) was assumed based on the nature of CGUs.

With regard to the assessment of value in use of the goodwill, management believes that no reasonably possible change in a key assumption would cause the carrying value of the goodwill to materially exceed its recoverable amount.

20 RIGHT OF USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets

	<i>2024</i> <i>AED '000</i>	<i>2023</i> <i>AED '000</i>
As at 1 January	845,921	954,851
Additions	15,439	21,397
Depreciation (note 6)	(109,310)	(130,327)
Derecognition/adjustments	(64,496)	-
As at 31 December	687,554	845,921

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

20 RIGHT OF USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	2024 AED'000	2023 AED'000
As at 1 January	863,660	980,824
Additions	15,436	3,350
Interest expense	46,822	51,500
Other adjustments	(24,230)	(14,753)
Payments	(140,588)	(157,261)
As at 31 December (note 21)	<u>761,100</u>	<u>863,660</u>

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at the start of lease. The average rate applied is 4% to 8% (2023: 4% to 8%).

21 TRADE AND OTHER PAYABLES

	2024 AED'000	2023 AED'000
Project contract cost accruals	5,175,464	4,832,270
Payable to non-controlling interests* (note 33)	2,367,317	247,505
Creditors for land purchase	2,046,018	1,761,311
Trade payables	1,461,600	1,914,218
Lease liabilities (note 20)	761,100	863,660
Other payables and accruals	5,759,327	5,118,506
	<u>17,570,826</u>	<u>14,737,470</u>

* During the year, the Group entered into an agreement with a non-controlling shareholder of certain subsidiaries, under which a portion of the AED 2,134,694 thousand dividend payable to such non-controlling shareholder was converted into shareholder loans for those subsidiaries. These loans bear interest at 3M EIBOR + 1.75% per annum.

Other than mentioned above, trade and other payables are non-interest bearing and for explanations on the Group's liquidity risk management process and maturity profile of financial liabilities refer note 34.

22 ADVANCES FROM CUSTOMERS

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	22,857,576	19,563,729
Additions during the year	42,823,429	28,869,056
Revenue recognised during the year	(33,489,910)	(24,084,640)
Acquired on acquisition of subsidiary (note 2.1)	1,195,390	-
Other income recognised during the year (<i>forfeiture income</i>) (note 8)	(9,345)	(710,058)
Foreign currency translation differences	(881,852)	(780,511)
Balance at the end of the year	<u>32,495,288</u>	<u>22,857,576</u>

The aggregate amount of the sale price allocated to the performance obligations of the Group that are fully or partially unsatisfied as at 31 December 2024 is AED 93,976,814 thousand (excluding joint ventures) (2023: AED 69,873,720 thousand). The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 5 years.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

23 RETENTIONS PAYABLE

	2024 AED'000	2023 AED'000
Retentions payable within 12 months	1,070,839	920,566
Retentions payable after 12 months	763,864	611,035
	<u>1,834,703</u>	<u>1,531,601</u>

24 INTEREST-BEARING LOANS AND BORROWINGS

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	3,098,732	5,300,305
Add: Borrowings drawdown during the year	904,825	1,549,777
Less: Borrowings repaid during the year	(738,167)	(3,751,350)
Balance at the end of the year	<u>3,265,390</u>	<u>3,098,732</u>
Less: Unamortised portion of directly attributable costs	-	(54)
Net interest-bearing loans and borrowings at the end of the year	<u>3,265,390</u>	<u>3,098,678</u>
<i>Interest-bearing loans and borrowings maturity profile:</i>		
Within 12 months	1,947,287	1,319,244
After 12 months	1,318,103	1,779,434
Balance at the end of the year	<u>3,265,390</u>	<u>3,098,678</u>
<i>Interest-bearing loans and borrowings located:</i>		
Within UAE	3,673	7,291
Outside UAE	3,261,717	3,091,387
	<u>3,265,390</u>	<u>3,098,678</u>

The Group has the following secured and unsecured interest-bearing loans and borrowings:

Secured

- USD 4,015 thousand (AED 14,747 thousand) loan from commercial bank, secured against certain assets in Lebanon, carries interest at 9.5% per annum and is repayable in 2025.

Unsecured

- The Group had drawdown AED 3,673 thousand out of AED 3,673,000 thousand Revolving Credit Line Facility (the "Facility") availed from the syndication of commercial banks in UAE, carries profit at EIBOR plus 1% per annum and is repayable by 2025. The facility is presented in the consolidated financial statements at AED 3,673 thousand net of unamortised directly attributable transaction cost..
- AED 877,847 thousand loan from commercial banks in the United Arab Emirates, bearing interest at 3 month EIBOR plus 1.20% per annum and repayable by 2027 (refer note 33).
- EGP 1,746,329 thousand (AED 126,165 thousand) of funding facilities from commercial banks in Egypt, bearing interest from 5% to 21.00% and repayable in 2027.
- EGP 2,519,064 thousand (AED 181,992 thousand) of funding facilities from commercial banks in Egypt, bearing interest of 27.75% and repayable in 2025.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

24 INTEREST-BEARING LOANS AND BORROWINGS (continued)

Unsecured (continued)

- PKR 18,745,617 thousand (AED 247,256 thousand) of funding facilities from commercial banks in Pakistan, bearing interest from 3 month KIBOR -0.15% - 1.0% and repayable in 2025.
- INR 42,282,557 thousand (AED 1,813,710 thousand) loans from commercial banks in India, bearing interest from 7.46% to 9.70% per annum and repayable by 2028.

As at the reporting date, the Group has complied with applicable financial covenants on its loans and borrowings.

25 SUKUK

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Emaar Sukuk Limited:		
- Series 3	2,751,451	2,750,378
- Series 4	1,835,625	1,834,467
- Series 5	1,834,018	1,833,525
EMG Sukuk Limited:		
- Sukuk	-	2,753,512
Total Sukuk liability as at year-end	<u>6,421,094</u>	<u>9,171,882</u>
<i>Maturity profile:</i>		
- within 12 months	-	2,753,512
- After 12 months	6,421,094	6,418,370
Total Sukuk liability as at year-end	<u>6,421,094</u>	<u>9,171,882</u>

A. Emaar Sukuk Limited:

Emaar Sukuk Limited (the “Issuer”), a limited liability company registered in the Cayman Islands and a wholly-owned subsidiary of the Group, has established a trust certificate issuance programme (the “Programme”) pursuant to which the Issuer may issue from time to time up to USD 2,000,000 thousand (AED 7,346,000 thousand) of trust certificates in series.

Series 3:

On 15 September 2016, the Issuer had issued the third series of the trust certificates (the “Sukuk 3”) amounting to USD 750,000 thousand (AED 2,754,750 thousand) under the Programme. The Sukuk 3 is listed on NASDAQ Dubai and is due for repayment in 2026. Sukuk 3 carries a profit distribution at the rate of 3.64% per annum to be paid semi-annually. The carrying value of Sukuk 3 is as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Sukuk liability as at year-end	<u>2,751,451</u>	<u>2,750,378</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

25 SUKUK (continued)

A. Emaar Sukuk Limited: (continued)

Series 4:

On 17 September 2019, the Issuer has issued the fourth series of the trust certificates (the “Sukuk 4”) amounting to USD 500,000 thousand (AED 1,836,500 thousand) under the Programme. The Sukuk 4 is listed on NASDAQ Dubai and is due for repayment in 2029. Sukuk 4 carries a profit distribution at the rate of 3.875% per annum to be paid semi-annually. The carrying value of Sukuk 4 is as follows:

	2024 AED'000	2023 AED'000
Sukuk liability as at year-end	<u>1,835,625</u>	<u>1,834,467</u>

Series 5:

On 6 July 2021, the Issuer has issued fifth series of trust certificates (the “Sukuk 5”) amounting to AED 1,836,500 thousand (USD 500,000 thousand) under the Programme. The Sukuk 5 is listed on NASDAQ Dubai and is due for repayment in 2031. Sukuk 5 carries a profit distribution at the rate of 3.7% per annum paid semi-annually. The carrying value of Sukuk 5 is as follows:

	2024 AED'000	2023 AED'000
Sukuk liability as at year-end	<u>1,834,018</u>	<u>1,833,525</u>

B. EMG Sukuk Limited:

On 18 June 2014, the EMG Sukuk Limited (the “Issuer”), a limited liability company registered in the Cayman Islands and a wholly owned subsidiary of Emaar Malls Management LLC, has issued trust certificates (the “Sukuk”) amounting to USD 750,000 thousand (AED 2,754,750 thousand). The Sukuk was listed on the NASDAQ Dubai and was fully repaid in June 2024. It was carrying a profit distribution rate of 4.6% paid semi-annually.

	2024 AED'000	2023 AED'000
Sukuk liability as at year-end	<u>-</u>	<u>2,753,512</u>

As at the reporting date, the Group has complied with applicable financial covenants on its Sukuk.

26 PROVISION FOR EMPLOYEE END-OF-SERVICE BENEFITS

End-of-Service Benefits

The movement in the provision for employees’ end-of-service benefits are as follows:

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	176,424	177,044
Provided during the year	37,431	31,990
Paid during the year	(32,414)	(32,610)
Balance at the end of the year	<u>181,441</u>	<u>176,424</u>

27 SHARE CAPITAL

	2024 AED'000	2023 AED'000
Authorised capital 8,838,789,849 shares of AED 1 each (2023: 8,838,789,849 shares of AED 1 each) (refer note below)	<u>8,838,790</u>	<u>8,838,790</u>
Issued and fully paid-up 8,838,789,849 shares of AED 1 each (2023: 8,838,789,849 shares of AED 1 each) (refer note below)	<u>8,838,790</u>	<u>8,838,790</u>

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

28 RESERVES

	<i>Statutory reserve AED '000</i>	<i>Capital reserve AED '000</i>	<i>General reserves AED '000</i>	<i>Share premium AED '000</i>	<i>Net unrealised gains / (losses) reserve AED '000</i>	<i>Foreign currency translation reserve AED '000</i>	<i>Total AED '000</i>
Balance as at 1 January 2023	20,409,050	3,660	8,004,046	578,234	(1,086,228)	(5,909,132)	21,999,630
Increase in unrealised reserve	-	-	-	-	238,609	-	238,609
Transfer to reserve	-	-	1,162,924	-	-	-	1,162,924
Decrease in foreign currency translation reserve	-	-	-	-	-	(868,956)	(868,956)
Net movement during the year	-	-	1,162,924	-	238,609	(868,956)	532,577
Balance as at 31 December 2023	20,409,050	3,660	9,166,970	578,234	(847,619)	(6,778,088)	22,532,207
Balance as at 1 January 2024	20,409,050	3,660	9,166,970	578,234	(847,619)	(6,778,088)	22,532,207
Increase in unrealised reserve	-	-	-	-	190,016	-	190,016
Transfer of fair value reserve of investments designated at FVOCI	-	-	-	-	246,400	-	246,400
Issuance of new shares in Subsidiary (refer note 2.1)	89,971	-	-	538,384	-	-	628,355
Dilution of Interest in subsidiary (refer note 2.1)	(23,580)	-	-	(239,696)	-	814,522	551,246
Transfer to reserve	-	-	1,351,394	-	-	-	1,351,394
Decrease in foreign currency translation reserve	-	-	-	-	-	(1,573,268)	(1,573,268)
Net movement during the year	66,391	-	1,351,394	298,688	436,416	(758,746)	1,394,143
Balance as at 31 December 2024	20,475,441	3,660	10,518,364	876,922	(411,203)	(7,536,834)	23,926,350

28 RESERVES (continued)

(a) Statutory and General reserve:

According to Article number 57 of the Articles of Association of the Company and Article 241 of the UAE Federal Decree Law No. (32) of 2021, 10% of annual net profits after non-controlling interests are allocated to the statutory reserve and another 10% to the general reserve. The transfers to the statutory reserve may be suspended when the reserve reaches 50% of the paid-up capital. Transfers to the general reserve may be suspended by the ordinary general assembly when the reserve reaches 50% of the paid-up capital.

The statutory reserve is in excess of 50% of the paid-up share capital of the Company and therefore in accordance with a resolution of the Annual General Meeting, the Group has ceased further transfers to this reserve.

The statutory reserve includes:

- AED 2,475,000 thousand being the premium collected at AED 15 per share (shares par value at that time was AED 10 per share) on the 1:1.65 rights issue during the year ended 31 December 1998;
- AED 11,321,656 thousand being the premium collected to date at AED 4 per share (share par value at AED 1 per share) on the 1:1 rights issue announced during the year ended 31 December 2005;
- AED 1,348,331 thousand being the premium of AED 3.38 per share (share par value at AED 1 per share) on conversion of the notes having face value of USD 475,700 thousand (AED 1,747,246 thousand) on 22 January 2014;
- AED 63,207 thousand being the premium of AED 3.38 per share (share par value at AED 1 per share) on conversion of the Notes having face value of USD 22,300 thousand (AED 81,907 thousand) on 22 December 2014; and
- AED 2,097,856 thousand being the premium of AED 4.13 per share (share par value at AED 1 per share), net of decrease in equity attributable to owners of the Company on acquisition of NCI of Emaar Malls and associated transaction costs, made during the year ended 31 December 2021.
- AED 3,090,949 thousand being the premium of AED 4.69 per share (share par value at AED 1 per share) on issuance of new shares of the Company to Dubai Holding Group as part consideration to fully acquire the shareholding of DCH from Dubai Holding Group on 22 December 2022. Also refer notes 2.1 and 27.
- During the year, Emaar Misr for Development SAE (Emaar Misr) acquired a 100% in Albro (note 2.1) and issued new shares. On issuance of the new shares in Emaar Misr, the Group shareholding has been diluted and a portion of share premium has been allocated to statutory reserve of Emaar Misr in accordance with Egyptian Companies' Law and the Group's article of association. Accordingly, the Group has recorded of AED 66,391 thousand (net) to its statutory reserve representing the share of such reserve attributable to the owners of the Company.

(b) Share premium:

Share premium of AED 578,234 thousand recorded on dilution of Group share in Emaar Misr for Development SAE through a primary offering of shares in an Initial Public Offering during 2015.

Share premium of AED 298,688 thousand (net) recorded on dilution of Group share in Emaar Misr for Development SAE through the acquisition of a subsidiary (note 2.1).

(c) Capital reserve:

Capital reserve of AED 3,660 thousand was created from the gain on sale of treasury shares in 2003.

(d) Net unrealised gains/(losses) reserve:

This reserve records fair value changes in financial assets at fair value through other comprehensive income and the Group's share in fair value reserve of the joint ventures and associates.

(e) Foreign currency translation reserve:

The foreign currency translation reserve is used to record exchange difference arising from translation of the financial statements of foreign subsidiaries, associates and joint ventures.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

29 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company (after adjusting for interest on the convertible notes) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The information necessary to calculate basic and diluted earnings per share is as follows:

	2024 AED'000	2023 AED'000
Earnings:		
Profit attributable to the owners of the Company for basic earnings	13,513,938	11,629,238
	2024	2023
Number of shares in thousand		
Weighted-average number of ordinary shares for basic earnings per share	8,838,790	8,838,790
	2024	2023
Earnings per share:		
Basic and diluted earnings per share (AED)	1.53	1.32

30 GUARANTEES AND CONTINGENCIES

a) Guarantees

1. The Group has issued financial guarantees and letters of credit of AED 472,220 thousand (31 December 2023: AED 924,010 thousand).
2. The Group has provided a financial guarantee of AED 5,000 thousand (31 December 2023: AED 5,000 thousand) as security for the letter of guarantee issued by a commercial bank for issuance of a trade license from the Government of Dubai.
3. The Group has provided a performance guarantees of AED 7,615,089 thousand (31 December 2023: AED 5,487,093 thousand) to the Real Estate Regulatory Authority (RERA), Dubai for its projects as per RERA regulations.
4. The Group has provided performance guarantees of AED 99,097 thousand (31 December 2023: AED 103,435 thousand) to various government authorities in India for its projects. The banks have a lien of AED 254,158 thousand (31 December 2023: AED 229,482 thousand) towards various facilities (refer note 8).
5. The Group has has been provided with a credit card facility of AED 235 thousand (31 December 2023: 223 thousand) in Egypt for its project. The bank has a lien of AED 227 thousand (31 December 2023: AED 223 thousand) towards this credit card.
6. The Group has has been provided with provided a credit card facility of EGP 1,875 thousand (AED 143 thousand). The bank has a lien of EGP 1,875 thousand (AED 143 thousand) towards this credit card.
7. The Group has been provided with an overdraft facility of USD 15,750 thousand (AED 57,850 thousand). The bank has a lien of AED 57,850 thousand towards this facility.

30 GUARANTEES AND CONTINGENCIES (continued)

b) Contingencies

1. (a) Andhra Pradesh Industrial Infrastructure Corporation Ltd. ('APIIC'), a joint venture partner in certain subsidiaries of the Group in India, issued a legal notice to Emaar Hills Township Pvt Ltd, ('EHTPL' – a joint venture of the Group with APIIC) the SPV with APIIC, to terminate certain development and operational management agreements which were entered into between Emaar India Limited, EHTPL and Boulder Hills Leisure Private Limited ('BHLPL' – a joint venture of the Group with APIIC). In addition thereto, a number of litigations were initiated against the Group by third parties on the grounds of irregularities in acquisition and allocation of land, sale plots etc. Under the matter, the Group had also received an attachment order of certain properties from Enforcement Directorate.

The management based on legal advice, is of the opinion that all the aforesaid suits filed by APIIC which are now being contested by Telangana State Industrial Infrastructure Corporation ('TSIIC'), shall be settled amicably by the parties through local and legal provisions available.

(b) TSIIC has filed a Petition before the National Company Law Tribunal, ("NCLT") Hyderabad Bench against EHTPL and certain other parties under Section 241 and 242 of the Indian Companies Act 2013. The management believes that since the factual position with respect to demerger proceedings between APIIC and TSIIC has not changed and are still pending, therefore TSIIC has no locus standi to file the petition as it is not a shareholder and recorded member of EHTPL, and its name has not been entered into the Statutory Register of Members as maintained in terms of the provisions of the Indian Companies Act 2013. Accordingly, management believes that the petition filed by TSIIC is not tenable. However, on 25 July 2022, the maintainability issue had been decided by the NCLT, Hyderabad Bench in favour of the TSIIC and the Group or its representatives have been restrained from dealing with the assets and properties of EHTPL. The Group appealed the judgement of the NCLT before the NCLAT. The NCLAT vide judgement dated on 10 October 2022 decided the maintainability issue in favour of TSIIC, however, the interim order granting compensation has been set aside by the NCLAT. The Group had filed an appeal before the Supreme Court of India to challenge the judgement by NCLAT where the Supreme Court declined to interfere in the orders of the NCLAT, however, has left the decision on maintainability open till final adjudication of the matter.

Thereafter, EHTPL has filed an application seeking reference of the matter to arbitration as provided under the contractual agreements between the parties. This application is now pending for arguments before the NCLT.

2. Emaar MGF Construction Private Limited (EMCPL), a subsidiary of the Group, had developed and constructed the Commonwealth Games Village (CWGV) in India on a Public Private Partnership model in furtherance to the Project Development Agreement (PDA) entered with Delhi Development Authority (DDA) on 14 September 2007. After acknowledging completion and issuing occupancy certificate, DDA invoked the performance Bank Guarantee (BG) of INR 1,830 million (AED 79 million) towards liquidated damages and raised other claims alleging that EMCPL had not been able to achieve the project timelines as per the terms of PDA. EMCPL contested the matter by filing petition with Delhi High Court who later formed an Arbitral Tribunal where EMCPL filed claims of INR 14,182 million (AED 608 million) and DDA filed a counter claim of INR 14,460 million (AED 620 million). The final arguments have commenced before the Tribunal and are yet to be concluded.

Based on legal opinion, the Management believes that EMCPL has met the requirements as per PDA and the LD imposed/ BG invoked and other claims raised by DDA are not justifiable.

31 COMMITMENTS

At 31 December 2024, the Group had commitments of AED 25,008,580 thousand (2023: AED 17,228,974 thousand) which include project commitments of AED 24,577,262 thousand (2023: AED 16,638,161 thousand). This represents the value of contracts entered into by the Group, including contracts entered for purchase of plots of land, net of invoices received and accruals made at that date.

There were certain claims submitted by contractors and other parties relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

31 COMMITMENTS (continued)**Operating lease - Group as lessor**

The Group has entered into leases on its investment property portfolio. The future minimum rentals receivable under non-cancellable operating leases contracted for as at the reporting date but not recognised as receivables, are as follows:

	<i>2024</i> <i>AED'000</i>	<i>2023</i> <i>AED'000</i>
Within one year	4,318,063	3,855,578
After one year but not more than five years	8,988,356	8,187,580
More than five years	1,860,648	2,279,827
	<u>15,167,067</u>	<u>14,322,985</u>

In addition to the above lease entitlements, the Group also has rent agreements which entitles it to receive rent based on turnover of tenants and collect services charges.

32 DIVIDENDS

The Company has paid a cash dividend of AED 4,419,395 thousand (AED 0.50 per share) for 2023 as approved by the shareholders of the Company at the Annual General Meeting (AGM) of the Company held on 22 April 2024.

In December 2024, the Board of Directors announced the Company's intention to declare dividends at 100% of the share capital (AED 1 per share) for 2024.

33 RELATED PARTY DISCLOSURES

The Group in the normal course of business enters into transactions with individuals and other entities that fall within the definition of related party. The Group's related parties include key management personnel, entities held under common control, associates, joint ventures and others.

The Group is partly owned by Investment Corporate of Dubai ("ICD"), an entity owned by the Government of Dubai ("Government") which has a significant influence over the Company. The Group enters into transactions, in the normal course of business, with Government-owned entities and entities wherein ICD has control, joint control or significant influence. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing and operational (power, utilities, infrastructure services, constructions services etc.) related activities, and entered in the normal course of business at commercial terms. Refer note 24 for loan from commercial bank, an entity controlled by ICD.

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

33 RELATED PARTY DISCLOSURES (continued)

Related party transactions

During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties presented below, or disclosed in the financial statements otherwise:

	2024 AED'000	2023 AED'000
<i>Associates, Joint Ventures and others:</i>		
Property development expenses	8,632	13,204
Islamic finance income	900	955
Selling, general and administrative expenses	7,164	8,420
Revenue from leasing, retail and related income	2,854	3,063
Cost of revenue	145,239	138,937
Finance cost	48,370	50,000
Other operating income	7,567	8,429
	<u> </u>	<u> </u>
<i>Key management personnel and other related parties:</i>		
Selling, general and administrative expenses	70,193	48,249
Rental income from leased properties and related income	90,144	98,532
Finance costs	20,541	23,632
Cost of revenue	4,362	4,245
Property development expenses	-	11,230
Other operating income	41,283	22,096
Other income	17,764	16,485
	<u> </u>	<u> </u>

Related party balances

Related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	2024 AED'000	2023 AED'000
<i>Associates and joint ventures:</i>		
Trade and other payables	2,585,402	869,991
Trade and unbilled receivables	1,453	1,314
Other assets, receivables, deposits and prepayments	9,064	4,091
	<u> </u>	<u> </u>
<i>Key management personnel and other related parties:</i>		
Trade and unbilled receivables	132	4,711
Other assets, receivables, deposits and prepayments	38,378	32,740
Advance from customers	-	3,036
Trade and other payables	332,894	388,554
	<u> </u>	<u> </u>

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2024 AED'000	2023 AED'000
Short-term benefits	110,615	106,278
Long-term incentive	19,239	12,286
Employees' end-of-service benefits	2,399	2,549
	<u> </u>	<u> </u>
	132,253	121,113
	<u> </u>	<u> </u>

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Group has exposure to the following risks from its use of financial instruments:

- a) Credit risk;
- b) Market risk; and
- c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) 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's Audit 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. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities, comprise interest-bearing loans and borrowings, sukuk, retentions payable and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as bank balances and cash, trade and unbilled receivables, investment in securities, loan to joint ventures and associates and other receivables and deposits, which arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, other receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Total financial assets at amortised cost amounted to AED 70,026,631 thousand (2023 : AED 54,980,702 thousand) as at the reporting date.

Trade, unbilled and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country in which customers operate has less influence on credit risk. The Group earns its revenues from a large number of customers spread across different geographies. However, 97% (2023: 98%) of the Group's trade and unbilled receivables are from the Group's operations that are based in the Middle East and North Africa.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Credit risk (continued)

Trade, unbilled and other receivables (continued)

The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis as evidenced by the Group's low level of bad debts.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of expected credit losses in respect of trade, unbilled and other receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group has calibrated the matrix to adjust the historical credit loss experience with forward-looking information.

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, investment in securities, loans to associates and joint ventures, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with local and international banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations. Investment in securities measured at amortised cost were subject to 12-month ECL and the credit rating was B-.

Guarantees

The Group's policy is to provide financial guarantees only to its subsidiaries and certain associates and joint ventures. For details of guarantees outstanding as at the reporting date refer note 30.

Excessive risk of concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk, interest rate risk and equity prices risks, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group currently does not hold any derivative financial instruments and when it does, such derivative instruments are not for speculative purposes.

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**b) Market risk (continued)*****Exposure to 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 long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. Interest on financial instruments having floating rates is re-priced at intervals of less than one year and interest on financial instruments having fixed rates is fixed until the maturity of the instrument. Other than commercial and overall business conditions, the Group's exposure to market risk for changes in interest rate environment relates mainly to its borrowing from financial institutions, investment in financial products and fixed deposits.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	2024		2023	
	<i>Change in basis points</i>	<i>Sensitivity of interest expense AED'000</i>	<i>Change in basis points</i>	<i>Sensitivity of interest expense AED'000</i>
Financial liabilities	± 100	29,875	± 100	22,049

The investments in financial products are not for trading or speculative purposes but placed in securities or fixed deposits, with the objective of achieving better returns than cash at bank. The interest rates on loans to associates and joint ventures are described in note 15 to the consolidated financial statements. Interest rates on loans from financial institutions are disclosed in note 24 to the consolidated financial statements. The Group also carries certain fixed rate financial assets and liabilities, which does not have any significant exposure on interest rate risk.

Exposure to foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's significant monetary assets and liabilities denominated in foreign currencies are either in USD or in currencies pegged to USD. As the AED is currently pegged to the USD, balances in USD and other currencies pegged against USD are not considered to represent significant currency risk.

However, the Group's exposure to the risk of changes in foreign exchange rates primarily relates to the Group's net investments in those subsidiaries and associates where functional currencies are denominated in a different currency from the Group's functional currency, and which are not pegged to the AED and USD. The foreign currency exchange differences arising upon consolidation of these entities for the purpose of preparation of the Group's consolidated financial statements are recorded in the consolidated statement of changes in equity through the consolidated statement of comprehensive income.

The table below indicates the sensitivity analysis of a change in foreign exchange rates of the AED to each of these currencies and their impact on other comprehensive income:

	2024		2023	
	<i>Change in currency rate in %</i>	<i>Effect on Comprehensive income AED'000</i>	<i>Change in currency rate in %</i>	<i>Effect on Comprehensive income AED'000</i>
Currency				
EGP	+10	323,807	+10	368,108
INR	+10	82,879	+10	64,621
Other currencies not pegged to US Dollar	+10	(43,560)	+10	(32,356)

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**b) Market risk (continued)*****Exposure to equity price risk***

Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio. Equity price risk arises from equity instruments held by the Group at fair value through other comprehensive income and fair value through profit and loss. Management of the Group monitors equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed by qualified fund managers as well as on an individual basis. The primary goal of the Group's investment strategy is to maximise investment returns. The effect on fair value of investment in securities (as a result of a change in the fair value of equity instruments held at fair value through other comprehensive income and fair value through profit and loss as at 31 December) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	2024		2023	
	<i>Change in equity price in %</i>	<i>Effect on equity AED'000</i>	<i>Change in equity price in %</i>	<i>Effect on equity AED'000</i>
Investments	+10	106,302	+10	135,052

Exposure to overseas country risks

Management monitors political and economic events and developments in countries where the Group operates to assess the likelihood of any potential impact to the Group's financial position and results of operations.

c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade and unbilled receivables, other financial assets) and projected cash flows from operations.

The cash flows, funding requirements and liquidity of Group companies are monitored at a centralised level, to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank borrowings and finance lease contracts. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and include contractual interest payments:

Financial liabilities	<i>Within 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
<i>As at 31 December 2024</i>				
Interest-bearing loans and borrowings	2,080,202	1,461,022	-	3,541,224
Retentions payable	1,070,839	763,864	-	1,834,703
Lease liabilities	132,875	482,837	145,388	761,100
Payable to non-controlling interests	-	2,580,376	-	2,580,376
Sukuk	239,250	5,448,115	1,972,401	7,659,766
Other liabilities	8,450,083	5,246,167	499,811	14,196,061
Total undiscounted financial liabilities	11,973,249	15,982,381	2,617,600	30,573,230

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

34 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

c) Liquidity risk (continued)

Financial liabilities	Within 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
<i>As at 31 December 2023</i>				
Interest-bearing loans and borrowings	1,566,406	2,010,731	-	3,577,137
Retentions payable	920,566	611,035	-	1,531,601
Lease liabilities	155,011	516,907	191,742	863,660
Payable to non-controlling interests	-	247,505	-	247,505
Sukuk	3,056,863	3,511,480	3,948,016	10,516,359
Other liabilities	8,011,201	5,409,674	361,506	13,782,381
Total undiscounted financial liabilities	13,710,047	12,307,332	4,501,264	30,518,643

d) Capital management

Capital includes equity attributable to the equity holders of the Company. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt, interest bearing loans and borrowings and sukuk less cash and cash equivalents. Capital includes total equity attributable to the owners of the Company less the net unrealised gains/ (losses) reserve. At 31 December 2024, the Groups' gearing ratio is negative 89% (2023: negative 38%). The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income attributable to owners of the Company divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to shareholders, the return on capital to shareholders or issuance of new shares to maintain or adjust the capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 31 December 2023.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Group entities are incorporated.

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade and unbilled receivables, investment in securities, loans and advances, other receivables and due from related parties. Financial liabilities of the Group include customer deposits, interest-bearing loans and borrowings, sukuk, accounts payable, retentions payable and other payable.

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

35 SUBSIDIARIES WITH MATERIAL NCI

Financial information of subsidiaries of the Group that have material non-controlling interest (NCI) are provided below:

	Principal place of business	NCI holding 2024	NCI holding 2023
Emaar Development PJSC	UAE	19.84%	19.84%
Emaar Misr for Development SAE	Egypt	26.21%	11.26%
Emaar India Limited	India	22.99%	22.99%

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

35 SUBSIDIARIES WITH MATERIAL NCI (continued)

The following table summarises the statement of financial position of these subsidiaries as at 31 December 2024. This information is based on the amounts before inter-company elimination.

	<i>Emaar Development PJSC AED'000</i>	<i>Emaar Misr for Development SAE AED'000</i>	<i>Emaar India Limited AED'000</i>
Total assets	59,421,077	10,077,275	7,425,288
Total liabilities	27,805,787	5,689,105	6,543,545
Total equity	31,615,290	4,388,170	881,743
Attributable to:			
Owners of the Company	20,942,193	3,238,070	602,359
Non-controlling interest	10,673,097	1,150,100	279,384

The following table summarises the income statement of these subsidiaries for the year ended 31 December 2024. This information is based on the amounts before inter-company elimination.

	<i>Emaar Development PJSC AED'000</i>	<i>Emaar Misr for Development SAE AED'000</i>	<i>Emaar India Limited AED'000</i>
Revenue	19,146,613	1,616,279	725,233
Profit / (loss) for the year	9,686,660	1,285,863	250,937
Total comprehensive income for the year	9,686,660	1,285,863	250,937
Attributable to:			
Owners of the Company	6,118,788	1,141,076	171,662
Non-controlling interest	3,567,872	144,787	79,275

The following table summarises the statement of financial position of these subsidiaries as at 31 December 2023. This information is based on the amounts before inter-company elimination.

	<i>Emaar Development PJSC AED'000</i>	<i>Emaar Misr for Development SAE AED'000</i>	<i>Emaar India Limited AED'000</i>
Total assets	48,867,773	9,424,812	6,833,917
Total liabilities	22,397,043	5,230,919	6,169,686
Total equity	26,470,730	4,193,893	664,231
Attributable to:			
Owners of the Company	16,909,305	3,681,083	446,693
Non-controlling interest	9,561,425	512,810	217,538

Emaar Properties PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As at 31 December 2024

35 SUBSIDIARIES WITH MATERIAL NCI (continued)

The following table summarises the income statement of these subsidiaries for the year ended 31 December 2023. This information is based on the amounts before inter-company elimination.

	<i>Emaar Development PJSC AED '000</i>	<i>Emaar Misr for Development SAE AED '000</i>	<i>Emaar India Limited AED '000</i>
Revenue	11,921,378	1,833,529	1,271,240
Profit / (loss) for the year	8,484,076	799,927	(710,322)
Total comprehensive income for the year	8,484,076	799,927	(710,322)
Attributable to:			
Owners of the Company	5,313,803	709,856	(515,467)
Non-controlling interest	3,170,273	90,071	(194,855)