ماجد الفطيم
MAJID AL FUTTAIM

GREAT MOMENTS
FOR EVERYONE,
EVERYDAY

Majid Al Futtaim

Annual Report and Accounts

2024

Directors' Report

The Directors' report and consolidated financial statements of Majid Al Futtaim Holding LLC ("the Company") and its subsidiaries (collectively referred to as "the Group"), are presented for the year ended 31 December 2024. The consolidated financial statements were prepared by the Management. The Board of Directors take responsibility for fairly presenting them in accordance with the applicable financial reporting framework and recommended issuance of the financial statements on 24 March 2025.

Activities

Majid Al Futtaim is a leading shopping mall, residential community, retail and leisure pioneer across the Middle East, Africa and Asia. Through its investment in various subsidiaries, the Group:

- Owns, develops and operates 29 destination shopping malls across 5 countries, 7 hotels that are operated by international hotel brands and 5 mixed used communities in UAE, Oman and Lebanon, including the iconic Tilal Al Ghaf Community in Dubai. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, Mall of Oman, City Centre malls and My City Centre neighbourhood centres, and 5 community malls which are in joint venture with the Government of Sharjah.
- Operates a diverse portfolio of over 450 grocery retail stores under brands including Carrefour, HyperMax, Supeco, and Myli, with geographical footprint in 14 countries across the Middle East, Africa and Asia.
- Owns and operates more than 620 VOX Cinema screens and 35 family entertainment centres across the region, in addition to iconic leisure and entertainment facilities including Ski Dubai, Ski Egypt and Snow Oman.
- Operates world-class fashion and retail brands with stores across the Middle East, including lululemon, LEGO, Abercrombie & Fitch, Hollister, AllSaints, CB2, Shiseido, Crate & Barrel, Psycho Bunny, Poltrona Frau, Ceccotti, Eleventy, Alessi, and Corneliani
- Operates Enova, a facility and energy management company, through a joint arrangement with Veolia, a global leader in optimised environment resource management.

Financial Results and Highlights

The Financial Results of the Group have are on pages 42-51 of the Annual Report.

Dividend

During the year, AED nil was declared as dividend (2023: AED 300 million).

Directors

The following comprised the Board of Directors as at 31 December 2024:

- Sir Michael Rake (Non-Executive Chairman)
- Sir Ian Davis (Senior Independent Director)
- Tariq Al Futtaim (Non-Executive Director)
- Ahmed Galal Ismail (Chief Executive Officer)
- Lord Stuart Rose (Non-Executive Director)
- Luc Vandevelde (Non-Executive Director)

On 9th February 2025 a new Board of Directors was appointed comprising:

- Sir Michael Rake (Non-Executive Chairman)
- John Rishton (Non-Executive Director)
- Andrew Higginson (Non-Executive Director)
- Hamed Kazim (Non-Executive Director)
- Ahmed Galal Ismail (Chief Executive Officer)
- Ziad Chalhoub (Chief Financial Officer)

Auditors

The Group auditors are Messrs Ernst & Young.

By order of the Board

Company Secretary
Majid Al Futtaim Holding LLC

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Letter from the Chair

Sir Michael Rake

The Group's ability to successfully navigate the region's challenging macroeconomic dynamics and continued geopolitical upheaval over the past 12 months to deliver a robust financial performance is a testament to both Majid Al Futtaim's financial strength and Management's acumen.

I am delighted with the Group's delivery. Our 2024 results show a 3% increase in EBITDA to AED 4.6 billion and a 1% increase in revenue to AED 33.9 billion, both on a constant currency basis, along with an 18% increase in net profit to AED 2.04 billion before impairments, valuation gains, and UAE corporate income tax. We have also preserved our BBB credit rating for a further year with a stable outlook.

The Group's fourfold increase in free cash flow and the reduction of its net debt to equity ratio to 41%, underscores Management's commitment to deliver value-accretive, profitable growth and serves to highlight the inherent strength of the Group's balance sheet.

Looking ahead, headwinds across the MENA region are likely to remain a feature for the coming year. As such, the Group's strategic focus, prudent financial discipline and unrelenting drive to ensure it is well-placed to address evolving consumer demands, remain relevant. The evolution of our operating model to better support the Group's strategy, combined with a strong and international senior management team and a refreshed Board, serve as further testament to the Group's preparedness to navigate the path ahead as it enters its fourth decade of prosperity.

We continue to build on our proud legacy as one of the largest and most successful locally owned private companies in the region.

As the Group continues to drive value creation for its Shareholders, to positively impact the communities in which we operate, and create great moments for our customers and colleagues alike, I am confident Majid Al Futtaim will continue the remarkable success story begun by its late Founder.

I would take this opportunity to offer my personal thanks to all our stakeholders, including our loyal customers, our hard-working employees, our trusted suppliers, our bondholders and banks, and our Shareholders for their continued support.

Sir Michael Rake
Chairman

We continue to build on our proud legacy as one of the largest and most successful locally owned private companies in the region

Letter from the CEO

2024 was a year marked by resilience, grit and extraordinary achievement. The Group delivered a strong financial performance, successfully navigating and adapting to complex circumstances within our operating environment - from ongoing currency devaluation to continued geopolitical instability and the collective impact on consumer behaviour, as well as higher corporate tax costs. With growing profitability, a record increase in free cash flow, and reduced debt, Majid Al Futtaim's performance for the year ending 31 December 2024 is a testament to the strength of our balance sheet and business model.

Net profit before impairments, valuation gains and UAE corporate income tax was up 18% reaching AED 2.04 billion. On a constant currency basis, EBITDA increased 3% to AED 4.6 billion, while revenue grew 1% to AED 33.9 billion. Notably, the Group generated AED 2.8 billion in f ree cashflow – a 270% increase over the previous year – and reduced net debt by AED 1 billion, underscoring the prudence of our financial strategy and focus on long-term value creation. Total assets stood at AED 68.8 billion and net debt to equity improved to 41%.

Revenues grew significantly in key areas across our operating companies, with the diversification of our portfolio offsetting both the impact of economic headwinds faced in some markets and operational challenges in other areas of our businesses.

In particular, our Properties business delivered another record breaking year, recording a 25% increase in Net revenue. Our shopping malls continue to thrive, with leasing occupancy at 97% and footfall sustaining the record highs of 2023 across our 29 malls.

Our Development business remains a key growth driver for the Group, shaping communities and skylines alike. Total gross sales grew 30% to AED7.9 billion, bolstered by the launch of our new Ghaf Woods community, in which the released phases sold out within a week. Meanwhile, at Tilal Al Ghaf, our flagship Dubai mixed-use community, we broke ground on the Alaya and Elysian mansions projects, launched Harmony III, and set a new record for luxury living on Lanai Islands - reflecting the market's continued appetite for innovative, sustainable and community-centric living spaces.

Turning from bricks to clicks, with AI ideation and broader adoption, coupled with growing consumer demand for omnichannel experiences, continuing to accelerate digital transformation across our industries, 2024 saw Majid Al Futtaim launch our first digitally native business, Precision Media. The AI-powered adtech platform underscores our commitment to transforming the retailing experience for our customers and partners; and with more than 150 global and local partners already benefitting from its insights, I look forward to seeing its impact continue to expand in the months ahead.

More broadly and reflecting consumer demand for quick and convenient commerce, digital revenue from our Retail business has continued to build pace, growing 14% to AED 2.7 billion in 2024. Within this, the 'CarrefourNow' platform today accounts for 38% of total Retail Digital, having grown 30% over the past 12 months as a result of the good progress being made in the broader turnaround of the Carrefour business, including launches such as Carrefour 24/7 across Dubai in the latter part of the year. 2024 also saw the continued success and expansion of Supeco's discount grocery format to 15 loctions in Egypt, and the launch of Hypermax, our first fully owned and operated grocery retailing network in Jordan - successfully redefining the homegrown grocery retail experience.

Our performance was further bolstered by our Lifestyle and Entertainment businesses. Fuelled by the expansion of its existing portfolio of leading global brands where many of our stores rank among their best-performing globally, and the introduction of new exclusive partnerships such as Eleventy, our Lifestyle business recorded a 26% increase in revenue to AED 1.3 billion. Meanwhile, the continued recovery of regional cinema in combination with growing consumer interest in premium experiences saw Entertainment deliver net revenue of AED 1.7 billion and EBITDA of AED 164 million – boosted by the introduction of forward thinking phygital entertainment concepts such as ACTIVATE.

Thanks to its unique value proposition, our SHARE loyalty programme also saw encouraging growth in 2024, increasing its member base by approximately 18% to 4.43 million in 2024. The introduction of SHARE tier benefits has resonated strongly with users, driving notable revenue growth, and providing unparalleled insights into our most loyal customer segments, enabling us to further refine our offers and services.

None of this would have been possible without the remarkable efforts and energy of the 43,000 MAFers who work tirelessly to bring our late Founder's vision to life for our customers, communities, and colleagues, and we remain fully committed to cultivating a diverse and equitable workplace that enables our MAFers' exceptional talent to thrive.

We continue to seek out the best of regional talent, creating opportunities for careers to flourish through bespoke leadership and development programmes, such as the launch of the Majid Al Futtaim People Management Academy in partnership with Harvard Corporate Learning, and our 'returnship' initiative, designed to empower Emirati women re-entering the workforce after a career break.

These efforts have resulted in Majid Al Futtaim reaching a record 13% Emiratisation across the Group. Recognising this progress, we were proud and honoured to be awarded the NAFIS Emiratisation Award for the second consecutive year - the only private company to achieve this prestigious accolade. At the same time, the representation of women in leadership roles has increased to 27%, with our Lifestyle business becoming the first in the Group to achieve majority female leadership.

The steadfast commitment to the long-term prosperity of our company and communities came through strongly last year, where we achieved 95% our 2024 sustainability targets, including carbon and water reduction. All but two of our shopping malls, have now been LEED gold or platinum certified, and Majid Al Futtaim received the prestigious Green Star designation from the Global Real Estate Sustainability Benchmark (GRESB) for the 11th consecutive year. We also celebrated the Ghaf Woods Sales & Experience Centre being named Net Zerow Energy Building Project of the Year at the 2024 MENA Green Building Awards. A particularly proud but poignant moment was the inauguration of the Majid Al Futtaim Mosque – the region's first and only Net Positive mosque - further cementing our reputation as a leader in sustainable and innovative development.

Our strong 2024 performance - across financial reporting, human capital, sustainability, brand reputation, digital transformation, and innovation - sets a solid foundation as we step into 2025. The reaffirmation of our BBB credit rating by S&P and Fitch, alongside Sustainalytics recognising us as "Low Risk" for the seventh consecutive year, reflects our resilience and credibility in an increasingly complex landscape. Most importantly, the unwavering support from the communities we serve drives us to progress with purpose.

As we move forward, we do so with clarity and conviction. Our ability to adapt, innovate, and execute has carried us through a transformative year, and we look forward to navigating the fourth decade for Majid Al Futtaim with confidence and optimism.

Ahmed Galal Ismail
Chief Executive Officer

Introduction

What began as one man's vision to transform shopping, entertainment, and leisure into great moments for everyone, everyday has grown into one of the region's most trusted institutions.

2024 was a year of progress made possible by both shared values and purpose. Driven by our late Founder's clear vision, Majid Al Futtaim set about building on his legacy, ensuring the Company is well-positioned to continue creating value for its Shareholders and meanngfully contribute to the communities it services for its fourth decade and beyond.

Empowered by the 43,000 MAFers that bring Mr. Majid's vision, and our strategic ambitions, to life, we proudly step into the next chapter of our remarkable story of prosperous, sustainable growth. Guided by our values and with our customer top of mind, we continue to embrace a mindset of innovation and entrepreneurship, understanding that each milestone we achieve serves as a beacon of progress for the MENA region and beyond.

Our values

Bold

We promote a creative environment where there is courage to challenge convention and make the impossible possible, driving progress through innovation.

Passionate

We nurture a spirit of excellence and perseverance. We take pride in what we do, how we do it, and who we do it for.

Together

We cultivate synergy where the whole is greater than the sum of the parts. We shape and deliver the future together in an atmosphere of support and openness that respects diversity, facilitates communication and makes collaboration constructive.

2024 Performance Highlights

Our strategy has momentum, delivering top-and bottom- line results through consistent execution across our portfolio of trusted brands.

EBITDA
AED**4.6bn**
(+3% vs 2023 on a constant currency basis)

Group Revenue
AED**33.9bn**
(+1% on a constant currency basis)

Net Profit
AED**2.04bn**
(+18% vs 2023 before impairments, valuation gains and UAE corporate income tax)

NOPAT
AED**3.2bn**
(-2% vs 2023)

Asset Value
AED**68.8bn**

Employees
43,000

Credit Rating
BBB

Free Cashflow
AED**2.8bn**
(+270% vs 2023)

At a Glance

The Majid Al Futtaim Ecosystem

Majid Al Futtaim connects over 600 million customers across 14 countries every year through a portfolio of trusted brands that elevate the everyday. For almost four decades, we've built a name for excellence, trusted by the region to deliver experiences that go beyond the ordinary and resonate across generations.

At the heart of it all, we are purpose-driven, committed to innovation, sustainability, and the people and communities we serve. Rather than responding to change, we set the pace for what's next, creating a future that's built to inspire.

Properties

Mall of the Emirates, Mall of Egypt, Mall of Oman, City Centre, City Centre, MATAJER

Retail

Carrefour, Carrefour market, Carrefour city, Carrefour business, Carrefour marine, HyperMax, BIO Carrefour, MyChoice, myli, Supeco, Precision Media

Hospitality

Time Out Market Bahrain, Westin Hotels & Resorts, aloft Hotels, Sheraton, pullman Hotels and Resorts, Kempinski, Le MERIDIEN

Energy Management

ENOVA by VEOLIA

Loyalty

SHARE

Lifestyle

CB2, Crate&Barrel, ALESSI, Poltrona Frau, CECCOTTICOLLEZIONI, ALLSAINTS, Abercrombie & Fitch, Psycho Bunny, lululemon, ele ven ty, CORNELIANI, HOLLISTER, FASHION for LESS, SHISEIDO GINZA TOKYO, THAT, LEGO

Mixed-use Communities

Tilal Al Ghaf, Ghaf Woods, Al Zahia, al mouj, Waterfront City, DISTRIKT

Leisure & Entertainment

ACTIVATE, DREAMSCAPE, VOX, Magic Planet, North28, SWEET INC., iFLY DUBAI, nutella, THEATRE CAFÉ, little explorers, THEATRE, VOX STUDIOS, SNOW OMAN, SNOW ABU DHABI, SKI DUBAI, SKI EGYPT

Our Business Model

Our strategy and business model are designed to drive long-term, value-accretive, and profitable growth. To achieve this, we focus on simplifying complexity, driving accountability, and fostering ownership at all levels.

By strategically leveraging five key types of capital — financial, human, intellectual, reputational, and social — we are accelerating the growth of our four core business areas: Properties, Retail, Lifestyle, and Entertainment. These are further supported by our Solutions teams to drive consistency and leverage scale in digital innovation, tech incubation, and shared service operations.

By aligning our collective efforts into creating enduring value for our customers and communities, we build on the unrivalled strength of our business to deliver the legacy of Mr. Majid in a respected and successful regional institution.

Properties

29
Shopping malls in 5 countries across the Middle East

5
Mixed-use communities

97%
Leasing occupancy in malls

Lifestyle

85
Stores across GCC

Entertainment

4
Global Snow locations

624
Screens across the Middle East

35
Family Entertainment Centres

Retail

452
Stores

14
Markets across the region

Our strategy and business model are designed to drive long-term, value-accretive, and profitable growth

Get to Know Us

Majid Al Futtaim Properties

Majid Al Futtaim is at the forefront of shaping destinations that redefine living, leisure, and retail across the Middle East. In 2024, our Properties business achieved a record performance, driven by the continued success of our UAE-based shopping malls and strong consumer confidence in the newly launched Ghaf Woods residential development, alongside the enduring appeal of Tilal Al Ghaf.

Key Financial Highlights - Properties

Revenue	EBITDA	Total Assets	Net Profit
AED **9.1bn** (+25% vs 2023)	AED **4.2bn** (+16% vs 2023)	AED **56bn** (+0.85% vs 2023)	AED **4.1bn** (-2% vs 2023)

Majid Al Futtaim Shopping Malls

Majid Al Futtaim's shopping malls are thoughtfully designed as the heartbeat of the communities they serve. Our portfolio of 29 malls across 5 countries continues to evolve, creating experiences that adapt to the changing needs of the millions who visit them daily. In 2024, this included commencement on a project with Dubai's Road and Transport Authority to enhance access to Mall of the Emirates, improving the experience for over 40 million annual visitors while reducing traffic times for the surrounding community. We also opened Time Out Market Bahrain at City Centre Bahrain, further cementing the Mall's position as a centre of community, and a testament to our ability to adapt global concepts to create great moments tailored to local audiences.

Our Shopping Malls In Numbers

229.5mn	AED30bn	97.2%
Footfall (vs 232mn in 2023)	**Tenant Sales** (+2% vs 2023)	**Overall occupancy** (vs 96% in 2023)

Opening of Timeout Market Bahrain

Partnership with RTA to enhance access to Mall of the Emirates

Majid Al Futtaim Hotels

Majid Al Futtaim's hotels seamlessly blend world-class hospitality with the distinctive spirit of the communities we serve. In 2024 we focused our efforts on optimising our portfolio, with five of our seven hotels now located in Dubai. This positioning reflects the city's growing prominence as a global tourism destination, welcoming over 16 million* overnight visitors throughout the year.

Our Hotels In Numbers

Revenue	AED**589mn** (-16% vs 2023)
Occupancy	**76%** (+2% vs 2023)

* https://www.dubaidet.gov.ae/en/research-and-insights/tourism-performance-report-november-2024

Majid Al Futtaim Communities

Our focus on building human-centric communities has enabled us to create and launch innovative residential concepts where people can live, grow, and thrive. The popularity of our concepts is reflected in AED 4,374 million in gross sales for 2024, and the 7-day selling out of Phase 1 and 2 of Ghaf Woods — our latest development.

A first-of-its-kind forest living community in the heart of Dubai, Ghaf Woods exemplifies our belief in the power of placemaking, where the built environment not only enhances quality of life for residents today but continues to shape it for generations to come.

Our Communities In Numbers

تلال الغاف
Tilal Al Ghaf

400+ Units handed over

200+ Units sold

5,000+ Total residents

الزاهية
Al Zahia

700+ Units handed over

5,300+ Total residents

الموج
al mouj
muscat مسقط

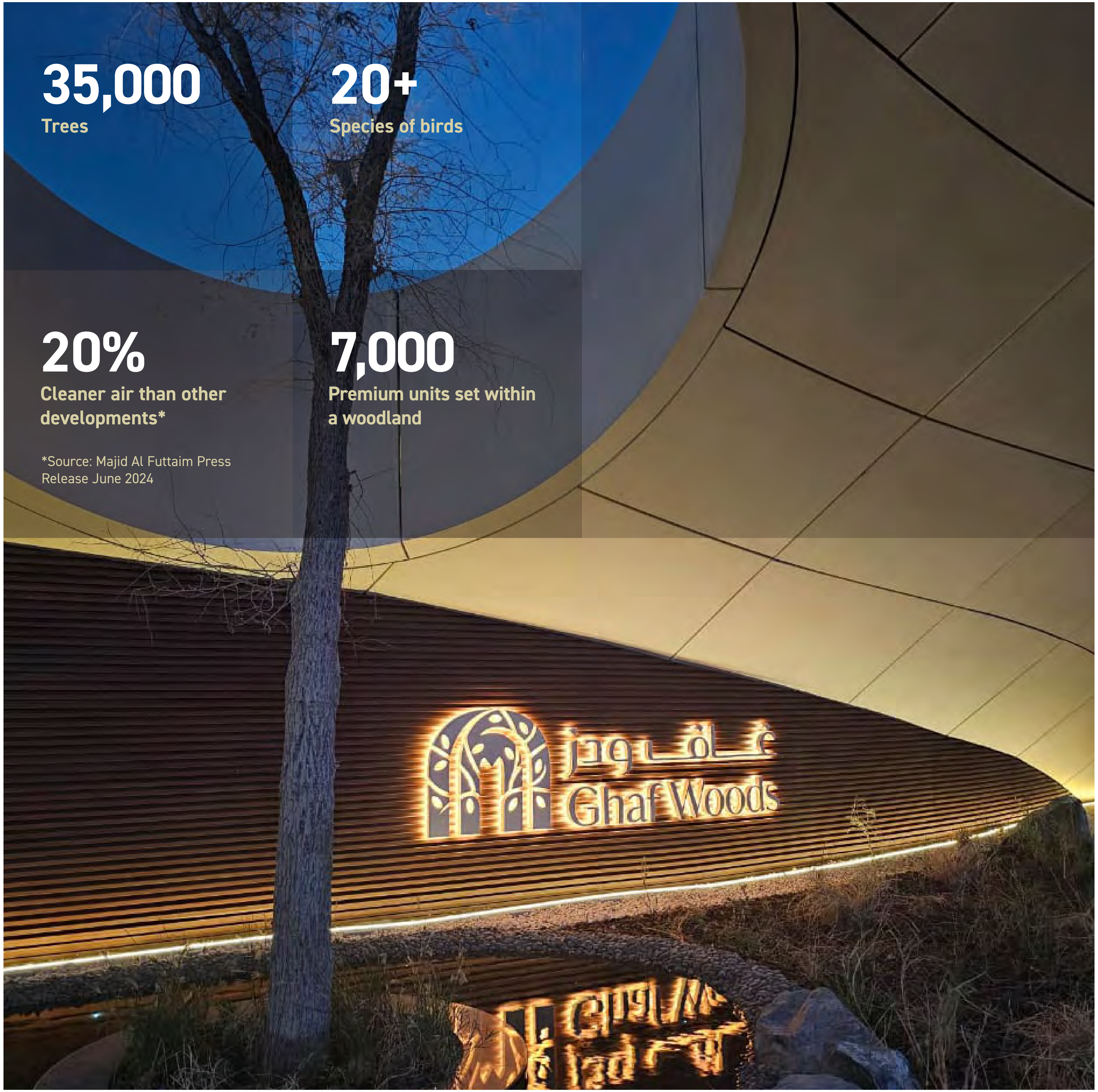
50 Units handed over

8,500+ Total residents

غاف ودز
Ghaf Woods

1,300 Units sold
(Phase 1 and 2 of 8 sold out)

Majid Al Futtaim is at the forefront of shaping destinations that redefine living, leisure, and retail across the Middle East



35,000
Trees

20+
Species of birds

20%
Cleaner air than other developments*

7,000
Premium units set within a woodland

*Source: Majid Al Futtaim Press Release June 2024

Spotlight on
Ghaf Woods

In 2024, Majid Al Futtaim introduced Ghaf Woods, a community design that reimagines the way people live, and interact with their environment. Planned for an 8-phase delivery through 2031, Ghaf Woods brings together thoughtful planning, sustainability, and innovation to create a living experience that sets new standards for residential developments in the region.

At its heart, the community will feature a 35,000-tree forest, with native Ghaf trees chosen for their ability to thrive in the local climate. The expansive green cover will actively improve air quality, reduce urban heat, and conserve natural resources, while offering residents unparalleled access to green spaces. With every home no more than a five-minute walk from a forest pathway and 15 square metres of open space per person - 40% above global health benchmarks - Ghaf Woods places the well-being and quality of life of its residents at the forefront.

Distrikt, the community's central hub, will integrate essential services, communal spaces, and daily conveniences, ensuring a seamless and self-sustaining neighbourhood experience.

As part of our commitment to Dubai's urban sustainability goals and, more broadly, the UAE's Green Agenda 2030, Ghaf Woods reflects our ability to meet the growing demand for sustainable, people-centric developments while reinforcing the long-term value of our portfolio. By aligning with the city's vision for a greener, more resilient future, we are delivering a richer, more connected way of life for the communities we are privileged to serve.

Majid Al Futtaim Retail

Majid Al Futtaim's Retail business continues to evolve to serve our communities better, creating experiences that resonate beyond the transaction. We are proud to serve millions of customers, across more than 450 stores in 14 markets, offering a curated selection of products tailored to local needs.

This year, we turned a new page in Jordan with the launch of HyperMax, our first independently owned and operated grocery retail brand. HyperMax goes beyond offering fresh, high-quality products to provide a platform to support over 500 local farmers and suppliers, drive sustainability, and contribute to local economic growth.

In Egypt, the continued expansion of our discount retail concept underscores our commitment to meeting customers needs. Combining supermarket convenience with wholesale value, Supeco tackles food security head-on by providing customers with reliable access to affordable, high-quality essentials.

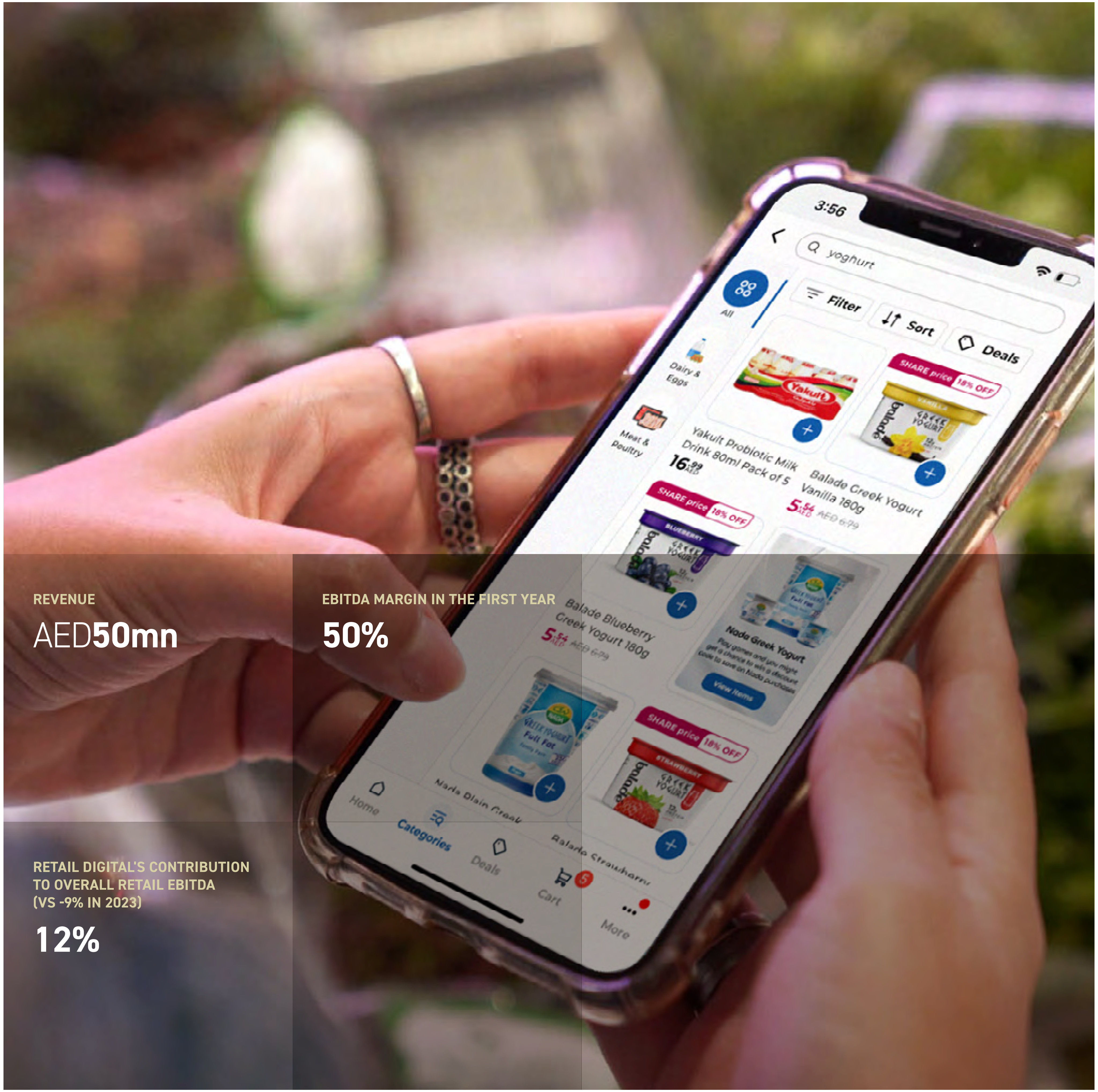
We also launched Carrefour's first 24/7 express delivery service in Dubai in response to a growing demand for round-the-clock access to essentials. This latest e-commerce offering responds to the evolving needs and expectations of the urban consumer, in a world where flexibility and convenience have become indispensable.

Our retail adtech solution, Precision Media, continues to scale, harnessing AI-driven technology and an extensive data network to deliver tailored real-time media solutions, enabling brands to connect more effectively with consumers both in-store and online.

Key Financial Highlights - Retail

Overall Revenue	Total Digital Revenue	EBITDA
AED **22.2bn**	AED **2.71bn**	AED **380.5mn**
(-10% vs 2023)	(+14.3% vs 2023)	(-64% vs 2023)

Majid Al Futtaim's Retail business continues to evolve to serve our communities better, creating experiences that resonate beyond the transaction



REVENUE

AED50mn

EBITDA MARGIN IN THE FIRST YEAR

50%

RETAIL DIGITAL'S CONTRIBUTION TO OVERALL RETAIL EBITDA (VS -9% IN 2023)

12%

Spotlight on Precision Media

The launch of Precision Media marks a new era for retail media. As our first digital-native business, it builds on the foundation of our Retail Digital expertise while marking a significant milestone in our transformation journey. By combining advanced AI capabilities with the scale and reach of our ecosystem, the platform delivers real-time, data-driven advertising solutions that empower brands to build smarter, more meaningful connections with their customers.

Using AI-powered features such as demographic-responsive LED smart screens, Precision Media provides partner brands with the ability to reach a vast, engaged audience and deliver tailored campaigns in real time. These capabilities enable brands to fine-tune their marketing strategies with greater accuracy, supporting their long-term growth and fostering stronger customer relationships. More than 150 leading brands and advertising agencies are already benefitting from access to Precision Media, leveraging Majid Al Futtaim's extensive network to drive tailored outreach to millions of potential consumers, including the 600 million annual visitors to its physical assets, 270 million online sessions, and over 20 million loyalty programme members.

With smart screens in over 450 Carrefour stores and targeted ads through partner networks, Precision Media sets a new standard for omnichannel innovation, seamlessly blending online and offline shopping to enhancing the customer journey at every touchpoint.

Majid Al Futtaim Entertainment

Our Entertainment business comprises 624 cinema screens across 8 countries, 4 ski and snow parks and 35 family entertainment centres.

For almost four decades, Majid Al Futtaim has been shaping the region's entertainment landscape. Today, we are reimagining it for the next generation with a focus on innovative, immersive experiences that transcend the ordinary.

ACTIVATE: a new frontier in interactive gaming, blends technology and human connection enabling people to interact in a completely new format.

Ski Dubai: a pioneering achievement in itself, was recognised in Tripadvisor's Travellers' Choice Awards for 2024, placing us among the top 10% of listings worldwide. This recognition reflects the lasting impact of our legacy while underscoring our ability to continuously evolve our offering.

Meanwhile, VOX Cinemas saw strong growth in 2024 with AED 19.9 million in admissions, reflecting the steady return of high-quality content and the enduring appeal of the cinematic experience.

Key Financial Highlights - Entertainment

Revenue
AED**1.7bn**
(-5% vs 2023)

EBITDA
AED**164mn**

VOX Cinemas Admissions
19.9mn
(+2% vs 2023)

Our Entertainment Business In Numbers

34mn
Swipes at Magic Planet

99k
Ski lessons delivered in 2024

2.8k
Online F&B orders per day +3% vs 2022

For almost four decades, Majid Al Futtaim has been shaping the region's entertainment landscape

Spotlight on

ACTIVATE

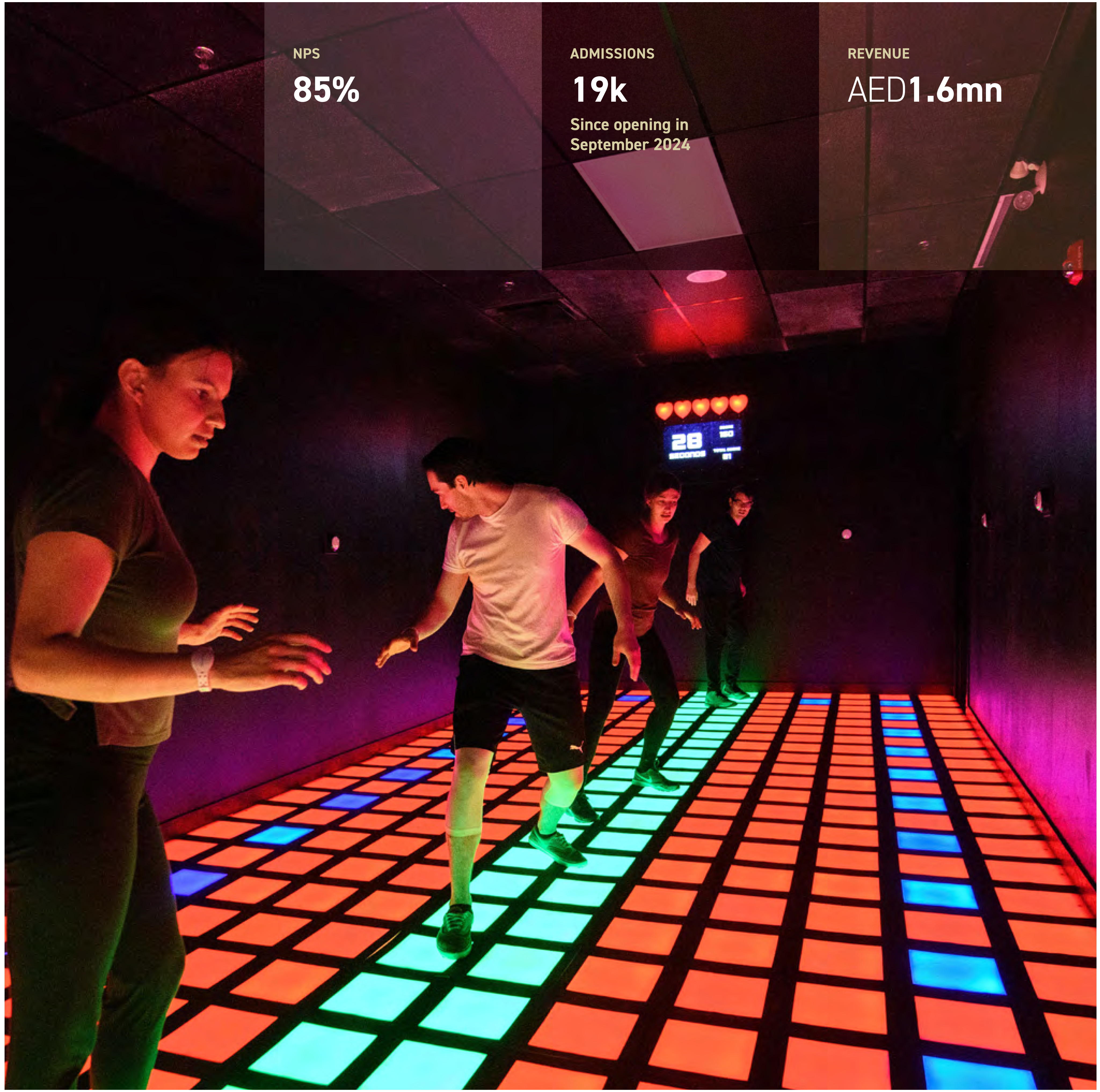
This year, we brought world class gaming experiences and family entertainment together, launching ACTIVATE for the first time in the Middle East. The latest venture from our Entertainment business exemplifies our ability to identify and anticipate evolving audience preferences and deliver experiences that engage, inspire, and connect.

As we diversify our offerings for an increasingly dynamic and diverse region, ACTIVATE challenges traditional notions of leisure and entertainment. It moves beyond recreation, empowering participants to prioritise their physical well-being while creating opportunities for families and communities to connect through engaging and novel experiences. The launch of the first location at City Centre Mirdif marks the beginning of an ambitious expansion plan across the region over the next decade, setting the stage for a new era of purpose-driven leisure experiences.

NPS
85%

ADMISSIONS
19k
Since opening in September 2024

REVENUE
AED**1.6mn**



Majid Al Futtaim Lifestyle

A story of sustained progress, our Lifestyle business grew 26% and expanded its footprint to 85 stores and 27 e-commerce platforms in 2024, firmly positioning itself as the partner of choice for leading global brands seeking to expand into the Middle East.

With exclusive rights for iconic names like lululemon, Abercrombie & Fitch, Hollister, AllSaints, Psycho Bunny, Eleventy, Corneliani, LEGO, Shiseido, CB2, Crate & Barrel, Poltrona Frau, Ceccotti Collezioni, and Alessi, we are setting the precedent for global brands wanting to connect meaningfully with regional audiences.

Our Fashion portfolio recorded 26% growth, led by brands like lululemon with strong like-for-like sales growth, a 30% increase in digital sales, and 5 new store openings. THAT Concept Store continued to gain momentum, reporting 22% growth, and further cementing its position as a hub for contemporary luxury and unique retail experiences.

In the Home category, we responded to rising demand for premium lifestyle products across retail and B2B markets, reflected in 36% growth of the business. Poltrona Frau led this charge, achieving a fivefold revenue increase, and B2B recording a 230% growth, while Crate & Barrel and CB2 expanded into Jeddah, further strengthening our regional presence.

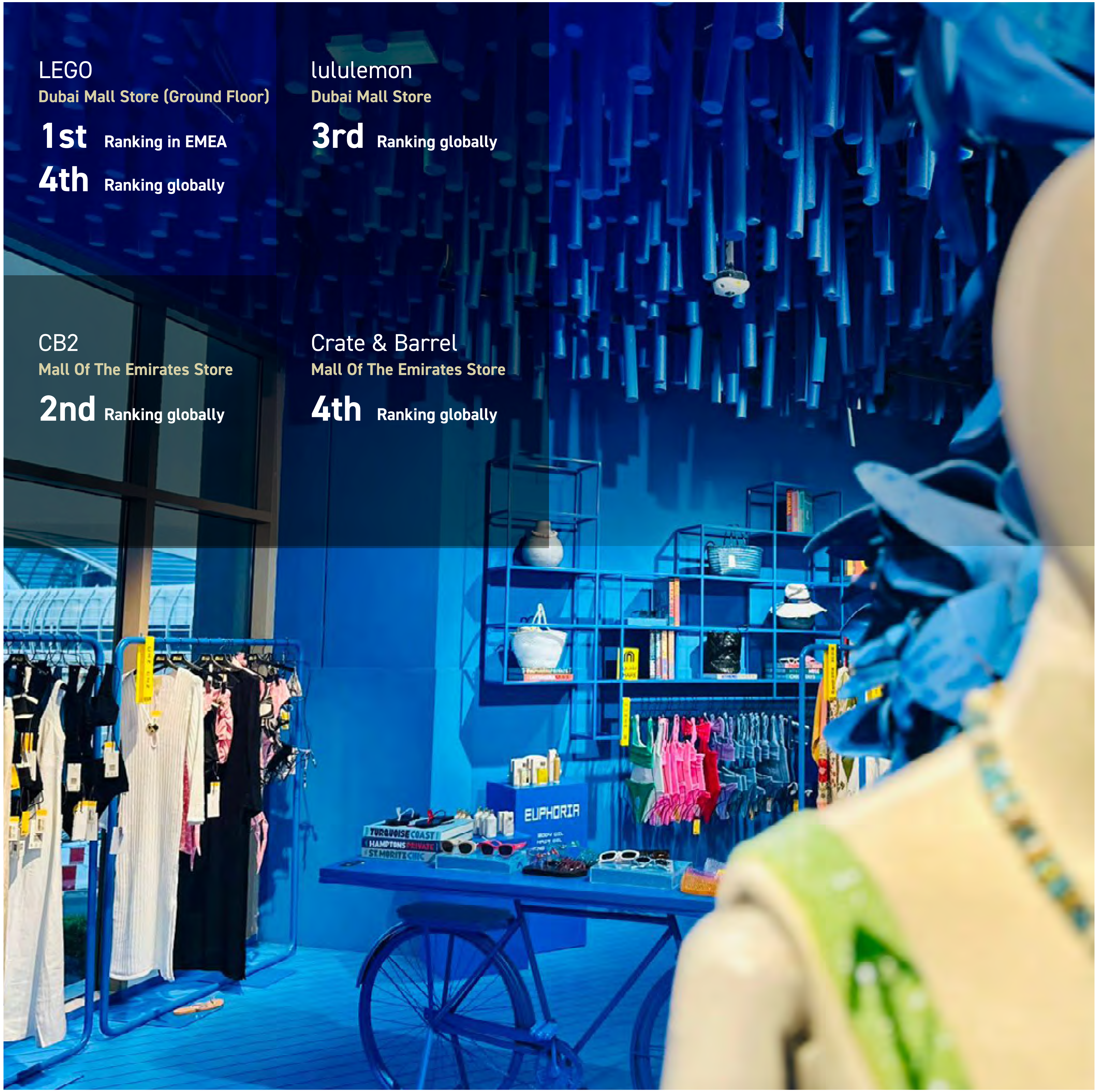
Our track record of creating high-impact retail experiences is further reflected in lululemon's expanded Dubai Mall location, now the largest store in the region and the brand's 3rd performing globally. LEGO's performance continues to grow from strength to strength, with our flagship Dubai Mall store recording 1.3 million visitors, ranking as the top-performing store in Europe, the Middle East, and Africa, and 4th globally.

These milestones are a testament to the strength of our ecosystem and our ability to deliver worldclass retail experiences that exceed the evolving expectations of the region's consumers.

Key Financial Highlights - Lifestyle

Revenue	EBITDA	Net Profit
AED**1.3bn**	AED**96mn**	AED**23mn**
(+26% vs 2023)	(+43% vs 2023)	(+118% vs 2023)

Total Stores	Footfall	Store Revenue	Online Revenue
85	AED **13.1mn**	AED **1.1bn**	AED **137mn**
	(+18% vs 2023)	(+25% vs 2023)	(+31% vs 2023)



LEGO
Dubai Mall Store (Ground Floor)

1st Ranking in EMEA

4th Ranking globally

lululemon
Dubai Mall Store

3rd Ranking globally

CB2
Mall Of The Emirates Store

2nd Ranking globally

Crate & Barrel
Mall Of The Emirates Store

4th Ranking globally

Spotlight on
A Style Gateway to MENA

Building on the momentum of surpassing AED 1 billion in sales, 2024 marked a significant milestone as our Lifestyle business achieved its first year of net profitability. This success is a direct result of bold decisions, sharp execution, and a relentless focus on our customers. By understanding local markets and building strong communities around global brands, we've mastered the art of creating relevance at scale.

As a trusted collaborator to global brands seeking to maximise their impact in the region, we focus on iconic and disruptive names that provide the sense of newness that the regional consumer craves. We preserve brand DNA while tailoring strategies to local markets, striking a balance that delivers experiences both authentic and relevant.

Innovation underpinned our efforts across all verticals in 2024. As digital commerce continues to reshape consumer behaviour, we embraced omnichannel transformation, resulting in a 31% increase in digital revenue, with online channels now contributing 13% to overall sales. From integrating Checkout.com into our payment ecosystem to launching e-commerce platforms for new brands, we continued to deliver seamless experiences for our customers. Advanced analytics have allowed us to personalise the shopping journey at every touchpoint, from product selection and store layouts to tailored marketing communication - an approach that helps in turn build greater loyalty by fostering deeper emotional connections.

While global brands boast universal appeal, localisation remains key to unlocking their full potential. By listening to customers, leveraging insights, and anticipating market needs, we ensure our offering remains fresh and relevant for an ever-evolving audience.

In a market filled with savvy, well-travelled consumers spoilt for choice, our focus remains on delivering fresh ideas and experiences that resonate and inspire.

Majid Al Futtaim Solutions

Our Solutions businesses continue to transform how Majid Al Futtaim operates through relentless innovation, operational excellence, and a strong focus on customer-centricity. Through the combined efforts of Global Solutions and Customer Solutions, we continue to deliver meaningful impact across our ecosystem and remain positioned for sustainable growth in a rapidly evolving world.

Global Solutions

Global Solutions, our shared services business, is integral to enhancing operational excellence at Majid Al Futtaim. With hubs in the UAE and Egypt, it has elevated core functions such as Technology, Finance, Procurement, Government Relations, and Human Capital, driving streamlined processes and greater consistency across the organisation. By fostering stronger collaboration on transformations such as 1ERP and Technology, Global Solutions continues to play a critical role in supporting Majid Al Futtaim's business resilience and long term-success.

Customer Solutions

Customer Solutions is designed to fuel business growth through five unified yet distinct offerings: SHARE Platform, Marketing Effectiveness Solutions, Customer Care Solutions, Payment Solutions, and Stored-Value Solutions. Through a customer-centric approach, it drives the delivery of scalable and impactful platforms and strategies that capture the hearts, minds, and wallets of our customers.

As a key enabler of sustainable, profitable growth, Customer Solutions ensures we stay relevant to our customers while creating lasting value for all stakeholders.

Global Solutions In Numbers

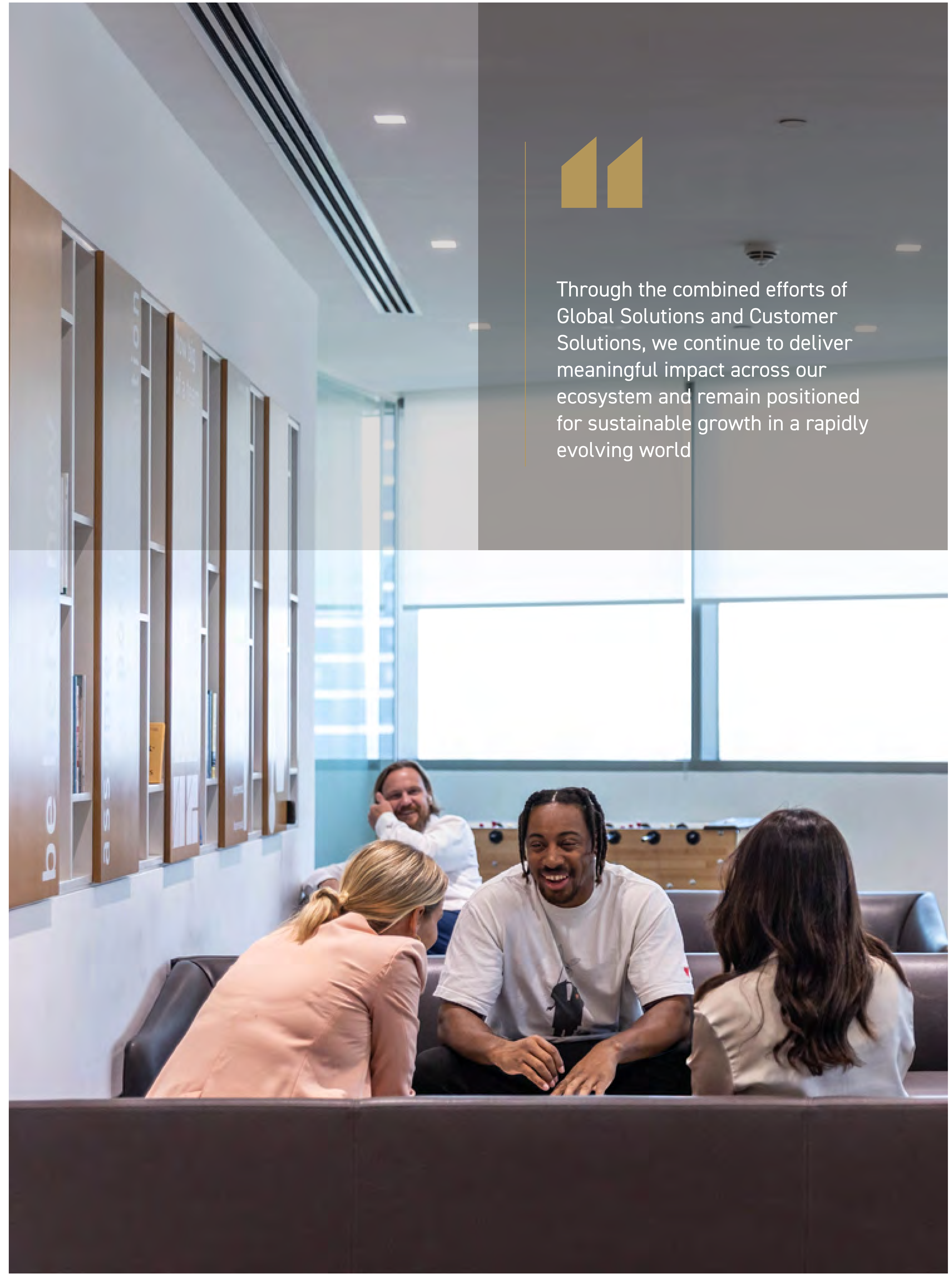
9,000
Man hours saved through robotic process automation

1ERP
Transformation programme rollout

Customer Solutions In Numbers

4m+
SHARE Loyalty members

5,000+
Stores in our malls offering Tabby forming the regions largest offline Buy Now, Pay Later network



> Through the combined efforts of Global Solutions and Customer Solutions, we continue to deliver meaningful impact across our ecosystem and remain positioned for sustainable growth in a rapidly evolving world

Spotlight on

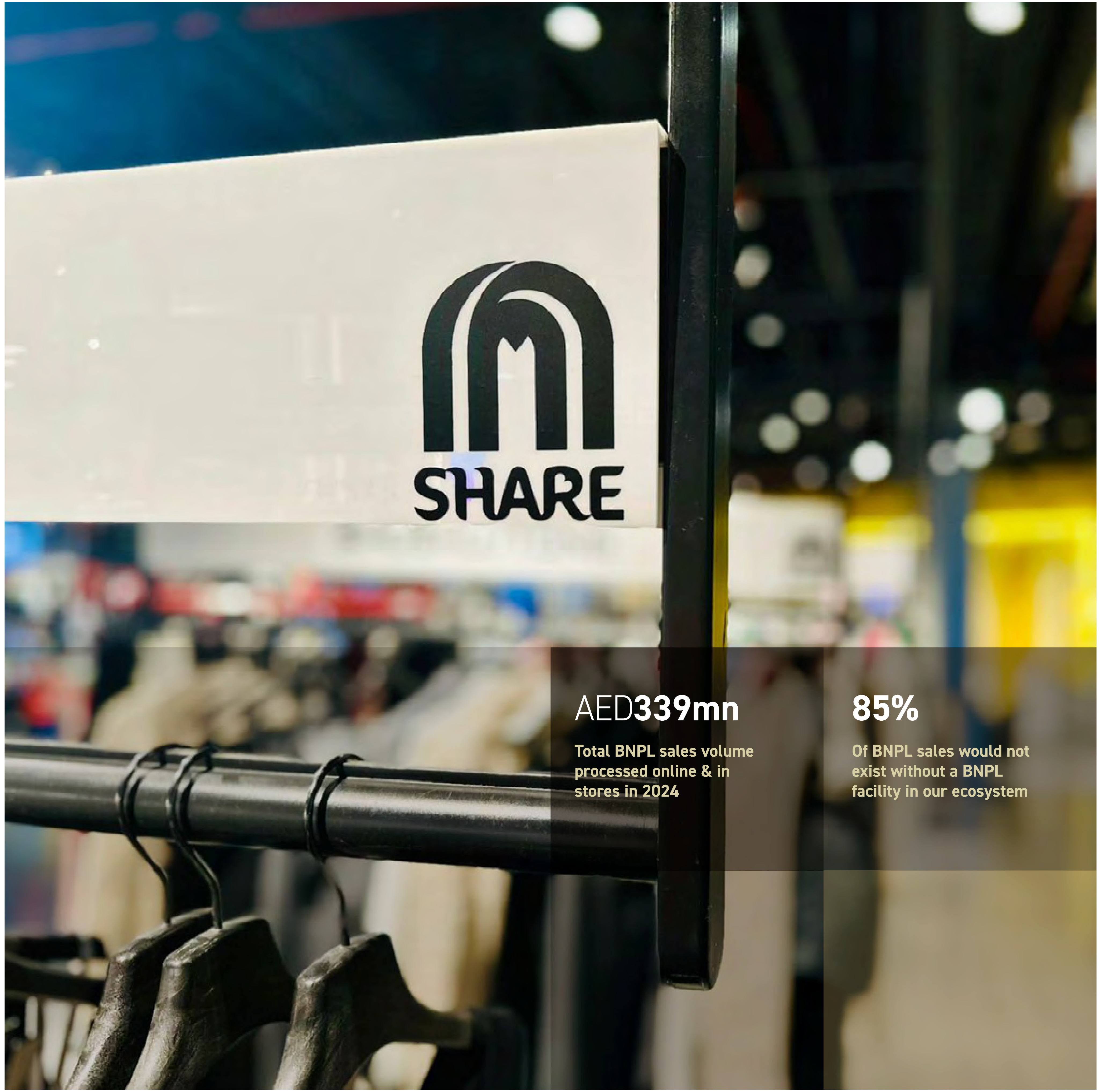
Creating the Region's Largest Offline Buy Now, Pay Later Network

Majid Al Futtaim's partnership with Tabby, launched in July 2023, continues to shape the shopping experience in the UAE. In 2024, Tabby's Buy Now, Pay Later (BNPL) service was added to the SHARE app, enhancing the SHAREPay digital wallet and offering customers seamless access to flexible payment options across the Group's shopping malls and extensive portfolio of brands.

The partnership delivered AED 253 million in BNPL transactions in the first 9 months, exceeding first-year projections of AED 100 million, and has driven a significant increase in average order value across key brands. Categories like Home and Luxury are strong drivers of this momentum, reflecting growing demand for premium shopping experiences enhanced by flexible payment options. Carrefour reported a 356% increase in online average order value and a 616% increase in in-store order value, while Crate and Barrel saw a 143% boost in online average order value - highlighting BNPL's broad appeal across diverse customer segments.

Tabby has also transformed how customers engage with Majid Al Futtaim brands. With an approximate 45% increase in purchase frequency, over 674,000 orders placed since launch, and 14% of shoppers engaging across multiple brands, these results highlight growing loyalty and deeper connections being built across the ecosystem.

With the evolution of this partnership, Majid Al Futtaim has established itself as the region's largest BNPL vendor. Flexible payments have become an integral element of our shopping ecosystem, enabling us to drive meaningful growth across our brands while maintaining our focus on delivering exceptional experiences at every touchpoint.



AED339mn

Total BNPL sales volume processed online & in stores in 2024

85%

Of BNPL sales would not exist without a BNPL facility in our ecosystem

Sustainability

In 2024, we remained resolute in our commitment to people and the planet, using this focus as a compass to drive meaningful impact. Guided by our 2050 Net Zero commitment, validated by the Science-based Targets Initiative, we continued to balance the priorities of today with the sustainable growth of our business and the region in which we operate.

We are committed to using innovation and market leadership to strengthen climate resilience. By integrating resilience measures into our buildings and communities and expanding our use of Nature-based Solutions, we unlock opportunities for long-term cost savings while advancing climate mitigation and adaptation.

Central to this approach is translating ambition into progress through clear actions and measurable outcomes. Over time, we have aligned our financial and sustainability strategies, creating greater accountability for the ESG impacts of our business activities. *Through our Green Finance Framework*, designed to guide the management and reporting of green capital issuances and fund projects in green building certifications, renewable energy, water efficiency, and energy efficiency, *we have raised a cumulative USD 4.95 billion, including the world's first benchmark corporate Green Sukuk in 2019*. Driving these efforts is a governance framework that integrates sustainability into every aspect of our operations, supported by independently assured environmental data performance to ensure transparency and alignment with global standards.

For the eleventh consecutive year, we received the Green Star designation from the Global Real Estate Sustainability Benchmark (GRESB), achieving a score of 87 in the Standing Investments benchmark, and 96 in the Development Benchmark. Notably, we were named the Region Sector Leader in the Non-Listed, Residential, Asia category.

Sustainability Highlights

95%
Group-wide annual sustainability targets achieved

3932
Green certified assets, residential units and neighbourhood communities

762
Assets, residential units, and neighbourhood communities certified green in 2024 alone

1mn
Single-use plastic bottles eliminated through air-to-water collaboration with the RTA

27%
Women in senior leadership positions

136
Suppliers attended 6 training sessions

Our commitment to sustainability also came to life through landmark projects like Ghaf Woods, a pioneering real estate development concept that brings forest living to Dubai by integrating locally sourced, adaptable plants to create green spaces in harmony with the region's ecological profile. This year, we also inaugurated the first net positive mosque in the region, dedicated to the memory of our late Founder, Mr. Majid Al Futtaim.

In support of our communities, we leveraged the breadth of our ecosystem to aid the Emirates Red Crescent's UAE Stands with Lebanon campaign. This included a $1 million pledge, the introduction of donation sites across our assets, and seamless access to make contributions via the SHARE and Carrefour apps, as well as our website. Beyond financial aid, our teams came together to participate in packing events organised by Emirates Red Crescent and Dubai Cares.

We continued to invest in our greatest asset, our people, creating opportunities for them to thrive and building a workforce that reflects the diversity and aspirations of the region. As part of our ongoing efforts to build a more inclusive and equitable workplace, women now make up 27% of leadership positions. This year, we also welcomed our 3,000th Emirati hire to Majid Al Futtaim, fulfilling our commitment to the NAFIS programme.

Rethinking Resources

Addressing climate change requires a balanced approach, combining mitigation and adaptation to reduce risks and build resilience across our business. Our efforts focus on reducing embodied carbon in new developments by 20%, enhancing energy efficiency in line with our Sustainable Building Policy and the World Green Building Council's net zero targets, and accelerating the shift to renewable energy through clean energy procurement and on-site generation.

To meet our carbon commitments, we prioritise energy efficiency with regular audits and annual reduction targets, while our Building Management Systems optimise utility consumption, with real-time tracking through smart meters.

In 2024, we expanded our green-certified portfolio to 3932 green certified assets, residential units and neighbourhood communities. The Tilal Al Ghaf Sales & Experience Centre, the region's first Net Positive Building, has been certified by the International WELL Building Institute while the Ghaf Woods Sales & Experience Centre was recognised as the Net Zero Energy Building Project of the Year at the 2024 MENA Green Building Awards. Additionally, Little Explorers became the world's first children's education facility to achieve the WELL Performance Rating Certification and was also honoured with the Healthy Spaces of the Year award at the 2024 MENA Green Building Council Awards.

We were also awarded the Dubai Chamber ESG Label, which replaces the CSR Label with an enhanced framework for assessing ESG readiness and driving business growth, in alignment with global best practices, and both local and international reporting standards. Having held the Dubai Chamber CSR Label for a decade, this transition and continued recognition reinforces our commitment to advancing sustainable business practices.

An additional five of our shopping malls - City Centre Alexandria, Maadi, Me'aisem, Nasseriya, and Mall of Egypt - achieved LEED Platinum certification under the US Green Building Council's Existing Buildings: Operations & Maintenance (EBOM) standard. Notably, the certifications for City Centre Nasseriya, Maadi, and Alexandria represent significant progress toward our Sustainability Linked Loan (SLL) KPI 2 targets, with just two malls remaining to be certified by 2025.

Transforming Lives

We drive regional economic and social progress, reduce environmental impact, and deliver lasting value for the communities we serve by building strategic partnerships that address critical sustainability challenges with innovative solutions.

In Dubai, our air-to-water initiative with the Roads and Transport Authority converts atmospheric humidity into clean drinking water. Since 2022, the dispensers have generated over 500,000 litres of potable water, significantly reducing reliance on traditional water sources and eliminating the need for more than 1 million single-use plastic bottles. Redeployed in 2024 to include delivery driver rest areas, the innovative dispensers continue to provide our communities with a sustainable water source while further reducing reliance on conventional resources and plastics.

In rural Kenya and Uganda, our partnership with non-profit social enterprise, Project Maji, has delivered over 3.2 million litres of clean water, addressing water scarcity while improving health outcomes and empowering communities with reliable access to a vital resource.

Since 2019, we have worked closely with our Tier 1 suppliers, equipping them with the knowledge and tools to align with our sustainability strategy, minimum sustainability requirements, human rights policies, and Scope 3 targets. In 2024, we took this commitment further, delivering 6 targeted training sessions,attended by 136 participants, reinforcing our commitment to responsible sourcing practices and driving measurable progress toward climate action across our supply chain.

Empowering Our People

Our organisational culture is built on empowering employees to take charge of their personal and professional growth, equipping them with the tools, knowledge, and support to thrive in a dynamic and ever-evolving world.

Recognising the role of sustainability in addressing global challenges and ensuring long-term competitiveness, we have integrated it into training at all levels. In 2024, we introduced uLearn, a month-long initiative offering expert-led workshops and insights into emerging trends, designed to future-proof our workforce with the skills of tomorrow. We continued investing in local talent through programmes like the UAE National Leadership Academy, offering tailored leadership development modules in collaboration with renowned institutions such as Stanford, Wharton, and Yale. Additionally, we launched the People Management Academy in partnership with Harvard Corporate Learning, which is set to empower over 2,000 managers across the organisation to excel as leaders, share their growth, and drive our refounding journey towards becoming a future-fit organisation.

In partnership with the United Nations Global Compact, we furthered our efforts to build more accountable and ethical supply chains by providing specialised training to suppliers, prioritising fair labour practices and the protection of human rights.

As of 2024, women held 27% of senior leadership positions at Majid Al Futtaim, positioning us to achieve 32% representation by 2026, in line with the diversity target set in our Sustainability Linked Loan. This milestone reflects our alignment with the global 30% Club and our enduring commitment to creating a more equitable and inclusive workplace.

With 27,000 engagements delivered in 2024, Wellness Week highlighted our holistic approach to employee wellbeing. This year, we expanded our focus on Diversity and Inclusion with financial literacy workshops, unconscious bias training, sound healing sessions, and an exhibition highlighting artwork by people of determination.

> In 2024, we remained resolute in our commitment to people and the planet, using this focus as a compass to drive meaningful impact

Through its design and purpose, the Majid Al Futtaim mosque establishes a new precedent for the intersection of architecture, faith, and sustainability - a lasting symbol of progress and community for generations to come

Spotlight on

Majid Al Futtaim mosque

In November 2024, we unveiled the first net positive mosque in the region, named after our late founder Mr. Majid Al Futtaim. A reflection of his enduring legacy, the Majid Al Futtaim mosque has been thoughtfully designed in partnership with Dubai's Islamic Affairs and Charitable Activities Department as a cornerstone of the Tilal Al Ghaf community, blending sustainable design principles with Islamic values.

The landmark project is on track to be the first bespoke development to achieve BREEAM certification. Its design incorporates cutting-edge energy-saving and carbon-reducing technologies, including 203 solar panels that generate 115% of the mosque's energy needs, with excess power being fed back to the local grid. Additional innovations such as a solar-powered hot water system, LED lighting, and an advanced Building Management System optimise energy consumption across the space.

The Majid Al Futtaim Mosque is a deliberate response to both the challenges and opportunities of our time. Through its design and purpose, it establishes a new precedent for the intersection of architecture, faith, and sustainability - a lasting symbol of progress and community for generations to come.

Financial Results and Highlights

For the year ended December 31, 2024, the Group demonstrated resilient performance through strategic focus on operational excellence and targeted cost management. Despite challenging market conditions in our Retail segment, we successfully strengthened our operational processes and productivity across the business, resulting in sustained profitability and organisational growth. Our disciplined approach to operational management and strategic initiatives translated into strong financial results for FY 2024.

2024 Business Performance: Management Discussion and Analysis

This Management Discussion and Analysis is designed to provide the reader with a narrative explanation from management of how we performed, as well as information about our financial condition. We recommend that you read this in conjunction with our consolidated financial statements.

Overview

Unless otherwise indicated or the context otherwise requires, references in this discussion to "we," "our," "us" and "the Group" are to Majid Al Futtaim Holding LLC and its subsidiaries. Any reference to "Parent Company" shall mean Majid Al Futtaim Capital LLC.

We prepare our consolidated financial statements in United Arab Emirates Dirhams ("AED") in accordance with IFRS Accounting Standards (IFRS), as issued by the International Accounting Standards Board (IASB).

In this management's discussion and analysis, we discuss our results on both an IFRS and non-IFRS basis. We use non-IFRS measures as supplemental indicators of our operating performance and financial position. We believe non-IFRS financial measures provide insight into our performance. Non-IFRS measures do not have standardised meanings prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies and should not be viewed as alternatives to measures of financial performance calculated in accordance with IFRS.

Our non-IFRS financial measures include:
- NOPAT[1] and related margin;
- Adjusted EBITDA[2] (referred to as EBITDA) and related margin; and
- Net debt

Majid Al Futtaim Holding Consolidated

Throughout 2024, the Group demonstrated the resilience of its diversified business model, with complementary portfolios helping to navigate varying economic conditions. The Group's commitment to financial discipline and strategic portfolio management delivered solid performance in Properties and Lifestyle segments, offsetting challenges in Retail. Despite regional geopolitical tensions creating economic headwinds, we maintained strong cash flow generation and balance sheet stability.

For 2024, the Group recorded revenue of AED 33,951 million, representing a 2% decrease from the prior year, primarily attributable to subdued consumer sentiment in Group's Retail business across regional markets. Despite revenue headwinds, the Group maintained strong operational performance, with EBITDA increasing marginally to AED 4,577 million compared to AED 4,553 million in 2023. NOPAT demonstrated positive momentum, increasing 3% to AED 3,174 million. However, net profit decreased 6% to AED 2,539 million, primarily due to lower investment property valuation gains and higher tax charge compared to the previous year.

[1] "Net Operating Profit After Tax (NOPAT)", (non-GAAP measure) which represents the Group's income from operations if it had no debt (no interest expense). NOPAT is calculated based on the net profit after tax for the financial period, adjusted for unrealised valuation gains or losses on investments (if any) and land and buildings, pertaining to investment properties and property, plant and equipment, net impairment losses / reversals on non-financial assets, net finance costs, net foreign exchange gains / losses and deferred tax charge / benefit*

* Starting January 1, 2024, the Group refined the NOPAT calculation to exclude deferred tax impacts. The comparative NOPAT for FY 2023 has been restated from the previously reported AED 2,920 million to reflect this change.

[2] The Group's measure of segment performance, adjusted EBITDA (non-GAAP measure), is defined as NOPAT, as defined earlier, which is adjusted for depreciation and amortisation, equity accounted income (loss) – net, other nonrecurring items, and to remove the impact on operating profit of IFRS 16 Leases as if IAS 17 Leases applied. The adjustment to remove the impact of IFRS 16 accounting also recognises lease costs within operating profit as if IAS 17 Leases applied. IAS 17 was the predecessor lease accounting standard and was replaced by IFRS 16 for financial periods beginning on or after 1 January 2019. Management excludes one-off exceptional items as part of its adjustments on other non-recurring items in order to focus on results excluding items affecting comparability from one period to the next. Adjusted EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles and the adjusted EBITDA measure used by the Group may not be comparable to other similarly titled measures of other companies.

Consolidated Income Statement Analysis

The following are key financial highlights from Group's performance for the year ending 31 December 2024 and 31 December 2023:

(AED in Million)	2024	2023	Variance
Revenue	33,951	34,497	(546)
Valuation gains on property portfolio	1,009	1,848	(839)
Impairment loss - net	(343)	(921)	578
Net profit	2,539	2,701	(162)
EBITDA	4,577	4,553	24
NOPAT	3,174	3,085	89
EBITDA margin	13.5%	13.2%	0.3%
NOPAT margin	9.3%	8.9%	0.4%

Group **revenue** decreased 2% to AED 33,951 million in 2024, reflecting mixed performance across Group's businesses. Properties demonstrated strong growth with gross revenue increasing 23% to AED 9,102 million, complemented by Lifestyle segment's 26% growth to AED 1,304 million. However, these were offset by a 10% decline in Retail revenue to AED 22,187 million and a 3% decrease in Entertainment revenue to AED 1,718 million. The decline in revenue was primarily due to intense market competition, subdued consumer sentiment across geographies impacting Retail's business, and the impact of currency devaluation in Egypt.

Valuation gains on land and buildings amounted AED 1,301 million in 2024, compared to AED 2,313 million in 2023. Of this, AED 1,009 million was recognised in profit and loss (2023: AED 1,848 million), while AED 292 million was recorded under revaluation reserve in other comprehensive income (2023: AED 465 million). These gains primarily reflected the robust performance of our UAE property portfolio, with asset valuations across other markets remaining stable, except for Lebanon, where valuation was impacted by the country's geopolitical challenges.

The Group recorded a **net impairment loss** of AED 298 million in 2024, predominantly attributable to Retail business accounting for AED 222 million. This includes goodwill impairment of AED 64 million against the goodwill balance of AED 1,021 million originally recognised on Retail Arabia acquisition in 2017. The remaining Retail impairment charges reflect store-level performance challenges across markets amid an increasing competitive operating environment.

Impairment charges in other businesses were primarily on account of the cost considered unrecoverable following strategic portfolio realignment across markets.

EBITDA remained resilient and grew marginally to AED 4,577 million compared to AED 4,553 million in 2023. Notwithstanding the decline in revenue, the EBITDA margin improved by 30 basis points to 13.5%, reflecting the Group's effective cost management and operational efficiency initiatives.

The margin growth was driven by improved profitability across segments, particularly benefiting from high-margin revenue recognition from residential unit deliveries in our Development business. However, this was partially offset by margin compression in the Retail business, where the pace of fixed cost optimisation lagged behind the decline in revenue.

NOPAT increased 3% to AED 3,174 million from AED 3,085 million in 2023, with NOPAT margin improving to 9.3% from 8.9%. This growth was achieved despite higher tax charges following the introduction of UAE Corporate Tax effective January 1, 2024.

The following table shows a reconciliation of the Group's EBITDA and NOPAT to Net profit as shown in the consolidated statement of profit or loss and other comprehensive income for the year ending 31 December 2024 and 2023, respectively:

(AED in Million)	2024	2023	Variance
Net profit Adjustments for:	**2,539**	**2,701**	**(162)**
Fair value changes	(1,009)	(1,848)	839
Finance costs - net	878	1,016	(138)
Foreign exchange loss - net	417	151	266
Net loss from investments carried at FVTPL	(3)	23	(26)
Impairment loss on non-financial assets - net	298	877	(579)
NOPAT (previously reported)*	3,120	2,920	200
Deferred tax charge	54	165	(111)
NOPAT	**3,174**	**3,085**	**89**
Depreciation and amortisation	2,083	2,146	(63)
Equity accounted income - net	(143)	(100)	(43)
Income tax expense	370	163	207
Other non recurring items	(81)	80	(161)
Rent expense de-recognised on adoption of IFRS 16	(826)	(821)	(5)
Adjusted EBITDA	**4,577**	**4,553**	**24**

* Starting January 1, 2024, the Group refined the NOPAT calculation to exclude deferred tax impacts. The comparative NOPAT for FY 2023 has been restated from the previously reported AED 2,920 million to reflect this change.

Analysis of Operating Companies

The following is a discussion of our reportable segments and corporate costs.

(AED in Million)	Revenue			EBITDA			NOPAT			Net Profit		
	2024	2023	Change	2024	2023	Change	2024	2023	Change	2024	2023	Change
Properties	9,102	7,383	1,719	4,234	3,649	585	3,833	3,377	456	4,120	4,189	(69)
Retail	22,187	24,654	(2,467)	381	1,061	(680)	19	610	(591)	(500)	418	(918)
Entertainment	1,718	1,777	(59)	164	193	(29)	(83)	(100)	17	(137)	(865)	728
Lifestyle	1,304	1,032	272	96	67	29	40	25	15	23	(129)	152
HO / unallocated	87	116	29	(298)	(417)	119	(414)	(523)	109	(398)	(513)	115
Total Segments	34,398	34,962	(564)	4,577	4,553	24	3,395	3,389	6	3,108	3,100	8
Adjustments/ Eliminations	(447)	(465)	18	-	-	-	(221)	(304)	83	(569)	(399)	(170)
Total	**33,951**	**34,497**	**(546)**	**4,577**	**4,553**	**24**	**3,174**	**3,085**	**89**	**2,539**	**2,701**	**(162)**

Majid Al Futtaim Properties ("Properties")
Properties gross revenue increased 23% to AED 9,102 million from AED 7,383 million in 2023. This growth was primarily driven by Tilal Al Ghaf, which delivered a 64% increase in revenue, complemented by higher rental income from UAE-based shopping malls on the back of strong tenant sales performance.

EBITDA grew 16% to AED 4,234 million from AED 3,649 million in 2023, while NOPAT increased 14% to AED 3,833 million from AED 3,377 million. Despite this growth, overall EBITDA margin declined by 290 basis points to 46.5%, reflecting a change in business mix as the Development business EBITDA contribution increased from 17% to 25%. At an individual business unit level, shopping malls improved EBITDA margin by 20 basis points, while Development business EBITDA margin improved by 180 basis points.

Net Profit decreased 2% to AED 4,120 million from AED 4,189 million in 2023. This decline was primarily attributable to lower valuation gains of AED 1,099 million compared to AED 2,016 million in 2023 and an increase in tax charge. The impact was partially mitigated by reduced impairment charges of AED 18 million, down from AED 378 million in the prior year.

Shopping Malls business
Shopping malls demonstrated strong operational performance, maintaining high occupancy levels[3] of 97%, an increase of 140 basis points from the prior year. The Group's shopping malls attracted 229.5 million visitors in 2024, with tenant sales reaching a record AED 30 billion, representing 2% growth from 2023. This robust performance drove shopping malls revenue to AED 3,860 million from AED 3,692 million.

Asset valuations demonstrated continued strength, with the Group recording total valuation gains of AED 1,093 million, predominantly from UAE shopping malls, led by the robust performance of Mall of the Emirates ('MoE'), the Group's flagship asset in the UAE.

Hotels business
The Group's core hotel portfolio maintained strong operational performance. Revenue declined 16% to AED 589 million from 2023, primarily due to the strategic divestment of non-core hotel assets in the UAE, which was completed in the first half of 2024.

Development business
The Development business delivered exceptional growth, with revenue increasing 64% to AED 4,374 million. The business achieved EBITDA of AED 1,078 million and NOPAT of AED 1,232 million, both representing 77% and 76% growth from 2023, respectively. Tilal Al Ghaf, our flagship community, reached a significant milestone with 5,000 residents now calling it home, following the successful handover of 499 units during the year.

Additionally, the launch of our new Ghaf Woods residential community demonstrated strong market acceptance, generating gross sales of AED 2,574 million.

[3] Excludes City Centre Beirut

Majid Al Futtaim Retail ("Retail")
Retail's revenue declined 10% to AED 22,187 million from AED 24,654 million in 2023, primarily affected by subdued consumer sentiment amid regional geopolitical tensions and the impact of currency devaluation in Egypt.

In-store sales, which represent the business's primary revenue stream, decreased 13% to AED 19,474 million, reflecting intensified market competition and continued pressure on consumer spending. In contrast, online sales demonstrated strong growth, increasing 14% to AED 2,713 million, as digital channels continued to gain traction.

Retail EBITDA decreased to AED 381 million from AED 1,061 million in 2023, representing a 64% decline. The reduction in EBITDA and corresponding margin contraction of 260 basis points primarily resulted from a reduction in total commercial margin, coupled with the structural challenge of aligning fixed cost reductions with the pace of revenue decline.

NOPAT also registered a decline of 97% to AED 19 million from AED 610 million in 2023 as revenue declined and margins declined. Net loss of AED 500 million in comparison to net profit of AE 418 million in 2023 was primarily attributable to higher impairment charge recognised this year.

Majid Al Futtaim Entertainment (“Entertainment”)
Revenue for the year 2024 was AED 1,718 million which was slightly lower by 3% as compared to last year revenue of AED 1,777 million. The Cinemas business maintained stable revenue of AED 1,426 million (2023: AED 1,430 million) despite expected slowness due to the impact of regional conflict and pipeline challenges on content. Leisure and Entertainment revenue declined 16% due to the impact of increase in competition and closure of certain sites.

EBITDA decreased 15% to AED 164 million from AED 193 million in 2023, while NOPAT, although remaining negative at AED 83 million, improved 17% from a loss of AED 100 million in the prior year.

The business continued to strengthen its regional entertainment portfolio with the launch of Activate at City Centre Mirdif, the first location in the MENA region. This state-of-the-art facility, developed in partnership with Canadian gaming innovator Activate Games, introduces the world's first active gaming experience to our customers. The business also refurbished its flagship VOX asset at Mall of the Emirates and newly acquired site at Dubai Festival City Mall and expanded its footprint in Saudi Rabia with the opening of new VOX in Jeddah Park Mall.

Majid Al Futtaim Lifestyle (“Lifestyle”)
Lifestyle delivered strong growth with revenue increasing 26% to AED 1,304 million from AED 1,032 million in 2023. EBITDA grew 43% to AED 96 million from AED 67 million, while NOPAT increased 64% to AED 40 million from AED 25 million in the prior year.

Lifestyle continued to scale its retail footprint with 17 new store openings during the year, strengthening its portfolio of eleven leading franchise brands.

Majid Al Futtaim Global Solutions (“Global Solutions”)
Global Solutions strengthened its position as the Group's integrated shared services hub, delivering key support functions across the organisation. Operating and unallocated costs decreased to AED 17 million from AED 46 million in 2023, while maintaining strategic investments in technology infrastructure and organisational capabilities to enhance process efficiency and drive operational improvements across the Group.

(AED in Million)	2024	2023	Variance
Total assets	68,813	69,749	(936)
Net debt	13,943	14,947	(1,004)
Total equity	34,933	33,358	1,575
Total equity excluding goodwill	33,879	32,217	1,662
Net debt to equity*	41.2%	46.4%	-5.2%

* Total equity has been reduced by goodwill to calculate net debt to equity ratio as per Group's debt covenants.

Analysis of Financial Position

Total assets decreased to AED 68,813 million mainly due to currency losses and sale of certain non-core assets. This was partially offset by valuation gains of AED 1,301 million on the Group's property portfolio.

Total equity increased from AED 33,358 million at 31 December 2023 to AED 34,933 million. The increase was mainly driven by net profit for the year of AED 2,539 million and net valuation gains of AED 259 million. The positive impact was partially offset by currency translation losses of AED 636 million, the buy-out of remaining minority interests in a KSA subsidiary for AED 366 million, and hybrid instrument coupon payments of AED 238 million.

Capital Expenditure

Capital expenditure for FY 2024 amounted to AED 1,774 million, compared to AED 1,968 million in 2023. Properties accounted for AED 1,000 million of total capex, primarily towards operational maintenance and routine upgrades across Shopping Malls portfolio.

In Retail, capital expenditure decreased to AED 331 million from AED 407 million in the prior year, reflecting strategic cost management in response to margin pressures and sales challenges. Despite this overall reduction, Retail maintained strategic investments in strengthening its fulfilment infrastructure and last-mile delivery capabilities to support omni channel growth.

Global Solutions continued its strategic technology investments in 2024, with capital expenditure of AED 155 million primarily directed towards the Group's One-ERP program and digital infrastructure initiatives. These investments align with our long-term strategy to enhance operational efficiency through integrated enterprise systems, and digital transformation. The One ERP program remains a cornerstone of the Group' technology roadmap, providing a unified platform that enables business-wide digital innovation and data-driven decision making.

The Group’s capital commitments amounted to AED 3,476 million as of 31 December 2024 and were mainly in relation to Tilal Al Ghaf and Ghaf Woods community development projects. The Group has cash held in escrow accounts amounting to AED 3,762 million (2023: AED 3,623 million) to cover the development costs for the project.

Liquidity and Capital Resources

The Group maintains its strategic focus on operational excellence and balance sheet optimisation, ensuring a resilient financial structure with disciplined leverage that supports sustainable, long-term growth.

The Group's net debt position improved to AED 13,943 million, representing a reduction of AED 1,004 million from AED 14,947 million in the prior year. This deleveraging was mainly achieved from realisation of proceeds from strategic divestment of non-core assets and collection of long-term capital advances, complemented by stronger operational cash flows. However, the positive impact was partially offset by working capital requirements of AED 1,375 million.

The Group manages its liquidity through a combination of cash and cash equivalents and available committed credit facilities.

Facility utilisation levels fluctuate throughout the year as the Group draws down to fund working capital and capital expenditure requirements. These drawings are subsequently repaid through cash generated from operations and any divestiture proceeds included within investing activities.

The Group will continue to fund its operations, working capital requirements and capital expenditure primarily through operating cash flows and established credit facilities.

Operating activities generated strong cash flows of AED 3,833 million in 2024, an increase from AED 3,349 million in 2023. While working capital requirements remained high due to the long-term nature of our property development business, we maintained effective working capital management in our Retail segment despite the sales decline.

(AED in Million)	2024	2023	Variance
Operating activities	3,833	3,349	484
Investing activities	(253)	(1,725)	1,472
Financing activities	(4,437)	(1,411)	(3,026)
Free cash flows			
Cash flows from operating and investing activities	3,580	1,624	1,956
Payments against lease liabilities	(815)	(872)	57
Free cash flows	2,765	752	2,013

(AED in Million)	2024	2023	Variance
Committed credit facilities	13,892	14,260	(368)
Drawings on committed credit facilities	(5,597)	(6,841)	1,244
Undrawn committed facilities	8,295	7,419	876
Net finance cost	(878)	(1,016)	138
Net finance cost ex lease obligations	654	796	(142)

Net finance cost decreased, driven by higher interest income from bank deposits and cash balances, which benefited from the elevated interest rate environment throughout the year. This increased yield on cash holdings, combined with reduced interest expense on borrowings following the Group's deleveraging in the latter part of the year, contributed to the overall improvement in net finance cost.

Investing activities utilised cash primarily for routine capital expenditure across all businesses. This was partially offset by one-off inflows of AED 1,105 million, primarily comprising net proceeds of AED 722 million from the divestment of non-core hotel assets, AED 205 million from the sale of a joint venture interest, and AED 108 million representing the first installment of a capital advance settlement.

The amount drawn on the Group's committed credit facilities decreased to AED 5,597 million on 31 December 2024, compared to AED 6,841 million at 31 December 2023.

In May 2024, the Group completed the settlement of its USD notes program by repaying the remaining USD 283.6 million (AED 1,042 million) at maturity. These notes were part of the original USD 800 million program issued in two tranches in May 2014 and July 2016, of which USD 516.4 million was previously settled in 2023.

As at 31 December 2024, the Group was in compliance with all financial and non-financial covenants as illustrated in the table.

Covenant	
Net worth must be greater than AED 15 billion*	33.9
Net debt to equity ratio must be 70% or less	41.2%
Interest cover must be greater than 2:1	7.1:1
Percentage of assets pledged not to exceed 49%	0.0%

* Total equity has been reduced by goodwill to calculate net debt to equity ratio as per Group's debt covenants.

ماجد الفطيم
MAJID AL FUTTAIM

GREAT MOMENTS
FOR EVERYONE,
EVERYDAY

Majid Al Futtaim Holding LLC

Consolidated Financial Statements

Year ended 31 December 2024

Contents

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM HOLDING LLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Majid Al Futtaim Holding LLC (the "Company'') and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 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 (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "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.

Emphasis of matter

We draw attention to notes 16.3 and 16.4 to the consolidated financial statements, which describes the estimation uncertainty in the assessment of the fair value of certain investment properties and certain categories of property, plant and equipment located in Lebanon. Our conclusion is not modified in respect of this matter.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM HOLDING LLC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

<table>
<tr><th colspan="2">Valuation of investment properties and certain categories of property, plant and equipment (land and buildings)</th></tr>
<tr><th>Key Audit Matter</th><th>How the Key Audit Matter was addressed in our Audit</th></tr>
<tr><td>The Group's properties segment includes shopping malls, hotels and certain parcels of land. These properties are classified as investment properties and property, plant and equipment based on its underlying nature.

As at 31 December 2024, the carrying value of the investment properties amount to AED 36,504 million and property, plant and equipment amount to AED 9,941 million.

In accordance with the Group's accounting policy, such properties are carried at fair value as at each reporting date as determined by an independent real estate valuer ("the valuer") engaged by the Group.

The valuation process involves significant judgements and estimates in determining the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving at the significant unobservable inputs and changes in such assumptions can have a significant impact to the valuation of the underlying properties.

The effect of these matters is that, as part of our risk assessment, we determined that the valuation of properties has a high degree of estimation uncertainty, with a potentially significant range of reasonable outcomes on the underlying valuation.</td><td>We have performed the following procedures:
- Obtained and understood the Group's processes and underlying controls to undertake valuation of investment properties and certain categories of property, plant and equipment. We performed walkthrough over the process and design of those controls.
- We assessed the competence and capabilities of the external valuers engaged by the Group and considered their objectivity, independence and scope of work to determine whether their valuation approach and methodology was appropriate in determining the fair value of those properties.
- We read the valuation reports for the properties and confirmed that the valuation approach for each was in accordance with RICS Valuation – Global Standards.
- We involved our internal valuation specialists to review the valuation methodology, key assumptions and critical judgements used in determining the fair value.
- On a sample basis, we performed testing on the data inputs underpinning the investment properties and certain categories of property, plant and equipment by agreeing the inputs to the underlying property records on a sample basis, to satisfy ourselves of the property information supplied to the external valuers by the Group's management. Where applicable, we agreed tenancy information to supporting evidence on a sample basis. For those properties subject to fair valuation which are under development, we confirmed that the supporting information for construction contracts and budgets, which was supplied to the external valuers, was also consistent with the Group's records, for example, by inspecting minutes of the meetings of the Board of Directors for approvals of budgets for such developments. We agreed the amounts per the valuation reports to the accounting records.
- We evaluated year on year movements of significant valuation assumptions with reference to published benchmarks, if any. Where assumptions were outside the expected range or showed unexpected movements based on our knowledge, we undertook further investigations, held further discussions with the Group's management and external valuers and obtained evidence to understand rationale and support explanations received.
- Ensured that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of International Financial Reporting Standards.</td></tr>
</table>

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Supplier rebates, incentives, benefits and other considerations ("supplier rebates")	
Key Audit Matter	**How the Key Audit Matter was addressed in our Audit**
As part of the Group's retail operations, the Group recognised supplier rebates, incentives, benefits and other considerations amounting to AED 3,635 million during the year ended 31 December 2024. These supplier rebates are based on contractual arrangements with suppliers and are primarily related to the purchases made from such suppliers and incentives, benefits and other considerations received as well. There are a large number of such contractual arrangements with suppliers from whom the Group receives such rebates and other benefits. Each such arrangement is intricate with its own terms of the buying arrangements, performance conditions and relates to high volume, variety and categorization of items of different nature. This requires a detailed understanding of the contractual arrangements as well as the process put in place to ensure that the supplier rebates is appropriately calculated taking into consideration such contract terms, complete and accurate source data. Considering the large number of supplier contracts and the inherent complexity in estimating the supplier rebates, we considered accounting for supplier rebates to be a key audit matter.	We have performed the following procedures: - Read the Group's revenue recognition accounting policy and assessed whether it is in accordance with the requirements of International Financial Reporting Standards. - Obtained and understood the Group's processes and underlying controls to evaluate contractual arrangements with suppliers and estimate the rebates We performed walkthrough over the process and design of those controls. - We involved our specialists to test the information technology (IT) general controls and application controls relating to the merchandising and supplier benefits application employed by the Group's management. On a sample basis, we tested the configuration to calculate such rebates, the restriction over access to configure or update terms of supplier rebates in the IT application and the related interface to the financial application(s). - On a sample basis, we tested the calculation of the supplier rebates to the underlying contractual arrangements. We tested the underlying source data and basis thereof for the calculation of such supplier rebates. - On a sample basis, we requested for the supplier statement of accounts and tested whether the supplier balances are recorded in the correct period, and reconciliation items if any are reviewed and recorded by the Group's management. Where responses from suppliers were not received, we performed alternative procedures such as tracing to underlying contractual arrangements, review of underlying invoices, debit notes issued to suppliers and subsequent payments. - On a sample basis, we tested the year-end supplier rebate accruals to assess whether performance obligations have been fulfilled traced subsequent settlement, if any. - We performed revenue and gross margin analysis to understand trends by product category in order to identify, and test anomalies, if any, which may indicate potential errors in accounting for supplier rebates and benefits. - Ensured that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRS Accounting Standards.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM HOLDING LLC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

Other information comprises the information included in the Annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of Management and the Board of Directors 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 in compliance with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 judgement 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.

Report on the Audit of the Consolidated Financial Statements (continued)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM HOLDING LLC (continued)

Report on Other Legal and Regulatory Requirements

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

i) the Company has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021;

iv) the financial information included in the Directors' report is consistent with the books of account of the Company;

v) investments in shares and stocks during the year ended 31 December 2024, if any, are disclosed in note 17.2 and 18.3 to the consolidated financial statements;

vi) note 27 reflects 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 Company has contravened during the year ended 31 December 2024, any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Memorandum of Association which would have a material impact on its activities or its consolidated financial position as at 31 December 2024; and

viii) note 11.4 reflects the social contributions, if any, made during the year ended 31 December 2024.

For Ernst & Young

Anthony O'Sullivan
Registration No: 687

21 March 2025
Dubai, United Arab Emirates

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December

(AED in millions)	Note	2024	2023
Revenue	9.3	33,951	34,497
Cost of sales	10.3	(21,356)	(21,790)
Operating expenses	11	(9,237)	(9,443)
Finance costs - net	12.2	(878)	(1,016)
Other expense - net	13	(329)	(223)
Net gain / (loss) from investments carried at fair value through profit or loss	18.3	3	(23)
Impairment loss on non-financial assets - net	14.3	(298)	(877)
Impairment loss on financial assets - net	14.4	(45)	(44)
Share of profit in equity-accounted investees - net of tax	17.3 & 17.4	143	100
Profit before net valuation gains on land and buildings		1,954	1,181
Net valuation gain on land and buildings	16.5.1	1,009	1,848
Profit before tax		2,963	3,029
Income tax expense - net	15.2	(424)	(328)
Profit for the year		2,539	2,701
Profit for the year attributable to:			
- Owners of the Company		2,485	2,755
- Non-controlling interests		54	(54)
Profit for the year		2,539	2,701
Profit for the year		2,539	2,701
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Net valuation gain on land and buildings	16.4.2	292	465
Deferred tax on revaluation of land and buildings	15.4 & 15.5	(33)	2
Remeasurement gain/(loss) on defined benefit plans - net	31.2.3	29	(4)
		288	463
Items that are or may be reclassified subsequently to profit or loss:			
Foreign operations - foreign currency translation differences	32.7	(636)	(449)
Net change in fair value of cash flow hedges - net of deferred tax	12.4	39	(18)
		(597)	(467)
Total other comprehensive income for the year		(309)	(4)
Total comprehensive income for the year		2,230	2,697
Total comprehensive income for the year attributable to:			
- Owners of the Company		2,176	2,748
- Non-controlling interests		54	(51)
Total comprehensive income for the year		2,230	2,697

The notes on pages 14 to 86 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 6.

Consolidated statement of financial position as at 31 December

(AED in millions)	Note	2024	2023
Non-current assets			
Property, plant and equipment	16.4	9,941	11,457
Investment property	16.5	36,504	35,687
Right-of-use assets	16.6	2,907	3,016
Equity-accounted investees	17.2	861	845
Investments held at fair value through profit or loss	18.3	17	14
Intangible assets and goodwill	19.2	1,619	1,688
Deferred tax assets	15.4	140	125
Other non-current assets	20	2,254	1,673
Total non-current assets		54,243	54,505
Current assets			
Development property	16.7	2,190	2,690
Inventories	21.2	2,922	3,137
Trade and other receivables	22	4,394	3,621
Due from related parties	27.3	1	69
Restricted cash	23.2	3,836	3,686
Cash in hand and at bank	23.2	1,227	2,041
Total current assets		14,570	15,244
Total assets		68,813	69,749
Current liabilities			
Trade and other payables	24	8,459	8,635
Tax payable		340	142
Other liabilities	25	4,420	4,757
Provisions	26.2	267	633
Short term loan from a related party	27.1	798	498
Due to related parties	27.4	63	72
Bank overdraft	28	426	230
Current maturity of long term loans	29	1,837	1,044
Current maturity of lease liabilities	30.3	660	663
Total current liabilities		17,270	16,674
Non-current liabilities			
Long term loans	29	12,012	15,108
Long term loan from a related party	27.2	6	6
Lease liabilities	30.3	3,127	3,188
Deferred tax liabilities	15.5	431	393
Provisions	26.2	142	164
Post employment benefit obligations	31.2	785	790
Other liabilities	25	107	68
Total non-current liabilities		16,610	19,717
Total liabilities		33,880	36,391
Net assets		34,933	33,358

Consolidated statement of financial position as at 31 December (continued)

(AED in millions)	Note	2024	2023
Equity			
Share capital	32.2	4,869	4,869
Statutory reserve	32.5	3,338	3,336
Revaluation reserve		19,057	19,016
Retained earnings		7,993	5,760
Hedging reserve	32.6	155	119
Currency translation reserve	32.7	(3,954)	(3,318)
Total equity attributable to the owners of the Company		31,458	29,782
Hybrid equity instrument	33	3,283	3,283
Non-controlling interests		192	293
Total equity		34,933	33,358

The consolidated financial statements were signed on 21 March 2025:

Majid Al Futtaim Holding LLC
Authorized Signatory

Majid Al Futtaim Holding LLC
Authorized Signatory

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The notes on pages 14 to 86 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 6.

Consolidated statement of cash flows for the year ended 31 December

(AED in millions)	Note	2024	2023
Operating activities			
Profit for the year after tax		2,539	2,701
Adjustments for:			
Depreciation and amortization	11	2,083	2,146
Finance costs - net	12.2	878	1,016
Foreign exchange loss - net	13	417	151
Gain on acquisition of an equity-accounted investee - net of tax	13	(102)	(31)
Gain on lease termination	30.3.1	(35)	(28)
Loss on disposal of subsidiaries	7.4.1	38	-
Gain/(loss) on disposal of property, plant and equipment	13	(18)	27
Impairment loss on non-financial assets - net	14.3	298	877
Impairment loss on financial assets - net	14.4	45	44
Insurance claim	13	(56)	-
Net valuation gain on land and buildings	16.5.1	(1,009)	(1,848)
Share of profit in equity-accounted investees - net of tax	17.3 & 17.4	(143)	(100)
Net (gain)/loss from investments carried at fair value through profit or loss	18.3	(3)	23
Changes to post employment benefit obligations		24	1
Income tax expense - net	15.2	424	328
		5,380	5,307
Changes to working capital			
Inventories		215	(208)
Development property		598	(161)
Trade and other receivables		(1,347)	(1,168)
Trade and other payables		(714)	865
Restricted cash		(150)	(1,114)
Due from/to related parties - net		23	(12)
		(1,375)	(1,798)
Tax paid		(172)	(160)
Net cash from operating activities		3,833	3,349
Investing activities			
Acquisition of property, plant and equipment and investment property		(1,503)	(1,672)
Payments against intangible assets	19.2	(269)	(192)
Lease premium paid		-	(45)
Payment of deferred consideration for acquisition of a business		-	(32)
Payment of consideration for acquisition of a business	7.2.2	-	(11)
Investment in equity accounted investees	17.3	(2)	(13)
Cash paid upon acquisition of subsidiaries		-	(3)
Proceeds from disposal of subsidiaries	7.4.1	722	-
Proceeds from sale of property, plant and equipment and investment property		124	58
Proceeds from sale of an investment in a joint venture	7.4.2	205	-
Collection of other long-term receivable	17.4.3	108	-
Cash received from an equity accounted investee	17.4	30	5
Insurance claim proceeds		31	-
Dividend received from equity-accounted investees	17.3, 17.4 & 17.4.6	93	52
Finance income received		208	128
Net cash used in investing activities		(253)	(1,725)

Consolidated statement of cash flows for the year ended 31 December

(AED in millions)	Note	2024	2023
Financing activities			
Proceeds from term loan received from related parties	27.1 & 27.2	239	994
Repayment of term loan to related parties	27.1	(127)	(856)
Long term loans received	29	2,820	6,335
Long term loans repaid	29	(5,106)	(5,853)
Payment against lease liabilities	30.3	(815)	(872)
Collateral received against derivative instruments - net		32	73
Finance cost paid		(846)	(945)
Acquisition of non-controlling interest without a change in control	6.3.1	(366)	-
Coupon paid on hybrid equity instrument	33	(238)	(238)
Dividend paid to non-controlling interest		(30)	(49)
Net cash flows used in financing activities		(4,437)	(1,411)
Net (decrease)/increase in cash and cash equivalents		(857)	213
Cash and cash equivalents at the beginning of the year*		1,811	1,605
Effect of movements in exchange rates on cash held		(153)	(7)
Cash and cash equivalents at the end of the year*		801	1,811

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The notes on pages 14 to 86 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 1 to 6.

Consolidated statement of changes in equity for the year ended 31 December

(AED in millions)	Share capital	Statutory reserve	Revaluation reserve	Retained earnings	Hedging reserve	Currency translation reserve	Total equity	Hybrid equity instrument	Non-controlling interests	Total
	Attributable to the owners of the Company									
At 1 January 2023	2,671	3,198	18,549	5,430	137	(2,866)	27,119	3,283	393	30,795
Total comprehensive income for the year										
Net profit/(loss) for the year	-	-	-	2,755	-	-	2,755	-	(54)	2,701
Other comprehensive income	-	-						-	-	
Net valuation gain on land and buildings (note 16.4.2)	-	-	465	-	-	-	465	-	-	465
Deferred tax liability on revaluation of land and buildings (note 15.4 & 15.5)	-	-	2	-	-	-	2	-	-	2
Remeasurement loss on defined benefit plans - net (note 31.2.3)	-	-	-	(4)		-	(4)	-	-	(4)
Net change in fair value of cash flow hedges (note 12.4)	-	-	-	-	(18)	-	(18)	-	-	(18)
Currency translation differences in foreign operations (note 32.7)	-	-	-	-	-	(452)	(452)	-	3	(449)
Total comprehensive income for the year	-	-	467	2,751	(18)	(452)	2,748	-	(51)	2,697
Transactions with owners recorded directly in equity										
Contribution by and distributions to owners and other movement in equity										
Dividend declared and settled / paid (note 32.4 & 6.3.2)	-	-	-	(300)	-	-	(300)	-	(49)	(349)
Transfer to statutory reserve (note 32.5)	-	138		(138)	-	-	-	-	-	-
Acquisition of a subsidiary under common control transaction (note 7.3)	2,198	-	-	(1,745)	-	-	453	-	-	453
Total contribution by and distribution to owners	2,198	138	-	(2,183)	-	-	153	-	(49)	104
Hybrid prepetual note instruments										
Coupon paid on hybrid equity instrument (note 33)	-	-	-	(238)	-	-	(238)	-	-	(238)
	-	-	-	(238)	-	-	(238)	-	-	(238)
At 31 December 2023	4,869	3,336	19,016	5,760	119	(3,318)	29,782	3,283	293	33,358

The notes on pages 14 to 86 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December (continued)

	Attributable to the owners of the Company									
(AED in millions)	Share capital	Statutory reserve	Revaluation reserve	Retained earnings	Hedging reserve	Currency translation reserve	Total equity	Hybrid equity instrument	Non-controlling interests	Total
At 1 January 2024	4,869	3,336	19,016	5,760	119	(3,318)	29,782	3,283	293	33,358
Total comprehensive income for the year										
Net profit for the year	-	-	-	2,485	-	-	2,485	-	54	2,539
Other comprehensive income										
Net valuation gain on land and buildings (note 16.4.2)	-	-	292	-	-	-	292	-	-	292
Deferred tax liability on revaluation of land and buildings (note 15.4 & 15.5)	-	-	(33)	-	-	-	(33)	-	-	(33)
Remeasurement gain on defined benefit plans - net (note 31.2.3)	-	-	-	29	-	-	29	-	-	29
Revaluation reserve reclassified on disposal of subsidiaries (note 7.4.1)	-	-	(218)	218	-	-	-	-	-	-
Net change in fair value of cash flow hedges (note 12.4)	-	-			39	-	39	-	-	39
Deferred tax liability on fair value of cash flow hedges			-	-	(3)	-	(3)	-	-	(3)
Currency translation differences in foreign operations (note 32.7)	-	-	-	-	-	(636)	(636)	-	-	(636)
Total comprehensive income for the year	-	-	41	2,732	36	(636)	2,173	-	54	2,227
Transactions with owners recorded directly in equity										
Contribution by and distributions to owners and other movement in equity										
Dividend declared and settled / paid (note 6.3.2)	-	-	-	-	-	-	-	-	(30)	(30)
Transfer to statutory reserve (note 32.5)	-	2	-	(2)	-	-	-	-	-	-
Acquisition of a subsidiary under common control transaction (note 7.3)	-	-	-	(17)	-	-	(17)	-	-	(17)
Acquisition of non-controlling interests (note 6.3.1)	-	-	-	(242)	-	-	(242)	-	(124)	(366)
Disposals of non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
Total contribution by and distribution to owners	-	2	-	(261)	-	-	(259)	-	(155)	(414)
Hybrid prepetual note instruments										
Coupon paid on hybrid equity instrument (note 33)	-	-	-	(238)	-	-	(238)	-	-	(238)
	-	-	-	(238)	-	-	(238)	-	-	(238)
At 31 December 2024	4,869	3,338	19,057	7,993	155	(3,954)	31,458	3,283	192	34,933

The notes on pages 14 to 86 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

1. LEGAL STATUS AND PRINCIPAL ACTIVITES

Majid Al Futtaim Holding LLC ("the Company") is registered as a limited liability company in the Emirate of Dubai under the UAE Federal Decree Law No. (32) of 2021 as applicable to commercial companies.

The principal activity of the Company is to invest in subsidiaries that are involved in establishing, investing in and managing commercial projects. The activities of its subsidiaries include establishment and management of shopping malls, hotels, residential projects, hypermarkets, supermarkets, fashion retailing, leisure and entertainment, cinemas and investment activities. The Company and its subsidiaries are collectively referred to as "the Group". The Company is wholly owned by Majid Al Futtaim Capital LLC ("the Parent Company").

On 5 February 2025, a special judicial committee (the "SJC"), chaired by H.E. Essa Kazim, was formed by H.H. Sheikh Mohammed bin Rashid Al Maktoum in order to, exercise the functions of the general assembly of the Parent Company and form the board of directors of the Parent Company. On 9 February 2025, new non-executive directors of the boards of the Parent Company and the Company were appointed, with the Company continuing to be governed by an independent board of directors and managed by the statutory managers.

The registered address of the Group and its Parent Company is P.O. Box 91100, Dubai, United Arab Emirates.

2. BASIS OF PREPARATION

These consolidated financial statements, which include the financial position and performance of the Company, its subsidiaries, associates and joint ventures, have been prepared on a going concern basis in accordance with IFRS Accounting Standards ("IFRS(s)") and the requirements of the UAE Federal Decree Law No. (32) of 2021, and the relevant laws applicable to the various entities comprising the Group. These are presented in United Arab Emirates Dirhams ("AED") (rounded to the nearest millions unless otherwise stated), which is the Company's functional currency.

These consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated.

The following assets and liabilities are measured at fair value:
- Investment properties
- Certain classes of property, plant and equipment
- Certain non-derivative financial instruments at fair value through profit or loss
- Derivative financial instruments

The SJC approved the consolidated financial statements of the Company on 11 March 2025.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Information about significant areas of estimation, uncertainty and critical judgment in applying accounting policies that have most significant effect on the amounts recognized in these consolidated financial statements are set out in the respective notes and are summarized below.

• Recognition of property sale revenue	Note 9.2
• Classification of properties	Note 16.2
• Valuation of properties and apportionment of fair values between land and buildings	Note 16.2
• Estimation or forecast of cost to complete	Note 16.2
• Net realizable values of development property and real estate inventory	Note 16.2
• Impairment of non-financial assets	Note 14.2
• Supplier balances and sourcing (rebates)	Note 10.2
• Impairment testing of goodwill	Note 19.4
• Determining lease term, payments & incremental borrowing rates in calculating lease liabilities	Note 30.2
• Measurement of defined benefit obligations	Note 31.1.1
• Foreign currency exchange rate for translation of foreign operations	Note 32.7

4. FAIR VALUE MEASUREMENT

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 in the principal, or in its absence, the most advantageous market to which the Group has access at that date.

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.

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

The fair value of a liability reflects its non-performance risk. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets. An 'active market' is a market in which transactions for the asset take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets/liabilities valued using: quoted market prices in active or the most advantageous market for similar assets/liabilities; quoted prices for identical or similar assets or liabilities; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This category includes instruments whose inputs are not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. For example discount rates, growth rates, net equivalent yield etc.

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

5. MATERIAL ACCOUNTING POLICIES INFORMATION

The Group has applied the accounting policies given below in these consolidated financial statements.

5.1 Amendments to IFRSs that are mandatorily effective for the current year

Several amendments apply for the first time in 2024, but do not have an impact on the consolidated financial statements of the Group.

The accounting policies adopted in the preparation of the Group consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards and / or amendments effective as of 1 January 2024.

5.1.1 Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's consolidated financial statements.

The amendments had no material impact on the Group's consolidated financial statements.

5.1.2 Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Group's consolidated financial statements.

5.1.3 Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Group's consolidated financial statements.

5.2 Other standards

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier adoption is permitted. However, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

	Effective date
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
• Hedge Accounting by a First-time Adopter - IFRS 1 First-time Adoption of International Financial Reporting Standards	1 January 2026
• Gain or Loss on Derecognition - IFRS 7 Financial Instruments: Disclosures	1 January 2026
• Lessee Derecognition of Lease Liabilities - IFRS 9 Financial Instruments	1 January 2026
• Transaction Price - IFRS 9 Financial Instruments	1 January 2026
• Determination of a 'De Facto Agent'- IFRS 10 Consolidated Financial Statements	1 January 2026
• Cost Method – IAS 7 Statement of Cash Flows	1 January 2026
• Lack of Exchangeability - Amendments to IAS 21	1 January 2025
• Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

5.3 General accounting policies

5.3.1 Foreign currency

Foreign currency transactions

Transactions denominated in foreign currencies are translated into respective functional currencies of the Group's entities at the rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into functional currency at the exchange rates prevailing at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to functional currency at the exchange rates prevailing at the dates when the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies, which are measured in terms of historical cost, are translated into functional currency at the exchange rates prevailing at the date of the transaction. Foreign exchange differences arising on the translation of non-monetary assets and liabilities carried at fair value are recognized in profit or loss.

Foreign exchange differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income are recognized directly in consolidated statement of other comprehensive income.

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

Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency at foreign exchange rates at the reporting date. Share capital is translated at historical rate. The income and expenses of foreign operations are translated at average rates of exchange for the year. Foreign exchange differences arising on retranslation are recognized directly in other comprehensive income, and are presented in currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest.

When a foreign operation is disposed-off partially or in its entirety 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.

When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes only a part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented in the currency translation reserve in equity.

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

In 2020, Lebanon became a hyperinflationary economy. Management performed a detailed assessment of the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies. Based on these assessments, the consolidated financial statements in 2022 and 2023, management determined that the impact of applying IAS 29 is not material to the Group (note 32.7).

5.3.2 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or of gains and losses arising from a group of similar transactions.

6. SUBSIDIARIES

6.1 Material accounting policy information

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is re-measured at fair value on the date that control is lost. Subsequently it is accounted for as an equity-accounted investee depending on the level of influence retained.

The accounting policies of subsidiaries have been changed, where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests which may cause the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized gains and losses arising from intra-group transactions are eliminated in full in preparing these consolidated financial statements. Unrealized gains arising from transactions with jointly controlled entities and associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests ('NCI') are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Interests in other entities

The Group does not hold any direct ownership interest in MAF Sukuk Ltd. (limited liability company incorporated in the Cayman Islands) which is a structured entity. However, based on the terms of the agreement under which this entity is established, the Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct the entity's activities that most significantly affect these returns. MAF Sukuk Ltd. has issued Sukuk Certificates which are listed on NASDAQ Dubai and Euronext Dublin, except for the USD 100 million. Accordingly, the results and financial performance of the structured entity are consolidated in these financial statements.

6.2 Principal subsidiaries

The Group had the following principal subsidiaries at 31 December 2024 and 2023:

			Effective ownership	
Name of subsidiary	**Country of incorporation**	**Nature of business**	**2024**	**2023**
Majid Al Futtaim Properties LLC*	United Arab Emirates	Operating and managing commercial projects including shopping malls, hotels, leisure and entertainment, residential units and investing in joint ventures and associates	100%	100%
Majid Al Futtaim Retail LLC	United Arab Emirates	Establishment and management of hypermarkets and other retail format stores.	100%	100%
Majid Al Futtaim Entertainment LLC*	United Arab Emirates	Establishment and management of cinemas, leisure and entertainment and food and beverage	100%	100%
Majid Al Futtaim Lifestyle LLC	United Arab Emirates	Establishment and management of fashion retail and home furniture stores	100%	100%
MAF Global Securities Limited	Cayman Islands	Structured entity established for issuance of bonds	100%	100%
Majid Al Futtaim Global Solutions LLC	United Arab Emirates	Operating and managing Group's shared services	100%	100%
Xsight Future Solutions LLC	United Arab Emirates	Operating and managing Group's technology solutions	100%	100%
Majid Al Futtaim Technology LLC	United Arab Emirates	Holding minority investments	100%	100%

* These subsidiaries have certain interest in entities which are consolidated by the Group and the portion of non-controlling interest in these entities for the year ended 31 December 2024 amounts to AED 192 million (2023: AED 293 million).

Certain percentage of the Group's ownership stake in certain entities is held through beneficial ownership arrangements with the legal owner. In light of recent changes in the relevant laws governing legal ownership the Group is working to streamline such arrangements where possible.

6.3 Principal subsidiaries

The following subsidiaries within the Group have material non-controlling interests:

(AED in millions)		Proportion of ownership and voting rights held by NCI		Profit/(loss) allocated to Non-controlling interest		Accumulated Non-controlling interest	
Name of subsidiary	**Country**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Fujairah City Centre Investment Company LLC	UAE	37.5%	37.5%	35	22	179	154
Aswaq Al Emarat Trading CJSC (note 6.3.1)	KSA	0.0%	13.6%	(1)	(100)	-	125
The Avenues Cinema Bahrain W.L.L	Bahrain	50.0%	50.0%	1	(1)	(12)	(13)
VOX Cinemas for Movie Screening W.L.L	Kuwait	50.0%	50.0%	16	16	14	15
Individually immaterial subsidiaries with NCI		Various	Various	3	9	11	12
				54	(54)	192	293

6.3.1 On 1st July 2024, the Group acquired the remaining 13.6% shareholding in Aswaq Al Emarat Trading Closed JSC (AAET), resulting to a 100% ownership, for a total consideration of SAR 374 million (AED 366 million) including 50% of Real Estate Transfer Tax (RETT) due to this transfer. The carrying amount of the AAET's net assets in the Group's consolidated financial statements on the date of acquisition was SAR 126.8 million (AED 124.2 million).

(AED in millions)	At date of transfer
Consideration paid for the acquisition of shares	358
RETT (50% share)	8
Total consideration paid	366
Carrying amount of NCI acquired	124
Loss on acquisition of shares	242

6.3.2 During the year dividend of AED 30 million (2023: AED 49 million) was declared and paid/settled to the non-controlling interests from retained earnings available for distribution.

7. BUSINESS COMBINATIONS

7.1 Material accounting policy information

All business combinations are accounted for by applying the acquisition method except for acquisition of entities under common control. The excess of cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition is recorded as goodwill. Negative goodwill arising on acquisition is immediately recognized in the profit or loss. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses, if any. On disposal of a subsidiary / joint venture / associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

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

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

Business combinations involving entities under common control

Business combinations arising from transfers of interests in entities that are under the common control of the Parent Company are accounted on a prospective basis from the date on which control was established. The Group applies the book value measurement method to all common control transactions whereby the assets and liabilities acquired or transferred are de-recognized at the carrying amounts recorded in the financial statements of the transferor.

The assets and liabilities acquired or transferred are recognized at the carrying amounts de-recognized previously in the Parent Company's consolidated financial statements. The components of OCI of the acquired entities are added to the same components within the Group's OCI.

7.2 ACQUISITIONS

7.2.1 Egyptian Emirates Malls S.A.E. (TEEM)

In the prior year, the remaining 50% shareholding in The Egyptian Emirates Malls S.A.E. (TEEM), previously an equity accounted joint venture, was fully transferred to the Group resulting in consolidation of its net assets in the Group's consolidated financial statements. The following table summarizes the financial position of TEEM as at date of transfer:

(AED in millions)	At date of transfer
Assets	
Investment property	70
Liabilities	
Short term loan from related parties	22
Net assets	48

The investment in TEEM was fully provided in prior years. Accordingly, the Group had recorded in the prior year an impairment reversal of investment in TEEM amounting to AED 14 million and gain on acquisition amounting to AED 31 million to account for the net assets received at the date of transfer.

7.2.2 Poltrona Frau

During the prior year, the Group entered a distribution agreement with Poltrona Frau, a luxury Italian Furniture brand, and acquired all assets of PF Emirates Interiors LLC (PFE), a company based in the UAE. The following table summarizes the fair value of assets acquired on acquisition date.

(AED in millions)	At date of transfer
Assets	
Property, plant and equipment	4
Inventories	5
Fair value of identifiable assets acquired (A)	9
Fair value of exclusive distribution rights of Poltrona Faru products identified on acquisition (B)	2
Consideration paid (A + B)	11

7.3 COMMON CONTROL TRANSACTIONS

Effective, 1 January 2024, the Parent Company transferred its beneficial interest in following subsidiaries to the Group.

- Majid Al Futtaim (Muscat) SPC formerly known as Majid Al Futtaim Holding (Muscat) LLC ("Holding Muscat")
- Majid Al Futtaim Capital Investments LLC ("Capital Investments")

These business combinations arise from transfer of interests in entities that are under common control of the Parent Company. The Group accounts for these transactions on prospective basis from the date on which control was established. The Group applies the book value measurement method to all common control transactions whereby the assets and liabilities acquired or transferred are de-recognized at the carrying amounts recorded in the financial statements of the transferor. The assets and liabilities acquired or transferred are recognized at the carrying amounts de-recognized previously in the Parent Company's consolidated financial statements. The components of OCI of the acquired entities are added to the same components within the Group's OCI.

The following table summarizes the financial position of Holding Muscat and Capital Investments at 1 January 2024 and the impact on Group's consolidated equity on transfer.

	1 January 2024		
(AED in millions)	Muscat	Capital Investments	Total
Assets			
Advances and deposits	-	68	68
Assets held for sale	103	-	103
Total assets	103	68	171
Total liabilities	-	-	-
Net assets	103	68	171
Related party balances adjusted on transfer of subsidiaries under common control			(188)
Net impact on transfer of subsidiaries under common control			(17)

The Group did not apply IFRS 3 Business Combination as the acquisition is a common control transaction at book value defined under IFRS 3.

In line with the Group's accounting policy, the Group did not restate the comparatives for prior period, as the impact on the date of transfer has been accounted for in the consolidated retained earnings with-in the consolidated statement of changes in equity. There was no impact in the reported and adjusted numbers, in the consolidated statement of year or loss for the year ended 31 December 2023.

In the prior year, the Parent Company also transferred Majid Al Futtaim Digital LLC ("Digital") and Majid Al Futtaim Technology LLC ("Technology") and in 2022, XSight Future Solutions ("XSight") from Majid Al Futtaim Investments LLC, a wholly owned subsidiary of the Parent Company. Digital, Technology, and XSight collectively held a cumulative payable balance of AED 2,381 million owed to the Parent Company of the Group. As of January 1, 2023, the Parent Company carried a corresponding receivable of AED 2,198 million, net of accumulated impairment charge of AED 182 million against the cumulative receivable balance.

As part of this transfer, the intercompany balances in these entities were novated to the Company, and the Parent Company converted the net receivable balance of AED 2,198 million as its investment in the Company. This conversion was accompanied by an increase in the Company's share capital by the same amount.

7.4 DISPOSALS

7.4.1 During the year, the Company entered into a binding sales and purchase agreement to sell the shares of the Group's subsidiaries, namely Majid Al Futtaim Hospitality Al Barsha Third LLC, Majid Al Futtaim Hospitality Deira Second LLC and Majid Al Futtaim Hospitality Al Rigga LLC, to a third party buyer for a net cash consideration of AED 722 million. Accordingly, a loss on disposal of AED 38 million has been recorded on the sale of the Group's investment in these subsidiaries. The following table summarizes the financial position and financial performance of the disposed subsidiaries, after intra-group eliminations, at the effective date of disposal on 31 March 2024:

(AED in millions)	At date of disposal
Non-current assets	
Property, plant and equipment*	729
Investment property	57
Right-of-use assets	2
Current assets	9
Total assets	797
Current liabilities	37
Net assets	760
Less: Sale consideration	729
Less: Transaction cost	(7)
Total sale consideration - net	722
Loss on disposal	(38)

*Property, plant and equipment includes cumulative revaluation reserve amounting to AED 218 million, which was reclassified against retained earnings upon disposal of the subsidiaries.

(AED in millions)	At date of disposal
Revenue	59
Operating expenses	(37)
Net profit	22

7.4.2 Effective 1 January 2024, the Group acquired a joint venture in Oman from its Parent Company. The joint venture was classified as 'asset held for sale',

During the year, the asset held for sale, with a carrying amount of AED 103 million, has been acquired by a third-party buyer (the 'Buyer') for a consideration of AED 205 million (OMR 21.5 million). The sale proceeds have been collected, and the legal ownership transfer to the Buyer was completed during the year. This transaction resulted in a gain on disposal of AED 102 million.

The following table summarizes the financial position of the joint venture as at date of transfer:

(AED in millions)	**At date of disposal**
Non-current assets	27
Current assets	119
Total assets	146
Current liabilities	27
Net assets	119
Group's share in net assets	103
Less: Sale consideration	205
Gain on disposal of assets held for sale	102

7.4.3 During the year, the Group disposed off its operations in Armenia for a consideration of AED 13.8 million, and recognized gain of AED 6 million on disposal, representing the difference between the consideration received and net assets. The operations in Armenia are not considered material for the Group and hence have not been disclosed separately as discontinued operations.

During the previous year, the Group disposed off its operations in Uzbekistan for consideration of AED 18 million and recognized gain of AED 3 million on disposal, representing the difference between the consideration received, net assets of AED 6 million and contingency provision amounting to AED 9 million. The operations in Uzbekistan were not considered material for the Group and hence were not disclosed separately as discontinued operations.

8. OPERATING SEGMENTS

8.1 Material accounting policy information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The operating results of all operating segments are reviewed regularly by senior management and the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available.

The Group has five segments, consistent with internal reporting and are considered the Group's strategic business units. The strategic business units offer different services and are managed separately because they have different strategic requirements. Inter-segment pricing is determined on agreed terms.

The following summary describes the operations in each of the Group's reportable segments:

Properties: The principal activities include investing in and operating and managing commercial projects including shopping malls, hotels, residential projects, leisure and entertainment, acting as a holding company to various subsidiaries and investing in joint ventures and associates.

Retail: The principal activities include establishment and management of hypermarkets, and supermarkets in accordance with the franchise agreement with Carrefour Partenariat International, a Carrefour SA affiliate.

Entertainment: Previously referred to as Leisure Entertainment and Cinemas. The principal activities include establishing, through subsidiaries, establishment and management of cinemas, family entertainment centers, leisure and entertainment activities and food and beverage.

Lifestyle: The principal activities include establishing, investing in and operating fashion, home furniture and retail stores through its subsidiaries and associates.

Others: Others include Head Office, Global Solutions (GS) and XSight.

- The principal activities of **Head Office** include acting as the holding company of the Group's subsidiaries, arranging the Group's financing requirements and providing strategic guidance and certain support services to the subsidiaries. The results and the balances include the results of Xsight Future Solutions and Global Solutions (GS) in the following tables.
- The principal activities of **GS** include providing finance, human capital, technology and procurement services across the Group.
- The principal activities of **XSight** include providing fintech and advance analytics solutions to other Group companies along with management of the Group wide loyalty program.

NOPAT (non-GAAP measure)

"Net Operating Profit After Tax (NOPAT)", (non-GAAP measure) represents the Group's income from operations if it had no debt (no interest expense).

NOPAT is calculated based on the net profit after tax for the financial year, adjusted for, deferred tax charge or benefit, unrealized valuation gains or losses on investments (if any) and land and buildings, relating to investment properties and property, plant and equipment, net impairment losses / reversals on non-financial assets, net finance costs and net foreign exchange gains / losses.

Adjusted EBITDA (non-GAAP measure)

The Group's measure of segment performance, adjusted EBITDA (non-GAAP measure), is defined as NOPAT, as defined earlier, which is adjusted for depreciation and amortization, current tax expense - net, equity accounted income/(loss) – net, other nonrecurring items, and to remove the impact on operating profit of IFRS 16 Leases as if IAS 17 Leases applied. The adjustment to remove the impact of IFRS 16 accounting also recognizes lease costs within operating profit as if IAS 17 Leases applied. IAS 17 was the predecessor lease accounting standard and was replaced by IFRS 16 for financial periods beginning on or after 1 January 2019. Management excludes one-off exceptional items as part of its adjustments on other non-recurring items in order to focus on results excluding items affecting comparability from one period to the next.

Adjusted EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles and the adjusted EBITDA measure used by the Group may not be comparable to other similarly titled measures of other companies.

8.2 Segment reporting by business

The segment information provided to the stakeholders for reportable segments for the year ended 31 December 2024 and 31 December 2023 are as follows:

8.2.1 Disaggregation of revenue by business

In the following table, revenue from contracts with customers is disaggregated by major business and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

(AED in millions)	Properties	Retail	Entertainment	Lifestyle	Others(i)	Total
31 December 2024						
Gross revenue	9,102	22,187	1,718	1,304	87	34,398
Eliminations of intercompany income	(391)	-	(24)	-	(32)	(447)
Revenue from external customers	8,711	22,187	1,694	1,304	55	33,951
External revenue from major service/product lines						
Sale of goods	-	22,028	-	1,304	-	23,332
Service income and fee	-	26	-	-	-	26
Sale of property	4,361	-	-	-	-	4,361
Leisure and entertainment	259	-	1,694	-	-	1,953
Hospitality revenue	589	-	-	-	-	589
Others	9	93	-	-	55	157
	5,218	22,147	1,694	1,304	55	30,418
Rental income	3,493	40	-	-	-	3,533
	8,711	22,187	1,694	1,304	55	33,951
31 December 2023						
Gross revenue	7,383	24,654	1,777	1,032	116	34,962
Eliminations of intercompany income	(398)	-	-	-	(67)	(465)
Revenue from external customers	6,985	24,654	1,777	1,032	49	34,497
External revenue from major service/product lines						
Sale of goods	-	24,273	-	1,032	-	25,305
Service income and fee	-	219	-	-	-	219
Sale of property	2,671	-	-	-	-	2,671
Leisure and entertainment	281	-	1,777	-	-	2,058
Hospitality revenue	700	-	-	-	-	700
Others	20	120	-	-	48	188
	3,672	24,612	1,777	1,032	48	31,141
Rental income	3,313	42	-	-	-	3,355
Financial services revenue	-	-	-	-	1	1
	6,985	24,654	1,777	1,032	49	34,497

(i) Others include revenue from Xsight with respect to recharges to other Group companies, revenue from Group's loyalty program and pre-paid card operations.

8.2.2 Disaggregation of revenue from contracts with customers

(AED in millions)	Properties	Retail	Entertainment	Lifestyle	Others(i)	Total
31 December 2024						
Over period of time	4,361	26	-	-	-	4,387
At a point in time	857	22,121	1,694	1,304	55	26,031
	5,218	22,147	1,694	1,304	55	30,418
31 December 2023						
Over period of time	2,671	219	-	-	-	2,890
At a point in time	1,001	24,393	1,777	1,032	48	28,251
	3,672	24,612	1,777	1,032	48	31,141

8.2.3 Disaggregation of non-GAAP measures by business

(AED in millions)	Properties	Retail	Entertainment	Lifestyle	Others (i)	Eliminations / adjustments	Total
31 December 2024							
Net profit/(loss) after tax	4,120	(500)	(137)	23	(398)	(569)	2,539
Adjustments for:							
Valuation gain on land and buildings - net	(1,099)	(5)	-	-	-	95	(1,009)
Net finance costs	398	150	48	8	(51)	325	878
Foreign exchange loss - net	291	111	(1)	2	10	4	417
Net loss from investments carried at fair value through profit or loss	-	-	-	-	(3)	-	(3)
Net impairment on non-financial assets	18	279	7	7	28	(41)	298
Deferred tax charge/(benefit)	105	(16)	-	-	-	(35)	54
NOPAT	3,833	19	(83)	40	(414)	(221)	3,174
Adjustments for:							
Depreciation and amortization	311	1,066	479	189	107	(69)	2,083
Equity accounted income - net	(135)	-	-	(8)	-	-	(143)
Income tax expense	333	89	11	5	1	(69)	370
Other non-recurring items	(101)	(11)	14	(1)	18	-	(81)
Rent expense de-recognized on adoption of IFRS 16							
- External	(7)	(561)	(166)	(90)	(2)	-	(826)
- Internal	-	(221)	(91)	(39)	(8)	359	-
Adjusted EBITDA	4,234	381	164	96	(298)	-	4,577

(AED in millions)	Properties	Retail	Entertainment	Lifestyle	Others (i)	Eliminations / adjustments	Total
31 December 2023							
Net profit/(loss) after tax	4,189	418	(865)	(129)	(513)	(399)	2,701
Adjustments for:							
Valuation gain on land and buildings - net	(2,016)	(4)	-	-	-	172	(1,848)
Net finance costs	637	123	307	104	(118)	(37)	1,016
Foreign exchange loss - net	103	31	17	3	7	(10)	151
Net loss from investments carried at fair value through profit or loss	-	-	-	-	23	-	23
Net impairment on non-financial assets	378	(25)	436	45	78	(35)	877
NOPAT (previously reported) (ii)	3,291	543	(105)	23	(523)	(309)	2,920
Deferred tax charge	86	67	5	2	-	5	165
NOPAT(ii)	3,377	610	(100)	25	(523)	(304)	3,085
Adjustments for:							
Depreciation and amortization	356	1,067	496	153	89	(15)	2,146
Equity accounted income - net	(93)	-	-	(7)	-	-	(100)
Income tax expense	40	110	6	3	2	2	163
Other non-recurring items	(14)	27	42	(1)	26	-	80
Rent expense de-recognized on adoption of IFRS 16							
- External	(17)	(577)	(158)	(68)	(1)	-	(821)
- Internal	-	(176)	(93)	(38)	(10)	317	-
Adjusted EBITDA	3,649	1,061	193	67	(417)	-	4,553

(i) Includes Holding, Global Solutions and Xsight. The revenue includes Xsight services to other Group companies, revenue from Group's loyalty program ("Share") and pre-paid card operations. The net loss for Holding excludes impairment of investment in subsidiaries, which eliminates on consolidation.

(ii) Starting January 1, 2024, the Group refined the NOPAT calculation to exclude deferred tax impacts. The comparative NOPAT for FY 2023 has been restated from the previously reported AED 2,920 million to reflect this change.

8.2.4 Disaggregation of capital expenditure by business

(AED in millions)	Properties	Retail	Entertainment	Lifestyle	Others (i)	Eliminations / adjustments	Total
31 December 2024							
Capital expenditure	(1,000)	(331)	(141)	(87)	(215)	-	(1,774)
31 December 2023							
Capital expenditure	(1,074)	(407)	(185)	(121)	(181)	-	(1,968)

8.2.5 Disaggregation of assets & liabilities by business

(AED in millions)	Properties	Retail	Entertainment	Lifestyle	Others (i)	Eliminations / adjustments	Total
31 December 2024							
Total assets	56,846	10,335	2,420	1,901	3,778	(6,467)	68,813
Total liabilities	(17,526)	(10,099)	(1,736)	(1,009)	(10,597)	7,087	(33,880)
Net assets							34,933
31 December 2023							
Total assets	56,002	11,269	2,634	1,587	11,932	(13,675)	69,749
Total liabilities	(19,608)	(10,484)	(5,534)	(2,439)	(11,371)	13,045	(36,391)
Net assets							33,358

8.3 Segment revenue and assets by geography

	Total revenue		Total assets	
(AED in millions)	2024	2023	2024	2023
UAE (country of domicile)	20,007	18,785	50,413	49,690
Saudi Arabia	2,953	3,009	4,080	4,076
Egypt	2,416	2,751	2,904	3,960
Qatar	2,006	2,232	919	975
Oman	1,032	1,349	3,955	4,200
Jordan	499	1,131	237	338
Bahrain	821	969	3,885	3,511
Kuwait	772	942	421	551
Pakistan	464	450	167	218
Georgia	1,074	1,140	293	333
Lebanon	264	212	979	1,359
Kenya	1,219	1,054	388	325
Iraq	265	248	94	92
Uganda	143	144	78	101
Armenia (note 7.4.3)	16	59	-	20
Uzbekistan (note 7.4.3)	-	22	-	-
	33,951	34,497	68,813	69,749

9. REVENUE

9.1 Material accounting policy information

Revenue from contracts with customers

The Group recognizes revenue from contracts with customers based on a five steps model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration the Group expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate transaction price to the performance obligations in a contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled to in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which 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 recognized this gives rise to a contract liability. Contract asset is currently presented as “Unbilled receivables” under trade and other receivables. Contract liabilities is currently presented as “Advances from customers” under trade and other payables.

Revenue is measured at the fair value of the consideration received or receivable, taking into consideration the 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 majority of its revenue arrangements.

Revenue is recognized in the 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.

Sale of goods

Revenue from the sale of goods is recognized when the Group sells a product to the customer. For goods sold in store, revenue is recognized at the point of sale. For online or wholesale sale of goods, revenue is recognized on collection by, or delivery to, the customer. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts. Revenue comprises amounts derived from the sale of goods falling within the ordinary activities of the Group and are recognized at the time of check-out sales when persuasive evidence exists that the control passes from the Group to the customer satisfying the performance obligation, and the amount of revenue can be measured reliably. Discounts are recognized as a reduction of revenue as the sales are recognized.

For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on the historical data for specific types of goods. In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

Sale of property

Revenue from property sales is recognized upon satisfaction of performance obligation by delivering the promised goods or services.

During the period of construction, the Group has no alternative use of the unit being created and where the local law permits has an enforceable right to force the collection in full over customers. Accordingly, in these circumstances the Group recognizes revenue over the period of construction based on percentage of completion. The percentage of completion is obtained from the commercial team.

Where the above criteria are not fulfilled, revenue is recognized at a point in time. In these cases, revenue is recognized when the control over the asset that is subject of the contract is transferred to the customer. In case of contracts to sell real estate assets this is generally when the unit has been handed over to the customer.

Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission earned by the Group. The agency relationship is established where the Group does not take title of the goods, has no responsibility in respect of the goods sold and the Group does not have control on the selling prices set by the supplier.

Loyalty programmes

The Group has customer loyalty programmes whereby customers are awarded credits known as “tickets/ loyalty points”. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the reward credit and the other components of the sale. The amount allocated to the tickets/ loyalty points is considered to be the fair value for which they could be redeemed. Such amount is deferred and revenue is recognized only when the tickets/ loyalty points are redeemed and the Group has fulfilled its obligations to supply the products.

The amount of revenue recognized in those circumstances is based on the number of tickets/loyalty points that have been redeemed in exchange for products, relative to the total number of tickets/loyalty points that are expected to be redeemed. Deferred liability in respect of outstanding loyalty points is also released to profit or loss when it is no longer considered probable that the tickets/ loyalty points will be redeemed.

Rental income

Rental income, including fixed rental uplifts, from properties leased out under an operating lease is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives being offered to lessees to enter into a lease, such as an initial rent-free period or a cash contribution to fit-out or similar costs, are an integral part of the net rental income and are therefore recognized on the same straight-line basis. Contingent rents, being lease payments that are not fixed at the inception of the lease, for example turnover rents, are recorded as income in the periods in which they are earned. Refer to note 30.1 for accounting policy on leases.

Services

Revenue from hospitality, leisure and entertainment and other activities is recognized on rendering the services and when the revenue can be measured reliably. The Group assesses its performance against obligations conditional on earning the income, with income recognized either over time as the obligations are met, or recognized at the point when all obligations are met, depending on contractual requirements. Revenue from services is recognized as income in the periods in which it is earned.

Sale of alcohol

The purchase of alcohol for hotels and residence is the responsibility of the relevant Hotel Management Company, and the revenue derived from sale is deemed to be that of the Hotel Management Company. The profit resulting from the sales of alcoholic beverages forms part of the Hotel Management Company’s incentive fee.

9.2 Critical accounting estimate and judgement

Revenue from contracts with customers is recognized in accordance with IFRS 15 which requires management to make the following judgements and estimations:

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 recognizing 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, the Group creates an asset with no alternative use to the Group and has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognizes revenue over time. Where this is not the case, revenue is recognized at a point in time.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses 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 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Existence of a significant financing component in the contract

In determining the transaction price, the Group adjusts the amount of consideration for the effects of the time value of money if the timing of payments agreed upon provides the customer with a significant benefit of financing the transfer of units to the customer and is applicable at individual contracts.

The Group uses the discount rate that reflects a separate financing transaction between the Group and its customer at contract inception. The rate reflects the credit characteristics of the customer as well as any collateral, including assets to be transferred. The discounting only applies to collections received after the delivery of units due to timing difference between the completion of performance obligation and payments deferred over multiple years post-handover date. The discount calculated at the inception will be offset against revenue and unbilled receivables. The amortization of the discount is expected to be over period of up to 3 years post-handover date.

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 recognized when control over the asset that is the subject of the contract is transferred to the customer. In case of contracts to sell real estate assets, this is generally when the unit has been handed over to the customer and when the consideration for the unit has been substantially received.

Allocation of transaction price to performance obligation in contracts with customers

The Group has elected to apply the input method in allocating the transaction price to performance obligations where revenue is recognized over time. The Group considers that the use of the input method which requires revenue recognition based on the Group's efforts to satisfaction of the performance obligation provides the best reference of revenue 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 recognized.

Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project management business unit and the cost of meeting other contractual obligations to the customers.

9.3

(AED in millions)	2024	2023
Revenue from contract with customers	30,418	31,141
Other revenue		
- Rental income	3,533	3,355
- Financial services revenue	-	1
	33,951	34,497

9.3.1 Revenue from contract with customers includes revenue from Retail's online business amounting to AED 2,713 million (2023: AED 2,375 million).

9.3.2 Revenue from contract with customers include revenue from sale of properties of AED 4,361 million (2023: AED 2,671 million), net of AED 17 million (2023: AED 19 million) transfer fees to a government authority, which met the revenue recognition criteria.

9.3.3 Revenue from property sales during the year is net of AED 32 million (2023: AED 35 million) discount against the transaction price for certain units sold with a significant financing component due to timing difference between the timing of cash receipt and revenue recognition.

9.3.4 Revenue recognized with respect to property development business also includes revenue from sale of property units to Group employees, including the key management personnel of AED 10 million (2023: AED 13 million). These sale transactions are carried out at market comparable terms.

10. COST OF SALES

10.1 Material accounting policy information

Cost of sales corresponds to the cost of purchases net of rebates (volume-related allowances) and commercial income from suppliers, changes in inventories (including impairments), logistics costs and other costs.

The Group has agreements with suppliers whereby volume-related rebates and various other fees and discounts are received in connection with the purchase of goods. This income received from suppliers relates to adjustments to the core cost price of a product and is considered part of the purchase price for that product. In certain cases, receipt of the income is conditional on the Group satisfying certain performance obligations associated with the purchase of the product. These include achieving agreed purchases or sales volume targets. Income is recognized on an accrual basis when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract. For the purpose of presentation, cost of sales is shown net of rebates and discounts.

Where the income earned relates to inventories which are held by the Group at the end of a period, the income is deducted from the cost of those inventories, and recognized in cost of sales upon sale of those inventories. The Group

Rebates are calculated based on immediate or deferred discount rates on purchases, as specified in the contractual terms negotiated each year. Rebates can be:

- unconditional, i.e., proportionate to total purchases and subject to no other conditions; or
- conditional, i.e., dependent on meeting certain conditions (e.g., growth in the supplier's net sales with the Group).

Commercial income from the suppliers is recognised as a reduction of the cost of the related products when the Group has performed the activities specified in the contract with the suppliers. If the contract does not specify any performance criteria, the income is recognised over the term of the contract.

10.2 Critical accounting estimate and judgement

Management applies judgement in estimating the rebate eligibility and determining the period over which the reduction in cost of sales should be recognized. Management estimates the rebates eligibility and the period, in relation to strategic volume moves and some annual volume based rebates, over which cost of sales is reduced based on the individual contractual arrangement with the suppliers.

10.3

(AED in millions)	2024	2023
Cost of goods sold		
Opening inventories (note 21.2)	(3,137)	(2,924)
Purchases	(22,889)	(25,497)
Closing inventories (note 21.2)	2,922	3,137
Supplier rebates, fees and discounts	4,704	5,268
	(18,400)	(20,016)
Cost of revenue from property sales	(2,956)	(1,774)
	(21,356)	(21,790)

10.4 Cost of revenue from property sales and sales commission amounting to AED 2,956 million (2023: AED 1,774 million) and AED 163 million (2023: AED 110 million) (note 11), respectively, relates to Tilal Al Ghaf revenue recognized during the year.

11. OPERATING EXPENSES

(AED in millions)	2024	2023
Staff costs (note 11.1)	(3,856)	(3,875)
Depreciation and amortization (note 11.2)	(2,083)	(2,146)
Utilities	(534)	(541)
Advertising, selling and marketing expenses	(371)	(372)
Legal and consultancy expenses (note 11.6)	(276)	(352)
Repair and maintenance	(136)	(149)
Facilities management	(125)	(122)
Software maintenance	(333)	(208)
Franchise and management fees	(122)	(161)
Bank charges	(257)	(250)
Delivery and transportation	(200)	(202)
Security expenses	(134)	(137)
Rent - short term leases and contingent rent (note 30.3.3)	(167)	(170)
House keeping and cleaning	(176)	(188)
Sales commission (note 10.3)	(192)	(144)
Business travel expenses	(67)	(72)
Insurance charges	(64)	(55)
Other general and administrative expenses (note 11.5)	(144)	(299)
	(9,237)	(9,443)

11.1 Staff cost (includes)/is net of the following:

(AED in millions)	2024	2023
Gratuity cost	(140)	(134)
Pension cost	(36)	(35)
Staff cost capitalized	165	130

11.2 Depreciation and amortization includes following:

(AED in millions)	2024	2023
Property, plant and equipment (note 16.4)	(1,177)	(1,242)
Right-of-use assets (note 16.6)	(656)	(665)
Intangible assets (note 19.2)	(202)	(177)
Prepaid lease premium (note 20.2)	(48)	(62)
	(2,083)	(2,146)

11.3 The number of employees at 31 December 2024 was 41,407 (2023: 42,786).

11.4 During the year, the Group paid AED 9 million (2023: AED 3 million) for various social contribution purposes.

11.5 Includes offset of AED 25 million (2023: AED 22 million) recharged to related parties (note 27.6.1)

11.6 Fees for external auditors with respect to both statutory audit and other non-audit fees are classified under legal and consultancy expenses. The table below shows the total fees and costs related to audit and other services provided by external auditors, including nature of services provided.

(AED in thousands)	2024	2023
Total audit fees charged		
Majid Al Futtaim Holding LLC	441	374
Consolidated controlling entities	13,702	11,361
	14,143	11,735
Total non-audit fees charged		
Assurance services (note 11.6.1)	1,201	1,104
Tax services	161	1,009
Consultancy services	855	1,011
	2,217	3,124

11.6.1 Fees for review of financial statements are included in the "Assurance services" category.

11.6.2 In April 2021, International Ethics Standards Board for Accountants (IESBA) released changes to the fee-related provisions of the IESBA Code which are effective for audit periods beginning on or after 15 December 2022. As per these revised requirements the Group has given the above mentioned disclosures.

12. FINANCE COSTS - NET

12.1 Material accounting policy information

Interest income and expense

Interest income and expense for all interest bearing financial instruments except for those designated at fair value through profit or loss, are recognized in 'interest income' and 'interest expense' in profit or loss on an accrual basis using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate is the rate that discounts estimated future cash receipts and payments earned or paid on a financial asset or a liability through its expected life or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that takes a substantial period of time to get ready for its intended use or sale. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

Capitalization of borrowing costs continues until the assets are ready for the intended use. The capitalization rate is arrived at by reference to either the actual rate payable on specific borrowings for development purposes; or, with regard to that part of the development cost financed out of general funds, the overall effective borrowing rate for the Group. Borrowing costs that do not meet the criteria of capitalization are recognized as expenses in the period in which they are incurred.

12.2

(AED in millions)	2024	2023
(i) *Finance costs:*		
Arrangement and participation fee	(47)	(46)
Interest charges on bank loans (note 12.3)	(938)	(980)
Interest expense on lease liabilities (note 30.3)	(224)	(220)
Interest charges on related party balances	(36)	(9)
Capitalized interest on development expenditure	-	3
	(1,245)	(1,252)
Changes in the fair value/settlement of derivatives held as FVTPL	-	(1)
Cash flow hedges reclassified from hedging reserve	(20)	(14)
Bond programme cost	(2)	(8)
Total finance costs	(1,267)	(1,275)
(ii) *Finance income:*		
Interest income on bank balances	208	128
Unwinding of discount on long term receivable balances	24	5
Cash flow hedges reclassified from hedging reserve	157	126
Total finance income	389	259
Finance costs - net	(878)	(1,016)

12.3 Included within interest charges on bank loans is fair value loss of AED 88 million (2023: fair value gain of AED 103 million) in relation to derivatives used in fair value hedge relationship, with an offsetting fair value change of AED 88 million (2023: AED 103 million) for the underlying debt being hedged.

12.4 Net changes in fair value recognized directly in other comprehensive income:

(AED in millions)	2024	2023
Effective portion of changes in fair value of cash flow hedges	176	94
Cash flow hedges reclassified to profit or loss - net	(137)	(112)
	39	(18)

13. OTHER INCOME/EXPENSES - NET

(AED in millions)	2024	2023
Foreign exchange loss - net (note 13.1)	(417)	(151)
Project costs written-off	(15)	(31)
Loss on disposal of subsidiaries (note 7.4.1)	(38)	-
Development expenses written-off	(39)	(50)
Other expenses	(509)	(232)
Gain / (loss) on disposal of non-current assets	18	(27)
Gain on disposal/acquisition (note 7.4.2)	102	31
Insurance claim (note 13.2)	56	-
Others	4	5
Other income	180	9
Other expense - net	(329)	(223)

13.1 During the year, the foreign exchange loss is realized from repatriation of cash denominated in EGP by a subsidiary in Egypt to the Company. In prior year, foreign exchange loss was due to translation of a USD denominated loan to EGP, held by a subsidiary in Egypt which has been fully settled.

13.2 During the year, the Group recognized an insurance claim of AED 56 million, which represents the management's best estimate of the recoverable amount for costs directly related to the restoration of damaged assets in Oman, UAE and Bahrain due to flood and fire insurance claim in Egypt.

14. IMPAIRMENT

14.1 Material accounting policy information

14.1.1 *Equity-accounted investees*

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

14.1.2 *Non-financial assets*

The carrying amounts of the Group's non-financial assets except investment properties and certain categories of property, plant and equipment where fair value is reliably measurable, deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

14.1.3 *Financial assets*

Financial instruments and contract assets

The Group recognizes loss allowances for ECL's on financial assets measured at amortized cost.
The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date;
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition; and
- trade receivables measured at amortized cost.

Loss allowances for trade receivables is always measured at an amount equal to lifetime ECLs.

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 and including forward-looking information.
The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held); or
- the financial asset is more than 90 days past due.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

The Group measures loss allowances for its financial assets measured at amortized cost at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Assets that are individually significant and are tested individually whereas others are grouped together with financial assets of similar credit risk characteristics and assessed collectively. Impairment loss is reversed if the reversal can be objectively related to an event that has occurred after the impairment loss was recognized. For financial assets that are measured at amortized cost, the reversal is recognized in profit or loss account.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost 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 borrower;
- a breach of contract such as a default of 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 borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL on the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

14.2 Critical accounting estimate and judgement for non-financial assets

Management assesses impairment loss on assets, other than investment property and certain categories of property, plant and equipment carried at fair value and inventories, whenever there are indicators of impairment. In assessing impairment of assets based on value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and risk specific to the asset.

14.3 IMPAIRMENT LOSS ON NON-FINANCIAL ASSETS - NET

(AED in millions)	2024	2023
Impairment of property, plant and equipment:		
- Land and buildings (note 14.3.1 and 16.4)	(15)	-
- Furniture and fixtures (note 14.3.1)	(27)	(312)
- Capital work in progress (note 14.3.1)	(121)	(53)
Impairment of investment properties (note 14.3.3)	(31)	(612)
Impairment of development property (note 16.7)	-	(7)
Impairment of right-of-use assets (note 14.3.1 and 16.6)	(7)	(125)
Impairment of intangible assets		
- Goodwill (note 19.2 and 14.3.1)	(87)	(70)
- Other intangible assets (note 19.2 and 14.3.2)	(43)	(71)
Impairment of equity accounted investees (note 17.3)	(1)	(1)
Reversal of impairment of equity accounted investees (note 14.3.4 and 17.4)	34	321
Reversal of impairment of property, plant and equipment (note 14.3.5)	-	53
	(298)	(877)

14.3.1 Impairment losses on assets (including right-of-use assets) pertaining to certain operating units (Retail, Entertainment and Lifestyle) were recognized when the recoverable amounts, estimated based on the value in use of the cash generating units, were lower than the carrying amount of the assets.

For the Group's Retail business the cash flow projections include specific estimates for five years at an average growth rate of 2% to 5.4% (2023: 2.9% to 3%) and a stable growth rate of 1.9% to 2.2% (2023: 2.2% to 2.8%) thereafter. The stable growth rate is determined based on management's estimate of the long-term standard inflation rate, consistent with the assumptions that a market participant would use. The Group uses post-tax industry average Weighted Average Cost of Capital ('WACC') which reflects the country specific risk adjusted discount rate. Discount rates ranging from 7.1% to 56% (2023: 8% to 49.5%) have been determined and applied.

For entertainment operating unit pre-tax discount rates ranging from 7.6% to 58.8% (2023: 9.5% to 52.5%) and growth rates ranging from 3% to 10% (2023: 5% to 13%) were used. For lifestyle operating unit discount rates of 8.5% to 10.5% (2023: 9.5% to 13.5%) and growth rates from 3% to 5% (2023: 2% to 12%) were used.

Further, the Group recognized an impairment provision of AED 15 million on property and equipment primarily for the assessed net book value of the damaged assets in the UAE and Bahrain that were impacted by flood due to heavy rains.

14.3.2 Impairment loss of AED 40 million (2023: AED 67 million) on development of intangible assets relating to Group's technology stack was recognized, as the assets are no longer considered to be recoverable due to revised business plans. Further, AED 3 million (2023: AED 4 million) pertains to impairment of under production movie content, where the carrying amount exceeds its recoverable amount.

14.3.3 During the year, the Group recognized an impairment provision of AED 31 million on investment property under construction primarily for development projects that no longer align with management's strategic direction.

In the prior year the Group had recognized impairment of AED 654 million (net of previously recognized accumulated impairment), in respect of certain development projects, as a result of an ongoing reassessment of alternative strategies for these specific projects. During the year an additional provision was recognized for these specific projects.

14.3.4 During the year, the Group had been awarded a favourable judgment to recover a plot of land initially contributed by the Group in a joint venture in Bahrain, which had been fully provided for in prior years. The title over the plot of land has been transferred during the year under the name of the Group's wholly owned subsidiary. Accordingly, a reversal of impairment had been recorded amounting to AED 34 million, which represents the fair value of the plot of land net of transaction cost.

14.3.5 During the previous year, AED 53 million impairment was reversed due to improved performance and future projections of certain operating units.

14.4 IMPAIRMENT OF FINANCIAL ASSETS

(AED in millions)	2024	2023
Impairment of trade receivables - net (note 34.3)	(45)	(44)

15. TAX

15.1 Material accounting policy information

Income tax expense comprises current and deferred tax calculated in accordance with the income tax laws applicable. Income tax expense is recognized in profit or loss except to the extent it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

Current tax

The Group calculates current income taxes according to the tax laws applicable to each subsidiary in the countries in which such subsidiary operates. In some cases, certain adjustments can only be determined after the consolidated statement of financial position is issued. In cases in which the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

Current tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) taxation authorities, using the rates/laws that have been enacted or substantively enacted as of the consolidated statement of financial position date.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which it can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of properties measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

15.2 INCOME TAX EXPENSE - NET

(AED in millions)	2024	2023
Current tax		
Current year	(369)	(153)
Adjustment for prior years	(1)	(10)
	(370)	(163)
Deferred tax		
Origination of temporary differences - net	(54)	(165)
	(54)	(165)
	(424)	(328)

The management believes that accruals for tax liabilities are adequate for all open tax years based on its assessment of all relevant factors, including interpretations of tax laws and prior experience.

15.3 Reconciliation of effective tax rate

(AED in millions)		2024		2023
Profit after tax for the year		2,539		2,701
Income tax charge - net		(424)		(328)
Profit before tax for the year		2,963		3,029
Effect of tax rates in foreign jurisdictions	-12.5%	(369)	-5.1%	(153)
Deferred tax for temporary differences	-1.8%	(54)	-5.4%	(165)
Tax losses	0.0%	-	0.0%	-
Prior period adjustments	0.0%	(1)	-0.3%	(10)
Total	-14.3%	(424)	-10.8%	(328)

15.4 DEFERRED TAX ASSETS

(AED in millions)	2024	2023
At 1 January	125	140
Movements in profit or loss	67	(8)
Movements in equity	(41)	5
Foreign currency translation difference from foreign operations	(11)	(12)
At 31 December	140	125

15.4.1 Deferred tax asset amounting to AED 74 million (2023: AED 66 million) is in respect of tax losses carried forward and temporary differences on depreciation of assets and provisions. Deferred tax asset amounting to AED 66 million (2023: AED 59 million) pertains to valuation losses on investment property.

During the year, the Group has unrecognized deferred tax assets of AED 333 million (2023: AED 345 million) relating to its subsidiaries in Oman, Egypt and Lebanon.

Based on the Group's strategic plan and taking into account the local taxation laws and regulation in those countries, the recognition of deferred tax asset is limited to the extent of future taxable profits and full recoverability of deferred tax asset is unlikely since these subsidiaries are not expected to generate sufficient taxable profits and valuation gains in the foreseeable future.

15.5 DEFERRED TAX LIABILITIES

(AED in millions)	2024	2023
At 1 January	393	276
Movements in profit or loss	121	157
Movements in equity	(5)	3
Foreign currency translation difference from foreign operations	(78)	(43)
At 31 December	431	393

15.5.1 A portion of the deferred tax liability amounting to AED 372 million (2023: AED 319 million) pertains to taxable temporary differences arising as a result of valuation gains on properties in UAE, Oman, Egypt and Lebanon (2023: Oman, Egypt and Lebanon). The tax rates in these countries are 9%, 15%, 22.5% and 17%, respectively (2023: 15%, 22.5% and 17%, respectively). Furthermore, deferred tax liability amounting to AED 59 million (2023: AED 74 million) relates to goodwill, impairments and other intangible assets.

15.6 UAE Corporate Income Tax

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE, effective for accounting periods beginning on or after 1 June 2023. The UAE Corporate Tax Law is applicable to the Group with effect from 1 January 2024. Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE/ UAE Ministry of Finance/ Federal Tax Authority (decisions) and guides issued by the concerned authorities (guides). Such decisions and guides provide important details relating to the interpretation of the UAE CT Law, relevant procedures and help assess the impact of the UAE CT Law on the Group to discharge its obligations under the Law.

For the Group, appropriate current taxes are accounted for in the financial statements for the year ended 31 December 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact for UAE has also been considered for the year ended 31 December 2024.

15.7 Global minimum tax

To address concerns around uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%.

In December 2021, the Organization for Economic Co-operation and Development (OECD) released a draft legislative framework, followed by detailed commentary and implementation guidance released between March 2022 and December 2024 for the Pillar Two Global Anti-Base Erosion Rules (GloBE rules or Pillar Two rules). These are being used by individual jurisdictions that signed the agreement to amend their local tax laws.

The Group is in the scope of Pillar Two rules as its annual consolidated revenue exceeds €750 million threshold. Below is the status of implementation and impact on the Group on account of Pillar Two:

- Currently, out of the other jurisdictions in which the Group has presence, UK and France (where the Group has limited activities and no customer base) have final Pillar Two legislations in force from 1 January 2024. As of 31 December 2024, the management does not anticipate any additional top-up tax in these countries on account of Pillar Two rules for FY 2024.

- The UAE (location of the Group head office and also its largest market), published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of its commitment to the OECD guidelines. The amendments introduced by this decree are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. Additionally in December 2024, the UAE Ministry of Finance has announced that a Domestic Minimum Top-up Tax will be effective in the UAE for financial years starting on or after 1 January 2025. This means that the current tax rate of 9% will go up to 15% from 1 January 2025 onwards subject to substance based carveouts and other reliefs under the new regime, details of which are not known at present.
- In September 2024, Bahrain has introduced a Domestic minimum top up tax regime with effect from 1 January 2025 and released Executive Regulations in relation to the same in December 2024. As a result, from 2025, Group entities in Bahrain will be liable for the top-up tax of 15% in relation to their operations calculated in line with the applicable rules instead of no taxes at present.

No other jurisdiction, in which the Group operates, has substantively enacted the legislation to date. The Group will continue to monitor the Pillar Two related developments in all relevant jurisdictions and assess any potential top-up tax in accordance with the relevant legislation after taking into consideration the transitional Safe Harbour relief.

On 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the Pillar Two rules. In line with IAS 12 (as amended), the Group has applied the exception with regards to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

16. TANGIBLE FIXED ASSETS

16.1 Material accounting policy information

16.1.1 Property, plant and equipment

Recognition and measurement

Developed properties, (land and buildings) mainly comprising hotels, shopping malls and offices are initially recognized at cost. Subsequent to initial recognition, these are stated at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and any impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

During the construction period, land is held at its carrying value and development expenditure is carried at cost less any impairment losses. Upon completion of construction, the entire property (land and building) is carried at revalued amount.

All other items of property, plant and equipment, mainly comprising leasehold improvements, fixtures and fit outs and administrative assets, are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (components) of property, plant and equipment.

Subsequent cost

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

Depreciation

Items of property, plant and equipment are depreciated from the date they are put to use. Depreciation is charged to profit or loss so as to write off the cost/revalued amounts less any residual value in equal installments over their estimated useful lives, except land and under development assets, which is not depreciated. The estimated useful lives of property, plant and equipment are as follows:

Category of assets	*Estimated useful life*
Buildings	5 - 50 years
Furniture, fixtures and equipment	3 - 25 years

Depreciation methods, remaining useful lives of assets and residual values are reviewed at each reporting date and adjusted if appropriate.

Valuation surplus relating to buildings is allocated to the building structure and is depreciated over the remaining useful life of the respective building structure which ranges from 5 to 50 years.

Revaluation reserve

Any increase in value arising on the revaluation of properties is credited to revaluation reserve in equity through consolidated statement of other comprehensive income, except to the extent that it reverses a revaluation decrease for the same property previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of properties is charged to profit or loss except to the extent that it reverses a previously recognized revaluation gain on the property in which case it is debited to revaluation reserve in equity.

De-recognition

On subsequent disposal or retirement of a revalued property, the attributable revaluation surplus remaining in revaluation reserve is transferred directly to retained earnings.

16.1.2 *Capital work in progress (CWIP)*

Work in progress in respect of capital expenditure including land is classified as capital work in progress. Borrowing costs and other overheads directly attributable to the projects are included as costs until completion thereof. Where development work is carried out on land owned by the Group, the carrying value of the land is included under capital work in progress. For other properties that are developed with an intention of constructing an owner occupied property, both the capital expenditure and land are carried at cost, less impairment, if any, until the property is fully developed.

Development expenses are capitalized after successful initial feasibility is conducted, subject to an approved budget and formal sign-off of a summary scoping document by management. These development costs are shown as assets under capital work in progress.

Development costs carried forward are reviewed in subsequent periods to ensure that circumstances have not changed such that the criteria for capitalization still holds good. However in circumstances where the criteria has changed, the costs are written-off or provided for to the extent they are believed to be irrecoverable.

Regardless of the foregoing, if management has not obtained the Company's Board of Directors approval to proceed to the next development stage within 24 months after its inception, the project will be deemed impaired and the full accumulated work in progress balance of that project (excluding land value) will be written off and charged to profit or loss.

16.1.3 *Investment property including properties under construction*

Investment properties are properties held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, shopping malls and properties being constructed for future use as investment property, is stated at fair value at the reporting date.

Where the fair value of an investment property under development is not reliably determinable, such property is carried at the book value of the land and any development cost incurred to date, less any impairment losses, until the earlier of the date that construction is completed or the date at which fair value becomes reliably measurable.

Gains or losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Reclassification

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as an investment property. Any gain arising on re-measurement at transfer date is recognized in equity through consolidated statement of other comprehensive income. Any loss is recognized immediately in profit or loss except to the extent that it reverses a previously recognized revaluation gain on the same property in which case it is debited to equity. The amount recognized in equity on such property remains within equity until the property is disposed-off or withdrawn from use at which point the amount remaining in equity is transferred directly to retained earnings.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its carrying amount. Change in fair value up to the date of reclassification is recognized directly in profit or loss.

De-recognition

An investment property is derecognized when it is either disposed off or permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss on the retirement or disposal of an investment property is included in profit or loss in the period in which the property is derecognized. When investment property which was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

16.1.4 Right-of-use assets

Recognition and measurement

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date.
The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of the underlying property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

16.1.5 Development property

Properties in the process of construction or development for the purpose of sale on completion are classified as development properties. These are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing costs capitalized. When the use of a property changes such that it is reclassified as a development property from investment property, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Development property are classified as real estate inventory (within Development property) when the property is ready for handover and at cost which becomes its deemed cost for subsequent accounting. Subsequent to initial recognition, real estate inventories are valued at lower of cost and net realizable value. Costs are those expenses incurred in bringing each housing unit to its present location and condition. Costs which can be specifically allocated to a particular phase/area of the development are allocated to the property units constructed in that phase/area based on the GFA (Gross Floor Area) of each unit. Other common costs unrelated to a particular phase/area are recorded in a separate account as incurred and allocated to the revenue generating units. The Group allocates such costs on the basis of factors relevant to the units constructed.

16.2 Critical accounting estimates and judgement

Classification of properties

Investment property - accounting for dual-use properties

Investment property is property held to either earn rental income or capital appreciation. Certain properties of the Group include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use by the Group in the supply of services or for administrative purposes, referred to as 'dual use properties'.

Dual use properties where portions can be sold or finance-leased separately are split between property, plant and equipment and investment properties based on the leasable value of each portion.

For dual use properties developed on leasehold land or where the title of the property does not belong to the Group, portions cannot be sold or finance-leased separately. For such properties estimates are made to assess level of own use using leasable value of the self-occupied and let out portions.

If the level of own use of a property, as determined by leasable value, is insignificant, the entire property is classified as investment property, otherwise, it is classified as property, plant and equipment.

Valuation and apportionment of fair values between land and buildings

Where the valuation of a property comprises the aggregate value of land and building, the valuation is apportioned between land and building based on the reinstatement cost as computed by an external appraiser of the building, unless another appropriate basis is available for allocation.

Change in fair value apportioned to buildings is then allocated to the building structure as it is impracticable to obtain detailed fair value information at each component level of the building from the valuer or to use any other reasonable method of approximation to internally estimate such component values. Consequently, any increase in fair values is allocated to the structure of the buildings and depreciated over the remaining useful lives of the respective buildings.

Estimation or forecast of cost to complete (CTC)

The estimation or forecast of CTC on main contracts under execution involves uncertainties. This forecast to complete includes input from all budget stakeholders who review the Total Development Cost ('TDC') and not just construction related cost. The construction forecast, where available, includes the independent quantity surveyors ('QS') cost report which is reviewed and analyzed for completeness. Any gaps in the report (early warnings, leasing changes etc.) are adjusted within the forecast to complete.

Net realizable values of development property and real estate inventory

Properties in the process of construction or development for the purpose of sale on completion are classified as development property.

In determining whether development property are measured at the lower of cost and net realizable value, the management makes judgements as to whether there is any observable data indicating that there is a reasonable measurable decrease in the estimated future selling price of the real estate properties. Accordingly, an impairment provision is made where there is a potential loss event or condition which, based on previous experience, is evidence of a reduction in the future selling price of the real estate properties. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing and staff costs capitalized.

16.3 Measurement of fair values and valuation process

The fair value of the investment properties and land and buildings included within property, plant and equipment is determined twice a year at 31 December and 30 June by independent external valuer with sufficient current local and international knowledge of the respective property markets and member of the Royal Institution of Chartered Surveyors (RICS). The valuation has been prepared in accordance with the RICS Valuation Global Standards-2020 in conjunction with the International Valuations Standards and the RICS Professional Standards (the 'Red Book').

The key drivers of the property valuations in relation to the shopping malls are the discount rates applied and the leases that are in place at the valuation date. Current leases determine the secured cash flow profile of the property and therefore form the base of the valuation. The valuations assumemarket rent is achieved on expiry of the contractual term of each lease. The market rent is calculated based on market evidence and recent leasing transactions, which is based on evidence available at the date of valuation.

With the heightened degree of uncertainty resulting from the prevailing geopolitical situation in Middle East, with Lebanon now being a direct target, there is increased difficulty in exercising professional judgements to determine asset values when there are few, if any, comparable transactions in the new environment. Consequently, the external valuation contains the following material uncertainty statement as part of their valuation which is consistent with the guidance issued by RICS Valuation - Global Standards:

Material Valuation Uncertainty

The conflict in the Middle East has escalated in recent months, with Beirut as a direct target. This has resulted in an unprecedented set of circumstances on which to base a judgement in relation to our valuation of all assets in Lebanon. As at the date of valuation, market activity in Beirut is being impacted across all sectors. Consequently, we need to report on the basis of 'material valuation uncertainty', as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Despite the recent ceasefire being agreed, given the unknown future impact that the ongoing conflict might have on the real estate market in Beirut, management continues to closely monitor its effect on the valuations of the Group's assets in Lebanon. As at 31 December 2024, the Group's property portfolio in Lebanon that is subject to fair value includes AED 872 million of investment property and AED 12 million of property, plant and equipment.

During the year, the overall valuation of the Group's shopping malls portfolio recorded a net fair value gain of AED 1,479 million (2023: AED 2,228 million).This is primarily driven by an overall increase in net rent across the core shopping malls vs 31 December 2023 and continued strong tenant sales in super regional UAE assets. Higher tenant sales across the super regional assets in 2024 had a positive impact on lease renewals and, consequently, on estimated rental values continuing the upward momentum from 2023.

The key driver of property valuations in relation to the hotels are the discount rates applied as well as the forecasted EBITDA generated from its operations. For the hotel portfolio, the key drivers to the valuation are the discount rates applied and forecasted EBITDA generated from each asset's operations. During the year, overall valuation of the Group's hotel portfolio resulted in a net valuation gain of AED 22 million (2023: AED 93 million). The net valuation gain is a combination of net valuation loss assessed by independent external valuer, which has been fully offset by valuation gain mainly arising from reinstatement of depreciated carrying value to the fair value.

The following table shows the valuation technique and key unobservable inputs used in measuring the fair value of investment properties and land and buildings included within property, plant and equipment:

Class of asset	Principle valuation	Description
Shopping malls (stabilized)	Discounted cash flows (DCF)	The gross fair value (net of costs to complete) is derived using DCF and is benchmarked against net initial yield and comparable transactions.
Shopping malls [fair value is reliably determinable (non-operational/ newly operational)]	Income capitalization approach	Where the external valuer can reliably determine the fair value of the asset, the gross fair value (net of costs to complete) is derived by applying asset specific capitalization rates on the net operating income streams of the property benchmarked to market rates. Following a period of operation (stabilization) the asset is valued using DCF as detailed above.
Hotels	Discounted cash flows (DCF)	The fair value derived using DCF for Hotels is benchmarked against capital value per key and net initial yield.
Offices	Income capitalization approach	Fair value is derived by applying asset specific capitalization rate on the net operating income of the property benchmarked to market rates.
Lands	Comparable market transactions approach	Properties held for future development ('land bank') are valued using comparable methodology which involves analyzing other relevant market transactions. Comparable methodology can involve a parcelisation approach where it is assumed a larger plot is subdivided and sold in smaller lot sizes over a period of time.

Property plant and equipment and Investment property includes a shopping mall with a value net of an estimated capital expenditure allowance of AED 1,193 million (2023: AED 1,110 million) to realize its fair value.

Summary of valuation of Group's property portfolio, including capital work in progress is given below.

	Property, plant and equipment		Investment property	
(AED in millions)	2024	2023	2024	2023
Assets valued by independent external valuers	6,723	7,660	34,879	34,075
Assets valued internally	129	129	1,625	1,612
	6,852	7,789	36,504	35,687

The fair values are categorized as a Level 3 fair value based on the inputs to the valuation technique used. The independent external valuers adopted valuations methodology consistent with the previous cycles.

For the year ended 31 December 2024, a net valuation gain of AED 1,301 million (2023: AED 2,313 million) has been recognized. This comprises a net valuation gain of AED 292 million (2023: AED 465 million) recognized in other comprehensive income and a net valuation gain of AED 1,009 million (2023: gain of AED 1,848 million) recognized in profit or loss.

The significant unobservable inputs used in the valuation are as follows:

Class of asset	Key unobservable inputs	2024	2023
Shopping malls	Discount rates on income streams	9% to 22.5%	7% to 28.75%
	Compound annual growth rates of net operating income	2.16%	2.53%
Hotels	Discount rate	9.5% to 11.25%	9.5% to 11.25%
	Compound annual growth rates of EBITDA	4.30%	3.68%

Class of asset	Key unobservable inputs	2024	2023
Offices	Equivalent yield	8% to 9.25%	8% to 9.25%

Inter-relationship between key unobservable inputs and fair value measurement.

The estimated fair value would increase/(decrease) if:
- The discount rates were lower/(higher);
- The equivalent yield were lower/(higher); or
- The growth rates were higher/(lower).

Management has critically assessed the asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported.

16.4 PROPERTY, PLANT AND EQUIPMENT

(AED in millions)	Land and buildings	Furniture fixtures and equipment	CWIP	Total
Cost/revaluation				
At 1 January 2023	7,234	11,978	849	20,061
Additions	71	56	762	889
Assets placed in service	65	660	(725)	-
Addition on extension of land lease (note 16.4.5 and 30.3)	153	-	-	153
Acquired in a business combination (note 7.2.2)	-	4	-	4
Acquired under common control transaction	-	9	-	9
Disposals/write offs/adjustments	(2)	(303)	(1)	(306)
Transfer from investment properties-net (note 16.4.1 and 16.5)	14	-	-	14
Transfer to intangible assets (note 19.2)	-	-	(53)	(53)
Net gain on revaluation of properties (note 16.4.2)	577	-	-	577
Accumulated depreciation and impairment eliminated on revaluation	(392)	-	-	(392)
Effect of foreign exchange movements	(60)	(216)	(6)	(282)
At 31 December 2023	7,660	12,188	826	20,674
At 1 January 2024	7,660	12,188	826	20,674
Additions	108	306	364	778
Assets placed in service	108	405	(513)	-
Disposals/write offs/adjustments	-	(376)	(28)	(404)
Disposal of subsidiaries	(729)	(39)	-	(768)
Transfer to investment properties-net (note 16.4.1 and 16.5)	(297)	-	-	(297)
Net gain on revaluation of properties (note 16.4.2)	354	-	-	354
Accumulated depreciation and impairment eliminated on revaluation	(365)	-	-	(365)
Effect of foreign exchange movements	(116)	(214)	(14)	(344)
At 31 December 2024	6,723	12,270	635	19,628

(AED in millions)	Land and buildings	Furniture fixtures and equipment	CWIP	Total
Accumulated depreciation/impairment				
At 1 January 2023	-	(8,413)	(13)	(8,426)
Charged during the year	(392)	(850)	-	(1,242)
Impairment loss (note 14.3)	-	(312)	(53)	(365)
Reversal of impairment (note 14.3)	-	53	-	53
Accumulated depreciation and impairment eliminated on revaluation	392	-	-	392
Acquired under common control transaction	-	(5)	-	(5)
On disposals/write offs	-	231	7	238
Effect of foreign exchange movements	-	139	(1)	138
At 31 December 2023	-	(9,157)	(60)	(9,217)
At 1 January 2024	-	(9,157)	(60)	(9,217)
Charged during the year	(350)	(827)	-	(1,177)
Impairment loss (note 14.3)	(15)	(27)	(121)	(163)
Accumulated depreciation and impairment eliminated on revaluation	365	-	-	365
On disposals/write offs	-	322	-	322
Disposal of subsidiaries	-	39	-	39
Effect of foreign exchange movements	-	148	(4)	144
At 31 December 2024	-	(9,502)	(185)	(9,687)
Carrying amounts				
At 31 December 2023	7,660	3,031	766	11,457
At 31 December 2024	6,723	2,768	450	9,941

During the year, there is a heightened degree of uncertainty in the valuation of certain categories of property, plant and equipment resulting from the prevailing geopolitical situation in Middle East, in particular Lebanon, that is disclosed in the note 16.3 of these consolidated financial statements.

16.4.1 During the current year, net balance amounting to AED 297 million (2023: AED 14 million) has been transferred to/(from) investment property to property, plant and equipment on account of changes in the proportion of properties held for own use by the Group.

16.4.2 The details of revaluation gain on property, plant and equipment are as follows:

(AED in millions)	2024	2023
Net gain recognized in revaluation reserve	292	465
Net gain recognized in profit or loss (note 16.5.1)	62	112
	354	577

16.4.3 If the properties had been stated under the historical cost basis, the carrying amounts would have been as follows:

	2024		2023	
(AED in millions)	Land	Buildings	Land	Buildings
Cost	911	6,870	1,079	8,178
Accumulated depreciation	-	(4,278)	-	(4,802)
Net carrying amount	911	2,592	1,079	3,376

16.4.4 Accrued lease income at the reporting date, relating to the accounting of operating lease rentals on a straight line basis as per IFRS 16, finance lease liability, project related accruals and retention from contractor payments have been adjusted from the valuation of developed properties, in order to avoid double counting of assets and liabilities, as mentioned below:

(AED in millions)	2024	2023
Fair value of land and buildings	7,389	7,382
Less: Adjustment for accrued operating lease income	-	(1)
Less: Advances to contractors	(1)	(1)
Add: Lease liability	268	269
Add: Retention from contractor payments	2	3
Add: Project related trade payables and accruals	2	8
Net adjusted fair value	7,660	7,660

16.4.5 The carrying amount as at the reporting date includes an operational shopping mall in UAE amounting to AED 177 million (2023: AED 175 million) and operational shopping malls in Oman amounting to AED 230 million (2023: AED 370 million), which are constructed on leasehold lands (right-of-use assets). These leasehold lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is reserved with the Governments of UAE and Oman, respectively. If the respective leases are not renewed the land and buildings will be transferred to the Governments of UAE and Oman respectively at the end of the lease term.

The leasehold land on which the shopping mall in UAE has been built was obtained on a long term lease from the Government of Dubai for lease terms of 8 and 25 years for two different parcels of land. A portion of the lease has expired during the year and the renewal of the lease agreement is in progress as of the reporting date. Management has estimated the lease renewal terms based on terms of the other agreement, and accordingly, recognized an additional lease liability amounting to AED 153 million during the previous year.

16.5 INVESTMENT PROPERTY

(AED in millions)	Land Undeveloped	Land and buildings	CWIP	Total
Cost/fair value				
At 1 January 2023	2,312	30,491	1,885	34,688
Additions	-	331	208	539
Acquired in business combination (note 8.2.1)	69	-	1	70
Net valuation gain recognized in profit or loss (note 16.5.1)	4	1,732	-	1,736
Transfer to property, plant and equipment-net (note 16.4)	55	(69)	-	(14)
Transfer (to)/from development property-net (note 16.7)	(297)	-	23	(274)
Impairment loss (note 14.3)	-	-	(612)	(612)
Effect of foreign exchange movements	(5)	(441)	-	(446)
At 31 December 2023	2,138	32,044	1,505	35,687

(AED in millions)	Land Undeveloped	Land and buildings	CWIP	Total
Cost/fair value				
At 1 January 2024	2,138	32,044	1,505	35,687
Additions	89	363	66	518
Disposals	(14)	(4)	-	(18)
Disposal of subsidiary	-	(57)	-	(57)
Assets placed in service	-	106	(106)	-
Net valuation gain recognized in profit or loss (note 16.5.1)	(201)	1,148	-	947
Transfer from property, plant and equipment-net (note 16.4)	-	297	-	297
Transfer (to)/from development property-net (note 16.7)	(86)	(12)	-	(98)
Transfer to work-in-progress on commencement of development	(105)	-	105	-
Impairment loss (note 14.3)	-	(26)	(5)	(31)
Effect of foreign exchange movements	(53)	(683)	(5)	(741)
At 31 December 2024	1,768	33,176	1,560	36,504

During the year, there is a heightened degree of uncertainty in the valuation of investment properties resulting from the prevailing geopolitical situation in Middle East, in particular Lebanon, that is disclosed in the note 16.3 of these consolidated financial statements.

16.5.1

(AED in millions)	2024	2023
Net gain taken on revaluation of property, plant and equipment (note 16.4.2)	62	112
Net gain on valuation of investment properties	947	1,736
	1,009	1,848

16.5.2 Rental income derived from investment properties during the current year is AED 3,533 million (2023: AED 3,355 million) (note 8.2.1). The direct operating expenses arising from investment property that generated rental income during the current year amounted to AED 1,219 million (2023: AED 1,152 million).

16.5.3 Accrued lease income at the reporting date, relating to the accounting of operating lease rentals on a straight line basis as per IFRS 16, advances to contractors, finance lease liability, project related accruals and retention from contractor payments have been adjusted from the valuation of developed properties, in order to avoid double counting of assets and liabilities, as mentioned below:

(AED in millions)	2024	2023
Fair value of land and buildings	33,462	32,310
Less: Adjustment for accrued operating lease income	(340)	(334)
Less: Advances to contractors	(10)	(11)
Add: Lease liability	34	31
Add: Retention from contractor payments	11	12
Add: Project related trade payables and accruals	19	36
Net adjusted fair value	33,176	32,044

16.5.4 In the prior year, two plots of land in Oman, measuring 12 thousand sqm. with carrying amount of AED 13 million were held by the estate of the late majority shareholder (deceased) of the Parent Company for the beneficial interest of the Group, before his passing in December 2021. During the year, the ownership of the property was transferred back to the estate and, as a result AED 13 million was recorded as a loss in the consolidated statement of profit or loss for the year.

16.5.5 The carrying value as at the reporting date includes shopping malls on leasehold lands (right-of-use assets) in Oman amounting to AED 1,533 million (31 December 2023: AED 1,294 million). These leasehold lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is reserved with the Government Oman. If the leases are not renewed the land and buildings will be transferred to the Government Oman at the end of the lease term.

16.5.6 The Group's investment property includes plots of land that are currently held for undetermined future use amounting to AED 1,768 million (2023: AED 2,138 million).

16.6 RIGHT-OF-USE ASSETS

(AED in millions)	2024	2023
Cost		
At 1 January	5,723	5,621
Additions during the year (note 30.3)	714	442
Derecognized on lease termination and modifications - net (note 30.3 and note 30.3.1)	(554)	(279)
Disposal of subsidiary	(2)	-
Effect of foreign exchange movements	(48)	(61)
At 31 December	5,833	5,723
Accumulated depreciation/impairment		
At 1 January	(2,707)	(2,170)
Depreciation charge for the year (note 11.2)	(656)	(665)
On lease modification and termination (note 30.3 and note 30.3.1)	427	234
Impairment loss (note 14.3)	(7)	(125)
Effect of foreign exchange movements	17	19
At 31 December	(2,926)	(2,707)
Carrying amount at 31 December	2,907	3,016

16.6.1 Details of the right-of-use assets included as part of property, plant and equipment and investment property are as follows:

- Two usufruct contracts with the Government of Sultanate of Oman for fifty years, which provides the Group usufruct rights over plots of land in Oman for a period of fifty years starting 2014 and 2017.

  In 2014, the Group's subsidiary in Oman entered into a usufruct contract with the Government of Sultanate of Oman (the 'Parties'), which provided the subsidiary usufruct rights over plots of land in Oman for a period of fifty years. During the year, the terms of the usufruct contract have been extended for another forty-nine years with lease payment terms subject to negotiations in a separate agreement. The negotiations for lease payments are to be finalized between the beginning of the forty first year until the end of fiftieth year. Accordingly, no additional lease liability has been recognized for the lease extension period.
- Long term lease from Government of Dubai for a lease terms of 8 and 25 years for different parts of land on which the Group has constructed a shopping mall (note 16.4.5).

16.7 DEVELOPMENT PROPERTY

(AED in millions)	2024	2023
At 1 January	2,690	2,253
Additions during the year	2,367	1,949
Transferred from investment property (note 16.7.1 and 16.5)	98	297
Transferred to investment property (note 16.5)	-	(23)
Transferred to cost of sales and inventory	(2,964)	(1,788)
Impairment charge (note 14.3)	-	(7)
Reversals during the year	(1)	-
Effect of foreign exchange movements	-	9
At 31 December	2,190	2,690

16.7.1 During the year, land amounting to AED 93 million (2023: AED 297 million), classified as investment property have been reclassified to development property and real estate inventory intended for sale. In prior year, land amounting to AED 297 million, previously held as investment property, has been transferred to development property to develop a community project.

17. EQUITY-ACCOUNTED INVESTEES

17.1 Material accounting policy information

Interests in equity-accounted investees: Associates and Joint ventures

The Group's interest in equity accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases. When the Group’s share of losses of an associate or a joint venture exceeds the Group’s interest in that associate or joint venture, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group’s share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The financial statements of the Group’s associates or joint ventures are prepared using consistent accounting policies. Wherever necessary, adjustments are made to bring accounting policies in line with those of the Group.

17.2

(AED in millions)	2024	2023
Investment in associates (note 17.3)	115	100
Investment in joint ventures (note 17.4)	746	745
	861	845

17.3 INVESTMENT IN ASSOCIATES

(AED in millions)	2024	2023
At 1 January	100	80
Additions during the year	2	13
Share of profit accounted through profit or loss (note 17.3.2)	60	46
Dividend income:		
- Declared and settled	(39)	(33)
- Declared but not received at the reporting date (note 17.3.1)	(6)	(7)
Impairment charge (notes 15.3)	(1)	(1)
Foreign currency translation differences from foreign operations	(1)	2
At 31 December	115	100

17.3.1 During the year, the Group's associate, Enova Facilities, declared cash dividend amounting to AED 36 million (2023: AED 35 million) representing the Group's share. Of this, AED 37 million was received (2023: AED 28 million) prior to the reporting date.

During the year, the Group's associate, Hollister paid cash dividend amounting to AED 9 million (2023: AED 5 million) representing the Group's share.

17.3.2 Details of Group's material associates are as follows:

			Effective ownership	
Name of associate	Country of incorporation	Nature of business	2024	2023
Enova Facilities Management Services	United Arab Emirates	Facilities management	51%	51%
Hollister Fashion LLC	United Arab Emirates	Fashion retailer	51%	51%

17.3.3 Summarized un-audited financial information in respect of the Group's interest in associates in UAE are set out as follows:

(AED in millions)	2024	2023
Total assets	1,331	891
Total liabilities	(845)	(648)
Net assets	486	243
Carrying amount of interest in investee at the year end	248	100
Revenue	1,498	1,227
Profit for the year	102	89
Share of profit for the year	52	46

17.4 INVESTMENT IN JOINT VENTURES

(AED in millions)	2024	2023
At 1 January	745	784
Share of profit accounted through profit or loss (note 17.4.8)	83	54
Reduction of investment (note 17.4.1 and 17.4.3)	(30)	(395)
Cash received from a joint venture	-	(5)
Dividend income:		
- Declared and settled	(52)	-
Impairment reversal (note 14.3)	-	321
Acquisition of a subsidiary (note 17.4.2)	-	(14)
Acquisition under common control transaction (note 7.3)	102	-
Disposal (note 7.4.2)	(102)	-
At 31 December	746	745

17.4.1 During the year, the reduction of investment amounting to AED 30 million relates to an equity payback from Sharjah Holding Co. PJSC. In the prior year, the Board of JV Sharjah Holding Co. PJSC ratified the reduction of the Group's investment amounting to AED 92 million to settle an equity contribution imbalance between the joint venture parties. This balance was previously recorded under due to related parties.

17.4.2 During the previous year, the remaining 50% shareholding in The Egyptian Emirates Malls S.A.E. (TEEM), previously an equity accounted joint venture, was fully transferred to the Group, this resulted in consolidation of its net assets in the Group's consolidated financial statements. The investment carrying amount was fully impaired in the prior years and, accordingly, a reversal of impairment had been reflected at the acquisition date for the gross investment of AED 14 million (note 7.2.1).

17.4.3 During the previous year, the Group was in the process of finalizing a settlement agreement with a joint venture partner to recover AED 327 million, being the amount invested by the Group in a joint venture and fully provided for in prior years. The joint venture partner had proposed to settle the amount in three installments over a period of two years starting from the first installment date in 2024. In the prior year, management reassessed the impairment provision and determined that conditions for reversing the impairment existed. Accordingly, impairment to the extent of AED 303 million, net of discounting impact of AED 24 million, had been reversed and a corresponding receivable of AED 303 million had been recognized (note 23). During the year, the Group signed the settlement agreement with the joint venture partner and received the first instalment in cash of AED 108 million. As at 31 December 2024, the carrying amount of the Group's receivable amounted to AED 209 million (31 December 2023: AED 303 million), which is net of unamortized discount of AED 10 million.

17.4.4 During the previous year, the Group had received AED 5 million cash balance from a joint venture, which had a fully impaired investment carrying amount since prior years. Accordingly, a reversal of impairment had been reflected to the extent to of the cash received.

17.4.5 In 2021, the Board of Directors of a joint venture in the UAE resolved to amicably wind up an immaterial joint venturecompany. The investment was derecognized during the year following the completion of the liquidation proceedings of the joint venture entity.

17.4.6 In 2021, the Group reinstated the dividend receivable of AED 38 million from Al Mouj Muscat S.A.O.C. ("AMM") subsequent to confirmation of the joint venture compliance with its loan covenants in April 2021 and AMM management intention to settle the dividend over a period of three years. During the year AED 47 million was received from AMM. At the reporting date, the carrying amount of dividend receivable is AED 24 million (2022: AED 19 million).

17.4.7 Details of Group's material joint ventures are as follows:

Name of joint venture	Country of incorporation	Nature of business	Effective ownership 2024	Effective ownership 2023
Sharjah Holding Co. PJSC	United Arab Emirates	Property developer	50%	50%
Al Mouj Muscat S.A.O.C	United Arab Emirates	Property developer	50%	50%

17.4.8 Summarized financial information in respect of the Group's interest in joint ventures aggregated by geographical concentration between UAE and Oman is set out below:

(AED in millions)	UAE	Oman	Total
31 December 2024 (unaudited)			
Non-current assets	345	342	687
Current assets	426	2,149	2,575
Current liabilities	(262)	(1,348)	(1,610)
Non-current liabilities	-	(158)	(158)
Net assets	509	985	1,494
Carrying amount of interest in the investee at the year end*	255	493	748

(AED in millions)	UAE	Oman	Total
Revenue	174	831	1,005
Profit for the year	48	118	166
Share of profit for the year	24	59	83
31 December 2023 (audited)			
Non-current assets	350	636	986
Current assets	1,248	2,153	3,401
Current liabilities	(861)	(1,525)	(2,386)
Non-current liabilities	(217)	(293)	(510)
Net assets	520	971	1,491
Carrying amount of interest in the investee at the year end*	260	486	746
Revenue	525	697	1,222
Profit for the year	38	89	127
Share of profit for the year	19	35	54

* Share of net assets in joint ventures is net of impairment.

18. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

18.1 Material accounting policy information

18.1.1 *Investments held at fair value through profit or loss*

The Group classifies its investments as fair value through profit or loss ("FVTPL"). This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit and loss at inception. A financial instrument is classified in this category if acquired principally for the purpose of selling in the short term or if

Investments are initially measured at fair value plus, in case of investments not at fair value through profit or loss, incremental direct costs.

The Group derecognizes investments when the contractual rights to the cash flows from the investment expire, or when it transfers the rights to receive the contractual cash flows on the investments in a transaction in which substantially all the risks and rewards of ownership of the investment are transferred.

The Group writes off certain investments when they are determined to be uncollectible.

Any gain or loss arising from a change in fair value of FVTPL investments is included in the consolidated statement of profit or loss in the period in which it arises.

18.2 *Critical accounting estimates and judgement*

Significant unobservable inputs for measuring fair values of investment

A discount rate is used to determine the net present value of the expected future cash flows when using the Discounted Cash Flow valuation technique. The discount rate used is specific to each individual investment and reflects relevant factors such as liquidity risk, political/country risk, execution risk, foreign exchange risk etc.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The effect of change in fair value on the net assets of the Group as disclosed in note 18.3 below.

18.3 Measurement of fair values and valuation process

The fair value measurement of investments held at FVTPL has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

(AED in millions)	**2024**	**2023**
At 1 January	14	-
Acquired under common control transaction	-	37
Net gain / (loss) on investments	3	(23)
At 31 December	17	14

During the previous year the management had recognized an impairment loss of AED 23 million on its equity stake in a technology and entertainment startup.

The fair value of direct investments is assessed based on multiple valuation techniques including market multiples, precedent transactions, reported net asset value or discounted cash flows. Given the lack of comparable transactions and given that the investees are early stage start-ups results in significant variances in valuation across these techniques. The Group uses the valuation techniques or combination of these techniques to assess whether the carrying amount of the investment is appropriate.

(AED in millions)	**2024**	**2023**
Investment in unlisted securities	17	14

19. INTANGIBLE ASSETS AND GOODWILL

19.1 Material accounting policy information

Goodwill

All business combinations are accounted for by applying the purchase method except for acquisition of entities under common control. The excess of cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition is recorded as goodwill. Gain on bargain purchase arising on acquisition is immediately recognized in profit or loss.

Acquisitions of non-controlling interests are accounted for as transactions with other equity holders in their capacity as equity holders and therefore, goodwill is not recognized as a result of such transactions.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and is not tested for impairment separately.

Goodwill is tested annually for impairment and whenever there is an indicator for impairment. Goodwill is carried at cost less accumulated impairment losses, if any.

On disposal of a subsidiary / joint venture / associate, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

Other intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Where the payment term is deferred, the cost of the intangible asset is the cash price equivalent, which is the discounted amount of cash outflows over the payment term. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Cloud computing arrangements and applications

Cloud hosting arrangements are accounted for as intangible assets, provided the following conditions are met:

- The Group has the contractual right to take possession of the software at any time during the hosting period without significant penalty/payment, and

- It is feasible for the Group to either run the software on its own hardware or contract with a third party unrelated to the vendor to host the software.

Arrangements which do not meet the above criteria are accounted for as service contracts (charged to profit and loss over the period of service contract).

Arrangements that meet the above criteria are considered multiple-element arrangements to purchase both a software license and a service of hosting the software. These costs are allocated between the license and the hosting elements based on the relative fair value of each element.

Costs associated with the purchased license are accounted for under as intangible assets, if they meet the recognition criteria, whereas the hosting costs are expensed in the period in which they occur.

Amortization

Amortization is calculated on the cost of the asset, or other amount substituted for cost, less its estimated residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Category of assets	*Estimated useful life*
Metro naming rights	10 years
Others	3 - 4 years

19.2

(AED in millions)	Goodwill	Others	Total
Cost			
At 1 January 2023	1,325	1,525	2,850
Additions	-	192	192
Acquired pre-existing intangible under common control transaction	-	274	274
Acquired in a business combination (note 7.2.2)	-	2	2
Transfer from property plant and equipment (note 16.4)	-	53	53
Disposals/write-offs	-	(26)	(26)
Foreign currency translation differences from foreign operations	(2)	(1)	(3)
At 1 January 2024	1,323	2,019	3,342
Additions	-	269	269
Disposals/write-offs	-	(7)	(7)
Foreign currency translation differences from foreign operations	-	(1)	(1)
At 31 December 2024	1,323	2,280	3,603
Accumulated amortization/impairment			
At 1 January 2023	(112)	(1,045)	(1,157)
Charge for the year	-	(177)	(177)
Acquired pre-existing intangible under common control transaction (note 8.3.1)	-	(188)	(188)
Impairment loss (note 14.3)	(70)	(71)	(141)
On disposal/write-offs	-	9	9
At 1 January 2024	(182)	(1,472)	(1,654)
Charge for the year	-	(202)	(202)
Impairment loss (note 14.3)	(87)	(43)	(130)
On disposal/write-offs	-	1	1
Foreign currency translation differences from foreign operations	-	1	1
At 31 December 2024	(269)	(1,715)	(1,984)
Carrying amounts			
At 31 December 2023	1,141	547	1,688
At 31 December 2024	1,054	565	1,619

19.3 In 2021, the Group entered into an agreement with a Government entity in the UAE to renew its naming rights for two stations of the Dubai Metro for a period of 10 years. Based on the present value of the future payments to be made, intangible assets have been recorded, which are amortized over the contract period using the incremental borrowing cost of the Group at 1.89% per annum, and a corresponding deferred liability was recorded (notes 25).

19.4 Goodwill includes AED 954 million (2023: 1,018 million) goodwill with respect to the acquisition of a retail business in 2017. The goodwill, mainly attributable to the synergies expected to be achieved from integrating the acquired business into the Group's existing retail business, including know-how of operating small scale supermarket business models, relationship with key landlords/stakeholders and increasing market share. Goodwill has been allocated to the acquired businesses in each of the countries i.e. UAE of AED 711 million (2023: AED 711 million), Bahrain of AED 94 million (2023: AED 145 million), and Kuwait of AED 149 million (2023: AED 162 million), and is tested annually for impairment.

Based on the impairment test, the estimated recoverable amount (calculated using value in use) of the CGU in the UAE exceeded its carrying amount. Management is confident that actual results will align with the projections and that the assumptions used in the goodwill impairment test are reasonable. As a result, no impairment loss has been recognised against goodwill allocated to UAE for the current year (2023: Nil).

For the Kuwait and Bahrain CGUs, recent geopolitical developments and the performance of the business has negatively affected the estimated recoverable amounts (value in use). As a result, impairment losses of AED 51 million and AED 13 million have been recognised for the Bahrain and Kuwait CGUs, respectively.

The impairment test is based on the "value in use" calculation. These calculations use cash flow projections based on estimated operating results of the businesses acquired in each of the countries (identified as a CGU for the purpose of impairment testing of goodwill). Following are the key assumptions used for the projected cash flows involving significant judgements and any negative variation can result in a potential impairment.

- *Cash flow projections* – The cash flow projections included specific estimates for five years at an average growth rate 2% to 5.4% (2023: 2.9% to 3%) and a stable average growth rate of 1.9% to 2.2% (2023: 2.2% to 2.8%) thereafter. The stable growth rate was determined based on management's estimate of the long-term standard inflation rate, consistent with the assumptions that a market participant would make. Cash flow projections are done on the assumption of going concern.
- *Discount rates* – These represent the cost of capital adjusted for the respective country risk factors. The Group uses the post-tax industry average Weighted Average Cost of Capital which reflects the country specific risk adjusted discount rate. A discount rate of 8.1% to 11.9% (2023: 8% to 13.5%) has been determined and applied.

The assumptions used for the projected cash flows require significant judgements and any unfavorable changes including any disruptions caused by macro economical or geopolitical situation and its prolonged impact may result in a potential impairment.

19.5 During the year, impairment loss amounting to AED 23 million (2023: AED 70 million) was recognized against goodwill. The impairment pertains to a CGU in cinema operating unit and was triggered by decline in CGU's EBITDA due to adverse economic and competitive environment. The Group uses pre-tax discount rate of 12% (2023: 14.5%). The cash flow projections include specific estimates for five years at an average growth rate of 5% (2023: 10%) and stable average growth rate of 3% (2023: 3%) thereafter. The stable growth rate was determined based on management's estimate of the long-term standard inflation rate, consistent with the assumptions that a market participant would make.

20. OTHER NON-CURRENT ASSETS

(AED in millions)	2024	2023
Long term portion of:		
- Advances and deposits (note 22)	747	589
- Accrued income on operating leases (note 22)	304	255
- Unbilled receivables (note 20.1 and 22)	1,083	597
- Other receivables	117	195
- Prepaid rentals (note 22)	-	4
Long term prepaid lease premium (note 20.2)	3	33
	2,254	1,673

20.1 Unbilled receivables pertain to revenue recognized from property sales but not billed as at the reporting date.

20.2 This mainly represents the unamortized value of the payments made to the previous tenants of a hypermarket and a supermarket in respect of the right to enter the lease and also includes the payments made to the landlord of a hypermarket towards the cost of construction of the building in which the hypermarket is situated. These payments are in the nature of lease premiums and are amortized over the period of the respective leases.

21. INVENTORIES

21.1 Material accounting policy information

Inventories are measured at the lower of cost and net realizable value. Cost is stated net of rebates according to the agreements with suppliers. The cost of inventories is based on the latest purchase price, which is not materially different from the weighted average cost ("WAC") principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling

The Group reviews its inventories to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is any future sale ability of the product and the net realizable value for such product. Accordingly, provision is made where the net realizable value of inventories is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

21.2

(AED in millions)	2024	2023
Inventory (net of provisions)	3,002	3,270
Reduction in cost from incidence of rebates and discounts	(172)	(190)
Goods in transit	50	32
Spares and consumables	42	25
	2,922	3,137

Provision for stock obsolescence as at the year end amounted to AED 75 million (2023: AED 81 million). The Group estimates provision for stock obsolescence through a method based on ageing, rotation and profitability of an item. Provision rates have been determined specific to the nature of ageing of the items. Besides the above, specific provision is made on a case to case basis as deemed appropriate by the management.

22. TRADE AND OTHER RECEIVABLES

(AED in millions)	2024	2023
Trade receivables (note 34.3)	900	851
Advances and deposits	1,695	1,534
Prepayments	756	734
Unbilled receivables (note 20.1)	2,366	1,313
Accrued income on operating leases	341	335
Positive fair value of derivatives	137	126
Deposit against fair value movement of derivatives - interest bearing	72	104
Other receivables	559	409
	6,826	5,406
Provision for loss allowances (note 34.3)	(181)	(145)
	6,645	5,261
Less: long term portion (note 20)	(2,251)	(1,640)
Current portion	4,394	3,621

23. CASH IN HAND AND AT BANK

23.1 Material accounting policy information

For the purposes of cash flow statement, cash and cash equivalents comprise cash balances, call deposits and term deposits with an original maturity of less than three months. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

23.2

(AED in millions)	2024	2023
Cash in hand	200	262
Cash at bank (note 34.3)	1,027	1,242
Fixed deposits and short-term treasury bills (note 34.3)	-	537
	1,227	2,041
Restricted cash (note 23.5 and note 34.3)	3,836	3,686
	5,063	5,727

23.3 Cash in hand mainly represents daily sales takings at stores not deposited, the cash in operation at the central cashier office and petty cash.

23.4 Fixed deposits are obtained at prevailing market interest rates.

23.5 Restricted cash amounting to AED 3,762 million (2023: AED 3,623 million) represents the proceeds received from property sales, which is held in escrow accounts with financial institutions and restricted for use on development property expenditures. These deposits/balances are not under lien.

23.6

(AED in millions)	2024	2023
Cash in hand and at bank	5,063	5,727
Less: restricted cash	(3,836)	(3,686)
Less: bank overdraft (note 28)	(426)	(230)
	801	1,811

24. TRADE AND OTHER PAYABLES

(AED in millions)	2024	2023
Trade payables - supplier finance arrangements (note 24.1)	358	317
Other trade payables	5,003	5,071
Accruals		
- Accrued expenses	1,704	2,006
- Project related accruals	431	358
- Accrued interest	91	102
Retentions payable	181	156
Negative fair value of derivatives	231	229
Other payables	460	396
	8,459	8,635

24.1 Supplier finance arrangements

The Group participates in supplier finance arrangement under which its suppliers may elect to receive early payment for their invoices from a paying agent. Under the arrangement, the paying agent agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the paying agent at at the maturity of the original invoice due date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date.

The Group has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

From the Group's perspective, the arrangement does not materially extend payment terms beyond the normal terms agreed with other supplier that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the paying agent on the amounts due to the suppliers. The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables.

All payables under the arrangement are classified as current as at 31 December 2024 and 2023.

(AED in millions)	2024	2023
Carrying amount of financial liabilities		
Trade payables of which suppliers have received payment	358	317
Range of payment due dates		
Trade payables subject to supplier finance arrangement (days after invoice date)	45 - 150	45 - 150
Comparable trade payables (days after invoice date)	15 - 90	15 - 90

Non cash changes

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

The payments to the paying agent are included within the operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating - i.e. payments for the purchase of goods and services. Any payments to a supplier by the paying agent are considered non-cash transactions.

25. OTHER LIABILITIES

(AED in millions)	2024	2023
Advance receipts	1,338	1,333
Unearned income (note 25.1)	2,416	2,686
Unearned rental income	585	619
Deferred liability		
- Metro naming rights	67	79
- Unredeemed points liability (note 25.2)	111	91
- Others	10	17
	4,527	4,825
Non-current	107	68
Current	4,420	4,757

25.1 Unearned income mainly comprises of payments received from customers for sale of properties from community projects. These revenues have not yet been recognized in the consolidated statement of profit or loss, in line with the revenue recognition policy of the Group. The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied/partially unsatisfied as at 31 December 2024 is AED 13,117 million (2023: AED 10,424 million). The Group expects to recognize these unsatisfied performance obligations as revenue over a period up to 3 years.

25.2 The liability with respect to the unredeemed reward points for Group's loyalty program, "Share", amounted to AED 34 million (2023: AED 27 million) at year-end. Breakage on points liability amounted to AED 12 million (2023: AED 10 million).

26. PROVISIONS

26.1 Material accounting policy information

26.1.1 Provisions

A provision is recognized in the consolidated statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

26.1.2 Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be measured reliably.

26.1.3 Long term employee benefits

The Group offers a retention plan to certain senior management personnel under a special incentive scheme. A provision for the Group’s obligation under the scheme is accrued by estimating the present obligation and present value of the estimated future payments as at the reporting date in respect of all applicable employees for their services rendered during the year.

26.2

(AED in millions)	2024	2023
Bonus provisions (note 26.3)	366	442
Other provisions	43	355
	409	797
Non-current	142	164
Current	267	633
	409	797

26.3 The movement in provision for bonus and long term incentive plan is as follows:

(AED in millions)	2024	2023
At 1 January	442	443
Additions during the year - net	231	321
Reduction arising from payments / write backs / reclassifications made	(304)	(319)
Foreign currency translation differences from foreign operations	(3)	(3)
At 31 December	366	442
Less: Current portion	(228)	(278)
Non-current portion	138	164

27. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the Parent Company and its shareholders, fellow subsidiaries, associates, joint ventures, key management personnel and/or their close family members. Transactions with related parties are carried out at agreed terms.

27.1 SHORT TERM LOAN FROM A RELATED PARTY

(AED in millions)	2024	2023
At 1 January	498	66
Borrowed during the year	239	988
Repaid during the year	(127)	(856)
Settlement of intercompany balance (note 7.3)	188	-
Adjusted for dividend settlement (note 32.4)	-	300
At 31 December	798	498

27.2 LONG TERM LOAN FROM A RELATED PARTY

During the previous year, the Group entered into a loan agreement with the Bahrain Cinema Company BSC (lender). The loan can be drawn up to BHD 0.8 million (AED 8 million) and is repayable after four years. The loan facility is renewable every four years and carries an margin of sovereign Credit Default Spread (CDS) of Kingdom of Bahrain over the base lending rate. At the reporting date the balance outstanding against this loan amounted to AED 6 million.

27.3 DUE FROM RELATED PARTIES

(AED in millions)	2024	2023
Parent company	-	9
Subsidiaries of the Parent Company	2	1
Equity accounted investees	7	69
	9	79
Provision for doubtful receivables	(8)	(10)
	1	69

27.4 DUE TO RELATED PARTIES

(AED in millions)	2024	2023
Parent company	7	-
Subsidiaries of the Parent Company	1	1
Equity accounted investees	55	68
Others	-	3
	63	72

27.5 COMPENSATION TO KEY MANAGEMENT PERSONNEL

(AED in millions)	2024	2023
Directors' fees and expenses	20	16
Employee benefits (salaries and allowances including provision for bonus)	91	91
Post employment benefits (provision for end of service benefits)	2	4
	113	111

27.6 OTHER TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

27.6.1 During the year, certain projects and activities were undertaken on behalf of the Parent Company. Accordingly, costs amounting to AED 25 million (2023: AED 22 million) have been cross charged to the Parent Company. This includes senior executive time incurred on managing governance matters pertaining to the Parent Company.

28. BANK OVERDRAFT

In the ordinary course of business, companies within the Group use overdraft facilities from banks on market rate interest. The Group has bank overdraft facilities aggregating to AED 1,397 million (2023: AED 1,354 million). The facilities carry interest at 0.1% - 3.5% (2023: 0.25% - 3.5%) above the base lending equivalent and the drawn amounts are repayable on demand. At the reporting date, the carrying amount of bank overdraft amounted to AED 426 million (2023: AED 230 million).

29. LONG TERM LOANS

(AED in millions)	2024	2023
At 1 January	16,152	15,600
Borrowed during the year	2,820	6,335
Repaid during the year	(5,106)	(5,853)
Fair value movement	(35)	78
Net movement in unamortized arrangement and agency fee	18	(9)
Currency translation adjustment	-	1
At 31 December	13,849	16,152
Less: Current maturity of long term loans	(1,837)	(1,044)
Non-current portion	12,012	15,108

29.1 Details of drawn committed revolver facilities from banks are as follows:

(AED in millions)

Loan facility 'in millions	Base Lending Rate	Maturity date	Note	2024	2023
USD 700	LIBOR	05-Jul-27	29.1.1	-	202
AED 3,054	EIBOR	05-Jul-27	29.1.1	650	1,880
USD 565	SOFR	27-Sep-27	29.1.1	-	-
AED 2,520	EIBOR	27-Sep-27	29.1.1	1,900	2,520
USD 665	SOFR	13-Jan-28		1,818	1,010
AED 1,229	EIBOR	13-Jan-28		1,229	1,229
				5,597	6,841
Adjustments for:					
Unamortized fees on issuance				(38)	(48)
				5,559	6,793

During the year, the Group extended the maturity of one of its committed revolver facilities, originally set to expire on 5 July 2026, by an additional year, moving the new maturity date to 5 July 2027.

The Group has unsecured committed revolving facilities aggregating to AED 13,892 million (2023: AED 14,260 million). These floating rate facilities carry margins ranging from 1.10% to 1.35% (2023: 1% to 1.35%) per annum over the base lending rate.

29.1.1 The unsecured committed revolving facilities are structured into a sustainability linked loan (SLL), a financial instrument secured primarily on environmental, social and governance related performance. The structure calls for ratcheting of the margin, between 1 bps to 5 bps, if the Group is unable to meet its annual sustainability KPIs.

The loan is subject to the following covenants:

- Net worth must be greater than AED 15 billion: The net worth of the Group excluding equity was AED 33.9 billion as at 31 December 2024.
- Interest cover must be greater than 2:1: The interest cover ratio as at 31 December 2024 was 7.1.
- Net debt to equity ratio must be 70% or less: The net debt to equity ratio was 41.2% as at 31 December 2024.
- Percentage of assets pledged not to exceed 49%: The Group didn't have any pledged assets as at 31 December 2024.

29.2 Details of fixed rate Debt Capital Market facilities are as follows:

(AED in millions)

Bonds and sukuks	Pricing	Maturity date	Note	2024	2023
USD 500 million sukuk certificates	4.50% per annum, to be serviced every six months from returns generated from the Wakala portfolio	03-Nov-25	29.2.1	1,837	1,837
USD 600 million sukuk certificates	4.64% per annum, to be serviced every six months from returns generated from the Wakala portfolio	14-May-29	29.2.1	2,204	2,204
USD 600 million sukuk certificates	3.93% per annum, to be serviced every six months from returns generated from the Wakala portfolio	28-Feb-30	29.2.1	2,204	2,204
USD 100 million sukuk certificates	3.15% per annum, to be serviced every six months from returns generated from the Wakala portfolio	30-Nov-28	29.2.1	367	367
USD 500 million sukuk certificates	5.00% per annum, to be serviced every six months from returns generated from the Wakala portfolio	01-Jun-33	29.2.1	1,837	1,837
USD 800 million unsecured notes	4.75% per annum, payable every six months	07-May-24	29.2.2	-	1,042
				8,449	9,491
Adjustments for:					
Unamortized fees, discounts and premium on issuance				(27)	(35)
Fair value adjustment on borrowings hedged by interest rate swaps				(132)	(97)
				8,290	9,359

29.2.1 In 2019, the size of the Sukuk Trust Certificate Issuance Program ("Sukuk Program") was increased to USD 3,000 million. The size of the Sukuk Program had been increased from USD 1,000 million to USD 1,500 million in 2015 and the structure of the Program was amended to incorporate a Commodity Murabaha Investment option within the "Wakala" structure.

In November 2015, the Group issued ten year Sukuk certificates ("bonds") under its Sukuk Program dated 8 October 2015, raising USD 500 million (AED 1,837 million). In May 2019 and October 2019, the Group issued additional long-ten year Sukuk certificates raising USD 1,200 million in tranches of USD 600 million each, to refinance existing eligible projects in accordance with the MAF Group's Green Finance Framework. These senior unsecured bonds issued in November 2015, May 2019 and October 2019 under this program are listed on the NASDAQ Dubai, UAE and on the Euronext Dublin.

In November 2020, the Group issued unrated and unlisted eight year Sukuk certificates amounting to USD 100 million (AED 367 million) through a private placement under the Sukuk Program. The carrying value of these certificates issued in November 2020, as at 31 December 2024 and 31 December 2023 approximates their fair value.

During the previous year, the Group issued additional ten year Sukuk certificates raising USD 500 million, to refinance existing eligible projects in accordance with the Group's Green Finance Framework. These senior unsecured bonds are also listed on the NASDAQ Dubai, UAE and on the Euronext Dublin.

The terms of the arrangement include payment to the Group for the purchase of an Asset Portfolio by MAF Sukuk Ltd, the Issuer, and the purchase of a Commodity Murabaha Investment for a deferred sale price. The Asset Portfolio, the Commodity Murabaha Investment and all other rights arising under or with respect to such asset portfolio and the Commodity Murabaha Investment shall comprise the "Wakala Portfolio". In substance, the Wakala Portfolio remains in control of the Group and shall continue to be serviced by the Group. The bond holders have no recourse to the assets.

The profit on these fixed rate Sukuk certificates is serviced on a semi-annual basis from returns generated from the Wakala Portfolio.

The Sukuk Program was originally listed on the London Stock Exchange in 2012. All subsequent updates of the program since then, have been listed on the Euronext Dublin and on the NASDAQ Dubai, UAE. Of the total amount raised under the Sukuk Program, USD 750 million (31 December 2023: USD 750 million) is hedged by interest rate swaps and accordingly, carried at fair value.

29.2.2 During the previous year, the Group tendered an invitation to holders of its outstanding notes of ten year fixed rate unsecured bonds USD 800 million (AED 2,938 million) due in May 2024, issued under the USD 3,000 million Global Medium Term Note (GMTN) Program, to purchase for cash. The notes with a par value of USD 516.41 million (AED 1,897 million) were purchased, and accrued interest of USD 1.7 million (AED 6.3 million) was paid until the settlement date on the notes accepted for purchase.

During the year, the remaining principal amount of notes outstanding of USD 283.59 million (AED 1,042 million) were settled in May 2024.

30. LEASES

30.1 Material accounting policy information

A *As a lessee*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses and adjusted for certain remeasurements of the lease liability, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise an extension or a termination option or if there is a revised in-substance fixed lease payment.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets as a separate line item in the consolidated statement of financial position except for right-of-use asset pertaining to properties, which are classified under land and building in 'Property, plant and equipment'. Right-of-use assets that meet the definition of investment property are presented within 'Investment property'. The Group presents lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

A *As a lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on straight-line basis over the lease term as 'rental income' in revenue.

30.2 Critical accounting estimates and judgement

Lease term

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract to determine the period for which the contract is enforceable. A lease is no longer enforceable when the Group (lessee) and the lessor, both, has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

In determining the lease term where the enforceability of the option solely rests with the Group, the management considers all facts and circumstances that create an economic incentive to exercise the option. Extension/renewal options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are most relevant:

- If there are significant penalties (contractual) to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If the lease improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Group also considers other factors including current market conditions, historical impairments on related CGUs, business plans etc.

Where the option on the lease term rests with both the Group (lessee) and the lessor, the Group considers that the option is not enforceable and that the term under the option is based on the consent of both parties and is not considered in the lease term since the Group cannot enforce the extension of the lease without the agreement of the lessor. In addition, economic incentives are also considered when evaluating the enforceability rights.

Variable lease payments

When discounting the minimum lease payments to calculate the lease liability, the Group assesses whether the rebates received from lessor under the “co-tenancy” clause are substantive (i.e. variable) or merely protective (i.e. in substance fixed payments). Where the rebate is substantive the Group considers the rebate when determining the minimum lease payments. If the rebate is assessed to be protective, the Group excludes the impact of rebate in calculation of lease liability.

Incremental borrowing rate

Generally, the Group uses its incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for relevant sector. Given that the Group’s credit rating drives the credit spreads across all markets, individual country’s rating does not impact the spread. Base rates are adjusted based on the currencies involved.

30.3 LEASE LIABILITIES

(AED in millions)	2024	2023
At 1 January	3,851	4,030
Additions (note 16.6)	714	442
Recognized on extension of land lease for a shopping mall in UAE (note 16.4)	-	153
Interest accrued (note 12.2 and 30.3.3)	224	220
Payments made against lease liabilities	(815)	(872)
Derecognized on lease termination and modification (note 30.3.1)	(162)	(73)
Disposal of subsidiary	(2)	-
Currency translation adjustment	(23)	(49)
At 31 December	3,787	3,851
Less: current maturity of lease liabilities (note 30.3.2)	(660)	(663)
Non-current portion	3,127	3,188

30.3.1 During the year, the Group reassessed the lease term of its lease portfolio, including the probability of exercising early termination and renewal options. Based on this reassessment the Group derecognized lease liabilities amounting to AED 162 million (2023: AED 73 million). The difference of AED 35 million (2023: AED 28 million) in the value of lease liability and the corresponding right-of-use asset of AED 127 million (2023: AED 45 million) (note 16.6) derecognized is credited to the consolidated statement of profit and loss as gain on cancellation / termination of lease.

30.3.2 Lease liabilities are as follows:

	Future minimum lease payments		Interest		Present value of minimum lease payments	
(AED in millions)	2024	2023	2024	2023	2024	2023
Less than one year	865	855	209	192	656	663
Between one and five years	2,159	2,333	573	595	1,586	1,738
More than five years	2,079	1,997	534	547	1,545	1,450
	5,103	5,185	1,316	1,334	3,787	3,851

The Group has discounted lease liabilities using incremental borrowing rates ranging from 1.17% to 28.57% (2023: 1.13% to 19.68%).

30.3.3 The Group leases many assets, including properties, retail stores, staff accommodations, office buildings and warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants on the Group.

For the year ended 31 December 2024, the Group recognized interest expense on lease liabilities amounting to AED 224 million (2023: AED 220 million) (note 12.2) and depreciation of right-of-use asset amounting to AED 656 million (2023: AED 665 million) (note 16.6). Expenses relating to short-term leases and contingent rent expense - net of rent concessions received, excluded from measurement of lease liabilities, amounted to AED 167 million (2023: AED 170 million) (note 11).

Some lease contracts contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new lease contracts to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassess on a periodic basis whether there are significant changes in circumstances within its control.

The Company had non-cash additions to right-of-use assets and lease liabilities of AED 714 million in 2024 (2023: AED 442 million)

30.4 LEASE LIABILITIES

The Group leases out its investment property with lease terms typically between 3 to 10 years. These are classified as operating lease since they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The lessee does not have an option to purchase the property at the expiry of the lease period. Furthermore, the lessee does not have the right to assign or sublet the lease or the unit without the prior written consent of the Group.

The Group signs up leases in advance of shopping mall openings and lessees require time to fit out their stores prior to opening. The Group has a right of recourse in the event that the lessee chooses not to open, the exercise of the Group's right will depend on commercial and operational factors.

The maturity analysis of undiscounted lease payments to be received after reporting date are as follows:

(AED in millions)	2024	2023
Less than one year	3,032	2,617
One to two years	2,202	1,916
Two to three years	1,579	1,267
Three to four years	1,161	784
Four to five years	818	535
More than five years	1,836	637
	10,628	7,756

31. POST EMPLOYMENT BENEFIT OBLIGATIONS

31.1 Material accounting policy information

31.1.1 Defined benefit plan

Provision for staff terminal benefits is calculated in accordance with the labor laws of the respective country in which they are employed. The Group's net obligation in respect of staff terminal benefits is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods, and is discounted to determine the present value of the obligation. The discount rate used is the average yield on high investment grade bonds that have maturity dates approximating the terms of the Group's obligation.

The principal assumptions for the calculation of the provision for staff terminal benefits at the reporting date are as follows:

	2024	*2023*
Discount rate	4.94% - 5.00%	4.23% - 5.00%
Future salary increase	3.00% - 6.00%	3.00% - 5.00%

31.1.2 Defined contribution plan

Under the UAE Federal Law No.7 of 1999 for Pension and Social Security, employers are required to contribute 12.5% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme.

On 02 October 2023, Federal Decree Law No. (57) of 2023 came into effect which is applicable to the employees joining the labor market for the first time as of the effective date, provided that current subscribers will continue to be covered under the provisions of the Pension and Social Security Law No. (7) of 1999, even if the employee has joined a new employer after the effective date. Under this law the employers are required to contribute 12.5% or 15% of the 'contribution calculation salary' based on the salary bracket of those employees who are UAE nationals.

The Group's contribution is recognized as an expense in profit or loss as incurred.

31.2

(AED in millions)	**2024**	**2023**
Defined benefit plan	782	788
Defined contribution plan	3	2
	785	790

31.2.1 Reconciliation of defined benefit obligation liability at the reporting date:

(AED in millions)	**2024**	**2023**
At 1 January	788	772
Charge during the year	112	134
Payments / transfers made during the year	(115)	(117)
Currency translation adjustment	(3)	(1)
At 31 December	782	788

31.2.2 The amounts related to the defined contribution plan recognized in the consolidated financial statements are as follows

(AED in millions)	**2024**	**2023**
Total expense recognized in profit or loss during the year	36	35
Contributions payable at the end of the reporting year	3	2

31.2.3 The Group recognized net remeasurement gain on defined benefit plans amounting to AED 29 million (2023: loss of AED 4 million) in other comprehensive income, arising primarily from change in actuarial assumptions pertaining to discount rates used in discounting the defined benefit plans. The Group uses market yields on government bonds, in absence of deep markets for high quality corporate bonds, in the geographies in which it operates.

32. SHARE CAPITAL AND RESERVES

32.1 Material accounting policy information

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

32.2 SHARE CAPITAL

(AED in millions)	2024	2023
Authorized, issued and fully paid 4,869,227 shares of AED 1,000 each	4,869	4,869

32.3 Effective, 1 January 2023, the Parent Company transferred the ownership of Digital and Technology from Majid Al Futtaim Investments LLC, a wholly owned subsidiary of the Parent Company to the Group (note 8.3.1). In prior year, the Parent Company transferred beneficial ownership in XSight Future Solutions ("XSight") from Majid Al Futtaim Investments LLC to the Company (note 8.3.1).

Prior to these transfers, Digital, Technology, and XSight collectively held a payable balance of AED 2,381 million to the Parent Company. The Parent Company also carried a corresponding receivable of AED 2,198 million, net of accumulated impairment charge of AED 182 million against the receivable balance.

As part of this transfer, the intercompany balances in these entities are novated to the Group, and the Parent Company converted the net receivable balance of AED 2,198 million to its investment in the Company. This conversion was accompanied by an increase in the share capital by the same amount.

32.4 During the year, a dividend of AED Nil (2023: AED 300 million) was declared and settled by the Company (note 27.1).

32.5 STATUTORY RESERVE

In accordance with the respective Articles of Association of the entities within the Group and relevant local laws, 5%-10% of the net profit for the year of the individual entities to which law is applicable is transferred to a statutory reserve. Such transfers may be discontinued when the reserve equals the limit prescribed by the relevant laws applicable to the individual entities. This reserve can be utilized only in the manner specified under the relevant laws and is not available for distribution.

32.6 HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

32.7 CURRENCY TRANSLATION RESERVE

The currency translation reserve comprises all foreign currency differences arising from translation of the financial statements of foreign operations mainly in Lebanon and Egypt. During the year, the Group recorded net foreign currency translation loss of AED 636 million (2023: AED 449 million).

Egypt

Continuing from prior year, the Central Bank of Egypt has implemented a strategy to allow the Egyptian Pound (EGP) to depreciate in a move to float the currency to a flexible exchange rate. During the period, the EGP has depreciated by 36% from EGP 8.41 against AED to EGP 13.84. The Group's operations in Egypt contributed a net profit of AED 430 million (AED 74 million) to Group's consolidated results and the net assets amounted to AED 1,799 million (2023: AED 2,655 million) at 31 December 2024. A further devaluation of 10% in the exchange rate used would result in a decline in net assets of Egypt by AED 180 million.

The Group manages the foreign currency risk associated with Egypt operations by repatriating excess cash, adjusting its forecasts, investing excess cash in high yielding T-bills, pre-paying external loan facilities, denominating inter-company borrowings as net-investments and partially hedging foreign currency risk through forward contracts.

Lebanon

Lebanon's political and economic crisis further deteriorated throughout the year, resulting in a significant deviation between the market exchange rate and the official exchange rates. To manage the foreign currency risk, the Group has denominated its real estate assets and all material transactions to USD. For assets and transactions which are not denominated in USD, these are translated at the Sayrafa rate as at the reporting date and the results are translated at the average rate prevailing during the period.

During the period, there were no significant currency translation adjustment from Lebanon operations as the Group's net assets are predominantly valued in USD.

Furthermore, the Lebanese economy was designated as hyperinflationary in 2020, consequently resulting in application of IAS 29 to all the Group entities whose functional currency is LBP. The impact of the application of IAS 29 is not material to the Group's consolidated financial statements and accordingly no adjustment relating to hyperinflationary accounting has been made in these consolidated financial statements.

33. HYBRID EQUITY INSTRUMENTS

(AED in millions)

Hybrid Perpetual Note Ir	Amount	Interest rate	Call date	Reset terms	2024	2023
March 2018	USD 400 million	6.375% payable semi-annually in	20-Mar-26	8 years to first reset, thereafter 5 years and a new fixed rate plus the margin	1,464	1,464
June 2022	USD 500 million	7.875% payable semi-annually in	30-Sep-27	5.25 years to first reset, thereafter 5 years and a new fixed rate plus the margin	1,819	1,819
					3,283	3,283

These hybrid perpetual note instruments are listed on Euronext Dublin. The Group may elect at its sole and absolute discretion not to pay interest on interest payment dates. Pursuant to the requirements of IAS 32 and the terms/conditions, these are classified as equity net of transaction costs of AED 18 million (31 December 2023: AED 18 million) and discount on issuance amounting to AED 5 million (31 December 2023: AED 5 million).

During the year, the Group paid coupon amounting to AED 238 million (2023: AED 238 million).

34. FINANCIAL INSTRUMENTS

Financial assets of the Group include cash at bank, trade and other receivables, amounts due from related parties, positive fair value of derivative financial instruments held as cash flow hedges and accounted for as FVTPL, short term loans, and long term loans, advances and receivables. Financial liabilities of the Group include amounts due to related parties, negative fair value of derivative financial instruments held as cash flow hedges and accounted for as FVTPL, short term loans, bank overdraft, long term loans and trade and other payables.

34.1 Material accounting policy information

34.1.1 Non-derivative financial assets

On initial recognition, a financial asset is classified and measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at "amortized cost" or FVOCI as described above, are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment: The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Assessment whether contractual cash flows are solely payments of principal and interest: For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Financial assets at amortized cost: These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

34.1.2 Non-derivative financial liabilities

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise trade and other payables, accruals, retention payables, long-term loans, income tax payable, bank borrowings and related party balances.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes 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 recognized 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 recognized in profit or loss.

34.1.3 Derivative financial instruments and hedge accounting

Classification

The Group uses derivative instruments for risk management purposes to hedge its exposure to interest rate risks arising from operational, financing and investment activities. The Group enters into derivative financial instruments including forwards, futures, swaps and options in the foreign exchange and capital markets. Derivative financial instruments, that do not qualify for hedge accounting are classified as "FVTPL – financial assets held for trading" financial instruments.

Initial and subsequent measurement

In the normal course of business, the fair value of a derivative on initial recognition is the transaction price. Subsequent to initial recognition, derivative financial instruments are stated at fair values. Fair values are generally obtained by reference to quoted market prices in active markets, or by using valuation techniques when an active market does not exist. The positive mark to market values (unrealized gains) of derivative financial instruments is included in assets. While, the negative mark to market values (unrealized losses) of derivative financial instruments is included in liabilities.

Gains and losses on subsequent measurement

The gains or losses from derivative financial instruments classified as held for trading are taken to profit or loss.

Hedging instruments

When derivatives are designated as hedges, the Group classifies them as either:

- fair value hedges which hedge the change in the fair value of recognized assets or liabilities; or
- cash flow hedges which hedge the exposure to variability in highly probable future cash flows attributable to a recognized asset or liability or a forecast transaction.

Hedge accounting is applied to derivatives designated as hedging instruments in a fair value or cash flow hedge provided certain criteria are met.

Hedge documentation

At the inception of the hedge, formal documentation of the hedge relationship must be established. The hedge documentation prepared at the inception of the hedge must include a description of the following:

- The Group's risk management objective and strategy for undertaking the hedge;
- The nature of risk being hedged;
- Clear identification of the hedged item and the hedging instrument; and
- The method the Group will adopt to assess the effectiveness of the hedging relationship on an ongoing basis.

Hedge effectiveness testing

The hedge is regarded as highly effective if both of the following conditions are met:

- At the inception of the hedge and in subsequent periods, the hedge is expected to be highly effective in offsetting the changes in fair value or cash flows of the hedging instruments with corresponding changes in the hedged risk and should be reliably measurable; and
- The actual results of the hedge are within a range of 80 to 125 percent.

Prospective hedge effectiveness is assessed by matching the critical terms of hedging instruments and hedged items.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in profit or loss, along with changes in the fair value of the assets, liabilities or group thereof that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in hedge reserve. Any change in fair value relating to an ineffective portion is recognized immediately in profit or loss.

Discontinuance of hedge accounting

The hedge accounting is discontinued when a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. At that point of time, any cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income remains in other comprehensive income until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

Hedges that do not qualify for hedge accounting

For hedges that do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to profit or loss.

34.2 Financial risk management objectives and policies

The Board of Directors of Majid Al Futtaim Holding LLC has the overall responsibility for the management of risk throughout its Group companies. The Board establishes and regularly reviews the Group's risk management strategy, policies and procedures to ensure that they are in line with the Group strategies and objectives. The Group has constituted Audit and Risk Committees within the Board of Directors of Majid Al Futtaim Holding and it's main operating subsidiaries who are required to review and assess the risk management process. It ensures that the internal risk management framework is effective, that a sound system of risk management is in place, and is maintained to safeguard shareholders' interests. All Group companies are required to report on risk management on a regular basis including self-certification indicating that they have reviewed the risks identified within their area, and they are satisfied that the controls are operating effectively.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk, including foreign currency risk, interest rate risk and equity risk. The management establishes and reviews policies for managing each of these risks.

34.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counter party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables. The operating subsidiaries have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Majority of the Group's income is by way of cash and advance receipts and are supported by a deposit equivalent to three month's advance rental. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group has a broad base of customers with no significant concentration of credit risk within trade receivables at 31 December 2024 and 31 December 2023.

Cash is placed with a diversified portfolio of reputable banks and the risk of default is considered remote. Management has assessed the recoverability of its trade receivables as at the reporting date and considers them to be recoverable. Amounts due from related parties are considered by management to be recoverable. All non-current receivables are due within five years of the reporting date and the fair values of trade and other receivables approximate to the carrying value.

The carrying amount of Group's financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

(AED in millions)	**2024**	**2023**
Long term loan, advances and receivables	747	589
Investments held at fair value through profit or loss	17	14
Trade receivables (note 22)	900	851
Other current receivables	4,082	2,897
Due from related parties	1	69
Cash at bank	4,863	5,465
	10,610	9,885

An analysis of the credit quality of trade receivables as at the reporting date is as follows is as follows:

(AED in millions)	**2024**	**2023**
Current balance	295	374
Past due 31 - 60 days	111	100
Past due 61 - 90 days	78	65
Past due 91 - 180 days	102	107
Past due over 180 days	314	205
	900	851
Less: provision for doubtful debts (note 22)	(181)	(145)
	719	706

The impairment losses on financial assets recognized in profit or loss were as follows:

(AED in millions)	**2024**	**2023**
Impairment loss on trade receivables	(45)	(44)

Trade receivables

For trade receivables the Group has established a loss allowance matrix applying expected recovery rates on forward looking default rates to derive the loss rate to be applied to past due receivables. The expected recovery rates are applied to different classes of receivables based on their risk classification. Forward looking default rates are calculated by adjusting historical credit loss rates with forward-looking information (i.e. relevant macro-economic indicators).

Loss allowance is also created for receivables that are classified as good but which become doubtful/bad as a result of certain business circumstances such as customer going into liquidation or bankruptcy, litigation, financial difficulties, etc. Such specific incidents are determined on a case-to-case basis.

The calculated provision amounts based on specific cases will be recognized after netting off the bank guarantees in hand or the security deposits received, provided the Company has the legal right to liquidate such bank guarantees or adjust such deposits against the outstanding receivables.

For receivables pertaining to property sales, loss allowance is created when any uncertainty arises regarding collectability of receivables, including unbilled receivables. A payment schedule is defined for each customer which is based on construction milestones for the property unit.

In the case of receivables where possession of property is already handed over to the customer, loss allowance is created at an accelerated rate or a full provision is made based on the facts and circumstances on a case by case basis.

The movement in the provision for doubtful receivables during the year was as follows:

(AED in millions)	2024	2023
At 1 January	(145)	(110)
Impairment charge for the year	(45)	(44)
Amounts written off/reversals	9	9
	(181)	(145)

The Group assessed the loss allowance of its trade receivables based on specific provisioning (for specific high risk accounts) and expected credit loss ("ECL") model in line with requirements of IFRS 9 Financial Instruments.

Cash and deposits with banks and financial institutions

The Group's cash and deposit balances with banks and financial institutions amounted to AED 4,863 million at 31 December 2024 (2023: AED 5,465 million). Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis, reflecting the short maturities of the exposures, and is not considered material to the Group's consolidated financial statements.

To manage the credit risk, the Group has concentrated its main activities with counter-parties which are deemed creditworthy based on internal assessment on each counter-party's financial position, credit rating and track record. Individual counterparty credit risk limits and concentration of exposures are set and actively monitored by the Group's treasury department. The Group considers that its cash and deposits with banks and financial institutions have low credit risk based on internal assessment which takes into consideration the external credit ratings of the counterparties.

Impairment on other financial assets carried at amortized cost, have been assessed on 12-month expected loss basis and is considered to be immaterial.

34.4 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's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation.

At 31 December 2024, the Group has net current liabilities of AED 2,700 million (2023: AED 1,430 million) which includes debt maturing in the short-term of AED 3,061 million (2023: AED 1,772 million) and current maturity of lease liabilities of AED 660 million (2023: AED 663 million). Further, at 31 December 2024 debt maturing in the long term is AED 12,018 million (2023: AED 15,114 million).

At 31 December 2024, the Group has undrawn committed facilities of AED 8,295 million (2023: AED 7,419 million) and cash in hand and at bank of AED 1,227 million (2023: AED 2,041 million) to cover its liquidity needs for at least the next 18 months. Additionally, cash held in escrow accounts amount to AED 3,836 million (2023: AED 3,686 million) to cover the development cost of associated projects.

The Group has a strong asset base of AED 68,813 million (2023: AED 69,749 million) and equity of AED 31,458 million (2023: AED 29,782 million) and manages liquidity to ensure that the Group is able to meet its obligations when they become due without incurring losses or risking damage to the Group's reputation. The Group's assessment of funding and liquidity shows sufficient liquidity for the foreseeable future through its cash and available committed lines.

The Group's liquidity cover and a BBB credit rating reiterates its credit strength, resilience of business model, quality of assets, strong corporate governance and prudent financial management.

		Contractual cash flows			
(AED in millions)	Carrying amount	Less than one year	Between one to two years	Between two to five years	More than five years
As at 31 December 2024					
Bank loans	13,849	2,513	301	9,557	4,373
Lease liabilities	3,787	865	540	1,619	2,079
Loans from related parties	804	820	-	-	-
Bank overdraft	426	702	-	-	-
Trade and other payables	8,953	8,748	69	136	-
Due to related parties	63	63	-	-	-
Derivative liability for risk management					
- Interest rate derivatives designated as cashflow hedge	-	-	-	17	-
- Derivative instruments accounted as FVTPL	231	71	47	134	3
	28,113	13,782	957	11,463	6,455
As at 31 December 2023					
Bank loans	16,152	1,930	2,692	8,820	6,796
Lease liabilities	3,851	855	583	1,750	1,997
Loan from related parties	504	512	-	9	-
Bank overdraft	230	505	-	-	-
Trade and other payables	9,322	9,096	116	110	-
Due to related parties	72	72	-	-	-
Derivative liability for risk management					
- Interest rate derivatives designated as cashflow hedge	44	22	26	17	22
- Derivative instruments accounted as FVTPL	185	93	110	64	39
	30,360	13,085	3,527	10,770	8,854

The outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

The interest payments on variable interest rate loans in the table above reflect the market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows and derivative instruments may be different from the amount in the above table as interest rates and exchange rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

34.5 Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The Group seeks to apply hedge accounting to manage volatility in its profit or loss in relation to its exposure to interest rate risk.

34.5.1 Foreign currency risk

The Group is exposed to foreign currency risk on its net investments in foreign subsidiaries and operations. The Group is also exposed to foreign currency risk on purchases denominated in foreign currencies. The Group hedges the risk by obtaining foreign exchange forward contracts on all material foreign currency purchases. All of the forward exchange contracts have maturities of less than five years after the reporting date. Where necessary, forward exchange contracts are rolled over at maturity.

Aside from the foreign currency risk arising from Group's operations in Egypt and Lebanon (note 32.7), a significant portion of the Group's foreign currency borrowings and balances are denominated in US Dollar (USD) and other currencies linked to US Dollar. As the Company's functional currency is currently pegged to USD any fluctuation in exchange rate is not likely to have a significant impact on Group's equity and profit or loss.

Net investment hedges

The Group hedges certain foreign currency exposures due to Group's net investment in foreign subsidiaries by borrowing in foreign currencies and derivative products including forward currency contracts. To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the hedging instrument to a change in the exchange rate with changes in the investment in the foreign operations due to movement in the spot rate (the offset method). At 31 December 2024, the Group had foreign exchange forward contracts of AED 22 million (2023: AED 294 million).

34.5.2 Interest rate risk

The Group's interest rate risk principally arises from long-term loans on floating rate. Loans issued at fixed rates expose the Group to fair value interest rate risk.

Interest rate risk is managed within the frame work of the interest rate risk management policy. The Group adopts a policy of maintaining target duration on its liability portfolio of about half year to three and a half years. This is achieved through cash and / or by using derivative financial instruments which are eligible for hedge accounting.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

(AED in millions)	2024	2023
Fixed rate instruments		
Financial liabilities	4,503	(13,210)
Floating rate instruments		
Financial assets	209	230
Financial liabilities*	(23,174)	(7,526)
	(22,965)	(7,296)

* Floating rate financial liabilities include loans of AED 5,597 million (2023: AED 6,841 million) for which interest rate risk is hedged by way of interest rate derivatives with notional amount of USD 1,750 million (2023: USD 1,250 million).

Sensitivity analysis for variable rate instruments

A change of 100 basis points in the interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates remain constant.

	Increase / (decrease) basis points	Effect on profit or loss increase / (decrease)		Effect on other comprehensive income increase / (decrease)	
		2024	2023	2024	2023
Floating rate instrument	+ 100	(231)	(72)	-	-
Interest rate swaps designated as cash flow hedges	+ 100	157	138	(157)	(138)
Interest rate swaps designated as FVTPL	+ 100	(86)	(93)	-	-
Cash flow sensitivity (net)		(160)	(27)	(157)	(138)
Floating rate instrument	- 100	231	72	-	-
Interest rate swaps designated as cash flow hedges	- 100	(163)	(143)	163	143
Interest rate swaps designated as FVTPL	- 100	91	97	-	-
Cash flow sensitivity (net)		159	26	163	143

In these hedge relationships, the main sources of ineffectiveness may arise because of:

- the effect of counterparty's and Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

34.6 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support future development of the business and maximize shareholders value.

The Group uses net debt to equity ratio to monitor its capital among other metrics. Capital includes equity attributable to the equity holders including retained earnings, revaluation and other reserves. The Group has various borrowing arrangements which require maintaining certain net worth, interest coverage and debt equity ratio.

(AED in millions)	2024	2023
Interest bearing loans and borrowings (excluding lease liabilities)	15,170	16,988
Less: cash and bank balances (note 23.2)	(1,227)	(2,041)
Net debt	13,943	14,947
Total equity (excluding goodwill)	33,879	32,217
Net debt to equity ratio	41%	46%

34.7 Fair value measurement of financial assets and liabilities

The following table shows the carrying amount and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy.

	Carrying	Fair value		
(AED in millions)	amount	Level 1	Level 2	Level 3
At 31 December 2024				
Financial assets				
Investments held at fair value through profit or loss	17	-	-	17
Derivative instruments for risk management	137	-	137	-
	154	-	137	17
Financial liabilities				
Derivative instruments for risk management	231	-	231	-
Sukuk and Note liabilities*	8,082	-	7,890	-
	8,313	-	8,121	-
At 31 December 2023				
Financial assets				
Investments held at fair value through profit or loss	14	-	-	14
Derivative instruments for risk management	126	-	126	-
	140	-	126	14
Financial liabilities				
Derivative instruments for risk management	229	-	229	-
Sukuk and Note liabilities	9,124	-	8,860	-
	9,353	-	9,089	-

* USD 100 million Sukuk certificates issued through a private placement in 2020 (note 29.2.1) under the Sukuk Program are not listed on any stock exchanges. The management believes that, the carrying amount of these certificates approximates the fair value.

The management believes that the fair value of the remaining financial assets and liabilities at the reporting date are not materially different from their carrying amounts.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instrument that are substantially the same, net present value techniques and discounted cash flow methods. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The fair value of derivatives that are not exchange traded is estimated at the present value of the amount that the Group would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current creditworthiness of the counterparty.

The interest rates used to discount estimated cash flows, where applicable, are based on the spot rates derived from the interpolated per annum yield curve in respect of borrowings/derivatives which is 4.07% - 4.58% (2023: 4.55% - 5.33%) at the reporting date.

35. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

(AED in millions)	2024	2023
Capital commitments	3,476	2,184
Group's share of capital commitments in relation to its equity accounted investees	247	236
Letter of credits outstanding	192	84
Bank guarantees outstanding	1,124	1,156

Capital commitments represent the probable value of contracts signed for the development and construction of assets as at 31 December 2024, net of costs incurred and advances made up to that date.

Included within letter of credits and bank guarantees are performance guarantees amounting to AED 1,191 million (2023: AED 1,094 million) in favour of government authorities in the UAE for a real estate development project.

35.1 There are certain litigation and claims that arise during the normal course of business. Management reviews these on a regular basis as and when such litigations and/or claims are received. Each case is treated according to its merit and necessary provisions are created. Based on the opinion of the Group's legal counsel and information presently available, management believes there is no significant exposure that may result in a significant cash outflow for the Group.

36. SUBSEQUENT EVENTS

There has been no significant events subsequent to the reporting date, other than those noted above, up to the date of authorization, which would have a material effect on the consolidated financial statements.

37. COMPARATIVES

Certain other comparative figures in the consolidated statement of financial position have been reclassified or arranged for better presentation in accordance with the requirements of International Financial Reporting Standards.