

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated financial statements

for the three-month and nine-month period ended 30 September 2023
(unaudited)

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated financial statements for the three-month and nine-month period ended 30 September 2023

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of FIVE Holdings (BVI) Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2023 and the related interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended and the interim condensed consolidated statements of changes in equity and cash flows for the nine-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, ‘Interim financial reporting’ as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers Limited Partnership Dubai Branch
Dubai, United Arab Emirates

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

9 November 2023

PricewaterhouseCoopers Limited Partnership Dubai Branch, License no. 102451
Emaar Square, Building 5, P O Box 11987, Dubai - United Arab Emirates
T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me

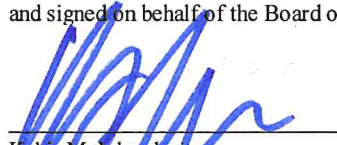
Jacques Fakhoury, Douglas O’Mahony, Wassim El Afchal, Murad Alnsour and Rami Sarhan and Virendra Dhirajlal Lodhia are registered as practising auditors with the UAE Ministry of Economy

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of financial position

	Note	As at	
		30 September 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	3	7,235,753	6,966,866
Right-of-use assets	4	88,197	104,914
Intangible asset		905	235
Other asset	5	118,500	-
		7,443,355	7,072,015
Current assets			
Trade and other receivables	6	788,818	560,011
Prepayments	7	64,505	38,136
Inventories		14,811	17,267
Property held for development and sale		-	6,526
Cash and cash equivalents	8	742,446	696,200
		1,610,580	1,318,140
Total assets		9,053,935	8,390,155
EQUITY AND LIABILITIES			
EQUITY			
Capital and reserves attributable to Owner of FIVE Holdings (BVI) Limited			
Share capital		-	-
Contributed capital		252,913	252,913
Statutory reserve		2,238	2,238
Revaluation reserve		4,355,589	4,345,082
Retained earnings		1,049,164	807,172
		5,659,904	5,407,405
Non-controlling interests		22,166	21,667
Total equity		5,682,070	5,429,072
LIABILITIES			
Non-current liabilities			
Lease liabilities	4	75,361	99,514
Trade and other payables	9	42,453	51,012
Bank borrowings	10	757,551	1,063,656
Retention payables		35,018	18,648
Provision for employees' end of service benefits		12,968	10,837
Deferred tax liabilities		26,248	23,324
Finance liabilities	12	596,351	466,687
Deferred gain	13	466,770	398,675
		2,012,720	2,132,353
Current liabilities			
Lease liabilities	4	33,634	22,688
Due to related parties	14	5,919	6,470
Trade and other payables	9	512,680	482,465
Bank borrowings	10	283,129	106,834
Retention payables		241	339
Contract liabilities	11	348,489	55,145
Finance liabilities	12	103,629	88,984
Deferred gain	13	71,424	65,805
		1,359,145	828,730
Total liabilities		3,371,865	2,961,083
Total equity and liabilities		9,053,935	8,390,155

These interim condensed consolidated financial statements were approved by the Board of Directors on 9 November 2023 and signed on behalf of the Board of Directors of FIVE Holdings (BVI) Limited by:


Kabir Mulchandani
Chairman

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of comprehensive income

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Revenue	15	346,437	297,378	1,154,231	872,242
Cost of sales	16	(162,763)	(134,993)	(487,294)	(340,957)
Depreciation	3,4	(55,814)	(52,231)	(159,174)	(143,214)
Gross profit		127,860	110,154	507,763	388,071
General and administrative expenses	17	(49,240)	(48,743)	(150,052)	(157,765)
Selling and marketing expenses	18	(19,796)	(18,347)	(68,888)	(48,960)
Other income	19	5,791	6,376	7,730	19,953
Operating profit		64,615	49,440	296,553	201,299
Finance income	20	6,546	168	19,189	5,785
Finance cost	20	(32,384)	(24,787)	(91,008)	(62,552)
Finance cost - net	20	(25,838)	(24,619)	(71,819)	(56,767)
Profit for the period		38,777	24,821	224,734	144,532
Profit for the period attributable to:					
Owner of FIVE Holdings (BVI) Limited		38,721	24,367	223,374	138,264
Non-controlling interests		56	454	1,360	6,268
		38,777	24,821	224,734	144,532

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Basic and diluted earnings per share attributable to the owner of FIVE Holdings (BVI) Limited	38,721	24,367	223,374	138,264

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Profit for the period	38,777	24,821	224,734	144,532
Items that will not be reclassified to profit or loss:				
Revaluation gain on property and equipment	-	-	113,715	512,987
Exchange losses arising on translation of foreign subsidiary	-	(7,097)	-	(16,575)
Deferred tax liabilities on fair value gain in revaluation of property and equipment	(15,176)	(4,596)	(2,698)	(4,596)
Total comprehensive income for the period	23,601	13,128	335,751	636,348
Total comprehensive income for the period attributable to:				
Owner of FIVE Holdings (BVI) Limited	23,545	12,674	334,391	630,080
Non-controlling interests	56	454	1,360	6,268
	23,601	13,128	335,751	636,348

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of changes in equity

	Attributable to Owner of FIVE Holdings (BVI) Limited						Total AED'000	Non- Controlling Interests AED'000	Total AED'000
	Share capital	Contributed capital	Statutory reserve	Revaluation reserve	Foreign exchange reserve	Retained earnings			
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000			
At 1 January 2023 (Audited)	-	252,913	2,238	4,345,082	-	807,172	5,407,405	21,667	5,429,072
Profit for the period	-	-	-	-	-	223,374	223,374	1,360	224,734
Other comprehensive income	-	-	-	111,017	-	-	111,017	-	111,017
Total comprehensive income for the period ended 30 September 2023 (Unaudited)	-	-	-	111,017	-	223,374	334,391	1,360	335,751
<i>Transactions with owner in their capacity as owner:</i>									
Dividend	-	-	-	-	-	(81,892)	(81,892)	(861)	(82,753)
Transfer of revaluation reserve upon disposal of property and equipment	-	-	-	(16,245)	-	16,245	-	-	-
Depreciation transfer for property and equipment under revaluation model	-	-	-	(84,265)	-	84,265	-	-	-
At 30 September 2023 (Unaudited)	-	252,913	2,238	4,355,589	-	1,049,164	5,659,904	22,166	5,682,070

	Attributable to Owner of FIVE Holdings (BVI) Limited						Total AED'000	Non- Controlling Interests AED'000	Total AED'000
	Share Capital	Contributed Capital	Statutory reserve	Revaluation reserve	Foreign exchange reserve	Retained earnings			
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000			
At 1 January 2022 (as previously reported)	-	252,913	2,238	1,306,139	-	514,089	2,075,379	129,397	2,204,776
Impact of restatement	-	-	-	2,179,924	-	(42,998)	2,136,926	-	2,136,926
At 1 January 2022 (Audited and restated)	-	252,913	2,238	3,486,063	-	471,091	4,212,305	129,397	4,341,702
Profit for the period (Unaudited and restated)	-	-	-	-	-	138,264	138,264	6,268	144,532
Other comprehensive income (Unaudited and restated)	-	-	-	508,391	(16,575)	-	491,816	-	491,816
Total comprehensive income for the period ended 30 September 2022 (Unaudited and restated)	-	-	-	508,391	(16,575)	138,264	630,080	6,268	636,348

FIVE Holdings (BVI) Limited and its subsidiaries

Interim condensed consolidated statement of cash flows

	Notes	Nine-month period ended 30 September	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Cash flows from operating activities			
Profit for the period		224,734	144,532
Adjustments for:			
Depreciation of property and equipment	3	142,457	130,066
Depreciation of right-of-use assets	4	16,717	13,148
Interest on lease liabilities	20	5,307	5,314
Interest cost on finance liabilities	20	55,659	52,667
Amortisation of deferred gain	20	(27,948)	(35,800)
Interest income	20	(19,189)	(5,785)
Interest cost on bank borrowings	20	53,735	37,218
Other finance cost	20	4,255	3,153
Gain on lease termination	19	-	(12,573)
Profit on sale of property	19	(480)	-
Changes in working capital:			
Property held for development and sale		6,526	18,623
Inventory		2,456	(1,709)
Trade and other receivables	6	(228,807)	(47,487)
Prepayments	7	(26,369)	6,666
Due to related parties	14	(551)	(103,668)
Trade and other payables	9	(211,963)	(63,026)
Retention payables		16,272	8,069
Contract liabilities	11	293,344	31,229
Provision for employee's end of service benefits		2,131	2,256
Net cash generated from operating activities		308,286	182,893
Cash flows from investing activities			
Purchase of property and equipment	3	(337,149)	(185,789)
Purchase of intangible assets		(670)	(65)
Guarantee deposits paid for acquisition	5	(118,500)	-
Interest income	20	19,189	5,785
Net cash used in investing activities		(437,130)	(180,069)
Cash flows from financing activities			
Advance received under financing arrangements		233,845	57,778
Proceeds from financing arrangements	12, 13	245,971	123,584
Interest payment of finance liabilities	12	(55,659)	(52,667)
Purchase of non-controlling interest share in a subsidiary		-	(104,981)
Payment of principal towards lease liabilities	4	(13,207)	(11,247)
Interest paid on lease liabilities	4	(5,307)	(5,314)
Dividend paid	21	(42,753)	(13,321)
Interest paid on bank borrowings	20	(57,990)	(40,371)
Proceed from bank borrowings		14,663	125,790
Repayment of bank borrowings		(144,473)	(148,144)
Net cash generated from / (used) in financing activities		175,090	(68,893)
Net increase/(decrease) in cash and cash equivalents		46,246	(66,069)
Cash and cash equivalents, beginning of the period		696,200	488,385
Cash and cash equivalents, end of the period	8	742,446	422,316

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

1 Legal status and operations

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

The Company and its subsidiaries (collectively referred as the “Group”) constitute a vertically integrated hospitality group, operating luxury hotels primarily in Dubai and in Switzerland. The Group operates 2 main business segments, primarily, the Hospitality Business that owns, operates and manages hotels with a strong focus on entertainment and F&B and the Real Estate Development Business which is complementary to the main Hospitality Business.

Name of entity (subsidiary)	Principal activity	As at	
		30 September 2023	31 December 2022
United Arab Emirates			
FIVE Holding Limited	Holding Company	100	100
SKAI Holdings Group Limited	Holding Company	100	100
FIVE International Holding Limited	Holding Company	100	100
FIVE JBR Holding (DIFC) limited	Property holding Company	100	100
Devco Real Estate Development LLC	Real Estate development Company	100	100
FIVE Luxe Hotel LLC*	Hotel operating Company	100	100
FIVE Real Estate Development LLC***	Real Estate development Company	-	100
Assas Investments Limited	Property holding Company	100	100
FIVE Hotel Jumeirah Village L.L.C	Hotel operating Company	100	100
FIVE Mansion Restaurant LLC	Restaurant operating Company	100	100
FIVE Investment LLC***	Holding Company	-	100
Unlimited 1 Limited	Property holding Company	100	100
FIVE Holiday Homes Rental LLC	Holiday Homes Rental Company	100	100
Rehan Limited	Property holding Company	100	100
Ananda Investments Limited****	Property holding Company	-	100
FIVE Hotel FZE	Hotel operating Company	100	100
FIVE International Hotel Management L.L.C	Hotel management Company	100	100
Five Beach Club Limited	Property holding Company	85	85
Praia Restaurant FZE	Restaurant operating Company	100	100
FIVE International Hotel Management Limited	Hotel management Company	100	100
FIVE Music FZ-LLC**	Music production Company	100	-
Pacha Universe Holding Limited**	Holding Company	100	-
Sea FIVE Yacht LLC**	Water sports Company	100	-
Cayman Islands			
FIVE Development LLC***	Holding Company	-	100
Unlimited 1 Development	Holding Company	100	100
FIVE Hospitality LLC****	Holding Company	-	100
Sky’s the Limit 1	Holding Company	100	100
Switzerland			
5 Atlantis AG	Property holding and Hotel operating Company	100	100

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

** Newly incorporated entities during the period 2023.

*** During the nine-month period ended 30 September 2023 as part of Group’s re-organisation, these entities were transferred to the Owner for consideration at net assets of these respective entities.

**** During nine – month period ended 30 September 2023 as part of Group’s re-organisation, these entities were liquidated.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2022. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the consolidated financial statements for the year ended 31 December 2022, except for the new standards, and amendments adopted during the current period and restatement as explained in Note 27.

The Interim Condensed Consolidated Statement of Comprehensive income is presented on the basis of by function. However, depreciation is separately presented within gross profit, this is considered appropriate presentation as the depreciation is a material line item, and IAS 1 "Presentation of Financial Statements", permits material items to be separately presented.

Seasonality of operations

The Group's interim results may not be indicative of fiscal year performance because of, among other reasons, macroeconomic conditions, including inflationary pressures, rising interest rates, and seasonal and short-term variations. The Group's hospitality segment is seasonal in nature and there are periods during which our properties experience variations in hotel revenue activities and margins that may vary and depend principally upon location and season. The Group's development business revenue and margins are dependent on the number of new developments and percentage of completion which is prone to natural fluctuations in the real estate market of the region.

New standards, interpretations, and amendments in issue and effective

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards and interpretations effective as of 1 January 2023. Although these new standards and amendments apply for the first time in 2023, they do not have a material impact on the interim condensed consolidated financial statements of the Group or the annual consolidated financial statements of the Group.

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

New standards or amendments	Effective date
IFRS 17 Insurance Contracts	1 January 2023
Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

New standards, interpretations, and amendments in issue and not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below.

New standards or amendments	Effective date
Non-current liabilities with covenants – Amendments to IAS 1	1 January 2024
Lease liability in sale and leaseback – amendments to IFRS 16	1 January 2024
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	Effective date deferred indefinitely

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

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

Alternative performance measures

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

The key APM that the Group uses is Earnings Before Interest, Tax, Depreciation and Amortisation ("**EBITDA**"). This APM is set out in note 25 including an explanation of how it is calculated and how it reconciles to a statutory measure where relevant. These measures exclude the below items as defined below.

Exceptional items

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

Pre-opening costs

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

Acquisition-related costs

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

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements

For the three-month and nine-month period ended 30 September 2023

3 Property and equipment

	Land & Buildings* AED'000	Equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Leasehold improvements AED'000	Capital work- in-progress** AED'000	Total AED'000
Cost or revaluation							
At 1 January 2022 (Audited and restated)	4,818,110	18,929	76,026	1,932	9,623	1,319,648	6,244,268
Additions	12,539	219	2,532	-	-	309,010	324,300
Transfer	595,081	-	20,620	-	-	(615,701)	-
Revaluation gain	612,731	-	-	-	-	360,100	972,831
At 31 December 2022 (Audited)	6,038,461	19,148	99,178	1,932	9,623	1,373,057	7,541,399
Additions	38,210	490	241	340	-	297,868	337,149
Disposal	(47,506)	-	-	-	-	-	(47,506)
Transfer	32,640	-	-	-	-	(32,640)	-
Revaluation gain	64,838	-	-	-	-	48,877	113,715
At 30 September 2023 (Unaudited)	6,126,643	19,638	99,419	2,272	9,623	1,687,162	7,944,757
Accumulated Depreciation							
At 1 January 2022 (Audited and restated)	330,496	18,750	51,077	1,368	4,720	-	406,411
Charge for the year	150,888	169	14,506	341	2,218	-	168,122
At 31 December 2022 (Audited)	481,384	18,919	65,583	1,709	6,938	-	574,533
Charge for the period	128,275	75	12,486	184	1,437	-	142,457
Disposal for the period	(7,986)	-	-	-	-	-	(7,986)
At 30 September 2023 (Unaudited)	601,673	18,994	78,069	1,893	8,375	-	709,004
Net book amount							
As at 30 September 2023 (Unaudited)	5,524,970	644	21,350	379	1,248	1,687,162	7,235,753
As at 31 December 2022 (Audited)	5,557,077	229	33,595	223	2,685	1,373,057	6,966,866

*Land and buildings are based on valuation provided by an independent valuer for the nine – month period ended on 30 September 2023 and includes 20% as value of land which is not depreciated.

**Capital work-in-progress comprises of FIVE Luxe JBR hotel which is currently under development and level 14 of Five Palm Jumeirah.

*** The Group has pledged assets valued at AED 4,189,349thousands in respect of its bank borrowings in UAE and Switzerland.

****Capital work-in-progress includes AED 30,999 thousand of capitalised interest expense (2022:AED 28,144 thousands) the capitalisation rate was 9.50% to 10% in FIVE Luxe JBR hotel (2022: capitalisation rate was 1.25% to 1.55% for 5 Atlantis AG and 6.50% to 7.50% for FIVE Luxe JBR hotel).

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

3 Property and equipment (continued)

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

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

	Land and Buildings	Capital work in progress	Total
	AED'000	AED'000	AED'000
30 September 2023			
Cost	2,140,500	670,035	2,810,535
Transfers	32,640	(53,261)	(20,621)
Additions	38,690	212,193	250,883
Disposal	(29,101)	-	(29,101)
Accumulated Depreciation	(278,154)	-	(278,154)
Net Book Amount	1,904,575	828,967	2,733,542
31 December 2022			
Cost	1,700,941	788,184	2,489,125
Transfers	427,019	(427,019)	-
Additions	14,421	308,870	323,291
Disposal	(1,881)	-	(1,881)
Accumulated Depreciation	(238,217)	-	(238,217)
Net Book Amount	1,902,283	670,035	2,572,318

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

4 Right-of-use assets and lease liabilities

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

	Land & Buildings
	AED'000
Cost	
At 1 January 2022 (Audited and restated)	166,819
Additions	63,268
Lease termination	(55,735)
At 31 December 2022 (Audited)	174,352
At 30 September 2023 (Unaudited)	174,352
Accumulated depreciation	
At 1 January 2022 (Audited and restated)	63,868
Charge for the year	23,066
Lease termination	(17,496)
At 31 December 2022 (Audited)	69,438
Charge for the period	16,717
At 30 September 2023 (Unaudited)	86,155
Net book amount	
At 30 September 2023 (Unaudited)	88,197
At 31 December 2022 (Audited)	104,914

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Lease liabilities		
Non-current	75,361	99,514
Current	33,634	22,688
	108,995	122,202

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Lease liabilities		
At 1 January	122,202	127,130
Addition	-	62,894
Finance cost	5,307	7,218
Payment of lease liability	(18,514)	(24,227)
Lease termination	-	(50,813)
	108,995	122,202

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

5 Other asset

The other asset represents the amount deposited in the escrow account as guarantee for the obligation assumed by the Group pursuant to the sale and purchase agreement (“SPA”) dated 30 June 2023 of Universo Pacha, S.A. incorporated in Ibiza, Spain (‘the Target’). The Target is engaged in hospitality business comprising of two operational hotels under the brand name Destino and El Hotel Pacha and one night club under the brand name Pacha in Ibiza, Spain. The Target also owns a merchandise establishment in Spain and owns few brands engaged in organising the concept parties and events. The aforementioned transaction is subject to fulfilment of certain conditions which includes but not limited to the necessary approval from the regulatory authorities and completion of the required reorganisation to carve out the entities which are not being acquired i.e. Lio Ibiza, Lio Mykonos, Casa Pacha Formentera, Destino Mykonos, Ftelia, Tanit, Stiges and Bonsai.

On 9th October 2023, the Group successfully completed the aforesaid transaction for a total enterprise value of EUR 302,500 thousands and assumed the full control over the Target. The Group paid EUR 183,260 thousands to the Seller, settled the outstanding bank debt in the Target aggregating to EURO 115,044 thousands and made downward adjustment of EUR 4,196 thousands for multiple items in accordance with the terms of SPA. The consideration was financed partially from funds generated from operations and the borrowed amount from revolving credit facility from the banks in the UAE and proceeds from issuance of Green Bonds listed on Nasdaq Dubai stock exchange and International Securities Market of London Stock Exchange.

6 Trade and other receivables

	As at	
	30 September 2023	31 December 2022
	AED’000	AED’000
	Unaudited	Audited
Trade receivables*	22,801	33,933
Unbilled receivables**	601,831	369,015
Advances to suppliers	140,255	113,307
Municipality fees receivable	-	1,462
Other receivables	23,931	42,294
	788,818	560,011

Analysed as follows:		
Current portion	788,818	560,011

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

** The unbilled receivables represent revenue recognised under percentage of completion method for the off-plan sale of properties held for development and sale for which collection is due at later date in accordance with the contractual terms. The increase in the balance is attributable to revenue recognised for FIVE Luxe Residence project during the nine-month period ended 30 September 2023 for which collection is due after completion of the project. Subsequent to the balance sheet date, the Group obtained building completion certificate (‘BCC’) on 18th October 2023 for FIVE Luxe Residence and became entitled to collect the majority of the amount appearing in the unbilled revenue within 30 days from the date of BCC.

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

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

6 Trade and other receivables (continued)

The Group has a broad base of customers with no concentration of credit risk within trade and other receivables as at 30 September 2023 and 31 December 2022. Management is of the opinion that this concentration of credit risk will not result in a significant loss to the Group for the period ended 30 September 2023. Other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables. There is no collateral against other receivables.

7 Prepayments

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Deferred sales commission*	51,318	25,023
Prepaid visa fees	4,735	4,830
Others	8,452	8,283
	64,505	38,136

*It mainly relates to sales commission that is paid to the real estate brokers (refer note 14) and amortized in the Interim condensed Statement of comprehensive income based on percentage of completion of the related project. The increase in the balance pertains to sale commission paid to the agents by the Group for facilitating the sale of units in the new tower in FIVE LUXE and Sensoria, JBR.

8 Cash and cash equivalents

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Cash on hand	1,819	1,583
Cash at banks	740,627	694,617
Cash and cash equivalents	742,446	696,200

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

Cash at banks includes an amount of AED 441,467 thousand (31 December 2022: AED 361,705 thousand) held in escrow accounts and collateral reserve accounts. Cash held in escrow accounts represents cash received from customers that is held with banks authorised by the Real Estate Regularity Authority ("RERA"). Use of this cash is limited to specific development projects to which the cash receipts relate.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

9 Trade and other payables

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Trade payables	119,192	180,242
Advances from customers*	348,094	227,742
Accruals**	69,131	88,764
VAT payable	2,744	8,697
Income to be distributed to hotel room owners***	5,104	9,481
Municipality fee	2,746	7,723
Other payables	8,122	10,828
	555,133	533,477
Analysed as follows:		
Current portion	512,680	482,465
Non-current portion	42,453	51,012
	555,133	533,477

*During the nine-month period, increase of advance from customers is driven by advance collected from sale FIVE Luxe hotel units amounting to AED 219,291thousands and setoff against the transfer of Sensoria advance to contract liabilities amounting to AED 118,248thousands.

**Decrease is mainly attributable towards reduction of contractor payables since FIVE Luxe, JBR project is near to completion, additionally hotel operational payables have decreased due to seasonal impact.

***Pertains to the sale and lease back arrangement with hotel room owners who are eligible for 40% of the room revenue of the hotels net off the deductible expenses.

10 Bank borrowings

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Term loans	1,023,884	1,165,876
Bank overdrafts	37,987	41,070
Less: unamortised borrowing costs	(21,191)	(36,456)
	1,040,680	1,170,490
Analysed as follows:		
Current portion	283,129	106,834
Non-current portion	757,551	1,063,656
	1,040,680	1,170,490

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

10 Bank borrowings (continued)

During October 2023, the Group raised the secured debt from the issuance of Green Bond with aggregate value of AED 1,285,375 thousands at par value of USD 350,000 thousands at an interest rate of 9.375% and secured revolving credit facility of AED 734,500 thousands at 3 months EIBOR + 3.75%. The Group utilized these proceeds partially to repay the existing term loans and bank overdraft of AED 836,594 thousands payable to local bank in UAE and remaining to finance the acquisition of the Target as referred in Note 5.

11 Contract liabilities

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

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Opening	55,145	26,549
Advance from customers*	456,815	82,633
Revenue recognised	(163,471)	(54,037)
	348,489	55,145
Analysed as follows:		
Current portion	348,489	55,145

* Increase is mainly attributable to advance collected from the customers for sale of new tower in FIVE Luxe, JBR i.e., Sensoria residence for which the percentage of completion as at 30 September 2023 is below the advance collected.

The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied/partially unsatisfied as at 30 September 2023 of AED 848,507 thousands (2022: AED 69,426 thousand), the Group expects to recognize these unsatisfied performance obligations as revenue over a period of 12 month.

12 Finance liabilities

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Opening Balance	555,671	453,814
Movement during the period / year	144,309	101,857
Payments made during the period / year	(55,659)	(78,169)
Interest on finance liabilities	55,659	78,169
Closing Balance	699,980	555,671
Analysed as follows:		
Current portion	103,629	88,984
Non-current portion	596,351	466,687
	699,980	555,671
Fixed/Variable		
Fixed portion	94,543	25,271
Variable portion	605,437	530,400
	699,980	555,671

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Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

13 Deferred gain

	As at	
	30 September 2023	31 December 2022
	AED'000	AED'000
	Unaudited	Audited
Opening Balance	464,480	434,810
Movement during the period / year	101,662	84,926
Amortisation during the period / year	(27,948)	(55,256)
Closing Balance	538,194	464,480
Analysed as follows:		
Current portion	71,424	65,805
Non-current portion	466,770	398,675
	538,194	464,480

14 Transactions and balances with related parties

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

	Nine-month period ended 30 September	
	2023	2022
	AED'000	AED'000
	(Unaudited)	(Unaudited and restated)
Dividend		
Owner	81,892	-
Non - Controlling Interest	861	3,956
Transactions with key management personnel in ordinary course of business		
Revenue		
Sale of property held for development and sale	7,121	11,281
Food and beverages	1,158	1,365
Rental income	1,567	2,475
Expenses		
Holiday home expenses	1,595	1,325
Salaries and Other benefits	4,198	4,081
Management incentives programme	18,490	17,284
Other related parties*		
Capital and operating expenses	2,999	-
Sales incentive and commission expenses	26,714	11,464

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

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

14 Transactions and balances with related parties (continued)

Balances with related parties

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

	As at	
	30 September 2023	1 December 2022
	AED'000	AED'000
	Unaudited	Audited
Due to related parties		
Owner	450	6,332
Other related party*	5,469	138
	5,919	6,470

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

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

15 Revenue

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023	2022	2023	2022
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited and restated)	(Unaudited)	(Unaudited and restated)
<i>At a point in time:</i>				
Food and beverages	92,816	89,666	319,490	326,286
Other operating departments	23,387	13,440	65,560	43,691
	116,203	103,106	385,050	369,977
<i>Over time:</i>				
Sale of property held for development and sale*	148,416	118,543	492,948	219,179
Room revenue	77,829	74,803	270,753	279,987
	226,245	193,346	763,701	499,166
Rental income and other income	3,989	926	5,480	3,099
	346,437	297,378	1,154,231	872,242

*Revenue from sale of property held for development is recognised upon sale for the completed property and percentage completion basis for properties under development.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

16 Cost of sales

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Cost of property held for development and sale	77,962	51,242	218,698	94,972
Staff costs	43,623	44,413	131,267	117,403
Inventory consumption	19,294	19,934	66,076	71,311
Utility costs	11,166	10,364	29,155	25,822
Holiday homes expenses	6,366	4,558	23,074	16,430
Music and entertainment	4,352	4,482	19,024	15,019
	162,763	134,993	487,294	340,957

17 General and administrative expenses

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Staff costs	14,153	8,065	39,758	32,214
Hotel operating expenses*	19,339	17,899	54,052	48,973
Repairs and maintenance	6,306	7,412	22,686	21,875
Legal and professional fees	3,167	3,061	13,009	13,129
Credit card commission expenses	3,607	3,073	11,504	11,284
Pre-operating expenses	1,043	3,123	1,043	19,571
Travelling expenses	1,096	2,717	5,215	5,840
Charity	53	-	363	-
Others	476	3,393	2,422	4,879
	49,240	48,743	150,052	157,765

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

18 Selling and marketing expenses

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Sales incentive and commission to agents	14,278	13,555	51,601	34,934
Advertising expenses	5,518	4,792	17,287	14,026
	19,796	18,347	68,888	48,960

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

19 Other Income

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Gain on lease termination*	-	-	-	12,573
Profit on sale of fixed assets	-	-	480	-
Other income	5,791	6,376	7,250	7,380
	5,791	6,376	7,730	19,953

*Gain on termination of employee accommodation leases i.e. lease liability in excess of Right of Use.

20 Finance costs, net

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
<i>Finance costs:</i>				
- Interest on bank borrowings	25,157	23,159	84,734	56,360
- Unwinding of interest on finance liabilities	15,732	12,316	55,659	52,667
- Unwinding of interest on lease liabilities	1,525	1,335	5,307	5,314
- Others	1,329	1,033	4,255	3,153
Less: Interest capitalised on qualifying assets	(10,885)	(6,976)	(30,999)	(19,142)
Less: Amortisation of deferred gain	(474)	(6,080)	(27,948)	(35,800)
Total finance costs (A)	32,384	24,787	91,008	62,552
<i>Finance income:</i>				
- Interest income	6,546	168	19,189	5,785
Total finance income (B)	6,546	168	19,189	5,785
Finance costs – net ((A) - (B))	25,838	24,619	71,819	56,767

21 Dividend

During the nine-month period ended 30 September 2023, the Group paid dividend of AED 861 thousand and AED 81,892 thousand (for the year ended 31 December 2022: AED 3,956 thousand and AED Nil) to its minority shareholders and the Owner respectively. The dividend to the Owner is paid in cash amounting to AED 41,892 thousand out of the sale proceeds of the units of FIVE Jumeirah Village hotel and AED 40,000 thousand in the form of residential unit owned by Rehan Limited at fair market value. The aforesaid unit was in the occupation of the Owner for the residential purpose in consideration of the rent payments determined as per arms' length principle.

22 Commitments and contingencies

Commitments

The Group has commitments arising from the contracts with contractors and consultants of AED 460,864 thousand as at 30 September 2023 (31 December 2022: AED 318,693 thousand). These commitments represent the value of contracts issued as at 30 September 2023, net of accruals, payments and invoices made till that date

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Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

23 Financial instruments by category

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

	As at	
	30 September 2023 AED'000 Unaudited	31 December 2022 AED'000 Audited
Financial assets as per the interim condensed consolidated statement of financial position		
<i>At amortised cost</i>		
Trade and other receivables, excluding advances to suppliers and municipality fees receivable (Note 6)	648,563	445,242
Cash and cash equivalents (Note 8)	742,446	696,200
	1,391,009	1,141,442

	As at	
	30 September 2023 AED'000 Unaudited	31 December 2022 AED'000 Audited
Financial liabilities as per the interim condensed consolidated statement of financial position		
<i>At amortised cost</i>		
Trade and other payables (excluding advances from customers, municipality fees and VAT payable) (Note 9)	201,549	289,315
Bank borrowings (Note 10)	1,040,680	1,170,490
Lease liabilities (Note 4)	108,995	122,202
Finance liabilities (Note 12)	699,980	555,671
Due to related parties (Note 14)	5,919	6,470
	2,057,123	2,144,148

24 Financial risk management

24.1 Financial risk factors

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

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. There have been no changes in any risk management policies since year end.

Cash flow and fair value interest rate risk

The Group is exposed to interest rate risk on its interest-bearing liabilities. As at 30 September 2023, bank borrowings carried at variable rates comprise of AED 1,040,680 thousand (31 December 2022: AED 1,170,490 thousand) i.e. 56% of the Group's total borrowings of AED 1,849,655 (31 December 2022: AED 1,848,363 thousand). Other borrowings discounted at fixed rate such as the finance liabilities and lease liabilities as at 30 September 2023 comprise of AED 808,795 thousand i.e. 44% (31 December 2022: AED 677,873 thousand).

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Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

24 Financial risk management (continued)

24.1 Financial risk factors (continued)

At 30 September 2023, if interest rates on variable rate borrowings had been 1% higher/lower with all other variables held constant, the impact on the consolidated statement of comprehensive income would be a decrease/increase of AED 7,964 thousand (for nine-month period ended 30 September 2022: AED 8,780 thousand) as a result of higher/lower interest expense.

24.2 Liquidity risk

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

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

	Contractual maturities of financial liabilities				Carrying value AED'000
	Less than 1 year AED'000	Between 1 and 5 years AED'000	Over 5 years AED'000	Total contractual AED'000	
At 30 Sep 2023 (Unaudited)					
Trade and other payables*	159,096	42,453	-	201,549	201,549
Bank borrowings	368,239	910,623	-	1,278,862	1,040,680
Finance liabilities	103,629	449,772	2,282,705	2,836,106	699,980
Lease liabilities	33,634	33,807	63,450	130,891	108,995
Due to related parties	5,919	-	-	5,919	5,919
	670,517	1,436,655	2,346,155	4,453,328	2,057,123

At 31 December 2022 (Audited)

Trade and other payables*	238,303	51,012	-	289,315	289,315
Bank borrowings	152,340	1,045,902	-	1,198,242	1,170,490
Finance liabilities	88,894	316,038	2,192,381	2,597,313	555,671
Lease liabilities	22,688	34,515	79,692	136,895	122,202
Due to related parties	6,470	-	-	6,470	6,470
	508,695	1,447,467	2,272,073	4,228,235	2,144,148

*Excluding advances from customers, municipality fees and VAT payable.

24.3 Capital risk management

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

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

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Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

24 Financial risk management (continued)

24.3 Capital risk management (continued)

The gearing ratios as at 30 September 2023 and 31 December 2022 were as follows:

	As at	
	30 September 2023 AED'000 Unaudited	31 December 2022 AED'000 Audited
Total bank borrowings (Note 10)	1,040,680	1,170,490
Total finance liabilities (Note 12)	699,980	555,671
Total lease liabilities (Note 4)	108,995	122,202
Less: cash and cash equivalents (Note 8)	(742,446)	(696,200)
Net debt (A)	1,107,209	1,152,163
Total equity (B)	5,682,070	5,429,072
Total capital ((C) = (A) + (B))	6,789,279	6,581,235
Gearing ratio ((A)/(C))	16%	18%

24.4 Fair value estimation

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Group include cash and cash equivalents, trade and other receivables excluding advance to suppliers and municipal fee receivable and due from a related party. Financial liabilities of the Group include Trade and other payables excluding advance from customers, municipality fees payable and VAT payable, Bank Borrowings, Finance liabilities, lease liabilities and due to related parties.

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

24.5 Net debt reconciliation

The below table summarises the net debt reconciliation for the nine-month period ended 30 September 2023.

	Liabilities from financing activities				Cash and cash equivalents	Total
	Finance liabilities	Lease liabilities	Bank borrowings	Sub-total		
Net debt as at 31 December 2021 (Audited and restated)	453,814	127,130	1,238,762	1,819,706	(488,385)	1,331,321
Addition	101,857	62,894	139,733	304,484	(207,815)	96,669
Interest	78,169	7,218	53,125	138,512	-	138,512
Payments	(78,169)	(24,227)	(261,130)	(363,526)	-	(363,526)
Lease termination	-	(50,813)	-	(50,813)	-	(50,813)
Net debt as at 31 December 2022 (Audited)	555,671	122,202	1,170,490	1,848,363	(696,200)	1,152,163
Addition	144,309	-	14,663	158,972	(46,246)	112,726
Interest	55,659	5,307	57,990	118,956	-	118,956
Payments	(55,659)	(18,514)	(202,463)	(276,636)	-	(276,636)
Net debt as at 30 September 2023 (Unaudited)	699,980	108,995	1,040,680	1,849,655	(742,446)	1,107,209

25 Segment Reporting

The Group's operating segments are Real estate development and Hospitality. The Management evaluates the operating results of its operating segments separately for the purpose of making strategic decisions about allocating resources and assessing performance. Segment performance is measured based on the adjusted profit or loss calculated in accordance with IFRS.

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Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

25 Segment Reporting (continued)

The Chief Operating Decision Maker reviews mainly the segment profit and loss for its strategic decision and therefore, the segment assets and liabilities are not disclosed in this section.

a) For the nine-month ended 30 September 2023 (Unaudited)

Particulars	Hospitality	Real estate development	Others	Total
	AED'000	AED'000	AED'000	AED'000
Total Segment Results	262,733	223,703	-	486,436
Add: Preopening expenses	1,043	-	-	1,043
Unallocated Items				
Corporate expenses	-	-	(30,709)	(30,709)
EBITDA	263,776	223,703	(30,709)	456,770

a) For the nine-month ended 30 September 2022 (Unaudited and restated)

Particulars	Hospitality	Real estate development	Others	Total
	AED'000	AED'000	AED'000	AED'000
Total Segment Results	277,151	91,873	-	369,024
Add: Preopening expenses	19,571	-	-	19,571
Unallocated Items				
Corporate expenses	-	-	(24,511)	(24,511)
EBITDA	296,722	91,873	(24,511)	364,084

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

Particulars	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Profit for the period	38,777	24,821	224,734	144,532
Add:				
Depreciation	55,814	52,231	159,174	143,214
Pre-opening expenses (Note 17)	1,043	3,123	1,043	19,571
Finance costs (Note 20)	32,384	24,787	91,008	62,552
Finance income (Note 20)	(6,546)	(168)	(19,189)	(5,785)
Earning before interest, tax, depreciation and amortisation ("EBITDA")	121,472	104,794	456,770	364,084

Particulars	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Segment Revenue				
Hospitality	198,021	178,835	661,283	653,063
Real estate development	148,416	118,543	492,948	219,179
Total Segment Revenue	346,437	297,378	1,154,231	872,242
Segment Result				
Hospitality	72,537	51,024	262,733	277,151
Real estate development	55,725	59,120	223,703	91,873
Total Segment Results	128,262	110,144	486,436	369,024
Less: Unallocated Items				
Finance costs (Note 20)	32,384	24,787	91,008	62,552
Finance income (Note 20)	(6,546)	(168)	(19,189)	(5,785)
Corporate expenses	7,833	8,473	30,709	24,511
Depreciation	55,814	52,231	159,174	143,214
Net Profit	38,777	24,821	224,734	144,532

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

25 Segment Reporting (continued)

Other Information

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited and restated)
Hospitality - Revenue stream wise				
Rooms	77,829	74,803	270,753	279,987
Food and Beverage – Entertainment	48,783	49,968	171,817	187,436
Food and Beverage – Non Entertainment	44,033	39,698	147,673	138,850
Others	27,376	14,366	71,040	46,790
Total Hospitality - Revenue stream wise	198,021	178,835	661,283	653,063
Hospitality - Result stream wise				
Rooms	32,470	28,581	134,985	154,139
Food and Beverage – Entertainment	17,447	11,272	60,858	65,511
Food and Beverage – Non Entertainment	9,876	6,776	39,207	40,972
Others	12,744	4,395	27,683	16,529
Total Hospitality - Result stream wise	72,537	51,024	262,733	277,151
Add: Pre-opening Expenses				
Rooms	409	1,984	409	8,839
Food and Beverage – Entertainment	256	494	256	5,211
Food and Beverage – Non Entertainment	231	506	231	4,209
Others	147	139	147	1,312
Total Other Adjustments Hospitality	1,043	3,123	1,043	19,571
Earning before interest, tax, depreciation and amortization (EBITDA)				
Rooms	32,879	30,565	135,394	162,978
Food and Beverage – Entertainment	17,703	11,766	61,114	70,722
Food and Beverage – Non Entertainment	10,107	7,282	39,438	45,181
Others	12,891	4,534	27,830	17,841
Total EBITDA	73,580	54,147	263,776	296,722

Notes: -

- Segment Result = Revenue – Cost of sales – General and administrative expenses – Selling and marketing expenses + Other Income
- Preopening expense allocated in the sub-segment of hospitality based on the revenue of that sub-segment.

26 Corporate tax

On 16 January 2023, the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current taxes will only be payable for the financial years beginning on or after 1 June 2023 so the Group entities in the UAE will be subject to current tax for the first time effective from 1 January 2024. However, enactment of the legislation requires the Group to record deferred taxes using the enacted rate of 9%.

As at 30 September 2023, the Group assessed the deferred tax implications for its UAE entities as well as Switzerland entity and accordingly recorded a deferred tax liability aggregating to AED 26,248 thousands (2022: AED 23,324 thousands).

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements For the three-month and nine-month period ended 30 September 2023

27 Restatement of previously issued interim condensed consolidated financial statements

In accordance with the requirements of IAS 8 “Accounting policies, changes in accounting estimates and errors” (“IAS 8”), management has restated the figures to adjust the previously issued interim condensed consolidated financial statements. The note below sets out the details of adjustments and the line items in the interim condensed consolidated statements of profit or loss, comprehensive income and cash flows:

Restatement 1: Sale and lease back

In the prior years the Group entered into three types of arrangements with buyers, as follows:

- Sale and leaseback of units at Five Palm Jumeirah for a period of 30 years, with a handover in 2017
- Sale and leaseback of units at Five Jumeirah Village Circle for a period of 30 years, with a handover in 2019
- Sale and leaseback of units at Five Palm Jumeirah for a period of 1 year, with auto-renewal terms, with a handover in 2017

A significant portion of these units were sold in the prior periods and revenue from the sale of the condominiums was recognised under IFRS 15 “Revenue from contracts with customers”. Upon the adoption of IFRS 16 “Leases” on 1 January 2019, the arrangements were reassessed and accounted for as sale and lease back arrangements. This was on the basis that management had assessed that control over the units passed to the customer under the requirements of IFRS 15, and the sale and leaseback criteria was met. As a result of this a right of use asset was recognised and a lease liability was recorded in the consolidated statement of financial position from 1 January 2019.

During 2022, the Group’s management reassessed the accounting treatment of these arrangements. Upon reassessment of the contractual terms, it was concluded that the arrangements fall under the scope of IFRS 9 “Financial Instruments” as these are in substance a form of financing in nature. It was assessed that the contractual terms resulted in there being no transfer of control of the condominiums under IFRS 15 “Revenue from Contracts with Customers”. It was concluded that the arrangements failed to qualify as a sale and should have been accounted for as financing under IFRS 9 Financial Instruments. Accordingly, a restatement has been recognised to reflect the arrangements as financing in the previously issued interim condensed consolidated financial statements.

Restatement 2: Reclassification of direct costs

The Group identified music, entertainment and other operational expenses relating to the entertainment revenue stream included within selling and marketing costs, and general and administrative expenses. These have been reclassified to cost of sales as they are direct in nature.

Restatement 3: Reclassification of costs in “Cost of Sales” and “Selling and marketing expenses” to “General and Administrative expenses” in relation to certain indirect costs for the hotels

The Group identified certain indirect costs pertaining to the hotels which were classified as direct costs and selling and marketing expenses reclassified them to general and administrative expenses.

Restatement 4: Reclassification of holiday home rent as direct costs

Pursuant to the holiday homes rental agreement with unit owners of residential units, the Group incurred the lease charges - rooms and hotel apartments during the period ended 30 September 2022. These were recognised in general and administrative expenses. However, as they relate to arrangements which generate revenue from hotel rooms the amounts should be recognised in cost of sales.

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements

For the three-month and nine-month period ended 30 September 2023

27 Restatement of previously issued interim condensed consolidated financial statements (continued)

Restatement 5: Separate presentation of depreciation

In prior periods the Group presented depreciation within cost of sales. Given that this amount is material, this has been separately presented within gross profit in accordance with IAS 1 Presentation of Financial Statements. Interim condensed consolidated financial statements for the period ended have been restated for this reclassification.

Restatement 6: Presentation of restricted cash in escrow

As at 30 September 2022, the Group classified balances in escrow relating to ongoing project development, and collateral and other reserve accounts relating to bank borrowings as restricted cash. These balances can be used in the operations of the business as per specific criteria, as such management has assessed these balances to be cash and cash equivalents.

Restatement 7: Recognition of deferred tax liability in relation to the 5 Atlantis AG

During the nine-month period ended 30 September 2022, deferred tax on revaluation gain of hotel in Switzerland should have been recorded in accordance with IAS 12 "Income taxes". As a result of a fair value gain on the fixed assets in Switzerland being taxable only upon realisation (i.e., sale of the assets) in accordance with the provisions of Federal and Cantonal taxes applicable in Zurich, Switzerland, the Group has recognised the deferred tax liability as at balance sheet date.

FIVE Holdings (BVI) Limited and its subsidiaries

**Notes to the interim condensed consolidated financial statements
For the three-month and nine-month period ended 30 September 2023**

27 Restatement of previously issued interim condensed consolidated financial statements (continued)

a) Impact on interim condensed statement of profit or loss for the three-month period ended 30 September 2022 is summarized below:

	As previously reported AED'000	Restatement 1 AED'000	Restatement 2 AED'000	Restatement 3 AED'000	Restatement 4 AED'000	Restatement 5 AED'000	As restated AED'000
Revenue	299,240	(1,862)	-	-	-	-	297,378
Cost of sales	(155,799)	(27,641)	(4,482)	5,256	(4,558)	52,231	(134,993)
Depreciation	-	-	-	-	-	(52,231)	(52,231)
Gross profit	143,441	(29,503)	(4,482)	5,256	(4,558)	-	110,154
General and administrative expenses	(54,469)	4,871	1,553	(5,256)	4,558	-	(48,743)
Selling and Marketing expenses	(21,276)	-	2,929	-	-	-	(18,347)
Other income	6,376	-	-	-	-	-	6,376
Operating profit	74,072	(24,632)	-	-	-	-	49,440
Finance income	-	168	-	-	-	-	168
Finance costs	(31,231)	6,444	-	-	-	-	(24,787)
Finance Costs, net	(31,231)	6,612	-	-	-	-	(24,619)
Profit for the period	42,841	(18,020)	-	-	-	-	24,821

FIVE Holdings (BVI) Limited and its subsidiaries

**Notes to the interim condensed consolidated financial statements
For the three-month and nine-month period ended 30 September 2023**

27 Restatement of previously issued interim condensed consolidated financial statements (continued)

b) Impact on interim condensed statement of profit or loss for the nine-month period ended 30 September 2022 is summarized below:

	As previously reported AED'000	Restatement 1 AED'000	Restatement 2 AED'000	Restatement 3 AED'000	Restatement 4 AED'000	Restatement 5 AED'000	As restated AED'000
Revenue	877,196	(4,954)	-	-	-	-	872,242
Cost of sales	(394,946)	(26,353)	(15,019)	11,309	(16,430)	100,482	(340,957)
Depreciation	-	(42,732)	-	-	-	(100,482)	(143,214)
Gross profit	482,250	(74,039)	(15,019)	11,309	(16,430)	-	388,071
General and administrative expenses	(179,587)	12,110	7,248	(13,966)	16,430	-	(157,765)
Selling and Marketing expenses	(59,390)	-	7,771	2,659	-	-	(48,960)
Other income	19,955	-	-	(2)	-	-	19,953
Operating profit	263,228	(61,929)	-	-	-	-	201,299
Finance income	-	5,785	-	-	-	-	5,785
Finance costs	(76,854)	14,302	-	-	-	-	(62,252)
Finance Costs, net	(76,854)	20,087	-	-	-	-	(56,767)
Profit for the period	186,374	(41,842)	-	-	-	-	144,532

FIVE Holdings (BVI) Limited and its subsidiaries

Notes to the interim condensed consolidated financial statements for the three-month and nine-month period ended 30 September 2023 (continued)

27 Restatement of previously issued interim condensed consolidated financial statements (continued)

(c) Impact on interim condensed statement of comprehensive income for the three-month period ended 30 September 2022 is summarised below:

	As previously reported AED'000	Restatement 1 AED'000	Restatement 7 AED'000	As Restated AED'000
Profit for the period	42,841	(18,020)	-	24,821
<u>Items that will not be classified to Profit or Loss</u>				
Deferred tax liabilities on fair value gain in revaluation of property and equipment	-	-	(4,596)	(4,596)
Exchange losses arising on translation of foreign subsidiary	(7,097)	-	-	(7,097)
Total comprehensive income for the period	35,744	(18,020)	(4,596)	13,128

(d) Impact on interim condensed statement of comprehensive income for the nine-month period ended 30 September 2022 is summarised below:

	As previously reported AED'000	Restatement 1 AED'000	Restatement 7 AED'000	As Restated AED'000
Profit for the period	186,374	(41,842)	-	144,532
<u>Items that will not be classified to Profit or Loss</u>				
Revaluation gain on property and equipment	-	512,987	-	512,987
Deferred tax liabilities on fair value gain in revaluation of property and equipment	-	-	(4,596)	(4,596)
Exchange losses arising on translation of foreign subsidiary	(16,575)	-	-	(16,575)
Total comprehensive income for the period	169,799	471,145	(4,596)	636,348

(e) Impact on statement of changes in cashflow for the nine-month period ended 30 September 2022 (extract) is summarised below:

	As previously reported AED'000	Restatement 1 AED'000	Restatement 6 AED'000	As Restated AED'000
Net cash generated from operating activities	271,280	(134,128)	45,741	182,893
Net cash used in investment activities	(112,122)	(67,947)	-	(180,069)
Net cash used in financing activities	(270,968)	202,075	-	(68,893)
Net (decrease) / increase in cash and cash equivalents	(111,810)	-	45,741	(66,069)
Cash and cash equivalents, beginning of the period	244,632	-	243,753	488,385
Cash and cash equivalents, end of the period	132,822	-	289,494	422,316