

# **Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries**

## **DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

# **Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries**

**DIRECTORS' REPORT**

**31 DECEMBER 2024**



## DIRECTORS' REPORT

The Board of Directors have pleasure in submitting this report and the consolidated financial statements of Easy Lease Motor Cycle Rental P.S.C (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024.

### Principal activity

Group is engaged in motorcycles trading, motorcycles repairing, motorcycles and car park rental, delivery services, marine sports club and wholesale trading of ships and boats, computer systems and communication equipment software trading, trains and railway construction & fabrication, trains spare parts & security system trading, freight forwarding and warehousing services.

### Financial results

Total revenue earned by the Group during the year ended 31 December 2024 was AED 455,742,523 (2023: AED 298,547,383). The net profit for the year ended 31 December 2024 amounted to AED 42,725,951 (2023: AED 36,078,892).

### Auditors

A resolution proposing the appointment of the auditors of the Group for the year ending 31 December 2025 will be put to the shareholders at Annual General Meeting.

For and on behalf of the Board of Directors

CEO and Board Member

Board Member

29 January 2025

Abu Dhabi, United Arab Emirates

**Easy Lease Motor Cycle Rental P.S.C  
and Its Subsidiaries**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EASY LEASE MOTOR CYCLE RENTAL P.S.C

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of Easy Lease Motor Cycle Rental P.S.C (the “Company”) and its subsidiaries (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 a summary of material accounting policies.

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 International Financial Reporting Standards (“IFRSs”).

#### *Basis for opinion*

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

#### *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  
EASY LEASE MOTOR CYCLE RENTAL P.S.C continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Revenue recognition*

Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. The Group recognises revenue from contracts with customers when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (refer note 2.5 to the consolidated financial statements for the revenue recognition policy of the Group).

During the year ended 31 December 2024, total revenue of the Group amounted to AED 455,742,523 (2023: AED 298,547,383). Given the magnitude of the amount and inherent risk of revenue overstatement, we consider revenue recognition to be a key audit matter.

To address the above risk, we performed the following procedures among others:

- We performed procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in line with the Group's accounting policy;
- Assessed the compliance of such policies with the applicable International Financial Reporting Standards;
- Obtained understanding of the revenue accounting processes as applied by the Group for significant revenue streams;
- Obtained representative sample of transactions and tested their occurrence, accuracy and recognition, by tracing them back to supporting documents;
- We have performed cut off procedures, including selecting the sample of transactions before and after the year end to evaluate the recognition in the current reporting period;
- Performed analytical procedures across significant revenue streams during the year; and
- Assessed the adequacy of the Group's disclosure in the consolidated financial statements in connection with revenue recognition.

*Business combinations within the scope of IFRS 3*

During the year, the Group acquired control over the entities disclosed in note 3.1 and have also completed purchase price allocations in relation to the acquisitions of 2023. External valuation specialists were engaged by the Group to perform the purchase price allocation exercise, including identification and fair valuation of acquired assets and liabilities. The acquisition of businesses is a key audit matter as these are significant transactions during the year and require significant judgement regarding the allocation of the purchase price to the assets and liabilities acquired.

We have obtained the provisional purchase price allocation reports for material acquisitions prepared by the external valuers engaged by the Group. We considered the reporting requirements for the acquisitions during the current year on provisional basis as allowed under IFRS 3 and its application by the Group.

For the acquisitions of 2023 and the purchase price allocations completed during the current year, we involved our internal valuation specialists in reviewing such process allocations including the valuation of intangibles recognized by the Group. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with available evidence. Further, we also assessed the adequacy of the presentation and disclosures of the said purchase price allocations in the consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
EASY LEASE MOTOR CYCLE RENTAL P.S.C continued**

**Report on the Audit of the Consolidated Financial Statements continued**

*Impairment assessment of goodwill*

The Group has recognised goodwill amounting to AED 109,815,828 (2023: AED 63,954,760) arising from the acquisition of subsidiaries operating in multiple segments under business combinations within the scope of IFRS 3 (note 11).

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

As part of our audit procedures, we performed the following for CGUs with significant goodwill:

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

*Other information*

Other information consists of the information included in the report of the Board of Directors, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
EASY LEASE MOTOR CYCLE RENTAL P.S.C continued**

**Report on the Audit of the Consolidated Financial Statements continued**

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

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

The Board of Directors is 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
EASY LEASE MOTOR CYCLE RENTAL P.S.C continued**

**Report on the Audit of the Consolidated Financial Statements continued**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

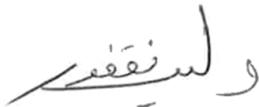
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**EASY LEASE MOTOR CYCLE RENTAL P.S.C continued**

**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 Group has maintained proper books of account;
- ii) we have obtained all the information and explanations 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 UAE Federal Law No. (32) of 2021, and the Memorandum of Association of the Company;
- iv) the consolidated financial information included in the report of the Board of Directors is consistent with the books of account of the Group;
- v) investments in shares and stocks are included in note 12 to the consolidated financial statements and include the purchases and investments made by the Group during the year ended 31 December 2024;
- vi) note 23 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 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Memorandum of Association which would materially affect its activities or its consolidated financial position as at 31 December 2024; and
- viii) the Group has not made any social contributions during the year.

For Ernst & Young



Walid J Nakfour  
Registration No 5479

29 January 2025  
Abu Dhabi, United Arab Emirates

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
Revenue	4	<b>455,742,523</b>	298,547,383
Direct costs	5	<u>(323,666,661)</u>	<u>(217,578,737)</u>
<b>GROSS PROFIT</b>		<b>132,075,862</b>	80,968,646
General and administrative expenses	6	<u>(78,317,173)</u>	<u>(49,557,582)</u>
<b>PROFIT FROM OPERATIONS</b>		<b>53,758,689</b>	31,411,064
Share of profit from investment in an associate		-	62,429
Other income	7	<b>10,414,093</b>	11,613,047
Finance costs	8	<u>(13,343,191)</u>	<u>(3,438,041)</u>
Change in fair value of investments carried at fair value through profit or loss	12	<u>(3,783,955)</u>	<u>(1,597,823)</u>
Fair value gain on revaluation of previously held equity interest		<u>-</u>	<u>1,768,416</u>
<b>PROFIT BEFORE TAX FOR THE YEAR</b>		<b>47,045,636</b>	39,819,092
Income tax expense	9	<u>(4,319,685)</u>	<u>(3,740,200)</u>
<b>PROFIT AFTER TAX FOR THE YEAR</b>		<b><u>42,725,951</u></b>	<u><b>36,078,892</b></u>
<b>Other comprehensive income for the year</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>42,725,951</u></b>	<u><b>36,078,892</b></u>
<b>Attributable to:</b>			
Equity holders of the parent		<b>29,112,806</b>	31,044,269
Non-controlling interests		<u><b>13,613,145</b></u>	<u>5,034,623</u>
		<b><u>42,725,951</u></b>	<u><b>36,078,892</b></u>
<b>Basic and diluted earnings per share (AED)</b>	17	<b><u>0.97</u></b>	<u><b>1.03</b></u>

The attached notes 1 to 27 form part of these consolidated financial statements.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 December 2024

	Notes	2024 AED	2023 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	10	<b>255,430,050</b>	127,338,766
Intangible assets and goodwill	11	<b>171,270,925</b>	87,455,867
Right-of-use assets	20	<b>91,170,590</b>	9,151,738
Deferred tax asset		<b>297,406</b>	-
		<b>518,168,971</b>	223,946,371
<b>Current assets</b>			
Inventories		<b>9,830,804</b>	6,372,034
Investments carried at fair value through profit or loss	12	<b>7,484,437</b>	23,998,311
Trade and other receivables	13	<b>188,491,152</b>	82,280,685
Amounts due from related parties	23	<b>4,386,651</b>	373,547
Bank balances and cash	14	<b>59,463,997</b>	30,922,352
		<b>269,657,041</b>	143,946,929
<b>TOTAL ASSETS</b>		<b>787,826,012</b>	367,893,300
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	<b>30,000,000</b>	30,000,000
Statutory reserve	16	<b>15,000,000</b>	12,973,768
Retained earnings		<b>141,306,764</b>	114,220,190
Merger reserve		<b>1,177,749</b>	1,177,749
Equity attributable to equity holders of the Parent		<b>187,484,513</b>	158,371,707
Non-controlling interests		<b>65,404,921</b>	29,249,029
<b>Total equity</b>		<b>252,889,434</b>	187,620,736
<b>Non-current liabilities</b>			
Employees' end of service benefits	18	<b>11,330,659</b>	5,300,507
Bank loans	19	<b>113,358,764</b>	32,972,063
Loan from a related party	23	<b>50,000,000</b>	-
Deferred tax liabilities	9	<b>7,678,448</b>	4,364,798
Lease liabilities	20	<b>109,819,124</b>	6,314,974
		<b>292,186,995</b>	48,952,342
<b>Current liabilities</b>			
Trade and other payables	21	<b>135,506,601</b>	82,182,356
Amounts due to related parties	23	<b>5,848,349</b>	10,451,776
Bank loans	19	<b>80,670,852</b>	35,351,919
Lease liabilities	20	<b>15,402,028</b>	3,334,171
Income tax payable		<b>5,321,753</b>	-
		<b>242,749,583</b>	131,320,222
<b>Total liabilities</b>		<b>534,936,578</b>	180,272,564
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>787,826,012</b>	367,893,300

Chairman

CEO and Board Member

The attached notes 1 to 27 form part of these consolidated financial statements.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to equity holders of the Company					Non-controlling interests AED	Total equity AED
	Share capital AED	Statutory reserve AED	Merger reserve AED	Retained earnings AED	Total AED		
Balance at 1 January 2023	30,000,000	10,003,741	1,177,749	86,145,948	127,327,438	18,243,836	145,571,274
Total comprehensive income for the year				31,044,269	31,044,269	5,034,623	36,078,892
Transfer to statutory reserve (note 16)		2,970,027		(2,970,027)			-
Acquisition of subsidiaries (note 3.2)	-	-	-	-	-	10,926,434	10,926,434
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 3.2)	-	-	-	-	-	(6,665,864)	(6,665,864)
Capital injected by non-controlling interests	—	—	—	—	—	1,710,000	1,710,000
Balance at 31 December 2023	<u>30,000,000</u>	<u>12,973,768</u>	<u>1,177,749</u>	<u>114,220,190</u>	<u>158,371,707</u>	<u>29,249,029</u>	<u>187,620,736</u>
Balance at 1 January 2024	30,000,000	12,973,768	1,177,749	114,220,190	158,371,707	29,249,029	187,620,736
Total comprehensive income for the year				29,112,806	29,112,806	13,613,145	42,725,951
Transfer to statutory reserve (note 16)		2,026,232		(2,026,232)			-
Dividend paid to non-controlling interest		-				(7,161,493)	(7,161,493)
Acquisition of subsidiaries (note 3.1)						27,221,994	27,221,994
Capital injected by non-controlling interests	-	-	-	-	-	2,682,247	2,682,247
Repayment of contributed capital to non-controlling interest	—	—	—	—	—	(200,000)	(200,000)
Balance at 31 December 2024	<u>30,000,000</u>	<u>15,000,000</u>	<u>1,177,749</u>	<u>141,306,764</u>	<u>187,484,513</u>	<u>65,404,922</u>	<u>252,889,435</u>

The attached notes 1 to 27 form part of these consolidated financial statements.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Notes	2024 AED	2023 AED
<b>OPERATING ACTIVITIES</b>			
Profit before tax		<b>47,045,636</b>	39,819,092
Adjustments for:			
Depreciation of property and equipment	10	<b>41,862,194</b>	31,428,546
Depreciation of right-of-use assets	20	<b>5,859,692</b>	2,274,227
Amortisation of intangible assets	11	<b>3,324,420</b>	3,223,055
Provision for employees' end of service benefits	18	<b>2,638,094</b>	2,172,118
Share of profit from investment in an associate	7	<b>(2,051,538)</b>	(62,429)
Gain on disposal of property and equipment			(3,943,805)
Change in fair value of investments carried at fair value through profit or loss	12	<b>3,783,955</b>	1,597,823
Finance costs	8	<b>13,343,191</b>	3,438,041
Provision for expected credit losses	13	<b>2,701,483</b>	1,983,748
Gain on termination of leases		<b>(47,684)</b>	-
Fair value gain on revaluation of previously held equity interest		<b>—</b>	<b>(1,768,416)</b>
		<b>118,459,443</b>	80,162,000
Working capital changes:			
Trade and other receivables		<b>(69,734,638)</b>	(19,376,232)
Trade and other payables		<b>13,381,930</b>	(5,995,251)
Amounts due from related parties		<b>(4,013,104)</b>	(368,974)
Amounts due to related parties		<b>(1,951,180)</b>	(292,338)
Inventories		<b>(3,179,080)</b>	<b>(510,852)</b>
Cash flows from operations		<b>52,963,371</b>	53,618,353
Employees' end of service benefits paid	18	<b>(621,430)</b>	(262,626)
Finance costs paid		<b>(8,529,599)</b>	<b>(3,242,662)</b>
Net cash flows from operating activities		<b>43,812,342</b>	<b>50,113,065</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment	10	<b>(138,518,475)</b>	(47,029,174)
Purchase of intangible assets	11	<b>(1,117,411)</b>	(3,575,373)
Purchase of investments carried at fair value through profit or loss	12	<b>(3,673,692)</b>	(23,687,999)
Proceeds from disposal of investments carried at fair value through profit or loss	12	<b>16,403,611</b>	18,761,281
Proceeds from disposal of property and equipment		<b>9,284,647</b>	8,331,268
Acquisition of subsidiaries, net of cash paid	3.1	<b>(61,973,753)</b>	<b>8,918,482</b>
Net cash used in investing activities		<b>(179,595,073)</b>	<b>(38,281,515)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from bank loans	19	<b>173,447,295</b>	32,629,835
Repayments of bank loans	19	<b>(47,741,661)</b>	(32,140,940)
Proceeds of loan from a related party	23	<b>50,000,000</b>	-
Capital contributed by non-controlling interest*		<b>30,000</b>	1,710,000
Withdrawal by non-controlling interest		<b>(200,000)</b>	-
Dividend paid to non-controlling interest		<b>(3,201,493)</b>	-
Payments against lease liabilities	20	<b>(8,009,765)</b>	<b>(2,818,756)</b>
Net cash flows from (used in) financing activities		<b>164,324,376</b>	<b>(619,861)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at 1 January		<b>30,922,352</b>	<b>19,710,663</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	14	<b>59,463,997</b>	<b>30,922,352</b>

\*An amount of AED 2,652,247 have been excluded from the consolidated statement of cash flows being a non-cash transaction.

The attached notes 1 to 27 form part of these consolidated financial statements.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 1 ACTIVITIES

Easy Lease Motor Cycle Rental P.S.C (the “Company”) is a private joint stock company incorporated under the Law No. (32) of 2021. The Company’s registered address is P.O. Box 333367, Deira, Dubai, United Arab Emirates. International Holding Company PJSC is the Parent and Royal Group Holding LLC is the Ultimate Parent of the Company.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). Group is engaged in motorcycles trading, motorcycles repairing, motorcycles and car park rental, delivery services, marine sports club and wholesale trading of ships and boats, computer systems and communication equipment software trading, trains and railway construction and fabrication, trains spare parts and security system trading, freight forwarding and warehousing services.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 29 January 2025.

### 2.1 BASIS OF PREPARATION

#### **Statement of compliance**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and applicable requirements of laws of the United Arab Emirates.

#### **Basis of measurement**

The consolidated financial statements are prepared under the historical cost convention, except for investments carried at fair value through profit or loss which are stated at fair value.

#### **Functional and presentation currency**

The consolidated financial statements are presented in United Arab Emirates Dirhams (“AED”), which is the functional and presentation currency of the Group

### 2.2 BASIS OF CONSOLIDATION

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

Control is achieved when the Company:

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

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

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

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

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

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.2 BASIS OF CONSOLIDATION continued

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

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of subsidiaries as at 31 December 2024 and 31 December 2023 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held*</i>	
			<i>2024</i>	<i>2023</i>
Uplift Delivery Services LLC	United Arab Emirates	Delivery services.	<b>67%</b>	67%
1885 Delivery Services LLC	United Arab Emirates	Delivery services.	<b>70%</b>	70%
Yellow Technologies LLC	United Arab Emirates	Computer systems & communication equipment software trading.	<b>80%</b>	80%
The Captain Boats and Ships Trading LLC	United Arab Emirates	Marine sports club and wholesale trading of ships and boats.	<b>55%</b>	55%
Qube Car Park Management LLC	United Arab Emirates	Car park rental and management valet parking services	<b>70%</b>	70%
Easy Lease Motor Cycle Rental WLL	Kingdom of Bahrain	Motorcycle rental and trading of motor cycle and accessories including motorpeds	<b>100%</b>	100%
Easy Lease Vehicle Rental LLC	United Arab Emirates	Rental of vehicles and repairs and maintenance services	<b>100%</b>	100%
Easy Lease Limousine Luxury Motor Vehicle Services LLC	United Arab Emirates	Rental of limousine and luxury vehicles	<b>100%</b>	100%
Easy Lease Transport Services One Person Company LLC	Kingdom of Saudi Arabia	Mobility services	<b>100%</b>	100%
Ripe Exhibition Organizer Co LLC	United Arab Emirates	Event management	<b>60%</b>	60%
Fully Charge Electrical Fitting Contracting	United Arab Emirates	Electrical charging of vehicles	<b>60%</b>	60%
Lynx Technology Group Ltd(iii)	British Virgin Island	IT services	<b>49%</b>	49%
United Trans General Trading LLC(i)	United Arab Emirates	Trains and railway construction, fabrication, trains spare parts & security system trading	<b>60%</b>	-
Mobility Hub FZE(ii)	United Arab Emirates	Spare parts and motor vehicles trading	<b>100%</b>	-
Mobility Spares Trading FZCO(ii)	United Arab Emirates	Spare parts and motor vehicles trading	<b>100%</b>	-
Gallega Group Holdings DMCC(i)	United Arab Emirates	Logistics services	<b>51%</b>	-

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held*	
			2024	2023
<b><u>Below are the subsidiaries of The Captain Boats and Ships Trading LLC:</u></b>				
Delta Marine Equipment LLC	United Arab Emirates	Boats repairing and retail sale of marine equipments and machinery	<b>70%</b>	70%
Nautica Marine Services Navy – Soleproprietership LLC	United Arab Emirates	Boats repairing and services to onshore and offshore oil and gas facilities	<b>100%</b>	100%
The Captain SPC	Sultanate of Oman	Renting of tourist boats, retail sale in specialized stores of boats and yachts	<b>100%</b>	100%
Captains Club for Renting and Trading WLL(ii)	State of Qatar	Renting and trading of boats and ships	<b>100%</b>	-
The Captain Yacht Rental Company LLC(ii)	Kingdom of Saudi Arabia	Renting and trading of boats and ships	<b>100%</b>	-
The Captains Club Company for Renting Recreational Boats and Canoes(ii)	State of Kuwait	Renting and trading of boats and ships	<b>100%</b>	-
<b><u>Below is the subsidiary of Oube Car Park Management LLC:</u></b>				
Al Khaleej Cars Parking Management LLC Soleproprietership	United Arab Emirates	Car park rental and management valet parking services	<b>100%</b>	100%
<b><u>Below is the subsidiary of Easy Lease Vehicle Rental LLC:</u></b>				
Sheel Vehicle Transport Towing LLC	United Arab Emirates	Recovery services	<b>100%</b>	100%
<b><u>Below is the subsidiary of 1885 Delivery Services LLC:</u></b>				
Infinity Logistics Transport LLC	United Arab Emirates	Logistic services	<b>60%</b>	60%
<b><u>Below is the subsidiary of Uplift Delivery Services LLC:</u></b>				
Uplift Transport Services LLC	Kingdom of Saudi Arabia	Delivery Services	<b>100%</b>	100%
<b><u>Below are the subsidiaries of Fully Charged Electrical Fitting Contracting LLC:</u></b>				
Fully Charged Electric Vehicles Charging Stations Management & Operation LLC(ii)	United Arab Emirates	Electric vehicles charging stations management and operation	<b>100%</b>	-
Fully Charged Electrical Fitting Trading and Contracting(ii)	State of Qatar	Installation of electrical energy transmission, electrical equipment, solar energy systems and electrical fitting contracting	<b>100%</b>	-
<b><u>Below are the subsidiaries of United Trans General Trading LLC</u></b>				
United Trans General Trading – Sole Proprietorship LLC(i)	United Arab Emirates	Trading of airport equipment, spare parts & trains, electronic parking management systems installation, maintenance and innovation in transport services, computer systems and software designing and services to onshore and offshore oil and gas fields	<b>100%</b>	-
United Transport Solution SPC(i)	Sultanate of Oman	Trucking of goods and equipments	<b>100%</b>	-
United Trans Solution WLL(i)	Kingdom of Bahrain	Trading activities, other information service activities, management of head offices and office administrative & support activities	<b>100%</b>	-

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.2 BASIS OF CONSOLIDATION continued

Name of subsidiary	Place of incorporation and operation	Principal activities	Proportion of ownership interest and voting power held*	
			2024	2023
<b><u>Below are the subsidiaries of Gallega Group Holdings DMCC</u></b>				
Gallega Global Logistics Single Owner LLC(i)	United Arab Emirates	Logistics and transportation services, including cargo handling, warehousing, and equipment rental, through online platforms and smart applications.	100%	-
Gallega International Logistics Services Ltd (i)	United Arab Emirates	Goods land transportation, freight clearing, marine and air shipment, warehousing, and specialized oil and gas field services.	100%	-

\*In case of sub-subsidiaries the shareholding represents proportion of ownership directly held by the sub-subsidiaries not the effective shareholding of the Group.

- (i) Subsidiaries acquired during the year.
- (ii) Subsidiaries incorporated during the year.
- (iii) Subsidiary consolidated based on de-facto control.

### 2.3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the 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 effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

- Disclosures: Supplier Finance Arrangements -Amendments to IAS 7 and IFRS 7;
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16;
- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

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

### 2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimate made by management are summarised as follows:

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

#### **Critical accounting judgments in applying accounting policies**

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

##### *Determining the lease term of contracts with renewal and termination options – Group as lessee*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

##### *Lease classification – Group as a lessor*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Keeping in view the business model of the Group, the Group has determined that leasing of motorcycles and vehicles do not transfer substantially all the risks and rewards incidental to ownership of the vehicles subject to the lease arrangement, hence such lease arrangements are classified as operating lease.

#### **Key sources of estimation of uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### *Allowance for expected credit losses of trade receivables*

The Group uses internal and external information to calculate ECLs for trade receivables. The provision is assessed based on past events, current conditions and forecasts of future economic conditions. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables were AED 130,196,282 (2023: AED 65,983,581) and the provision for expected credit losses was AED 15,884,711 (2023: AED 12,027,042). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

##### *Impairment of inventories*

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

As at the date of the consolidated statement of financial position, gross value of inventories was AED 9,830,804 (2023: AED 6,372,034), with no provisions for damaged or obsolete inventories (2023: AED nil). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS continued

#### **Key sources of estimation of uncertainty** continued

##### *Useful lives of property and equipment and intangible assets*

The Group's management determines the estimated useful lives of its property and equipment and intangibles for calculating depreciation and amortisation, respectively. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation or amortisation charge would be adjusted where the management believes the useful lives differ from previous estimates.

##### *Leases - Estimating the incremental borrowing rate*

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

##### *Business combinations*

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

##### *Impairment of goodwill and intangible assets with infinite useful lives*

Goodwill and intangible assets with infinite useful lives are assessed for impairment based on the assessment of cash flows on individual cash-generating units on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Management has concluded that there is no impairment as of 31 December 2024 and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable (31 December 2023: nil).

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION

#### **Revenue from contracts with customers**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15.

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

#### *Rental income*

Revenue from motorcycles rental contracts are recognised evenly over the period of the respective contract.

#### *Revenue from delivery service*

Revenue from delivery services is recognized at a point in time following the completion of delivery.

#### *Sale of goods*

Revenue from sale of goods is recognised at a point in time when the significant risks and rewards of ownership and control of the goods have passed to the buyer, usually on delivery of the goods.

#### *Membership fee income*

Revenue from membership fee is recognised over time and on an accrual basis in accordance with the period of membership (provided that is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably). Membership fee income determined on a time basis are recognised on a straight-line basis over the period of the membership. The difference between membership income recognised and membership fee received is recognised as deferred revenue.

#### *Event management services*

Revenue from event management services is recognized as a performance obligations satisfied over the period of time when the service is rendered to the customers.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue from contracts with customers** continued

##### *Service income*

Revenue from rendering of services is recognised at a point in time upon satisfactory delivery of service to the customer and also includes administrative fee which is charged to customers for processing the fines and roads and transport authority ('RTA') costs.

##### *Logistics revenue*

Logistics revenue is measured based on consideration specified in the contracts with customers and is recognised when the related performance obligations are satisfied. The majority of the Group's revenues are derived from freight contracts and land transportation contracts which are reported within freight revenue and land transportation revenue in the Group's consolidated statement of comprehensive income. The Group's performance obligation under these contracts is to transport cargo from one location to another in exchange for the price agreed in the contract. Revenue from cargo is recognised at the point in time when control of the transported asset is transferred to the customer, generally on delivery of the cargo at the customer's location.

##### *Accessories fitment revenue and service center revenue*

Revenue from accessories fitment comprise sale of vehicle accessories bundled together with the related fitting services. These goods and services are not sold separately, and accordingly represent a single performance obligation. Service center revenue represent servicing of vehicles. Revenue from accessories fitting and service center is recognised at the point in time when the service is rendered to the customer.

##### *Warehousing and storage revenue*

Warehousing and storage revenue is recognised over the period because the customer simultaneously receives and consumes the benefits provided by the Group, on a fixed contract basis.

##### *Commission income*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party are recognised at a point in time on completion of the underlying transaction.

##### *Revenue from bus on demand*

Revenue from bus on demand services is recognised when the related performance obligations are satisfied. The Group's performance obligation under these contracts is to transport people from one location to another. Bus on demand revenue is recognised at a point in time.

#### **Value-added Tax (VAT)**

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

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

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

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, 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 organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

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

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

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

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Business combinations and goodwill** continued

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

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

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

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

#### *Changes in Group's ownership interest in existing subsidiaries*

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

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

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

#### **Acquisition of entities under common control**

For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. No goodwill is recognised as a result of the combination. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the business 'acquired' is reflected within the equity. The Group applies the pooling of interest prospectively and, accordingly, comparative information is not restated in the consolidated financial statements.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **Property and equipment**

##### *Recognition and measurement*

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Gains and losses on disposal of item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within “other income” in the consolidated statement of comprehensive income.

##### *Subsequent costs*

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

##### *Depreciation*

Depreciation is recognised in the consolidated statement of comprehensive income on a straight-line basis over the estimated useful lives of property and equipment (except for a subsidiary which is recognising depreciation on motor vehicles on reducing balance method). The estimated useful lives for the current and comparative periods are as follows:

Motorcycles	5 years
Motor vehicles	4 years
Boats - Hull	15 - 20 years
Boats - Engine	4 - 7 years
Tools and spares	2 - 4 years
Computer equipment	4 years
Furniture and fixtures	4 - 5 years
Leasehold improvements	5 years

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income when the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

#### **Capital work in progress**

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category and is depreciated in accordance with the Group's policies.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the consolidated statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income in the expense category consistent with the function of the intangible asset.

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

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

Amortisation of intangible assets with finite lives is calculated on a straight line basis over the estimated useful lives as follows:

Software	5 years
Trade name	5 - 10 years
Customer and supplier contracts	5 - 10 years

#### **Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs are those expenses incurred in bringing each product to its present location and condition, and are determined on a first in, first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make sale.

#### **Impairment of non-financial assets**

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

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Impairment of non-financial assets** continued

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

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

#### **Financial instruments - initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### i) **Financial assets**

###### *Financial assets at fair value through profit or loss*

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

This category includes quoted equity investments which the Group had designated irrevocably at fair value through Profit or loss. Dividends on equity investments are recognised under other income in the consolidated statement of comprehensive income when the right of payment has been established.

###### **Cash and cash equivalents**

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

###### **Impairment of financial assets**

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

##### ii) **Financial liabilities and equity instruments**

###### **Initial recognition and measurement**

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the transaction.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include bank loans, lease liabilities, trade payables and other payables and amounts due to related parties.

###### **Subsequent measurement**

The measurement of financial liabilities depends on their classification as described below:

###### **Trade and other payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

###### **Bank loans**

Bank loans are initially recognised at fair value plus directly attributable transaction costs.

After initial recognition, interest-bearing loans are subsequently measured at amortised cost using the EIR method.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Provisions**

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

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

#### **Employees' end of service benefits**

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

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

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

#### **Contingencies**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

#### **Leases**

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

#### ***Group as a lessee***

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

##### *i) Right-of-use assets*

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

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Leases** continued

##### **Group as a lessee** continued

###### i) *Right-of-use assets* continued

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

Vehicle leases	over the period of the lease
Workshops and office space	over the period of the lease including renewal options

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section impairment of non-financial assets.

###### ii) *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are disclosed as a separate line-item under current and non-current portion.

###### iii) *Short-term leases and leases of low-value assets*

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

#### **Group as a lessor**

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 2.5 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Income tax expense**

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses can be utilized.

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

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognised in the consolidated statement of comprehensive income.

#### **Dividends**

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

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### **2.6 STANDARDS ISSUED BUT NOT EFFECTIVE**

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

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

## **3 BUSINESS COMBINATIONS**

### **3.1 Acquisitions under IFRS 3 Business Combination during the year**

During the year, the Group acquired the following entities which were accounted for using the “acquisition method” of accounting under IFRS 3 Business Combination:

#### **Gallega Group Holdings DMCC**

Effective 1 October 2024, the Company acquired a 51% interest in Gallega Group Holdings DMCC (“Gallega”) for a consideration of AED 51,000,000. Gallega is registered in Emirate of Dubai, United Arab Emirates under the service license number DMCC-712582 issued by Dubai Multi Commodities Centre (DMCC) and is engaged in logistics and freight forwarding services. From the date of acquisition, Gallega has contributed revenue and profit to the Group amounting to AED 36,754,607 and AED 3,539,822 respectively. If the acquisition had taken place at the beginning of the year, Gallega would have contributed revenue and net profit to the Group amounting to AED 126,763,939 and AED 10,855,720 respectively (2023: nil).

#### **United Trans General Trading LLC**

Effective 1 March 2024, the Company acquired a 60% interest in United Trans General Trading LLC (“United Trans”) for a consideration of AED 15,000,000. United Trans is limited liability company, registered in the Emirate of Dubai, United Arab Emirates and is primarily engaged in the construction and fabrication of trains and railway equipment, along with providing trading and maintenance services. From the date of acquisition, United Trans has contributed revenue and profit to the Group amounting to AED 22,873,964 and AED 8,646,467 respectively. If the acquisition had taken place at the beginning of the year, United Trans would have contributed revenue and net profit to the Group amounting to AED 23,933,747 and AED 8,038,853 respectively.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 3 BUSINESS COMBINATIONS continued

#### 3.1 Acquisitions under IFRS 3 Business Combination during the year continued

##### Assets acquired and liabilities assumed

The assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	<i>Gallega Group Holdings</i> <i>DMCC</i> <i>AED</i>	<i>United Trans General Trading LLC</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<b>2024</b>			
<b>Assets</b>			
Property and equipment	38,604,297	63,815	38,668,112
Intangible assets (3.1.2)	40,160,999	-	40,160,999
Right-of-use assets	76,678,314	2,551,413	79,229,727
Inventories	279,690	-	279,690
Trade and other receivables	31,115,183	8,062,129	39,177,312
Deferred tax asset	-	45,892	45,892
Bank balances and cash	3,807,239	219,008	4,026,247
<b>Total assets</b>	<b>190,645,722</b>	<b>10,942,257</b>	<b>201,587,979</b>
<b>Liabilities</b>			
Employees' end of service benefits	2,818,120	1,195,368	4,013,488
Trade and other payables	20,024,018	5,162,137	25,186,155
Deferred tax liabilities	3,574,243	-	3,574,243
Income tax provision	489,962	-	489,962
Lease liabilities	109,800,655	2,604,704	112,405,359
<b>Total liabilities</b>	<b>136,706,998</b>	<b>8,962,209</b>	<b>145,669,207</b>
<b>Net assets</b>	<b>53,938,724</b>	<b>1,980,048</b>	<b>55,918,772</b>
<b>Total identifiable net assets at provisional value</b>	<b>53,938,724</b>	<b>1,980,048</b>	<b>55,918,772</b>
Proportionate share of identifiable net assets acquired	27,508,749	1,188,029	28,696,778
Goodwill arising on acquisition – provisional	30,031,500	15,829,568	45,861,068
<b>Purchase consideration</b>	<b>57,540,249</b>	<b>17,017,597</b>	<b>74,557,846</b>
<b>Non-controlling interest</b>	<b>26,429,975</b>	<b>792,019</b>	<b>27,221,994</b>
The breakup of purchase consideration is as follows:			
Purchase consideration payable	51,000,000	15,000,000	66,000,000
Fair value of contingent consideration (3.1.1)	6,540,249	2,017,597	8,557,846
<b>Total purchase consideration</b>	<b>57,540,249</b>	<b>17,017,597</b>	<b>74,557,846</b>

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation exercises of these acquisitions within one year from the respective acquisition dates as allowed under IFRS 3.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 3 BUSINESS COMBINATIONS continued

#### 3.1 Acquisitions under IFRS 3 Business Combination during the year continued

##### 3.1.1. Fair value of contingent consideration

United Trans General Trading LLC - The Group is required to pay AED 3,000,000 contingent upon achieving cumulative net profit of AED 35,000,000 within a period of 5 years from completion date. The fair value has been computed assigning 90% probability and using discount rate of 6% per annum.

Gallega Group Holdings DMCC - The Group is required to pay AED 3,825,000 contingent upon achieving net operating profit of AED 13,500,000 for the fiscal year 2025 and additional AED 3,825,000 upon achieving net operating profit of AED 16,000,000 for the fiscal year 2026. The fair value has been computed assigning 90% probability and using discount rate of 6% per annum.

##### 3.1.2. Intangible assets

Intangible assets of AED 39,713,807 (2023: AED 25,252,782) have been recognised as a result of aforementioned acquisition, which mainly comprises of favourable rental term and customer relationship.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 18% to 26%.
- A terminal value, calculated based on long-term sustainable growth rates for the industry of 3-4%, which has been used to determine income for the future years.

##### Analysis of cashflow on acquisition:

	Gallega Group Holdings DMCC AED	United Trans General Trading LLC AED	Total AED
<b>Analysis of cashflows on acquisition:</b>			
Cash paid for acquisition	51,000,000	15,000,000	66,000,000
Net cash acquired on business combination	<u>(3,807,239)</u>	<u>(219,008)</u>	<u>(4,026,247)</u>
Acquisition of operating business – net of cash used (acquired) (Included in cash flows from investing activities)			
	<u>47,192,761</u>	<u>14,780,992</u>	<u>61,973,753</u>

#### 3.2 Acquisitions under IFRS 3 Business Combination prior year

During the year, the Group acquired the following entities which were accounted for using the acquisition method under IFRS 3 Business Combination:

##### Ripe Exhibition Organizer Co LLC

Effective 1 November 2023, the Company acquired a 60% interest in Ripe Exhibition Organizer Co LLC ("Ripe Exhibition Organizer") for a consideration of AED 31,920,000. Ripe Exhibition Organizer is a limited liability company, registered in the Emirate of Abu Dhabi and is engaged in the event management. From the date of acquisition, Ripe Exhibition Organizer contributed revenue and profit to the Group amounting to AED 5,433,626 and AED 1,970,760 respectively. If the acquisition had taken place at the beginning of the year, Ripe Exhibition Organizer Co LLC would have contributed revenue and profit to the Group amounting to AED 25,235,130 and AED 6,512,809 respectively.

##### Fully Charged Electrical Fitting Contracting

Effective 1 October 2023, the Company acquired a 60% interest in Fully Charged Electrical Fitting Contracting ("Fully Charged") for a consideration of AED 3,150,000. Fully Charged is sole establishment, registered in the Emirate of Dubai and is engaged in provision of charging infrastructure facility across the country. From the date of acquisition, Fully Charged contributed revenue and profit to the Group amounting to AED 1,676,762 and AED 6,109 respectively. If the acquisition had taken place at the beginning of the year, Fully Charged Electrical Fitting Contracting would have contributed revenue and loss to the Group amounting to AED 6,575,793 and AED 226,011 respectively.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 3 BUSINESS COMBINATIONS continued

#### 3.2 Acquisitions under IFRS 3 Business Combination prior year continued

##### Lynx Technology Group Ltd

Effective 1 December 2023, the Company acquired an additional 24% interest in Lynx Technology Group Ltd. for a consideration of AED 532,586 increasing the Group's ownership to 49%. Lynx Technology is a limited liability company, registered in British Virgin Island and is engaged in the provision of IT related services. From the date of acquisition, Lynx Technology Group Ltd. contributed revenue and profit to the Group amounting to AED 122,963 and AED 36 respectively. If the acquisition had taken place at the beginning of the year, Lynx Technology Group Ltd would have contributed revenue and profit to the Group amounting to AED 1,228,316 and AED 249,684 respectively.

##### Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	<i>Ripe Exhibition Organizer Co LLC AED</i>	<i>Fully Charged Electrical Fitting Contracting AED</i>	<i>Lynx Technology Group Ltd. AED</i>	<i>Total AED</i>
<b>Assets</b>				
Property and equipment	1,565,923	324,561	6,210	1,896,694
Intangible assets	18,322,867	-	6,939,970	25,262,837
Right-of-use assets	5,422,679	-	-	5,422,679
Inventories	-	203,935	-	203,935
Trade and other receivables	3,486,646	424,311	577,460	4,488,417
Bank balances and cash	10,240,875	212,307	115,300	10,568,482
<b>Total assets</b>	<b><u>39,038,990</u></b>	<b><u>1,165,114</u></b>	<b><u>7,638,940</u></b>	<b><u>47,843,044</u></b>
<b>Liabilities</b>				
Employees' end of service benefit	86,934	33,303	-	120,237
Trade and other payables	12,176,250	337,223	862,285	13,375,758
Deferred tax liabilities	1,648,153	-	624,597	2,272,750
Lease liabilities	6,339,445	-	-	6,339,445
Bank loans	-	110,585	-	110,585
<b>Total liabilities</b>	<b><u>20,250,782</u></b>	<b><u>481,111</u></b>	<b><u>1,486,882</u></b>	<b><u>22,218,775</u></b>
<b>Net assets</b>	<b><u>18,788,208</u></b>	<b><u>684,003</u></b>	<b><u>6,152,058</u></b>	<b><u>25,624,269</u></b>
<b>Total identifiable net assets at fair value</b>	<b><u>18,788,208</u></b>	<b><u>684,003</u></b>	<b><u>6,152,058</u></b>	<b><u>25,624,269</u></b>
Proportionate share of identifiable net assets acquired	11,272,925	410,402	3,014,508	14,697,835
Goodwill arising on acquisition	<u>20,647,075</u>	<u>2,739,598</u>	<u>2,491,426</u>	<u>25,878,099</u>
<b>Purchase consideration</b>	<b><u>31,920,000</u></b>	<b><u>3,150,000</u></b>	<b><u>5,505,934</u></b>	<b><u>40,575,934</u></b>
<b>Non-controlling interest</b>	<b><u>7,515,283</u></b>	<b><u>273,601</u></b>	<b><u>3,137,550</u></b>	<b><u>10,926,434</u></b>
The breakup of purchase consideration is as follows:				
Purchase consideration payable	31,920,000	1,500,000	-	33,420,000
Additional contribution paid on behalf of non-controlling interests	-	1,650,000	-	1,650,000
Settlement of due from shareholders	-	-	532,586	532,586
Fair value of previously held equity interest	-	-	4,973,348	4,973,348
<b>Total purchase consideration</b>	<b><u>31,920,000</u></b>	<b><u>3,150,000</u></b>	<b><u>5,505,934</u></b>	<b><u>40,575,934</u></b>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 3 BUSINESS COMBINATIONS continued

#### 3.2 Acquisitions under IFRS 3 Business Combination prior year continued

##### Assets acquired and liabilities assumed continued

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates of 18% to 26%.
- A terminal value, calculated based on long-term sustainable growth rates for the industry of 3-5%, which has been used to determine income for the future years.

##### Adjustments to prior year acquisitions recognised on provisional assessment of fair values:

During the year, the purchase price allocations for Ripe Exhibition Organizer Co LLC was completed, which resulted in the following adjustments:

Ripe Exhibition Organizer Co LLC:

- Decrease in the fair value of identifiable assets and liabilities by AED 18,312,812.
- Increase in goodwill by AED 9,998,795; and
- Decrease in non-controlling interest by AED 6,665,864.

##### Analysis of cashflow on acquisition:

	Ripe Exhibition Organizer Co LLC AED	Fully Charged Electrical Fitting Contracting AED	Lynx Technology Group Ltd. AED	Total AED
<b>Analysis of cashflows on acquisition:</b>				
Cash paid for acquisition	-	1,650,000	-	1,650,000
Net cash acquired on business combination	(10,240,875)	(212,307)	(115,300)	(10,568,482)
Acquisition of operating business – net of cash used (acquired) (Included in cash flows from investing activities)	(10,240,875)	1,437,693	(115,300)	(8,918,482)

### 4 REVENUE

Set out below is the disaggregation of the Group's revenue:

	2024 AED	2023 AED
<b>Type of revenue</b>		
Delivery services	180,509,819	160,019,246
Rental income – Bikes and Vehicles	119,158,319	92,047,567
Membership and admission fees	28,149,213	24,756,132
Event management services	38,980,345	5,433,626
Sale of goods	12,786,910	5,706,852
Commission income	11,972,223	-
Freight forwarding services	23,526,234	-
Warehousing and storage services	13,228,373	-
Service income	27,431,087	10,583,960
	455,742,523	298,547,383
<b>Geographical markets</b>		
United Arab Emirates	449,820,982	297,791,024
Outside the United Arab Emirates	5,921,541	756,359
	455,742,523	298,547,383

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 4 REVENUE continued

	2024 AED	2023 AED
<b>Timing of revenue recognition</b>		
<i>Point in time</i>		
Delivery services at a point in time	<b>180,509,819</b>	160,019,246
Service income at a point in time	<b>27,431,087</b>	10,583,960
Commission income at a point in time	<b>11,972,223</b>	-
Goods transferred at a point in time	<b>12,786,910</b>	5,706,852
Admission fee at a point in time	<b><u>3,232,866</u></b>	<u>4,889,759</u>
	<b><u>235,932,905</u></b>	<u>181,199,817</u>
<i>Over period of time</i>		
Rental income over period of time	<b>119,158,319</b>	92,047,567
Event management services over period of time	<b>38,980,345</b>	5,433,626
Membership fee over period of time	<b>24,916,347</b>	19,866,373
Freight forwarding services at a point in time	<b>23,526,234</b>	-
Warehousing and storage services over period of time	<b><u>13,228,373</u></b>	<u>—</u>
	<b><u>219,809,618</u></b>	<u>117,347,566</u>
	<b><u>455,742,523</u></b>	<u>298,547,383</u>

### 5 DIRECT COSTS

	2024 AED	2023 AED
Staff costs	<b>145,578,537</b>	124,598,466
Depreciation on property and equipment (note 10)	<b>40,119,376</b>	30,403,210
Repairs and maintenance costs	<b>24,125,731</b>	16,783,062
Insurance costs	<b>16,605,466</b>	12,269,062
Registration fees and RTA fines	<b>11,894,309</b>	6,500,441
Cost of goods sold	<b>6,271,148</b>	2,778,422
Subcontractor costs	<b>5,125,364</b>	4,708,704
Depreciation on right-of-use assets (note 20)	<b>5,859,692</b>	2,274,227
Bike rental expenses	<b>8,982,484</b>	4,626,431
Tracking devices charges	<b>2,200,001</b>	2,623,200
Event expenses	<b>18,808,067</b>	2,007,636
Freight expenses	<b>16,459,620</b>	-
Warehousing and storage expenses	<b>4,307,637</b>	-
Bus on demand expenses	<b>4,626,024</b>	-
Other direct costs	<b><u>12,703,205</u></b>	<u>8,005,876</u>
	<b><u>323,666,661</u></b>	<u>217,578,737</u>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 6 ADMINISTRATIVE EXPENSES

	2024 AED	2023 AED
Staff costs	<b>40,485,948</b>	22,235,728
Professional and legal expenses	<b>6,488,226</b>	5,085,449
Allowance for expected credit losses (note 13)	<b>2,701,483</b>	1,983,748
Travelling and vehicle maintenance	<b>2,644,460</b>	1,477,334
Marketing and business promotion	<b>1,892,146</b>	2,116,115
Rent	<b>3,203,827</b>	1,699,779
Amortisation expense (note 11)	<b>3,324,420</b>	3,223,055
Board of director's remuneration (note 23.3)	<b>671,362</b>	627,844
Depreciation on property and equipment (note 10)	<b>1,742,818</b>	1,025,336
Communication and utilities	<b>5,504,535</b>	3,663,373
Other expenses	<b>9,657,948</b>	6,419,821
	<b><u>78,317,173</u></b>	<b><u>49,557,582</u></b>

### 7 OTHER INCOME

	2024 AED	2023 AED
Gain on disposal of property and equipment	<b>2,051,538</b>	3,943,805
Income from insurance claims	<b>1,563,256</b>	1,881,673
Miscellaneous income	<b>6,784,449</b>	5,718,185
Dividend income	<b>14,850</b>	69,384
	<b><u>10,414,093</u></b>	<b><u>11,613,047</u></b>

### 8 FINANCE COSTS

	2024 AED	2023 AED
Interest on bank loans	<b>7,199,666</b>	3,174,335
Interest expense on lease liabilities (note 20)	<b>2,575,277</b>	195,379
Interest expense on loan from related parties	<b>2,462,271</b>	-
Others*	<b>1,105,977</b>	68,327
	<b><u>13,343,191</u></b>	<b><u>3,438,041</u></b>

\*This includes unwinding of interest on present value of contingent consideration related to acquisition of United Trans General Trading and Gallega Group Holdings DMCC.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 9 INCOME TAX

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

	31 December 2024 AED	31 December 2023 AED
<b>9.1 Consolidated statement of comprehensive income</b>		
Current income tax charge	<b>4,831,791</b>	3,740,200
Deferred income tax credit	<u>(512,105)</u>	—
Income tax expense reported in the consolidated statement of comprehensive income	<u><b>4,319,685</b></u>	<u>3,740,200</u>
<b>9.2 Reconciliation of accounting income</b>		
	<i>2024 AED</i>	<i>2023 AED</i>
Accounting profit before tax relating to UAE entities	47,045,637	—
Consolidation adjustments	<u><b>16,696,006</b></u>	—
Accounting profit before tax as per CT Working	63,741,643	—
At United Arab Emirates' statutory income tax rate of 9%	5,736,748	—
Less: effect of standard exemption	(270,000)	—
Less: income not subject to tax	(1,309,937)	—
Add: non-deductible expenses	56,560	—
Add: Other consolidated adjustments	<u><b>106,314</b></u>	—
Income tax expense reported in the consolidated statement of comprehensive income	<u><b>4,319,685</b></u>	—
<b>Effective tax rate</b>	<u><b>9%</b></u>	—

Deferred tax liability relates to the following:

	<i>Consolidated statement of financial position</i>		<i>Consolidated statement of comprehensive income</i>	
	2024 AED	2023 AED	2024 AED	2023 AED
Goodwill	<b>2,520,152</b>	2,520,152	—	2,520,152
Intangible assets acquired through business combination*	<b>5,686,541</b>	2,054,861	(260,593)	1,430,263
Provision for expected credit losses	—	—	(246,419)	—
Carried forward loss	—	—	(5,094)	—
Amortisation of intangible assets	<u><b>(528,245)</b></u>	<u>(210,215)</u>	<u>—</u>	<u>(210,015)</u>
<b>Deferred tax (income) expense</b>	<u>—</u>	<u>—</u>	<u>(512,106)</u>	<u>3,740,200</u>
<b>Deferred tax liabilities</b>	<u><b>7,678,448</b></u>	<u>4,364,798</u>	<u>—</u>	<u>—</u>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 10 PROPERTY AND EQUIPMENT

	<i>Motor cycles</i> AED	<i>Motor vehicles</i> AED	<i>Tools and spares</i> AED	<i>Boat engine and improvements</i> AED	<i>Computer equipment</i> AED	<i>Furniture and fixtures</i> AED	<i>Leasehold improvements</i> AED	<i>Capital work in progress</i> AED	<i>Total</i> AED
<b>Cost:</b>									
At 1 January 2024	138,903,079	8,474,414	2,849,998	31,669,001	3,209,243	5,120,986	8,401,204	3,699,350	202,327,275
Acquired in business combination	-	15,122,490	3,394,585	-	2,365,747	1,040,795	35,885,851	1,042,650	58,852,118
Additions	54,707,009	49,630,158	847,482	5,438,023	1,039,010	603,532	1,663,181	24,590,080	138,518,475
Transfer from capital work in progress	6,455,895	4,050,129	101,598	-	-	-	430,792	(11,038,414)	-
Disposals	(19,288,963)	(3,144,008)	—	(635,603)	—	—	—	(1,042,650)	(24,111,224)
<b>At 31 December 2024</b>	<b>180,777,020</b>	<b>74,133,183</b>	<b>7,193,663</b>	<b>36,471,421</b>	<b>6,614,000</b>	<b>6,765,313</b>	<b>46,381,028</b>	<b>17,251,016</b>	<b>375,586,644</b>
<b>Accumulated depreciation:</b>									
At 1 January 2024	48,148,614	2,506,938	1,795,193	12,209,937	1,730,542	3,607,100	4,990,185	-	74,988,509
Acquired in business combination	-	7,489,244	1,286,512	-	1,890,856	915,383	8,602,011	-	20,184,006
Charge for the year	27,727,744	5,765,070	714,086	3,840,692	903,816	526,476	2,384,310	-	41,862,194
Related to disposals	(15,125,168)	(1,543,107)	—	(209,840)	—	—	—	—	(16,878,115)
<b>At 31 December 2024</b>	<b>60,751,190</b>	<b>14,218,145</b>	<b>3,795,791</b>	<b>15,840,789</b>	<b>4,525,214</b>	<b>5,048,959</b>	<b>15,976,506</b>	<b>—</b>	<b>120,156,594</b>
<b>Net carrying amount:</b>									
At 31 December 2024	<b>120,025,830</b>	<b>59,915,038</b>	<b>3,397,872</b>	<b>20,630,632</b>	<b>2,088,786</b>	<b>1,716,354</b>	<b>30,404,522</b>	<b>17,251,016</b>	<b>255,430,050</b>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 10 PROPERTY AND EQUIPMENT continued

	<i>Motor cycles</i> AED	<i>Motor vehicles</i> AED	<i>Boats engines and hull</i> AED	<i>Tools and spares</i> AED	<i>Computer equipment</i> AED	<i>Furniture and fixtures</i> AED	<i>Leasehold improvements</i> AED	<i>Capital work in progress</i> AED	<i>Total</i> AED
<b>Cost:</b>									
At 1 January 2023	124,430,135	2,246,152	28,356,847	2,308,697	2,209,884	2,036,769	5,607,803	3,206,757	170,403,044
Acquired in business combination	-	543,061	-	-	12,559	2,662,368	2,286,906	-	5,504,894
Additions	31,288,434	5,690,401	5,258,204	541,301	995,176	408,249	506,495	2,340,914	47,029,174
Transfer from capital work in progress	1,834,721	-	-	-	-	13,600	-	(1,848,321)	-
Disposals	(18,650,211)	(5,200)	(1,946,050)	-	(8,376)	-	-	-	(20,609,837)
At 31 December 2023	<u>138,903,079</u>	<u>8,474,414</u>	<u>31,669,001</u>	<u>2,849,998</u>	<u>3,209,243</u>	<u>5,120,986</u>	<u>8,401,204</u>	<u>3,699,350</u>	<u>202,327,275</u>
<b>Accumulated depreciation:</b>									
At 1 January 2023	39,179,637	1,570,020	9,416,124	1,287,853	1,098,244	1,204,461	2,417,798	-	56,174,137
Acquired in business combination	-	273,808	-	-	6,349	2,003,448	1,324,595	-	3,608,200
Charge for the year	24,159,415	668,256	3,820,286	507,461	626,145	399,191	1,247,792	-	31,428,546
Related to disposals	(15,190,438)	(5,146)	(1,026,473)	(121)	(196)	-	-	-	(16,222,374)
At 31 December 2023	<u>48,148,614</u>	<u>2,506,938</u>	<u>12,209,937</u>	<u>1,795,193</u>	<u>1,730,542</u>	<u>3,607,100</u>	<u>4,990,185</u>	<u>-</u>	<u>74,988,509</u>
<b>Net carrying amount:</b>									
At 31 December 2023	<u>90,754,465</u>	<u>5,967,476</u>	<u>19,459,064</u>	<u>1,054,805</u>	<u>1,478,701</u>	<u>1,513,886</u>	<u>3,411,019</u>	<u>3,699,350</u>	<u>127,338,766</u>

Motorcycles and motor vehicles with a net carrying amount of AED 63,443,948 (2023: AED 10,058,625) are mortgaged against vehicle loans (note 19).

Motorcycles are provided to customers under operating lease agreements for 1 to 4 years period. Operating lease agreements are cancellable with a 1 to 3 months' notice.

Depreciation expense has been allocated in the consolidated statement of comprehensive income as follows:

	<i>2024</i> AED	<i>2023</i> AED
Direct costs (note 5)	<u>40,119,376</u>	30,403,210
Administrative expenses (note 6)	<u>1,742,818</u>	1,025,336
	<u><b>41,862,194</b></u>	<u><b>31,428,546</b></u>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 11 INTANGIBLE ASSETS AND GOODWILL

	Software AED	Supplier contracts AED	Trade name AED	Customer relationships AED	Non compete terms AED	Intangibles under development AED	Goodwill AED	Total AED
<b>2024</b>								
Cost:								
As at 1 January 2024	11,509,779	4,719,802	11,879,062	-	-	200,300	63,954,760	92,263,703
Relating to business combinations (note 3.1)	1,014,496	34,068,106	-	5,645,701	-	311,075	45,861,068	86,900,446
Additions	280,482	-	42,401	-	-	794,528	-	1,117,411
Transfer	(16,500)	-	-	-	-	16,500	-	-
At 31 December 2024	<b>12,788,257</b>	<b>38,787,908</b>	<b>11,921,463</b>	<b>5,645,701</b>	<b>-</b>	<b>1,322,403</b>	<b>109,815,828</b>	<b>180,281,560</b>
Accumulated amortisation:								
As at 1 January 2024	1,864,026	752,674	1,822,070	193,205	175,861	-	-	4,807,836
Relating to business combinations (note 3.1)	878,379	-	-	-	-	-	-	878,379
Charge for the year (note 6)	1,904,963	419,885	1,192,210	(16,777)	(175,861)	-	-	3,324,420
At 31 December 2024	<b>4,647,368</b>	<b>1,172,559</b>	<b>3,014,280</b>	<b>176,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,010,635</b>
Net carrying amount:								
As at 31 December 2024	<b>8,140,889</b>	<b>37,615,349</b>	<b>8,907,183</b>	<b>5,469,273</b>	<b>-</b>	<b>1,322,403</b>	<b>109,815,828</b>	<b>171,270,925</b>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 11 INTANGIBLE ASSETS AND GOODWILL continued

	Software AED	Supplier contracts AED	Trade name AED	Customer relationships AED	Non compete terms AED	Intangibles under development AED	Goodwill* AED	Total AED
<b>2023</b>								
Cost:								
As at 1 January 2023	1,190,612	4,719,802	11,863,887	-	-	-	28,077,866	45,852,167
Relating to business combinations (note 3.1)	6,959,269	7,240,846	-	5,796,139	5,275,827	-	25,878,099	51,150,180
Adjustment on finalisation of the purchase price allocation relating to prior year business combinations (note 3.2)	-	(7,240,846)	-	(5,796,139)	(5,275,827)	-	9,998,795	(8,314,017)
Additions	<u>3,359,898</u>	<u>—</u>	<u>15,175</u>	<u>—</u>	<u>—</u>	<u>200,300</u>	<u>—</u>	<u>3,575,373</u>
At 31 December 2023	<u>11,509,779</u>	<u>4,719,802</u>	<u>11,879,062</u>	<u>—</u>	<u>—</u>	<u>200,300</u>	<u>63,954,760</u>	<u>92,263,703</u>
Accumulated amortisation:								
As at 1 January 2023	910,007	39,332	626,198	-	-	-	-	1,575,537
Relating to business combinations (note 3.1)	9,244	-	-	-	-	-	-	9,244
Charge for the year (note 6)	<u>944,775</u>	<u>713,342</u>	<u>1,195,872</u>	<u>193,205</u>	<u>175,861</u>	<u>—</u>	<u>—</u>	<u>3,223,055</u>
At 31 December 2023	<u>1,864,026</u>	<u>752,674</u>	<u>1,822,070</u>	<u>193,205</u>	<u>175,861</u>	<u>—</u>	<u>—</u>	<u>4,807,836</u>
Net carrying amount:								
As at 31 December 2023	<u>9,645,753</u>	<u>3,967,128</u>	<u>10,056,992</u>	<u>(193,205)</u>	<u>(175,861)</u>	<u>200,300</u>	<u>63,954,760</u>	<u>87,455,867</u>

\* The amount of goodwill is restated and does not correspond to the figures in 2023 financial statements since adjustments to the final valuation of acquisition of Ripe Exhibition Organizer Co LLC were made, as detailed in note 3.2.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 11 INTANGIBLE ASSETS AND GOODWILL continued

#### *Goodwill*

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Management has assessed that no impairment loss is required against goodwill at reporting date.

During the year ended 31 December 2024, management performed impairment review of goodwill using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment was recorded.

The recoverable amounts have been computed based on a value-in-use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 2% - 4%; and
- Discount rate: 11% - 16%

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2024.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 12 INVESTMENTS T FAIR VALUE THROUGH PROFIT OR LOSS

	2024 AED	2023 AED
Quoted and inside the UAE*	<u>7,484,437</u>	<u>23,998,311</u>

The investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in the investments. Fair value of the quoted investments is determined by reference to published price quotations in an active market.

The investments are recorded at fair value using the valuation techniques as disclosed in (note 25). Movement in investments carried at fair value through profit or loss is as follows:

	2024 AED	2023 AED
At 1 January	<u>23,998,311</u>	20,669,416
Additions during the year	<u>3,673,692</u>	23,687,999
Disposal during the year	<u>(16,403,611)</u>	(18,761,281)
Changes in fair value, net	<u>(3,783,955)</u>	(1,597,823)
At 31 December	<u><b>7,484,437</b></u>	<u>23,998,311</u>

\*This includes investments of AED 7,484,437 (31 December 2023: 20,072,741) held in related party entity.

### 13 TRADE AND OTHER RECEIVABLES

	2024 AED	2023 AED
Trade receivable	<u>130,196,282</u>	65,983,581
Less: allowance for expected credit losses	<u>(15,884,711)</u>	(12,027,042)
	<u><b>114,311,571</b></u>	53,956,539
Staff receivables	<u>24,487,604</u>	10,793,166
Deposits	<u>8,426,625</u>	3,415,839
Prepaid license and registration	<u>8,017,652</u>	5,057,477
Prepaid insurance	<u>3,024,753</u>	1,495,858
Prepaid rent	<u>2,952,145</u>	450,745
Other prepayments	<u>4,606,502</u>	1,953,321
Advances to suppliers	<u>4,996,201</u>	2,099,266
Other receivables	<u>17,668,099</u>	3,058,474
	<u><b>188,491,152</b></u>	<u>82,280,685</u>

Movements in the allowance for expected credit losses were as follows:

	2024 AED	2023 AED
At 1 January	<u>12,027,042</u>	10,238,235
Acquired in business combination	<u>1,283,009</u>	189,829
Charge for the year (note 6)	<u>2,701,483</u>	1,983,748
Written off	<u>(126,823)</u>	(384,770)
At 31 December	<u><b>15,884,711</b></u>	<u>12,027,042</u>

The information about the basis of calculation of expected credit losses is disclosed in note 24.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 14 BANK BALANCES AND CASH

	2024 AED	2023 AED
Cash on hand	506,409	429,575
Bank balances	<u>58,957,588</u>	<u>30,492,777</u>
Cash and cash equivalents	<u>59,463,997</u>	<u>30,922,352</u>

### 15 SHARE CAPITAL

	2024 AED	2023 AED
<i>Authorised, issued and fully paid</i>		
30,000,000 of AED 1 each		
(2023: 30,000,000 of AED 1 each)	<u>30,000,000</u>	<u>30,000,000</u>

### 16 STATUTORY RESERVE

As required by the UAE Federal Law No (32) of 2021 and the Company's Articles of Association, 10% of the profit for the year has been transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of paid up share capital.

### 17 BASIC AND DILUTED EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit for the year attributable to the owners of the Parent by the weighted average number of shares in issue throughout the year as follows:

	2024 AED	2023 AED
Profit attributable to the owners of the Parent (AED)	<u>29,112,806</u>	<u>31,044,269</u>
Weighted average number of shares (shares)	<u>30,000,000</u>	<u>30,000,000</u>
Earnings per share for the year (AED)	<u>0.97</u>	<u>1.03</u>

There were no potentially dilutive securities as at 31 December 2024 and 2023, and accordingly, diluted earnings per share are the same as basic earnings per share

### 18 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2024 AED	2023 AED
At 1 January	5,300,507	3,270,778
Acquired in business combination (note 3.1)	4,013,488	120,237
Provided during the year	2,638,094	2,172,118
Payments made during the year	<u>(621,430)</u>	<u>(262,626)</u>
At 31 December	<u>11,330,659</u>	<u>5,300,507</u>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2024

### 19 BANK LOANS

Movement in bank loans during the year is as follows:

	2024 AED	2023 AED
At 1 January	<b>68,323,982</b>	67,724,502
Acquired in business combinations (note 3.1)	-	110,585
Drawdowns during the year	<b>173,447,295</b>	32,629,835
Repayments during the year	<b>(47,741,661)</b>	<b>(32,140,940)</b>
	<b><u>194,029,616</u></b>	<b><u>68,323,982</u></b>

Disclosed in the consolidated statement of financial position as follows:

	2024 AED	2023 AED
Current portion	<b>80,670,852</b>	35,351,919
Non-current portion	<b><u>113,358,764</u></b>	<b><u>32,972,063</u></b>
	<b><u>194,029,616</u></b>	<b><u>68,323,982</u></b>

<i>Bank loans</i>	<i>Security</i>	<i>Interest rates</i>	2024 AED	2023 AED
Loan 1	Secured	3.35%	-	1,069,234
Loan 2	Secured	3.35%	<b>51,855,008</b>	35,836,738
Loan 3	Secured	3 months EIBOR+2%	<b>15,717,289</b>	16,307,822
Loan 4	Secured	3 months EIBOR+2%	<b>51,695,293</b>	11,278,479
Loan 5	Secured	5%	<b>5,236,548</b>	687,829
Loan 6	Secured	3.35%	<b>1,602,307</b>	3,040,381
Loan 7	Secured	7.35%	<b>75,171</b>	103,499
Loan 8	Secured	3 month EIBOR + 1.4%	<b><u>67,848,000</u></b>	<u>—</u>
			<b><u>194,029,616</u></b>	<b><u>68,323,982</u></b>

#### ***Loan 1***

Loan 1 facility was obtained by the Company to finance the purchase of motorcycles. The facility has been fully repaid on 30 November 2024. On 31 December 2024, undrawn loan facility amounted to AED 30,000,000 (2023: AED 28,930,766). The facility was secured by the following:

- a) Updated cheque drawn on customer account with the bank to the extent of overall facility amount;
- b) General assignment of receivables and proceeds in favor of the bank; and
- c) Corporate guarantees.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### **19 BANK LOANS** continued

#### ***Loan 2***

Loan 2 facility is obtained by the Company to finance the purchase of motor cycles. The loan is repayable in 36 equal monthly installments the last of which is due on 31 August 2027. On 31 December 2024, undrawn loan facility amounted to AED 13,144,992 (2023: AED 13,513,262). The facility is secured by the following:

- a) Updated cheque drawn on customer account with the bank to the extent of overall facility amount;
- b) General assignment of receivables and proceeds in favor of the Bank;
- c) Letter of negative pledge;
- d) Assignment of the insurance policy over financed motorcycles and motor vehicles; and
- e) Corporate guarantees.

#### ***Loan 3***

Total loan payable amount is AED 15,717,289 out of which AED 7,187,397 is payable against the loan obtained by the Company for acquisition purposes in 9 equal instalments the last of which is due on 21 September 2025. Balance amount of loan i.e. AED 8,529,891 is repayable in 24 equal monthly installments the last of which is due on 21 November 2026. The loan is secured by corporate guarantee of the Company.

#### ***Loan 4***

Loan 4 facility was obtained by a subsidiary of the Company to finance the purchase of motor vehicle. The loan is repayable in 36 equal monthly installments the last of which is due on 25 December 2027. On 31 December 2024, undrawn loan facility amounted to AED 19,774,816 (2023: AED 8,721,521). The loan is secured by a mortgage of the motor vehicles purchased.

#### ***Loan 5***

Loan 5 was obtained by a subsidiary of the Company to finance the day-to-day operations. The loan is repayable in 48 equal monthly installments the last of which is due on 7 December 2028. The loan is secured by corporate guarantee of the Company.

#### ***Loan 6***

Loan 6 was obtained by a subsidiary of the Company to finance the purchase of limousine cars. The loan is repayable in 36 equal monthly installments the last of which is due on 29 October 2026. The loan is secured by post-dated cheques.

#### ***Loan 7***

Loan 7 was obtained by a subsidiary of the Company, which was acquired during the year, to finance the day-to-day operations. The loan is repayable in 48 equal monthly installments the last of which is due on 15 August 2027. The loan is secured by post-dated cheques.

#### ***Loan 8***

Loan 8 was obtained by the Company, to finance future capex, acquisitions and general business requirements. The loan is repayable in 18 equal quarterly installments the last of which is due on 05 January 2029. The loan is secured by corporate guarantee of the Company.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 20 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for motor vehicles, workshops and office space with lease terms between 3 to 4 years. Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	<i>Motor vehicles</i> AED	<i>Workshops and office space</i> AED	<i>Total</i> AED
<b>2024</b>			
Cost:			
As at 1 January 2024	480,478	13,416,430	13,896,908
Acquired in business combination (note 3.1)	-	97,321,285	97,321,285
Additions	2,461,521	8,811,159	11,272,680
Partial termination during the year	<u>-</u>	<u>(4,100,711)</u>	<u>(4,100,711)</u>
At 31 December 2024	<b>2,941,999</b>	<b>115,448,163</b>	<b>118,390,162</b>
Accumulated depreciation:			
As at 1 January 2024	408,383	4,336,787	4,745,170
Acquired in business combination (note 3.1)	-	18,091,558	18,091,558
Charge for the year (note 5)	-	5,859,692	5,859,692
Partial termination during the year	<u>-</u>	<u>(1,476,848)</u>	<u>(1,476,848)</u>
At 31 December 2024	<b>408,383</b>	<b>26,811,189</b>	<b>27,219,572</b>
Net carrying amount:			
As at 31 December 2024	<b>2,533,616</b>	<b>88,636,974</b>	<b>91,170,590</b>
<b>2023</b>			
Cost:			
As at 1 January 2023	1,128,360	6,496,000	7,624,360
Acquired in business combination (note 3.2)	-	6,674,066	6,674,066
Additions	-	2,624,467	2,624,467
Partial termination during the year	<u>(647,882)</u>	<u>(2,378,103)</u>	<u>(3,025,985)</u>
At 31 December 2023	<b>480,478</b>	<b>13,416,430</b>	<b>13,896,908</b>
Accumulated depreciation:			
As at 1 January 2023	814,365	3,355,615	4,169,980
Acquired in business combination (note 3.2)	-	1,251,387	1,251,387
Charge for the year (note 5)	241,900	2,032,327	2,274,227
Partial termination during the year	<u>(647,882)</u>	<u>(2,302,542)</u>	<u>(2,950,424)</u>
At 31 December 2023	<b>408,383</b>	<b>4,336,787</b>	<b>4,745,170</b>
Net carrying amount:			
As at 31 December 2023	<b>72,095</b>	<b>9,079,643</b>	<b>9,151,738</b>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 20 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2024 AED	2023 AED
At 1 January	<b>9,649,145</b>	3,384,171
Acquired in business combination (note 3.1 & 3.2)	<b>112,405,359</b>	6,339,445
Additions	<b>11,272,678</b>	2,624,467
Partial termination during the year	<b>(2,671,542)</b>	(75,561)
Accretion of interest (note 8)	<b>2,575,277</b>	195,379
Payments	<b>(8,009,765)</b>	(2,818,756)
At 31 December	<b><u>125,221,152</u></b>	<u>9,649,145</u>

Lease liabilities are disclosed in the consolidated statement of financial position as:

	2024 AED	2023 AED
Non-current	<b>109,819,124</b>	6,314,974
Current	<b><u>15,402,028</u></b>	<u>3,334,171</u>
	<b><u>125,221,152</u></b>	<u>9,649,145</u>

### 21 TRADE AND OTHER PAYABLES

	2024 AED	2023 AED
Trade payables	<b>67,127,766</b>	14,826,485
Deferred revenue	<b>13,562,934</b>	13,234,386
Staff payable	<b>14,573,163</b>	7,642,087
Payable for acquisition*	<b>8,756,829</b>	33,420,000
Refundable deposits	<b>5,452,658</b>	2,883,674
VAT payable	<b>4,804,158</b>	2,463,255
Dividend payable	<b>3,960,000</b>	-
Advances from customers	<b>3,720,159</b>	2,603,780
Provision for board remuneration	<b>671,362</b>	627,844
Accruals and other payables	<b><u>12,877,572</u></b>	<u>4,480,845</u>
	<b><u>135,506,601</u></b>	<u>82,182,356</u>

\*This is consideration payable for acquisition of United Trans General Trading LLC and Gallega Group Holdings DMCC conditional upon meeting financial targets.

Trade payables are non-interest bearing and are normally settled on 90 days terms. For explanation on the Group liquidity risk management process, refer to note 24.

### 22 CONTINGENCIES AND COMMITMENTS

	2024 AED	2023 AED
Performance bonds	<b>9,807,896</b>	-
Letters of guarantees	<b><u>10,857,611</u></b>	<u>2,422,423</u>
	<b><u>20,665,507</u></b>	<u>2,422,423</u>

The above bank guarantees have been issued from local banks in the ordinary course of business.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 23 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures.

Related parties represent shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

#### 23.1 Transactions

Transactions with related parties included in the consolidated statement of comprehensive income are as follows:

	2024 AED	2023 AED
<b>Transactions with other related parties</b>		
Commission and margin interest	497,958	630,766
Interest expense on bank loans	18,280	105,930
Interest expense on loan from a related party	2,520,833	-
Service income	530,062	33,603
Rental income	877,313	296,200

Transactions with related parties were entered into on terms agreed with the management.

#### 23.2 Balances

Balances with related parties included in the consolidated statement of financial position are as follows:

	<i>Nature of relationship</i>	2024 AED	2023 AED
<b>Amounts due from related parties:</b>			
International Securities LLC*	Entity under common control	1,774,167	-
Affiliates	Other related parties	<u>2,612,484</u>	<u>373,547</u>
		<u>4,386,651</u>	<u>373,547</u>
<b>Amounts due to related parties</b>			
Citadel Properties	Entity under common control	194,692	209,269
International Holdings Company PJSC	Parent entity	157,866	512,377
International Securities LLC*	Entity under common control	4,190,445	7,077,883
Augmen Enterprise RSC LTD	Other related party	1,277,778	-
Sampi Holding FZ LLC	Other related party	-	2,652,247
2 X L HOME L.L.C	Other related party	<u>27,568</u>	<u>—</u>
		<u>5,848,349</u>	<u>10,451,776</u>

In November 2023, the Group signed a loan agreement with IHC Capital Holding LLC amounting to AED 50,000,000 to finance future investments and other business operations having a maturity of November 2028. The amount was received by the Company in January 2024. On 1 January 2024, the loan agreement was transferred and novated to Augmen Enterprises RSC LTD from IHC Capital Holding LLC. The loan is unsecured and repayable in full on or before maturity. The loan carries interest rate at 5% per annum.

\*Margin account maintained with International Securities LLC carries an interest rate of 9% (2023: 9%) per annum.

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 23 RELATED PARTY TRANSACTIONS AND BALANCES continued

#### 23.2 Balances continued

##### **Terms and conditions of transactions with related parties**

Outstanding balances at the year-end arise in the normal course of business, these are unsecured, interest free and settlement occurs in cash. For the year ended 31 December 2024, there was no impairment of amounts owed by related parties (2023: AED nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### 23.3 Transactions with key management personnel

	2024 AED	2023 AED
Salaries and employees' benefits	<b>6,368,453</b>	2,326,433
Board of director's remuneration (note 6)	<b><u>671,362</u></b>	<u>627,844</u>
	<b><u>7,039,815</u></b>	<u>2,954,277</u>

### 24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to his or her responsibilities.

##### **Market risk management**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### *Interest rate risk*

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank loans with floating interest rates. At 31 December 2024, if interest rates on the bank loans had been 100 basis points lower/higher with all other variables held constant, profit for the year would have increased or decreased by AED 1,940,296 (2023: AED 683,240).

##### *Currency risk*

The Group does not have significant exposure to foreign exchange risk as most of its monetary assets and liabilities are denominated in UAE Dirhams.

##### *Price risk*

The Group's investment portfolio amounted to AED 7,484,437 (2023: AED 23,998,311). At the reporting date if the prices of the investments were 5% higher/lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2024 AED	2023 AED
Impact on the Group's equity and profit for the year (increase/decrease)	<b><u>374,222</u></b>	<u>1,199,916</u>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

#### **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from bank balances, as well as credit exposures to customers including outstanding receivables and committed transactions.

There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

#### *Bank balances*

Credit risk from balances with banks is managed by dealing only with reputable banks with A+ and A- credit rating.

#### *Trade receivables*

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group sells goods and services to a large number of customers throughout the UAE. Its 5 largest customers account for 40% (2023: 32%) of outstanding trade receivable at 31 December 2024.

An impairment analysis is performed at each reporting date using internal and external information to measure expected credit losses. For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Group's trade receivables:

	<i>Not past due AED</i>	<i>1-30 days AED</i>	<i>31-60 days AED</i>	<i>61-90 days AED</i>	<i>&gt;90 days AED</i>	<i>Total AED</i>
<b><i>At 31 December 2024</i></b>						
Estimated credit loss	<b>0.44%</b>	<b>1.22%</b>	<b>2.29%</b>	<b>24.58%</b>	<b>81.11%</b>	<b>12.20%</b>
Estimated total gross carrying amount at default	<b>67,860,181</b>	<b>33,100,631</b>	<b>7,465,741</b>	<b>4,680,363</b>	<b>17,089,366</b>	<b>130,196,282</b>
Lifetime ECL	<b>298,713</b>	<b>402,499</b>	<b>171,136</b>	<b>1,150,477</b>	<b>13,861,886</b>	<b>15,884,711</b>
<b><i>At 31 December 2023</i></b>						
Estimated credit loss	0.20%	0.60%	1.38%	2.91%	67.15%	18.23%
Estimated total gross carrying amount at default	14,922,636	21,911,002	7,981,025	3,826,763	17,342,155	65,983,581
Lifetime ECL	29,703	131,159	109,887	111,399	11,644,894	12,027,042

#### *Amounts due from related parties*

The management of the Group is involved in the transactions of the Group and review and approve the transactions with the related parties. The receivable balances are reconciled monthly with the related parties through intercompany reconciliation and confirmations. Since these balances are with related parties, management believes there is no significant credit risk in relation to these balances. Based on past experience of the Group, balances with related parties are settled regularly and there is no history of significant write-off of receivables from related parties. As of 31 December 2024, there was no provision for expected credit losses required for related party receivables (2023: AED nil).

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 24 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

#### 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 limits its liquidity risk by ensuring funds from shareholders and bank facilities are available. The Group's terms of service require amounts to be paid within 60 days from the date of providing the service.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	Within 1 year AED	Between 1 to 5 years AED	Total AED
<b>31 December 2024</b>			
Trade and other payables	<b>99,221,916</b>	-	<b>99,221,916</b>
Amounts due to related parties	<b>5,848,349</b>	-	<b>5,848,349</b>
Loan from a related party	<b>2,534,722</b>	<b>59,715,278</b>	<b>62,250,000</b>
Bank loans	<b>90,903,516</b>	<b>213,880,771</b>	<b>304,784,287</b>
Lease liabilities	<b>13,723,500</b>	<b>38,728,730</b>	<b>52,452,230</b>
	<b>212,232,003</b>	<b>312,324,779</b>	<b>524,556,782</b>
<b>31 December 2023</b>			
Trade and other payables	58,351,827	-	58,351,827
Amounts due to related parties	10,451,776	-	10,451,776
Bank loans	37,885,784	35,891,926	73,777,710
Lease liabilities	<b>3,605,283</b>	<b>6,526,103</b>	<b>10,131,386</b>
	<b>110,294,670</b>	<b>42,418,029</b>	<b>152,712,699</b>

#### Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the year ended 31 December 2024 and 31 December 2023. The Group's policy is to keep the gearing ratio between 35% and 75%. Capital comprises share capital, retained earnings, statutory reserve and merger reserve and is measured at AED 187,484,513 as at 31 December 2024 (2023: AED 158,371,707).

### 25 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table gives information about how the fair value of the Company's assets are determined.

Financial assets	Fair value as at			Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	31 December 2024 AED	31 December 2023 AED	Fair value hierarchy			
Quoted equity investments – investment in financial assets	<b>7,484,437</b>	<b>23,998,311</b>	Level 1	Quoted bid prices in an active market.	None	Not applicable

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

## 26 SEGMENT REPORTING

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments, as follows:

**Motorcycle business segment**, which represents motorcycle leasing solutions offered to customers and sale of related items, including delivery boxes.

**Delivery services segment**, the group provides turnkey logistic solutions through bike messengers and delivery squads.

**Marine sports club**, the group manages marine sports club and wholesale trading of ships and boats.

**Event management**, the group organizes exhibitions, fashion shows, conferences & seminar, auctions and ripe market events.

**Logistics and freight forwarding**, the group provides transportation services, cargo handling, warehousing, freight clearing, marine and air shipment and specialized oil and gas field services.

**Mobility and others**, the group provides limousine services, bus on demand, vehicle rental, recovery services, charging of electric vehicles, car parking, IT services, railway infrastructure, trains spare parts and security system trading.

No operating segments have been aggregated to form the above reportable operating segments.

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

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 26 SEGMENT REPORTING continued

	<i>Motorcycle business AED</i>	<i>Delivery services AED</i>	<i>Marine Sports Club AED</i>	<i>Event management AED</i>	<i>Logistics and Warehousing AED</i>	<i>Mobility and others AED</i>	<i>Total segments AED</i>	<i>Eliminations AED</i>	<i>Consolidated AED</i>
<i>Year ended 31 December 2024 (unaudited)</i>									
<b>Revenue from contracts with customers</b>									
External customers	<b>128,562,751</b>	<b>177,761,648</b>	<b>29,090,255</b>	<b>38,980,345</b>	<b>36,754,607</b>	<b>44,592,917</b>	<b>455,742,523</b>	-	<b>455,742,523</b>
Inter-segment	<b><u>20,835,646</u></b>	<b><u>3,568,459</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,968,512</u></b>	<b><u>26,372,617</u></b>	<b><u>(26,372,617)</u></b>	<b><u>-</u></b>
<b>Total</b>	<b><u>149,398,397</u></b>	<b><u>181,330,107</u></b>	<b><u>29,090,255</u></b>	<b><u>38,980,345</u></b>	<b><u>36,754,607</u></b>	<b><u>46,561,429</u></b>	<b><u>482,115,140</u></b>	<b><u>(26,372,617)</u></b>	<b><u>455,742,523</u></b>
<b>Expense</b>									
Direct costs	<b>(94,157,355)</b>	<b>(158,820,351)</b>	<b>(16,735,561)</b>	<b>(24,912,849)</b>	<b>(28,574,341)</b>	<b>(27,930,559)</b>	<b>(351,131,016)</b>	<b>27,464,355</b>	<b>(323,666,661)</b>
General and administrative expenses	<b>(36,116,580)</b>	<b>(13,057,157)</b>	<b>(8,584,217)</b>	<b>(3,531,743)</b>	<b>(2,757,839)</b>	<b>(15,706,494)</b>	<b>(79,754,030)</b>	<b>1,436,857</b>	<b>(78,317,173)</b>
Other income	<b>25,825,861</b>	<b>3,289,566</b>	<b>160,506</b>	<b>-</b>	<b>178,833</b>	<b>1,268,041</b>	<b>30,722,807</b>	<b>(20,308,713)</b>	<b>10,414,094</b>
Finance costs	<b>(10,345,421)</b>	<b>(401,686)</b>	<b>(63,497)</b>	<b>(266,240)</b>	<b>(1,952,835)</b>	<b>(1,265,893)</b>	<b>(14,295,572)</b>	<b>952,381</b>	<b>(13,343,191)</b>
Change in fair value of investments carried at fair value through profit or loss	<b><u>(3,783,955)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(3,783,955)</u></b>	<b><u>-</u></b>	<b><u>(3,783,955)</u></b>
<b>Profit before tax</b>	<b><u>30,820,947</u></b>	<b><u>12,340,479</u></b>	<b><u>3,867,486</u></b>	<b><u>10,269,513</u></b>	<b><u>3,648,425</u></b>	<b><u>2,926,524</u></b>	<b><u>63,873,374</u></b>	<b><u>(16,827,737)</u></b>	<b><u>47,045,637</u></b>
<b>Total assets</b>	<b><u>447,010,310</u></b>	<b><u>74,689,531</u></b>	<b><u>47,824,034</u></b>	<b><u>32,198,351</u></b>	<b><u>158,825,961</u></b>	<b><u>110,379,642</u></b>	<b><u>870,927,829</u></b>	<b><u>(83,101,817)</u></b>	<b><u>787,826,012</u></b>
<b>Total liabilities</b>	<b><u>272,197,429</u></b>	<b><u>49,901,544</u></b>	<b><u>25,538,999</u></b>	<b><u>18,925,035</u></b>	<b><u>137,486,974</u></b>	<b><u>101,528,110</u></b>	<b><u>605,578,091</u></b>	<b><u>(70,641,513)</u></b>	<b><u>534,936,578</u></b>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2024

### 26 SEGMENT REPORTING continued

	<i>Motorcycle business AED</i>	<i>Delivery services AED</i>	<i>Marine Sports Club AED</i>	<i>Event management AED</i>	<i>Logistics and Warehousing AED</i>	<i>Mobility and others AED</i>	<i>Total segments AED</i>	<i>Eliminations AED</i>	<i>Consolidated AED</i>
<i><b>Year ended 31 December 2023</b></i>									
<b>Revenue from contracts with customers</b>									
External customers	99,140,573	161,095,167	26,823,155	5,433,626	-	6,054,862	298,547,383	-	298,547,383
Inter-segment	<u>23,684,165</u>	<u>553,388</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,421,543)</u>	<u>22,816,010</u>	<u>(22,816,010)</u>	<u>-</u>
<b>Total</b>	<b>122,824,738</b>	<b>161,648,555</b>	<b>26,823,155</b>	<b>5,433,626</b>	<b>-</b>	<b>4,633,319</b>	<b>321,363,393</b>	<b>(22,816,010)</b>	<b>298,547,383</b>
<b>Expense</b>									
Direct costs	(74,783,488)	(144,175,745)	(16,603,954)	(2,897,904)	-	(3,887,255)	(242,348,346)	24,769,609	(217,578,737)
General and administrative expenses	(30,998,708)	(8,752,506)	(6,624,081)	(495,984)	-	(2,422,116)	(49,293,395)	(264,187)	(49,557,582)
Other income	12,737,877	1,586,242	(201,109)	-	-	101,975	14,224,985	(2,611,938)	11,613,047
Finance costs	(3,099,706)	(30,460)	(109,786)	(68,977)	-	(129,112)	(3,438,041)	-	(3,438,041)
Gain from acquisition of subsidiary	1,768,416	-	-	-	-	-	1,768,416	-	1,768,416
Change in fair value of investments carried at fair value through profit or loss	(1,597,823)	-	-	-	-	-	(1,597,823)	-	(1,597,823)
Profit/(loss) from investment in Associate	<u>62,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,429</u>	<u>-</u>	<u>62,429</u>
<b>Profit before tax</b>	<b><u>26,913,735</u></b>	<b><u>10,276,086</u></b>	<b><u>3,284,225</u></b>	<b><u>1,970,761</u></b>	<b><u>-</u></b>	<b><u>(1,703,189)</u></b>	<b><u>40,741,618</u></b>	<b><u>(922,526)</u></b>	<b><u>39,819,092</u></b>
<b>Total assets</b>	<b><u>287,911,925</u></b>	<b><u>57,165,073</u></b>	<b><u>34,927,780</u></b>	<b><u>15,798,831</u></b>	<b><u>-</u></b>	<b><u>23,557,807</u></b>	<b><u>419,361,416</u></b>	<b><u>(51,468,116)</u></b>	<b><u>367,893,300</u></b>
<b>Total liabilities</b>	<b><u>142,851,567</u></b>	<b><u>30,825,090</u></b>	<b><u>16,157,262</u></b>	<b><u>11,704,522</u></b>	<b><u>-</u></b>	<b><u>18,714,839</u></b>	<b><u>220,253,280</u></b>	<b><u>(39,980,716)</u></b>	<b><u>180,272,564</u></b>

# Easy Lease Motor Cycle Rental P.S.C and Its Subsidiaries

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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### **27 COMPARATIVE INFORMATION**

Certain comparative figures have been restated, as disclosed in Note 3.2, to adjust the purchase price allocations for Ripe Exhibition Organizer Co LLC. Such restatement has no impact on previously reported consolidated profit of the Group.