

**The Mohamed Bin Zayed  
Species Conservation Fund**

**BOARD OF TRUSTEES' REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

# **The Mohamed Bin Zayed Species Conservation Fund**

**BOARD OF TRUSTEES' REPORT**

**31 DECEMBER 2024**

# The Mohamed Bin Zayed Species Conservation Fund

## BOARD OF TRUSTEES' REPORT

31 December 2024

The Board of Trustees present their report together with the audited consolidated financial statements of The Mohamed Bin Zayed Species Conservation Fund (the "Fund") and its subsidiary (together referred to as the "Group") for the year ended 31 December 2024.

### Principal activity

The Group is a significant philanthropic endowment established to provide targeted grants to individual species conservation initiatives, recognise leaders in the field of species conservation and elevate the importance of species in the broader conservation debate.

### Results

The Group has reported a profit for the year ended 31 December 2024 of AED 2,181,481 (2023: AED 2,546,689).

### Financial statements

The Trustees have reviewed and approved the consolidated financial statements of the Group for the year ended 31 December 2024.

### Directors

The Trustees of the Fund during the period and as of the date of the audit report were:

President Sheikh Mohamed Bin Zayed Al Nahyan

Chairman

H.E. Mohamed Ahmed Al Bowardi

Deputy Chairman

H.E. Razan Khalifa Al Mubarak

Managing Director

Dr. Frederic Launay

Trustee and Board Member

Dr. Russel Mittermeier

International Representative

Dr. Mike Maunder

International Representative

### Release

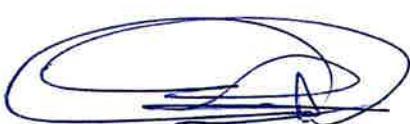
The Trustees release from liability the management and external auditor in connection with their duties for the year ended 31 December 2024.

### Trustees' statement to the disclosure to auditors

In so far as the Trustees are aware, there is no relevant information of which the Group's auditors are unaware. The Group's auditors have been provided with access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements.

### Auditors

A resolution to appoint the auditors of the Fund for the ensuing year will be put to the shareholders at Annual General Meetings.



H.E. Mohamed Ahmed Al Bowardi  
Deputy Chairman



Dr. Frederic Launay  
Trustee and Board Member



H.E. Razan Khalifa Al Mubarak  
Managing Director

**The Mohamed Bin Zayed  
Species Conservation Fund**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**



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## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF THE MOHAMED BIN ZAYED SPECIES CONSERVATION FUND**

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

#### *Opinion*

We have audited the consolidated financial statements of The Mohamed Bin Zayed Species Conservation Fund (the “Fund”) and its subsidiary (together referred to as the “Group”) which comprise the consolidated statement of financial position at 31 December 2024, and the consolidated statement of comprehensive income, the consolidated statement of changes in the equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its consolidated financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (“ISA”). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA code) together with the ethical requirements that are relevant to our audit for the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements of 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
THE MOHAMED BIN ZAYED SPECIES CONSERVATION FUND continued**

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

***Key audit matters*** continued

***Valuation of financial investments***

As disclosed in note 10 to the consolidated financial statements, as at 31 December 2024, the Group had financial investments measured at fair value amounting to AED 148,534,052, representing 88% of total assets. These financial investments are managed by investment bankers and categorised within level 1 and level 3 of the fair value hierarchy. Due to the significance of financial investments measured at fair value, the related valuation of these financial investments is considered a key audit matter.

As part of our audit procedures, we have:

- Obtained custodian confirmations for the investments held by Group as at 31 December 2024 to ensure existence of the financial assets recorded;
- Performed independent price verification for a sample of investments and checked whether the fair value changes were recorded properly in the consolidated financial statements;
- For the service organizations holding material investments on behalf of the Group, obtained the independent auditor's report on the internal controls and evaluated the effectiveness and reliability of internal controls operating at the service organization, assessed the impact of any control deficiencies identified at the service organization level, and determined the appropriateness of the systems and processes utilized by the service organization when valuing such investments.

***Other information***

Other information consists of the information included in the Board of Trustees' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

***Responsibilities of management and the Board of Trustees for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, 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, cease operations, or has no realistic alternative but to do so.

The Board of Trustees is responsible for overseeing the Group's financial reporting process.



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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
THE MOHAMED BIN ZAYED SPECIES CONSERVATION FUND continued**

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

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

We communicate with the Board of Trustees 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
THE MOHAMED BIN ZAYED SPECIES CONSERVATION FUND continued**

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

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

From the matters communicated with the Board of Trustees, 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.

**Report on Other Legal and Regulatory Requirements**

Further, pursuant to the requirements of Article 5 of Abu Dhabi Accountability Authority ("ADAA") Chairman Resolution No. 88 of 2021 regarding the examination of internal controls over financial reporting, we have not been engaged to perform an assurance engagement to provide a reasonable assurance report on the effectiveness of internal controls over financial reporting on the consolidated financial statements of the Group.

As required by the Decree of the Chairman of the Abu Dhabi Accountability Authority No. 88 of 2021 pertaining to auditing the financial statements of subject entities, we report that based on the information provided to us, nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars, as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2024:

- i) Law of establishment; and
- ii) relevant provisions of the applicable laws, resolutions and circulars organizing the Group's operations.

For Ernst & Young

Ahmad Al Dali  
Registration No 5548

5 February 2026  
Abu Dhabi, United Arab Emirates

The Mohamed Bin Zayed Species Conservation Fund

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2024

	Notes	2024 AED	2023 AED
<b>Revenue</b>			
Grant income	5	<b>29,547,230</b>	28,338,792
Revenue from facilitation services		<b>3,926,935</b>	8,265,963
Project management income	15	<b>525,847</b>	647,109
Net changes in fair value of investments carried at fair value through profit or loss	10	<b>8,815,449</b>	6,952,242
Investment income	10.1	<b>140,320</b>	552,829
Interest income		<b>159,248</b>	<u>129,296</u>
		<b>43,115,029</b>	<u>44,886,231</u>
<b>Expenses</b>			
Grant expenses	6	<b>(18,475,086)</b>	(16,895,819)
General and administrative expenses	7	<b>(20,644,984)</b>	(23,748,975)
Depreciation expenses	8 & 9	<b>(815,155)</b>	(844,158)
Management fees	10.1	<b>(678,914)</b>	<u>(659,878)</u>
		<b>(40,614,139)</b>	<u>(42,148,830)</u>
<b>OPERATING PROFIT</b>		<b>2,500,890</b>	<u>2,737,401</u>
Foreign exchange losses, net		<b>(12,293)</b>	(26,099)
Interest expense on lease liabilities	9	<b>(118,816)</b>	<u>(164,613)</u>
<b>PROFIT BEFORE TAX</b>		<b>2,369,781</b>	2,546,689
Income tax expense	19.1	<b>(188,300)</b>	<u>-</u>
<b>PROFIT AFTER TAX AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>2,181,481</b>	<u>2,546,689</u>

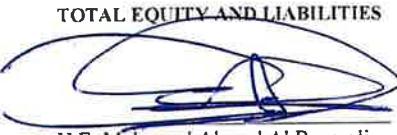
The accompanying notes from 1 to 22 form an integral part of these consolidated financial statements.

The Mohamed Bin Zayed Species Conservation Fund

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024

	Notes	2024 AED	2023 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	8	<b>141,039</b>	136,741
Right-of-use assets	9	<b>1,945,129</b>	2,693,145
		<b>2,086,168</b>	<b>2,829,886</b>
<b>Current assets</b>			
Investments carried at fair value through profit or loss	10	<b>148,534,052</b>	109,750,698
Other financial assets	10.1	<b>803,956</b>	1,231,967
Prepayments and other receivables	11	<b>4,336,188</b>	3,684,465
Bank balances and cash	12	<b>13,598,396</b>	14,982,591
		<b>167,272,592</b>	<b>129,649,721</b>
<b>TOTAL ASSETS</b>		<b>169,358,760</b>	<b>132,479,607</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	13	<b>151,856,250</b>	115,121,250
Retained earnings		<b>3,222,205</b>	<b>1,040,724</b>
<b>Total equity</b>		<b>155,078,455</b>	<b>116,161,974</b>
<b>Non-current liabilities</b>			
Lease liabilities	9	<b>1,286,486</b>	2,060,620
Employees' end of service benefits	16	<b>3,281,396</b>	3,015,019
		<b>4,567,882</b>	<b>5,075,639</b>
<b>Current liabilities</b>			
Trade and other payables	14	<b>5,158,411</b>	3,777,262
Lease liabilities	9	<b>892,543</b>	866,723
Deferred revenue	15	<b>3,661,469</b>	6,598,009
		<b>9,712,423</b>	<b>11,241,994</b>
<b>Total liabilities</b>		<b>14,280,305</b>	<b>16,317,633</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>169,358,760</b>	<b>132,479,607</b>

  
H.E. Mohamed Ahmed Al Bowardi  
Deputy Chairman

  
H.E. Razan Khalifa Al Mubarak  
Managing Director

  
Dr. Frederic Launay  
Trustee and Board Member

The accompanying notes from 1 to 22 form an integral part of these consolidated financial statements.

The Mohamed Bin Zayed Species Conservation Fund

CONSOLIDATED STATEMENT OF THE CHANGES IN EQUITY

Year ended 31 December 2024

	<i>Contributed capital AED</i>	<i>(Accumulated losses)/ retained earnings AED</i>	<i>Total AED</i>
At 1 January 2023	115,121,250	(1,505,965)	113,615,285
Total comprehensive income for the year	<u>—</u>	<u>2,546,689</u>	<u>2,546,689</u>
At 31 December 2023	<u>115,121,250</u>	<u>1,040,724</u>	<u>116,161,974</u>
At 1 January 2024	115,121,250	1,040,724	116,161,974
Additional contribution (note 13)	36,735,000	—	36,735,000
Total comprehensive income for the year	<u>—</u>	<u>2,181,481</u>	<u>2,181,481</u>
At 31 December 2024	<u>151,856,250</u>	<u>3,222,205</u>	<u>155,078,455</u>

The accompanying notes from 1 to 22 form an integral part of these consolidated financial statements.

# The Mohamed Bin Zayed Species Conservation Fund

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2024

	Notes	2024 AED	2023 AED
<b>OPERATING ACTIVITIES</b>			
Profit before tax		2,369,781	2,546,689
Adjustments for:			
Depreciation expenses	8 & 9	815,155	844,158
Net changes in investments carried at fair value through profit or loss	10	(8,815,449)	(6,952,242)
Provision for employees' end of service benefits	16	287,404	287,510
Investment income	10.1	(140,320)	(552,829)
Management fees	10.1	678,914	659,878
Interest expense on lease liabilities	9	<u>118,816</u>	<u>164,613</u>
		(4,685,699)	(3,002,223)
Changes in working capital:			
Prepayments and other receivables		(651,723)	(236,147)
Deferred revenue		(2,936,540)	3,107,171
Trade and other payables		<u>1,192,849</u>	<u>(149,521)</u>
Cash used in operating activities		(7,081,113)	(280,720)
Employee's end of service benefits paid	16	<u>(21,027)</u>	<u>(210,422)</u>
Net cash flows used in operating activities		<u>(7,102,140)</u>	<u>(491,142)</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of investments carried at fair value through profit or loss	10	(68,414,352)	(3,094,181)
Proceeds from the disposal of investments carried at fair value through profit or loss	10	38,446,447	8,185,186
Deposits made to other financial assets	10.1	(36,735,000)	-
Withdrawal from other financial assets	10.1	36,624,417	757,064
Purchase of property and equipment	8	(71,437)	(87,820)
Term deposit placed, net		<u>-</u>	<u>(500,000)</u>
Net cash flows (used in) from investing activities		<u>(30,149,925)</u>	<u>5,260,249</u>
<b>FINANCING ACTIVITIES</b>			
Additional contribution	13	36,735,000	-
Payment of lease liabilities	9	<u>(867,130)</u>	<u>(1,263,023)</u>
Net cash flows from (used in) financing activities		<u>35,867,870</u>	<u>(1,263,023)</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		(1,384,195)	3,506,084
Cash and cash equivalents at 1 January		<u>11,482,591</u>	<u>7,976,507</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	12	<u>10,098,396</u>	<u>11,482,591</u>

The accompanying notes from 1 to 22 form an integral part of these consolidated financial statements.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 1 GENERAL INFORMATION

The Mohamed Bin Zayed Species Conservation Fund (the “Fund”) was established under the Crown Prince Resolution No. (52) for 2008 on 17 August 2008. The registered office of the Fund is Office 2, Level 26, Al Khatem Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates. The Fund and its subsidiary together are referred to as (the “Group”).

The Group is a significant philanthropic endowment established to provide targeted grants to individual species conservation initiatives, recognise leaders in the field of species conservation and elevate the importance of species in the broader conservation debate.

The Fund receives AED 10,000,000 per annum from the Department of Finance of Abu Dhabi for its operational expenses till 2024. The Fund managed an endowment through its subsidiary Mohamed Bin Zayed Foundation Ltd for its grant-making activities.

Pursuant to Resolution No. 19 of 2023 from Executive Council of United Arab Emirates, dated 24 November 2023, the Fund shall be regulated and managed by the Presidential Court of United Arab Emirates.

The consolidated financial statements were approved by the Board of Trustees and authorized for issuance on 5 February 2026.

### 2 BASIS OF PREPARATION

#### **Accounting convention**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

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

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

#### **Statement of compliance**

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

#### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Fund and its subsidiary as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee 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 Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 2 BASIS OF PREPARATION continued

#### Basis of consolidation continued

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 contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss 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 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 (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

<i>Name of subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Percentage of holding</i>	
			<i>31 December 2024 %</i>	<i>31 December 2023 %</i>
Mohamed Bin Zayed Foundation Ltd	Environmental conservation and wildlife organization	United Arab Emirates	100	100

### 2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### New and amended standards and interpretations

The Group has adopted the following new standards and amendments effective as of 1 January 2024. The Group has not early adopted any other 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

These amendments had no significant impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 2 BASIS OF PREPARATION continued

#### 2.1 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES continued

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 impact, that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

### 3 MATERIAL ACCOUNTING POLICY INFORMATION

#### Revenue from contract with customers

Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

##### *Revenue from contracts with customers for sale of goods or services*

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.

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

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

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Revenue from contract with customers** continued

##### *Revenue from contracts with customers for sale of goods or services* continued

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

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

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

#### *Grants received from Department of Finance (DOF)*

Grants received from Department of Finance (DOF) after the approval from Executive Council of Abu Dhabi are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. These grants are recognised in the consolidated statement of comprehensive income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

#### *Other grants*

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. To the extent that the grant is not matched to expenditure in the year, it is subject to potential claw back, and is recognised as deferred revenue grant.

#### *Investment income*

Income from investments is recognised when the Group's right to receive payment has been established.

#### *Facilitation services*

Revenue from facilitation service represents expenses incurred on behalf of a third party for facilitation of the execution of certain projects which are reimbursed by the third party and is recognised overtime, when the performance obligations are met by the Group.

#### *Other income*

Other income generated outside the Group's normal business operation is recognised when it is probable that the economic benefits will flow to the Group and amount of income can be measured reliably.

#### *Interest income*

Interest income is accrued on a timely basis, by referencing to the principal outstanding and at the interest rate applicable.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **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.

#### *The Group as 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. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Building	5 years
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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 impairment of non-financial assets section.

##### 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 the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

##### 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 that are considered of low value (i.e., below USD 5,000, when new). 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.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Leases continued**

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

Leases in which the Group does not transfer substantially all the risks and rewards incidental to 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 and arranging 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. Contingent rents are recognised as revenue in the period in which they are earned.

#### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value.

Cost includes expenditures that are directly attributable to the acquisition of the assets including installation costs. The cost of replacing part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance expenses are charged to the consolidated statement of comprehensive income during the reporting period in which they are incurred.

The estimated useful lives for the current and the comparative periods are as follows:

	<i>Years</i>
Furniture and fixtures	4
Office equipment	4
Computers	4
Leasehold improvement	The contract period or the useful life which is lower

In the case of leasehold improvements, it is expected that the underlying lease will continue to be renewed over the useful life and therefore, depreciation is charged over the useful life of the leasehold improvements.

The Group assesses, at each reporting date, whether there is an indication that the carrying value of property and equipment may be impaired. 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. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

The gain or loss arising on the disposal or retirement of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the property and equipment and is recognised in the consolidated statement of comprehensive income in the year when the item of property and equipment is sold or retired.

#### **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 cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period to the end of useful life of the 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 cash-generating unit's (CGU) fair value less costs of disposal and its value in use.

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.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations cover a period to the end of useful life of the assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' or cash-generating units' recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income.

#### **Financial instruments**

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**

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

Financial assets are classified, at initial recognition as financial assets carried at fair value through profit or loss, fair value through other comprehensive income or amortised cost. All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group's financial assets comprise of other receivables, other financial assets, investments carried at fair value through profit or loss and bank balances and cash.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Financial instruments continued

##### i) Financial assets continued

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

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

###### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortised cost;
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- d) Financial assets at fair value through profit or loss.

###### *Financial assets at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of comprehensive income when the asset is derecognised, modified or impaired.

The Group’s financial assets are classified at amortised cost, which includes other financial assets, other receivables and bank balances and cash.

###### *Financial assets at fair value through OCI (debt instruments)*

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Financial instruments continued

##### i) Financial assets continued

###### *Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as income from investments in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group does not have any equity investments under this category.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

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.

The Group has classified various investments under this category.

###### *Derecognition*

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset.

##### ii) Financial liabilities

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

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized 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 trade payables and lease liabilities.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Financial instruments continued

##### ii) Financial liabilities continued

###### *Subsequent measurement*

The measurement of financial liabilities depends on their classification.

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss, except for derivatives.

###### *Loans and borrowings*

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

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of comprehensive income.

###### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

###### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the recognised amounts; and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

###### **Derivative financial instruments**

The Group uses derivative financial instruments, such as foreign exchange forward contracts to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

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

The Group recognizes an allowance for expected credit losses (ECLs) for all assets at amortised cost including debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Financial instruments continued

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

For trade and other receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes 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.

The Group considers a financial asset in default when contractual payments are 90 days past due, considering the nature of the Group's operations. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

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

##### **Provisions**

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

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

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Group makes contributions to the relevant government pension scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

##### **Taxes**

###### **Value added tax ("VAT")**

Expenses and assets are recognized 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 recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- 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.

###### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

On 10 May 2023, the UAE Ministry of Finance issued Cabinet Decision No. 37 of 2023 Regarding the Qualifying Public Benefit Entities for the purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses. Under this Decision, The Mohamed bin Zayed Species Conservation Fund (the "Fund") has been included in the list of Qualifying Public Benefit Entities.

Accordingly, the Fund has been exempt from UAE Corporate Tax under Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses. However, MBZ Foundation is subjected to UAE Corporate tax.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### Taxes continued

##### *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associate, and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be 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 asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

# The Mohamed Bin Zayed Species Conservation Fund

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Foreign currency transactions**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### **Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 3 MATERIAL ACCOUNTING POLICY INFORMATION continued

#### **Current versus non-current classification** continued

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

### 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 disclosures of contingent liabilities, at the consolidated statement of financial position date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

#### **Judgements**

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.

##### *Classification of investments*

Management designates at the time of acquisition of securities whether these should be classified as at fair value through other comprehensive income ("FVTOCI"), fair value through profit or loss ("FVTPL") or amortised cost. In making a judgement whether investments in securities are as at FVTOCI, FVTPL or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 Financial Instruments. Management is satisfied that its investments in securities are appropriately classified.

##### **Estimates and assumptions**

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 period are discussed below.

##### *Provision for expected credit losses (ECL) of other receivables*

The Group uses a provision matrix to calculate ECLs for other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. 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.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 4 SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS continued

#### Estimates and assumptions continued

##### *Provision for expected credit losses (ECL) of other receivables* continued

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

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

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual values and useful lives annually and the future depreciation charge is adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated over the revised remaining useful life.

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

The Group cannot readily determine the interest rate implicit in its leases, 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.

### 5 GRANT INCOME

	2024 AED	2023 AED
Operational grants	10,000,000	10,000,000
Special purpose grants	<u>19,547,230</u>	18,338,792
	<u>29,547,230</u>	28,338,792

### 6 GRANT EXPENSES

During the year, the Group recognized grant expenses amounting to AED 18,475,086 (2023: AED 16,895,819) in connection with the fulfilling of its philanthropic commitments and supporting deserving causes. The grants were awarded to organisations who meet the eligibility criteria and which are aligned with the Group's established guidelines and objectives.

### 7 GENERAL AND ADMINISTRATIVE EXPENSES

	2024 AED	2023 AED
Salaries and other benefits	9,240,394	9,287,946
Legal and professional charges	4,460,398	6,702,453
Travelling expenses	2,335,489	3,991,211
Write off of VAT receivable	1,652,824	-
Public relation expenses	287,107	63,334
IT service charges	171,755	136,570
Office expenses	171,300	187,215
Bank charges	49,756	92,421
Others	<u>2,275,961</u>	<u>3,287,825</u>
	<u>20,644,984</u>	<u>23,748,975</u>

\* Legal and professional charges include statutory audit fees amounting to AED 137,400 (2023: AED 131,500).

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 7 GENERAL AND ADMINISTRATIVE EXPENSES continued

The average number of employees in the Group during the year were as follows:

	2024	2023
Full time	<u>18</u>	<u>18</u>

### 8 PROPERTY AND EQUIPMENT

	<i>Furniture and fixtures AED</i>	<i>Office equipment AED</i>	<i>Computers AED</i>	<i>Leasehold improvements AED</i>	<i>Total AED</i>
<b>2024</b>					
Cost:					
At 1 January	299,856	389,739	492,541	2,278,671	3,460,807
Additions	—	—	71,437	—	71,437
At 31 December	<u>299,856</u>	<u>389,739</u>	<u>563,978</u>	<u>2,278,671</u>	<u>3,532,244</u>
Accumulated depreciation:					
At 1 January	299,856	379,562	365,977	2,278,671	3,324,066
Charge for the year	—	6,810	60,329	—	67,139
At 31 December	<u>299,856</u>	<u>386,372</u>	<u>426,306</u>	<u>2,278,671</u>	<u>3,391,205</u>
Net carrying amount:					
At 31 December	—	<u>3,367</u>	<u>137,672</u>	—	<u>141,039</u>
<b>2023</b>					
Cost:					
At 1 January	299,856	389,739	404,721	2,278,671	3,372,987
Additions	—	—	87,820	—	87,820
At 31 December	<u>299,856</u>	<u>389,739</u>	<u>492,541</u>	<u>2,278,671</u>	<u>3,460,807</u>
Accumulated depreciation:					
At 1 January	299,856	370,110	324,264	2,278,555	3,272,785
Charge for the year	—	9,452	41,713	116	51,281
At 31 December	<u>299,856</u>	<u>379,562</u>	<u>365,977</u>	<u>2,278,671</u>	<u>3,324,066</u>
Net carrying amount:					
At 31 December	—	<u>10,177</u>	<u>126,564</u>	—	<u>136,741</u>

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

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

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

#### Right-of-use assets:

	2024 AED	2023 AED
Cost:		
At 1 January and 31 December	<u>7,563,023</u>	<u>7,563,023</u>
Accumulated depreciation:		
At 1 January	4,869,878	4,077,001
Charge for the year	<u>748,016</u>	<u>792,877</u>
At 31 December	<u>5,617,894</u>	<u>4,869,878</u>
	<u>1,945,129</u>	<u>2,693,145</u>

#### Lease liabilities:

	2024 AED	2023 AED
At 1 January	2,927,343	4,025,753
Payment during the year	(867,130)	(1,263,023)
Interest expense	<u>118,816</u>	<u>164,613</u>
At 31 December	<u>2,179,029</u>	<u>2,927,343</u>

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

	2024 AED	2023 AED
Current	892,543	866,723
Non-current	<u>1,286,486</u>	<u>2,060,620</u>
	<u>2,179,029</u>	<u>2,927,343</u>

Set out below, are the amounts recognised in the consolidated statement of comprehensive income related to leases:

	2024 AED	2023 AED
Depreciation on right-of-use assets	748,016	792,877
Interest expense on lease liabilities	<u>118,816</u>	<u>164,613</u>
	<u>866,832</u>	<u>957,490</u>

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 10 INVESTMENTS CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments carried at fair value through profit or loss comprises of:

	2024 AED	2023 AED
<b>Outside UAE</b>		
Public equities	30,907,319	21,499,934
Private equities	31,656,192	33,353,404
Debt securities	47,094,152	17,259,752
Hedge funds	31,760,536	36,249,962
Short-term investments	1,978,503	971,494
Money market funds	<u>5,137,350</u>	<u>416,152</u>
	<b><u>148,534,052</u></b>	<b><u>109,750,698</u></b>

The movement in investments carried at fair value through profit or loss are as follows:

	2024 AED	2023 AED
At 1 January	109,750,698	107,889,461
Additions	68,414,352	3,094,181
Disposals	(38,446,447)	(8,185,186)
Change in fair value	<u>8,815,449</u>	<u>6,952,242</u>
At 31 December	<b><u>148,534,052</u></b>	<b><u>109,750,698</u></b>

The investment portfolio consists of the following:

	2024 AED	2023 AED
Investments carried at fair value through profit or loss	148,534,052	109,750,698
Other financial assets (note 10.1)	<u>803,956</u>	<u>1,231,967</u>
	<b><u>149,338,008</u></b>	<b><u>110,982,665</u></b>

#### 10.1 Other financial assets

The movement for the year was as below:

	2024 AED	2023 AED
At 1 January	1,231,967	2,096,080
Deposits	36,735,000	-
Withdrawals	(36,624,417)	(757,064)
Investment income	140,320	552,829
Management fees	<u>(678,914)</u>	<u>(659,878)</u>
At 31 December	<b><u>803,956</u></b>	<b><u>1,231,967</u></b>

Other financial assets represent the cash managed by the investment portfolio manager and the Group has no control over this cash balance and recorded at amortised cost.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 11 PREPAYMENTS AND OTHER RECEIVABLES

	2024 AED	2023 AED
Other receivables	3,608,692	1,434,283
Prepaid expenses	386,431	492,393
Deposits	288,851	288,850
Interest receivable	52,214	108,969
VAT receivables	-	1,359,970
	<u>4,336,188</u>	<u>3,684,465</u>

### 12 BANK BALANCES AND CASH

	2024 AED	2023 AED
Bank balances	10,098,396	11,444,653
Short term deposits	3,500,000	3,500,000
Cash in hand	-	37,938
	<u>13,598,396</u>	<u>14,982,591</u>
Less: term deposits with an original maturity of more than three months	<u>(3,500,000)</u>	<u>(3,500,000)</u>
Cash and cash equivalents	<u>10,098,396</u>	<u>11,482,591</u>

### 13 CONTRIBUTED CAPITAL

Contributed capital represents an amount of AED 115,121,250 (2023: AED 115,121,250) granted to the Fund by H.H. General Sheikh Mohamed Bin Zayed Al Nahyan on 20 November 2008 upon the inception of the Fund.

During the year, the Mohamed Bin Zayed Foundation Ltd received USD 10 million (equivalent to AED 36.7 million) from the Presidential Court of the United Arab Emirates. This amount represents the first installment of a USD 40 million commitment, which will be disbursed over four financial years starting from 2024 to support the growth of the Mohamed Bin Zayed Foundation Ltd's endowment.

### 14 TRADE AND OTHER PAYABLES

	2024 AED	2023 AED
Grants payable*	3,111,087	2,271,020
Accrued expenses	1,607,498	629,740
Trade payables	251,526	379,522
Income tax payable (note 19.3)	188,300	-
Other payables	-	496,980
	<u>5,158,411</u>	<u>3,777,262</u>

\*These are grants awarded to various organisations and individuals and pending disbursement as at the reporting date.

The carrying values of trade and other payables are considered to be a reasonable approximation of fair values.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 15 DEFERRED REVENUE

	2024 AED	2023 AED
Deferred grant revenue	<u>3,661,469</u>	<u>6,598,009</u>

The movements in the deferred grant revenue during the year were as follows:

	2024 AED	2023 AED
At 1 January	6,598,009	3,490,838
Received during the year	27,136,537	32,093,072
Project management income recognised during the year	(525,847)	(647,109)
Grant income recognized during the year (note 5)	<u>(29,547,230)</u>	<u>(28,338,792)</u>
At 31 December	<u>3,661,469</u>	<u>6,598,009</u>

Deferred grant revenue includes grant that are received regularly from donors, which will be recognised as revenue when conditions associated with the grants are met.

### 16 EMPLOYEES' END OF SERVICE BENEFITS

	2024 AED	2023 AED
At 1 January	3,015,019	2,937,931
Charge for the year	287,404	287,510
Paid during the year	<u>(21,027)</u>	<u>(210,422)</u>
At 31 December	<u>3,281,396</u>	<u>3,015,019</u>

### 17 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as defined in International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. Board of Trustees and key management personnel of the Fund, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

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

	2024 AED	2023 AED
Operational grants received from Department of Finance	<u>10,000,000</u>	<u>10,000,000</u>

There is no key management personnel remuneration for the year ended 31 December 2024 (2023: AED nil).

### 18 CONTINGENCIES AND GRANT COMMITMENTS

At the reporting date, the Group had contingent liabilities in respect of bank guarantees amounting to AED 2,519,621 (2023: AED 2,669,801).

As of 31 December 2024, the Group is involved in grants agreements whereby the Group has a commitment to give an amount of AED 7.34 million during 2025 to support various conservation projects.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 19 INCOME TAX

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realised or settled. As the UAE CT Law is considered 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the period ended 31 December 2024.

#### 19.1 Amount recognised in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2024:

	2024 AED
Current income tax charge	188,300
Deferred income tax credit relating to origination and reversal of temporary differences	—
Income tax expense reported in the consolidated statement of comprehensive income	<u>188,300</u>

#### 19.2 Reconciliation of accounting income

	2024 AED
Accounting profit before tax	2,369,781
At United Arab Emirates' statutory income tax rate of 9%	213,280
Less: effect of standard exemption	(33,759)
Add: non-deductible expenses	<u>8,779</u>
Income tax expense reported in the consolidated statement of comprehensive income	<u>188,300</u>
Effective tax rate	<u>8%</u>

#### 19.3 Income tax payable

The movement in the current taxation account is as follows:

	2024 AED
At 1 January	—
Charge for the year	188,300
Payment made during the year	—
At 31 December	<u>188,300</u>

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 20 FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

#### Fair value of the Group's assets that are measured at fair value on recurring basis

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	<i>Date of valuation</i>	<i>Level 1 AED</i>	<i>Level 2 AED</i>	<i>Level 3 AED</i>	<i>Total AED</i>
<b>2024</b>					
<i>Investments carried at fair value through profit or loss</i>					
Public equities	31 December 2024	30,907,319	-	-	30,907,319
Private equities	31 December 2024	-	-	31,656,192	31,656,192
Debt securities	31 December 2024	47,094,152	-	-	47,094,152
Hedge funds	31 December 2024	-	-	31,760,536	31,760,536
Short-term investments	31 December 2024	1,978,503	-	-	1,978,503
Forex and forwards	31 December 2024	-	649,088	-	649,088
Money market funds	31 December 2024	5,137,350	-	-	5,137,350
		<b>85,117,324</b>	<b>649,088</b>	<b>63,416,728</b>	<b>149,183,140</b>
<b>2023</b>					
<i>Investments carried at fair value through profit or loss</i>					
Public equities	31 December 2023	21,499,934	-	-	21,499,934
Private equities	31 December 2023	-	-	33,353,404	33,353,404
Debt securities	31 December 2023	17,259,752	-	-	17,259,752
Hedge funds	31 December 2023	-	-	36,249,962	36,249,962
Short-term investments	31 December 2023	971,494	-	-	971,494
Forex and forwards	31 December 2023	-	(496,980)	-	(496,980)
Money market funds	31 December 2023	416,152	-	-	416,152
		<b>40,147,332</b>	<b>(496,980)</b>	<b>69,603,366</b>	<b>109,253,718</b>

# The Mohamed Bin Zayed Species Conservation Fund

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2024

### 21 FINANCIAL RISK MANAGEMENT

#### **Financial risk management objectives**

Financial instruments comprise financial assets and financial liabilities. The Group's principal financial liabilities comprise trade and other payables and lease liabilities. The Group has various financial assets such as other receivables, bank balances and cash, other financial assets and investments carried at fair value through profit or loss which arise directly from its operations.

The main risks arising from the Group's financial instruments are capital risk, credit risk, liquidity risk, foreign currency risk and price risk. The Group's policies for management of these risks are summarized below.

#### **Capital risk**

Capital risk is the risk that the Group is not able to manage its capital structure to ensure the Group will be able to continue as a going concern.

The Group's capital structure comprises of contributed capital and retained earnings (accumulated losses) as disclosed in the consolidated statement of changes in equity.

The Group monitors and adjusts its capital structure with a view to promote the long-term success of the business while maintaining sustainable returns to finance its activities and operations. This is achieved through a combination of risk management actions including monitoring solvency, minimising financing costs, and maintaining high standards of business conduct.

There were no changes in the Group's approach to capital management during the year

#### **Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss.

Credit risk refers to the risk that a debtor will default on contractual obligations resulting in financial loss to the Group. The Group maintains a credit policy that states the Group can only deal with credit worthy parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

With respect to credit risk arising from the other financial assets of the Group, including cash and cash equivalents, 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.

#### *Concentration of credit risk*

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

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE and are highly regulated by the central bank.

Balances with banks are not secured by any collateral. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 21 FINANCIAL RISK MANAGEMENT continued

#### Liquidity risk

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

Liquidity risk is the risk that the Group will be unable to meet its Grouping requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained. The contractual maturities of the financial instruments determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date based on undiscounted cash flows.

	Total AED	Less than 1 year AED	More than 1 year AED
<i>At 31 December 2024</i>			
Trade and other payables	3,550,913	(3,550,913)	-
Lease liabilities	<u>2,277,824</u>	<u>(892,543)</u>	<u>(1,385,281)</u>
	<u>5,828,737</u>	<u>(4,443,456)</u>	<u>(1,385,281)</u>
<i>At 31 December 2023</i>			
Trade and other payables	3,147,522	(3,147,522)	-
Lease liabilities	<u>3,144,546</u>	<u>(866,723)</u>	<u>(2,277,823)</u>
	<u>6,292,068</u>	<u>(4,014,245)</u>	<u>(2,277,823)</u>

#### Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group has exposures in foreign currencies denominated in United States Dollar ("USD"). The risk related to the transactions denominated in USD is low as the AED is pegged against the USD, hence the risk arising from fluctuations in currency exchange rates is very minimal.

#### Price risk

The Group is exposed to securities price risk because of investments held by the Group. The Group's investment portfolio amounted to AED 148,534,052 (2023: AED 109,750,698). At the reporting date if the prices of 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 profit for the year (increase/decrease)	<u>7,426,704</u>	<u>5,487,535</u>

# The Mohamed Bin Zayed Species Conservation Fund

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS At 31 December 2024

### 22 DERIVATIVE FINANCIAL INSTRUMENTS

In order to reduce the Group's exposure to foreign exchange fluctuations, the Group has entered into forward currency contracts with counterparties.

*Information relating to derivative financial instruments as of the reporting date are as follows:*

	<i>Notional amount AED</i>	<i>Assets AED</i>	<i>Liabilities AED</i>
<b><i>31 December 2024</i></b>			
- Foreign exchange forward contracts	<u>8,966,018</u>	<u>649,089</u>	<u>—</u>
<b><i>31 December 2023</i></b>			
- Foreign exchange forward contracts	<u>15,112,661</u>	<u>—</u>	<u>(496,981)</u>

Derivative financial instruments are disclosed in the consolidated statement of financial position as follows:

	<i>Assets</i>		<i>Liabilities</i>	
	<i>2024 AED</i>	<i>2023 AED</i>	<i>2024 AED</i>	<i>2023 AED</i>
Current	<u>649,089</u>	<u>—</u>	<u>—</u>	<u>496,981</u>