

**Sawaeed Holding P.J.S.C.  
and its subsidiaries**

DIRECTORS' REPORT AND  
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

**Sawaeed Holding P.J.S.C.  
and its subsidiaries**

DIRECTORS' REPORT

31 DECEMBER 2025

# Sawaaced Holding P.J.S.C.

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## DIRECTORS' REPORT

For the year ended 31 December 2025

The Directors present their report together with the consolidated audited financial statements of Sawaaced Holding P.J.S.C. (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2025.

### **Principal activities**

The principal activities of the Group entail manpower recruitment and outsourcing; real estate investment, development and management; labour accommodation management; facilities management services; catering services; and provision of skills training.

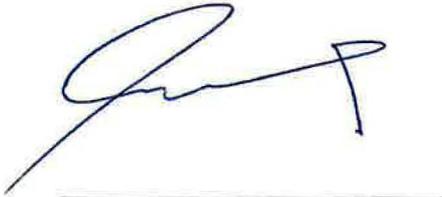
### **Financial results**

For the year ended 31 December 2025, the Group earned revenue of AED 413.86 million compared to AED 281.39 million in the previous year. The Group reported a profit after tax for the year amounting to AED 82.97 million compared to AED 6.22 million in the previous year.

### **Release**

A resolution proposing the appointment of auditors of the Company for the year ending 31 December 2026 will be put to the shareholders at the Annual General Meeting.

On behalf of the Board of Directors



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**Director**

# **Sawaeed Holding P.J.S.C.**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2025**



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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAWAEED HOLDING P.J.S.C.**

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

#### *Opinion*

We have audited the consolidated financial statements of Sawaeed Holding P.J.S.C. (the "Company") and its subsidiaries (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

#### *Expected credit losses on trade receivables*

The Group assesses at each reporting date whether the trade receivables are credit-impaired and also determines the provisions for Expected Credit losses ("ECL") in relation to such receivables. For this purpose, the Group has applied the simplified approach for measurement of ECL for trade receivables. The ECL model involves use of various assumptions, macro-economic factors and study of historical trends relating to the Group's trade collections experience.



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SAWAEED HOLDING P.J.S.C. continued

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

#### *Expected credit losses on trade receivables* continued

We consider this a key audit matter due to the estimates involved in the application of the ECL model.

Refer to notes 2.4 and 11 for the material accounting policy information and related disclosures for the ECL on trade receivables.

Our key audit procedures in respect of ECL of trade receivables included the following:

- We obtained an understanding of the methodology and process used by the Group for measurement of the allowance for ECL;
- We tested the arithmetical accuracy of the model and checked the underlying data used with the relevant records of the Group;
- We tested key assumptions, such as those used to calculate the likelihood of default and the subsequent loss on default, by comparing to historical data. We also considered the incorporation of forward-looking factors to reflect the impact of future events on expected credit losses;
- We agreed the results of the output of the ECL model developed by management to the amounts reported in the consolidated financial statements; and
- We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

#### *Revenue recognition*

Revenue recognition is considered to be a key area of focus given that revenue is material and an important determinant of the Group's performance and profitability. (refer to notes 2.4 and 22 to the consolidated financial statements for the revenue recognition policy of the Group).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For significant revenue streams, we performed substantive audit procedures which included analytical procedures and testing of revenue transactions at the Group and subsidiary level and also performed testing on transactions around the year end, to assess whether revenues were recognised in the correct accounting period and in line with IFRS Accounting Standards requirements.

#### *Other information*

Other information consists of the information included in the Directors' 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.



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SAWAEED HOLDING P.J.S.C. continued

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

#### *Responsibilities of management and those charged with governance for the consolidated financial statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs Accounting Standards and in compliance with the applicable provisions of the Articles of Association of the Group and the UAE Federal Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### *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 ISA 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.



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SAWAEED HOLDING P.J.S.C. continued

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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



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## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

SAWAEED HOLDING P.J.S.C. continued

### Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended and the Articles of Association of the Company;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account and records of the Group;
- v) investments in securities are included in note 10 to the consolidated financial statements;
- vi) note 12 reflects material related party transactions and the terms under which they were conducted;
- vii) during the year, no social contribution was made by the Group; and
- viii) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened, during the financial year ended 31 December 2025, any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025.

For Ernst & Young

Walid J Nakfour  
Registration No: 5479

22 January 2026  
Abu Dhabi, United Arab Emirates

Sawaeed Holding P.J.S.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Revenue	22	413,864,301	281,391,039
Cost of operations	23	<u>(287,865,656)</u>	<u>(212,250,597)</u>
<b>GROSS PROFIT</b>		<b>125,998,645</b>	<b>69,140,442</b>
General and administrative expenses	24	(42,986,106)	(26,272,529)
Reversal of (provision) for expected credit losses	11	7,623,093	(43,959,732)
Impairment loss on capital work in progress	5	(873,300)	-
Finance income	25	4,508,281	4,244,728
Finance costs	26	(1,997,761)	(2,068,104)
Other income	27	<u>2,608,081</u>	<u>5,780,414</u>
<b>PROFIT BEFORE TAX FOR THE YEAR</b>		<b>94,880,933</b>	<b>6,865,219</b>
Income tax expense	28	<u>(11,912,363)</u>	<u>(644,126)</u>
<b>PROFIT AFTER TAX FOR THE YEAR</b>		<b>82,968,570</b>	<b>6,221,093</b>
<b>Other comprehensive loss for the year</b>			
<i>Items that will not be reclassified</i> <i>subsequently to profit or loss</i>			
Change in the fair value of investment in equity securities - FVTOCI, net of tax		<u>(21,671)</u>	<u>(1,953,635)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>82,946,899</b></u>	<u><b>4,267,458</b></u>
<b>PROFIT / (LOSS) ATTRIBUTABLE TO:</b>			
Equity holders of the parent company		83,009,696	6,221,093
Non-controlling interest		<u>(41,126)</u>	<u>-</u>
		<u><b>82,968,570</b></u>	<u><b>6,221,093</b></u>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:</b>			
Equity holders of the parent company		82,988,025	4,267,458
Non-controlling interest		<u>(41,126)</u>	<u>-</u>
		<u><b>82,946,899</b></u>	<u><b>4,267,458</b></u>
<b>Basic and diluted earnings per share attributable to the equity holders of the parent (AED)</b>	29	<u><b>1.62</b></u>	<u><b>0.12</b></u>

The attached notes 1 to 34 form part of these consolidated financial statements.

Sawaed Holding P.J.S.C.

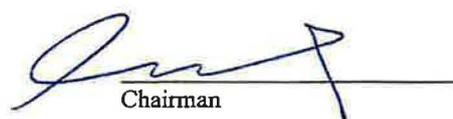
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 AED	2024 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	5,631,522	19,233,513
Right-of-use-asset	6	-	7,240,667
Investment properties	7	96,805,226	78,228,767
Goodwill	8	33,843,963	33,843,963
Intangible assets	9	2,902,007	4,864,179
Deferred tax asset	28	312,738	941,197
Investment in equity securities - FVTOCI	10	-	336,054
		<u>139,495,456</u>	<u>144,688,340</u>
<b>Current assets</b>			
Trade and other receivables	11	145,912,980	147,625,241
Amounts due from related parties	12	17,146,286	46,496,645
Deposits with banks	13	119,249,095	139,637,245
Cash and cash equivalents	14	59,402,061	57,467,976
		<u>341,710,422</u>	<u>391,227,107</u>
<b>TOTAL ASSETS</b>		<u><b>481,205,878</b></u>	<u><b>535,915,447</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	51,100,000	51,100,000
Additional paid up capital		1,350,000	1,350,000
Legal reserve	16	14,397,025	6,096,055
Merger reserve	4	92,140,055	92,140,055
Other reserve	17	469,577	450,000
Investment revaluation reserve		-	9,765
Retained earnings		<u>177,550,890</u>	<u>258,319,847</u>
Equity attributable to the shareholders of the Parent		337,007,547	409,465,722
Non-controlling interest		<u>78,874</u>	<u>-</u>
<b>Total equity</b>		<u><b>337,086,421</b></u>	<u><b>409,465,722</b></u>
<b>Non-current liabilities</b>			
Lease liabilities	6	29,270,402	29,935,850
Employees' end of service benefits	20	28,995,031	25,646,811
Deferred tax liabilities	28	<u>197,685</u>	<u>395,371</u>
		<u><b>58,463,118</b></u>	<u><b>55,978,032</b></u>
<b>Current liabilities</b>			
Trade and other payables	21	67,730,461	63,196,886
Lease liabilities	6	1,947,657	1,963,588
Amounts due to related parties	12	2,285,811	99,587
Bank borrowing	19	-	26,356
Customer deposits		2,237,740	2,806,368
Income tax payable	28	<u>11,454,670</u>	<u>2,378,908</u>
		<u><b>85,656,339</b></u>	<u><b>70,471,693</b></u>
<b>Total liabilities</b>		<u><b>144,119,457</b></u>	<u><b>126,449,725</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>481,205,878</b></u>	<u><b>535,915,447</b></u>

  
Finance Director

  
CEO / Managing Director

  
Chairman

The attached notes 1 to 34 form part of these consolidated financial statements.

# Sawaed Holding P.J.S.C.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	<i>Attributable to the owners of the Company</i>									
	<i>Share capital AED</i>	<i>Additional paid up capital AED</i>	<i>Legal reserve AED</i>	<i>Merger reserve AED</i>	<i>Other reserve AED</i>	<i>Investment revaluation reserve AED</i>	<i>Retained earnings AED</i>	<i>Equity attributable to the equity holders of the parent company AED</i>	<i>Non- controlling interests AED</i>	<i>Total equity AED</i>
<b>2024</b>										
At 1 January 2024	51,100,000	1,350,000	5,473,975	-	34,527,923	17,464,688	203,141,623	313,058,209	-	313,058,209
Profit for the year	-	-	-	-	-	-	6,221,093	6,221,093	-	6,221,093
Other comprehensive loss	-	-	-	-	-	(1,953,635)	-	(1,953,635)	-	(1,953,635)
Total comprehensive (loss) / income for the year	-	-	-	-	-	(1,953,635)	6,221,093	4,267,458	-	4,267,458
Transfer to legal reserve	-	-	622,080	-	-	-	(622,080)	-	-	-
Reclassification adjustment on disposal of investments securities at FVTOCI	-	-	-	-	-	(15,501,288)	15,501,288	-	-	-
Reclassification of subsidiaries' legal reserve to retained earnings on reduction in share capital.	-	-	-	-	(34,077,923)	-	34,077,923	-	-	-
Business combination of entities under common control (note 4)	-	-	-	92,140,055	-	-	-	92,140,055	-	92,140,055
<b>Balance at 31 December 2024</b>	<b><u>51,100,000</u></b>	<b><u>1,350,000</u></b>	<b><u>6,096,055</u></b>	<b><u>92,140,055</u></b>	<b><u>450,000</u></b>	<b><u>9,765</u></b>	<b><u>258,319,847</u></b>	<b><u>409,465,722</u></b>	<b><u>-</u></b>	<b><u>409,465,722</u></b>
<b>2025</b>										
At 1 January 2025	51,100,000	1,350,000	6,096,055	92,140,055	450,000	9,765	258,319,847	409,465,722	-	409,465,722
Profit / (loss) for the year	-	-	-	-	-	-	83,009,696	83,009,696	(41,126)	82,968,570
Other comprehensive loss for the year	-	-	-	-	-	(21,671)	-	(21,671)	-	(21,671)
Total comprehensive income / (loss) for the year	-	-	-	-	-	(21,671)	83,009,696	82,988,025	(41,126)	82,946,899
Transfer to legal reserve	-	-	8,300,970	-	94,577	-	(8,395,547)	-	-	-
Non-controlling interest share of newly established subsidiary	-	-	-	-	-	-	-	-	120,000	120,000
Liquidation of subsidiaries	-	-	-	-	(75,000)	-	75,000	-	-	-
Reclassification adjustment on disposal of investments securities at FVTOCI	-	-	-	-	-	11,906	(11,906)	-	-	-
Dividend declared and paid (note 18)	-	-	-	-	-	-	(155,446,200)	(155,446,200)	-	(155,446,200)
<b>Balance at 31 December 2025</b>	<b><u>51,100,000</u></b>	<b><u>1,350,000</u></b>	<b><u>14,397,025</u></b>	<b><u>92,140,055</u></b>	<b><u>469,577</u></b>	<b><u>-</u></b>	<b><u>177,550,890</u></b>	<b><u>337,007,547</u></b>	<b><u>78,874</u></b>	<b><u>337,086,421</u></b>

The attached notes 1 to 34 form part of these consolidated financial statements.

# Sawaeed Holding P.J.S.C.

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	<i>Notes</i>	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
<b>OPERATING ACTIVITIES</b>			
Profit before tax for the year		<b>94,880,933</b>	6,865,219
Adjustments for:			
Depreciation on property and equipment	5	<b>1,698,621</b>	1,612,099
Gain on disposal of property and equipment		<b>(240,089)</b>	(44,330)
Depreciation on investment property	7	<b>4,746,536</b>	4,153,299
(Reversal) / provision for expected credit losses on trade and other receivables	11	<b>(7,623,093)</b>	43,959,732
Impairment loss on capital work in progress	5	<b>873,300</b>	-
Provision of employees' end of service benefit	20	<b>10,135,511</b>	6,493,850
Finance income	25	<b>(4,508,281)</b>	(4,244,728)
Amortisation on intangible assets	9	<b>2,357,731</b>	1,839,378
Depreciations on right-of-use assets	6	<b>72,602</b>	175,042
Finance cost	26	<b>1,997,761</b>	2,068,104
Dividend income	27	<b>-</b>	(1,229,944)
Operating cash flows before movements in working capital		<b>104,391,532</b>	61,647,721
Changes in working capital:			
Trade receivables and other current assets		<b>2,076,861</b>	(11,496,989)
Trade and other payables		<b>11,487,094</b>	(11,403,491)
Amount due from related parties		<b>29,655,333</b>	(18,119,383)
Amounts due to related parties		<b>2,186,224</b>	(2,834,672)
Customer deposits		<b>(568,628)</b>	15,235
Cash generated from operating activities		<b>149,228,416</b>	17,808,421
Finance cost paid		<b>(285,035)</b>	(370,743)
Corporate income tax paid	28	<b>(2,403,685)</b>	-
Payment of employees' end of service benefits	20	<b>(6,787,291)</b>	(4,156,912)
Net cash flows generated from operating activities		<b><u>139,752,405</u></b>	<b><u>13,280,766</u></b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of property and equipment		<b>283,571</b>	161,397
Purchases of property and equipment	5	<b>(4,674,906)</b>	(833,070)
Additions to investment property	7	<b>(1,015,052)</b>	-
Proceeds from disposal of investment securities - FVTOCI	10	<b>312,240</b>	68,289,284
Purchases of intangible assets	9	<b>(395,559)</b>	(393,750)
Bank deposits and margin deposits with original maturities of more than three month		<b>20,388,150</b>	(78,718,354)
Cash acquired on business combination of entities under common control	4	<b>-</b>	33,553,668
Finance income		<b>4,508,281</b>	4,244,728
Dividend income received	27	<b>-</b>	1,229,944
Net cash flows generated from investing activities		<b><u>19,406,725</u></b>	<b><u>27,533,847</u></b>

## Sawaeed Holding P.J.S.C.

### CONSOLIDATED STATEMENT OF CASH FLOWS continued

For the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>AED</b>	<b>2024</b> <b>AED</b>
<b>FINANCING ACTIVITIES</b>			
Dividends declared and paid	18	<b>(155,446,200)</b>	-
Capital contribution from non-controlling interest		<b>120,000</b>	-
Repayment of lease liabilities	6	<b>(1,872,489)</b>	(1,980,717)
Repayment of bank borrowings	19	<b><u>(26,356)</u></b>	<u>(491,958)</u>
Net cash flows used in financing activities		<b><u>(157,225,045)</u></b>	<u>(2,472,675)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>1,934,085</b>	38,341,938
Cash and cash equivalents at the beginning of the year		<b><u>57,467,976</u></b>	<u>19,126,038</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
	14	<b><u>59,402,061</u></b>	<u>57,467,976</u>

The attached notes 1 to 34 form part of these consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1 ACTIVITIES

Sawaeed Holding P.J.S.C. (the “Company”) is registered as a private joint stock company in Abu Dhabi incorporated on 14 January 2018 and operates in the United Arab Emirates (“U.A.E.”) under trade licence no. CN-2515949 issued by the Abu Dhabi Municipality dated 11 March 2018. The Company is registered on the growth market in Abu Dhabi Stock Exchange.

As at 31 December 2025, ESG Emirates Stallions Group PJSC is the Parent and Fount Trust is the Ultimate Parent of the Company.

The principal activities of the Group entail management services of companies and provide institutions, manpower recruitment and outsourcing; real estate and commercial enterprises investment, development and management; labour accommodation management; facilities management services; catering services; and provision of skills training.

The registered office of the Company is located at P.O. Box 70919, Abdul Aziz Sultan Rashid Ali Building, Al Nahyan East, Abu Dhabi, United Arab Emirates.

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 22 January 2026.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

#### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and in compliance with the applicable provision of the Company’s Articles of Association and applicable requirements of laws of the United Arab Emirates.

##### **Basis of measurement**

The consolidated financial statements have been prepared under the historical cost convention basis, except for investments in equity securities - FVTOCI which are stated at fair value.

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

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

##### **Basis for consolidation**

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

Control is achieved when the Group:

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued**2.1 BASIS OF PREPARATION** continued**Basis for 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 size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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 profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Shareholding of the Company's subsidiaries as at 31 December 2025 and 31 December 2024 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Proportion of ownership interest and voting power held</i>		<i>Principal activities</i>
		<i>2025</i>	<i>2024</i>	
<i>Below are the subsidiaries of Sawaeed Holding P.J.S.C.:</i>				
Sawaeed Employment – Sole Proprietorship L.L.C.	United Arab Emirates	100%	100%	Providing upon request employee provision services, onshore and offshore oil and gas fields and facilities services; valet parking services; typing and documents photocopying services; human resources consultancy
Sawaeed Investment – Sole Proprietorship L.L.C.	United Arab Emirates	100%	100%	Real estate enterprises investment, development, institution and management; camps and labour accommodation management, facilities management services.
Sawaeed Facilities Management – Sole Proprietorship L.L.C (i)	United Arab Emirates	-	100%	Buildings cleaning services, Central air-conditioners maintenance; water fittings maintenance; onshore and offshore oil and gas fields and facilities services; facilities management services; disinfection and sterilization services; building maintenance; electrical fittings and fixtures services; cleaning the outside (interface) buildings
Sawaeed Training Center – Sole Proprietorship L.L.C.	United Arab Emirates	100%	100%	Administrative business training; training on construction work; onshore and offshore oil and gas fields and facilities services; technical training on electrical and electronic devices; hospitality and tourism training services; inspection & audit services on work procedures and policies; training in the field of oil and gas; first aids training

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued**2.1 BASIS OF PREPARATION** continued**Basis for consolidation** continued

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interest and voting power held		Principal activities
		2025	2024	
<i>Below are the subsidiaries of Sawaeed Holding P.J.S.C.:</i> continued				
Sawaeed General Projects – Sole Proprietorship L.L.C.	United Arab Emirates	100%	100%	Excavation, backfilling; building, demolition and other and debris clearing; transport of materials assembly heavy truck; project management services; manufactured precast concrete buildings installation contracting
Solutions Investments Services – L.L.C (ii)	United Arab Emirates	60%	-	Onshore and offshore oil and gas fields and facilities services, marketing consultancy and studies, commercial enterprises investment, institution and management, human resources consultancy, administrative consultancy and studies, project management services
United International Group For Manpower Services L.L.C – S.P.C (iv)	United Arab Emirates	100%	100%	Upon request employees provision services onshore and offshore oil and gas fields and facilities services
Progressive Real Estate Development L.L.C – S.P.C. (iv)	United Arab Emirates	100%	100%	Real estate development, construction, real estate lease and management services
<i>Below is the subsidiary of Sawaeed Employment – Sole Proprietorship L.L.C.:</i>				
Sawaeed Service Center For Domestic Workers - L.L.C. – S.P.C (ii)	United Arab Emirates	100%	0%	Mediation and temporary employment services for domestic workers
<i>Below is the subsidiary of Sawaeed Investment – Sole Proprietorship L.L.C.:</i>				
Takatof Employment Co. L.L.C (iii)	United Arab Emirates	100%	100%	Providing employees services upon request (temporary employment) and labor and employment supply
<i>Below are the subsidiaries of United International Group For Manpower Services LLC – SPC:</i>				
Howdra Employment Services L.L.C -SO (iv)	United Arab Emirates	100%	100%	On demand labors supply (temporary employment)
Career Line For Employment – Sole Proprietorship L.L.C. (iv)	United Arab Emirates	100%	100%	Upon request employees provision services, and onshore and offshore oil and gas fields and facilities services
Alpha Hub Domestic Workers Services Center L.L.C -SO – (i) (iv)	United Arab Emirates	-	100%	Domestic worker mediation temporary employment and services

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.1 BASIS OF PREPARATION** continued

**Basis for consolidation** continued

- (i) Subsidiaries liquidated during the period having insignificant financial impact.
- (ii) Subsidiaries established during the year.
- (iii) On 3 July 2025, pursuant to the agreement between the shareholders, Sawaeed Investment has 100% legal ownership of Takatof Employment Co. LLC. Previously, the Company had 49% legal ownership in Takatof Employment Co. LLC. Nonetheless, as per the agreement signed between the shareholders, the other shareholder, owning 51% of Takatof Employment LLC, has assigned all its rights and obligations over the mentioned entity to Sawaeed Investment L.L.C. and is entitled only to a management fee equivalent to 15% of the net profit of Takatof Employment LLC.
- (iv) Subsidiaries acquired on 1 July 2024 (note 4).

**2.2 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**Lack of exchangeability - Amendments to IAS 21**

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates, specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its interim condensed consolidated financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position, and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's consolidated financial statements.

**2.3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS - NOT YET EFFECTIVE**

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

- Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards - Volume 11
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Group is currently assessing the impact of these new and amended standards and interpretations on its consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION**

**Taxation**

*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. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. 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.

*Deferred tax*

Deferred tax is provided 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 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:

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax 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.

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Business Combination of Entities Under Common Control**

For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. No goodwill is recognized as a result of the combination. The only goodwill recognized is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the carrying value of assets acquired, liabilities assumed is reflected within equity. The group applied the pooling of interest prospectively and, accordingly, comparative information is not restated in the consolidated financial statements. Please refer to note 4 for the disclosure of a business combination involving an entity under common control.

**Revenue recognition**

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount.

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

- *Step 1: Identify the contract(s) with a customer*  
A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- *Step 2: Identify the performance obligations in the contract*  
A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.
- *Step 3: Determine the transaction price*  
The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- *Step 4: Allocate the transaction price to the performance obligations in the contract*  
For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- *Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation*  
The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:
  - The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs;
  - The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
  - The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Revenue recognition** continued

Revenue is measured at the fair value of the consideration received or receivable in the ordinary course of the Group's activities.

*Rendering of services*

Revenue from manpower services, facilities management services, training services and leasing income is recognised over time as the services are rendered. Food and catering are recognized at point in time when performance obligation is satisfied.

*Rental income*

The Group's policy for recognition of revenue from operating leases is described under the policy on leasing.

*Interest income*

Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

*Dividend income*

Dividend income is recognised in profit or loss when the Group's right to receive the dividends is established.

**Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the asset.

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

Depreciation is calculated using the straight-line method to allocate the assets' cost to their residual values over their estimated useful lives as follows:

	<b>2025</b>	<i>Years</i>	<b>2024</b>
Building	<b>20</b>		20
Furniture and fixtures	<b>3 - 5</b>		3 - 5
Camp and office equipment	<b>3 - 5</b>		4 - 5
Motor vehicles	<b>3 - 5</b>		5

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An asset's carrying amount is written down immediately to its recoverable amount if the asset is considered impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Property and equipment** continued

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

**Investment property**

Investment property comprises land and building, including land under operating lease, held to earn rentals and/or for capital appreciation and property under development is property being constructed or developed for future use as investment property.

Investment property is carried at cost, less any accumulated depreciation and impairment loss, if any. Depreciation is recorded in the consolidated statement of profit or loss so as to depreciate the cost of a property over its estimated useful life using the straight-line method.

	<i>Years</i>
Buildings	8 - 30
Right of use assets	40 - 46

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of investment property is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss and other comprehensive income.

A transfer to, or from, investment property is made when there is a change in use. Examples of change in use are as follows:

- commencement of owner-occupation, for a transfer from investment property to property and equipment;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from property and equipment to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

**Intangible assets**

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives of the assets are as follows:

	<i>Years</i>
Computer software	5
Camp management software	13
Customer relationship	3.25

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Intangible assets** continued

*Customer relationship*

Customer relationship represents future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3.25 years.

*Goodwill*

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions. Goodwill is allocated to respective cash generating units.

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

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

**Impairment of tangible and intangible assets other than Goodwill**

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

**Provisions**

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

**Employee benefits**

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

A provision is also made for the full amount of end of service benefit due to non-UAE national employees in accordance with the UAE Labour Law, for their period of service up to the end of the year. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2) of 2000 for Pension and Social Security. Such contributions are charged to profit or loss during the employees' period of service.

**Leases**

*The Group as lessee*

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Leases** continued

***The Group as lessee*** continued

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

***The Group as lessor***

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Value added tax (VAT)**

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

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

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

**Fair value measurement**

The Group measures financial instruments and discloses the value of non-financial assets such as investment properties, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- 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 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1: 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.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for the valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by the Group. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Fair value measurement** continued

Fair value of goodwill and intangible assets with infinite useful lives are assessed based on the assessment of cash flows on individual cash-generating units on an annual basis. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset.

The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Impairment of goodwill and intangible assets exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Management has concluded that there is no impairment as of 31 December 2025 and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable (31 December 2024: nil).

**Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statement of profit or loss.

The investment in equity securities' caption in the statement of consolidated financial position includes equity securities designated as at FVTOCI.

The Group recognizes in OCI changes in the fair value of such investments in equity instruments

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

**Impairment of financial assets**

The Group measures impairment of financial assets under ECL model of IFRS 9 using simplified approach a. The Group uses a provision matrix to calculate ECLs for trade receivables. The allowance rates are based on days past due for groupings of various customer segments that have similar loss patterns

The allowance 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION** continued

**2.4 MATERIAL ACCOUNTING POLICY INFORMATION** continued

**Financial instruments** continued

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**Earnings per share (EPS)**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holder of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of original shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

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

While applying the material accounting policies as stated in note 2, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

**Key sources of estimation of uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Provision for expected credit losses of financial assets*

The Group uses a provision matrix to calculate ECLs for trade receivables. The allowance 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 allowance 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.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS** continued

**Key sources of estimation of uncertainty** continued

*Useful lives and residual values of property and equipment*

The 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 value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

*Fair value calculation of investment properties*

The Group carries its investment properties at cost and calculates the fair market value for disclosure purposes. A valuation methodology based on a discounted cash flow (“DCF”) model was used, as there is a lack of comparable market data because of the nature of the properties.

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

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

Management has concluded that there is no impairment as of 31 December 2025 and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable (31 December 2024: nil).

**Critical accounting judgments in applying accounting policies**

In the process of applying the Group’s material accounting policies, which are described in note 2, management has made the following judgments that 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*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension, automatic renewal options are only included in the lease term if the lease is reasonably certain to be extended.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

*Business combinations*

For every acquisition, the Group performs an assessment to determine whether the transaction represents an acquisition of assets or business. In cases where the acquisition is determined to be a business then the Group performs certain additional procedures, as mentioned below, to conclude whether the business combination is within the scope of IFRS 3 – Business Combinations (IFRS 3) or the business combination is under common control which is outside the scope of IFRS 3:

- consider the total shareholding of the Group in the acquiree (investee), owned either directly, indirectly or through beneficial ownership, prior to the acquisition;
- determine whether the Group exerts control or de-facto control over the investee in accordance with IFRS.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS** continued

**Critical accounting judgments in applying accounting policies** continued

*Business combinations* continued

Further, the Group also performs an assessment of the reliability of acquisition date fair value of the acquiree's equity interests to determine if this value may be more reliably measurable than the acquisition date fair value of the acquirer's equity interests.

*Classification of properties*

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property or property and equipment. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment properties or property and equipment. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in International Accounting Standards IAS 16 – Property, Plant and Equipment and IAS 40 – Investment Property, in particular, the intended usage of property as determined by management.

**4 BUSINESS COMBINATION UNDER COMMON CONTROL**

In 2024, the Group entered into business combinations with certain entities that were controlled by parent of the Group. These business combinations were excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as these represent business combinations of entities under common control, given that the Group and the acquired entities were controlled by the same ultimate shareholder before and after the acquisition. These acquisitions had been accounted for in the consolidated financial statements using the pooling of interest method, which reflected the economic substance of the transaction. The Group had elected to consolidate the income, expenses, assets and liabilities of the acquired entities from the date of business combination.

***United International Group For Manpower Services LLC – SPC (“UIG”)***

Effective 1 July 2024, Sawaeed Holding PJSC acquired 100% shares of United International Group for Manpower Services LLC – SPC (“UIG”) and its subsidiaries for nil consideration from Abu Dhabi Land General Contracting LLC and Century Human Resources and Logistics LLC - OPC. UIG was based in Abu Dhabi, United Arab Emirates and was involved in Domestic workers mediation and temporary employment services, onshore and offshore oil & gas fields & facilities services and upon request employee provision services. From the date of business combination to 31 December 2024, UIG contributed revenue and profit to the Group amounting to AED 85,336,507 and AED 15,167,329 respectively. If the business combination had taken place at the beginning of the year 2024, UIG would have contributed revenue and profit to the Group during the year 2024 amounting to AED 154,185,112 and AED 24,494,351 respectively.

***Progressive Real Estate Development LLC – SP (“PRED”)***

Effective 1 July 2024, Sawaeed Holding PJSC acquired 100% shares of Progressive Real Estate Development LLC - SPC for nil consideration from ESG Capital Holding LLC and Explorer Facility Management LLC. Progressive Real Estate LLC - SPC was based in Abu Dhabi and is a Real Estate Development Company involved in construction, lease and management services. From the date of business combination to 31 December 2024, PRED contributed revenue and loss to the Group amounting to AED nil and AED 276,245 respectively. If the business combination had taken place at the beginning of the year 2024, PRED would have contributed revenue and loss to the Group during the year 2024 amounting to AED 52,333 and AED 211,319 respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 4 BUSINESS COMBINATION UNDER COMMON CONTROL continued

*Progressive Real Estate Development LLC – SP (“PRED”) continued*

The amounts recognized in respect of the net assets acquired and liabilities assumed are as set out in the table below:

		<i>2024</i>	<i>2024</i>	<i>Total</i>
	<i>Notes</i>	<i>UIG</i>	<i>PRED</i>	<i>AED</i>
		<i>AED</i>	<i>AED</i>	<i>AED</i>
<b>ASSET</b>				
Property and equipment	5	1,517,669	873,300	2,390,969
Investment property		-	1,033,485	1,033,485
Goodwill*	8	33,843,963	-	33,843,963
Intangible assets**		5,491,267	-	5,491,267
Trade and other receivables		75,286,874	339,847	75,626,721
Amounts due from related parties		7,137,588	26,994	7,164,582
Cash and bank balances		<u>28,108,441</u>	<u>5,445,227</u>	<u>33,553,668</u>
		<b><u>151,385,802</u></b>	<b><u>7,718,853</u></b>	<b><u>159,104,655</u></b>
<b>LIABILITIES</b>				
Employees' end of service benefits	20	10,396,579	2,579	10,399,158
Deferred tax liabilities		494,214	-	494,214
Bank borrowings	19	540,206	-	540,206
Trade and other payables		51,134,269	574,535	51,708,804
Amounts due to related parties		2,909,186	25,073	2,934,259
Income tax payable	28	<u>887,959</u>	<u>-</u>	<u>887,959</u>
		<b><u>66,362,413</u></b>	<b><u>602,187</u></b>	<b><u>66,964,600</u></b>
<b>Total identifiable net assets</b>		<b><u>85,023,389</u></b>	<b><u>7,116,666</u></b>	<b><u>92,140,055</u></b>
<b>Merger reserve</b>		<b><u>85,023,389</u></b>	<b><u>7,116,666</u></b>	<b><u>92,140,055</u></b>

\* Goodwill was recognized on acquisition of UIG by Parent Company of the Group in prior year.

\*\* Intangibles assets represent long term non-contractual relationships which were recognised by the Parent Company of the Group on acquisition of UIG in prior year and are being amortised over 3.25 years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**5 PROPERTY AND EQUIPMENT**

	<i>Building AED</i>	<i>Furniture and fixtures AED</i>	<i>Camp and office equipment AED</i>	<i>Motor vehicles AED</i>	<i>Capital work in progress AED</i>	<i>Total AED</i>
<b>Cost:</b>						
At 1 January 2024	19,542,384	6,699,499	4,913,827	2,508,040	-	33,663,750
Additions	-	13,317	571,040	248,713	-	833,070
Acquired through business combinations (note 4)	-	5,516,384	3,493,644	4,285,247	873,300	14,168,575
Disposal	-	(72,057)	(232,348)	(379,360)	-	(683,765)
Reclassifications	-	-	<u>258,590</u>	<u>(252,680)</u>	-	<u>5,910</u>
At 1 January 2025	19,542,384	12,157,143	9,004,753	6,409,960	873,300	47,987,540
Additions	-	2,013,786	2,040,191	620,929	-	4,674,906
Disposal and write off	-	(5,145,593)	(1,426,997)	(923,846)	-	(7,496,436)
Transfer to investment property (note 7) *	<u>(19,542,384)</u>	-	-	-	-	<u>(19,542,384)</u>
At 31 December 2025	-	<u>9,025,336</u>	<u>9,617,947</u>	<u>6,107,043</u>	<u>873,300</u>	<u>25,623,626</u>
<b>Accumulated depreciation and impairment:</b>						
At 1 January 2024	2,496,630	6,627,962	4,695,070	2,105,448	-	15,925,110
Charge for the year	977,125	49,996	265,722	319,256	-	1,612,099
Acquired through business combinations	-	5,492,205	3,287,182	2,998,219	-	11,777,606
Reclassification	-	(45,459)	47,937	3,432	-	5,910
Disposal	-	<u>(58,740)</u>	<u>(195,598)</u>	<u>(312,360)</u>	-	<u>(566,698)</u>
At 1 January 2025	3,473,755	12,065,964	8,100,313	5,113,995	-	28,754,027
Charge for the year	407,135	229,459	405,338	656,689	-	1,698,621
Disposal and write off	-	(5,145,593)	(1,426,997)	(880,364)	-	(7,452,954)
Impairment loss for the year	-	-	-	-	873,300	873,300
Transfer to investment property (note 7) *	<u>(3,880,890)</u>	-	-	-	-	<u>(3,880,890)</u>
At 31 December 2025	-	<u>7,149,830</u>	<u>7,078,654</u>	<u>4,890,320</u>	<u>873,300</u>	<u>19,992,104</u>
<b>Carrying amount:</b>						
At 31 December 2025	-	<u>1,875,506</u>	<u>2,539,293</u>	<u>1,216,723</u>	-	<u>5,631,522</u>
At 31 December 2024	<u>16,068,629</u>	<u>91,179</u>	<u>904,440</u>	<u>1,295,965</u>	<u>873,300</u>	<u>19,233,513</u>

The depreciation charge for the year has been allocated as follows:

	<b>2025 AED</b>	<b>2024 AED</b>
Cost of operations (note 23)	<b>998,423</b>	1,196,952
General and administrative expenses (note 24)	<b>700,198</b>	415,147
	<b>1,698,621</b>	1,612,099

\* During the year, the Group entered into a lease agreement with a third party for the Training Center Building, and accordingly, building having a net book value of AED 15,661,494 (2024: AED Nil) was transferred to investment properties.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**6 RIGHT OF USE OF ASSET AND LEASES LIABILITIES****Group as a lessee***Lease contracts with Higher Corporation for Specialized Economic Zones*

The Group has two long-term lease agreements with Higher Corporation for Specialized Economic Zones to rent plots of land in the UAE on which the labour accommodation camp and training centre have been built. Labour accommodation land lease is for 40 years which end on 2061 and training centre lease agreement is for 46 years which end on 2066.

*Lease liabilities:*

The movement in lease liabilities during the year is as follows:

	<i>Lease liabilities AED</i>
At 1 January 2025	31,899,438
Modification during the year	(521,616)
Interest expense	1,712,726
Payments	<u>(1,872,489)</u>
At 31 December 2025	<b><u>31,218,059</u></b>
At 1 January 2024	31,451,020
Modification during the year	731,774
Interest expense	1,697,361
Payments	<u>(1,980,717)</u>
At 31 December 2024	<b><u>31,899,438</u></b>

*Right of use asset (previously owner occupied):*

The movement in right of use asset during the year is as follows:

	<i>Right of use asset AED</i>
At 1 January 2025	7,240,667
Transfer to investment property (note 7)	(7,079,868)
Modification during the year	(88,197)
Depreciation expense	<u>(72,602)</u>
At 31 December 2025	<b><u>-</u></b>
At 1 January 2024	7,201,297
Modification during the year	214,412
Depreciation expense	<u>(175,042)</u>
At 31 December 2024	<b><u>7,240,667</u></b>

Amounts recognised in consolidated statement of profit and loss

	<b>2025 AED</b>	<b>2024 AED</b>
Interest expense on lease liabilities (note 26)	<b>1,712,726</b>	1,697,361
Depreciation expense on right-of-use asset (notes 23)	<b><u>72,602</u></b>	<u>175,042</u>
	<b><u>1,785,328</u></b>	<b><u>1,872,403</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**6 RIGHT OF USE OF ASSETS AND LEASES LIABILITIES** continued**Classification of lease liabilities and maturity analysis:**

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

	2025 <i>AED</i>	2024 <i>AED</i>
Current portion	1,947,657	1,963,588
Non-current portion	<u>29,270,402</u>	<u>29,935,850</u>
	<b><u>31,218,059</u></b>	<b><u>31,899,438</u></b>
Maturity analysis		
Not later than 1 year	1,947,657	1,963,588
Later than 1 year and not later than 5 years	7,971,550	7,854,352
Later than 5 years	<u>21,298,852</u>	<u>22,081,498</u>
	<b><u>31,218,059</u></b>	<b><u>31,899,438</u></b>

**7 INVESTMENT PROPERTIES**

	<i>(Right to use assets)</i>		
	<i>Land AED</i>	<i>Buildings AED</i>	<i>Total AED</i>
<b>2025</b>			
<i>Cost:</i>			
At 1 January	24,947,352	167,144,879	192,092,231
Additions	-	1,015,052	1,015,052
Transfer from property and equipment (note 5) *	-	19,542,384	19,542,384
Transfer from right-of-use asset *	8,104,238	-	8,104,238
Modification	(433,419)	-	(433,419)
Write off**	<u>-</u>	<u>(42,273,597)</u>	<u>(42,273,597)</u>
At 31 December	<b><u>32,618,171</u></b>	<b><u>145,428,718</u></b>	<b><u>178,046,889</u></b>
<i>Accumulated depreciation:</i>			
At 1 January	2,236,076	111,627,388	113,863,464
Charge for the year	712,398	4,034,138	4,746,536
Transfer from property and equipment (note 5) *	-	3,880,890	3,880,890
Transfer from right-of-use asset *	1,024,370	-	1,024,370
Write off**	<u>-</u>	<u>(42,273,597)</u>	<u>(42,273,597)</u>
At 31 December	<b><u>3,972,844</u></b>	<b><u>77,268,819</u></b>	<b><u>81,241,663</u></b>
<i>Carrying amount:</i>			
At 31 December	<b><u>28,645,327</u></b>	<b><u>68,159,899</u></b>	<b><u>96,805,226</u></b>

The investment properties are constructed on a plot of land governed by two long-term lease contacts with Higher Corporation for Specialized Economic Zones ("ZonesCorp") on which building and labour accommodation camp has been built (note 6).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 7 INVESTMENT PROPERTIES continued

\* During the year, the Group entered into a lease agreement with a third party for the Training Center Building, and accordingly, the property amounting to AED 15,661,494 (2024: AED Nil), along with the right-of-use-assets (land) amounting AED 7,079,868 (2024: AED Nil) have been transferred to investment properties.

\*\* During the year, the Board of Directors of the Group approved to write off the fully depreciated properties as these were not operational and no longer useable.

	<i>(Right to use assets)</i>		
	<i>Land</i>	<i>Buildings</i>	<i>Total</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>
<b>2024</b>			
<i>Cost:</i>			
At 1 January	24,429,990	119,038,452	143,468,442
Acquired in business combinations	-	48,106,427	48,106,427
Additions	<u>517,362</u>	<u>-</u>	<u>517,362</u>
At 31 December	<u>24,947,352</u>	<u>167,144,879</u>	<u>192,092,231</u>
<i>Accumulated depreciation:</i>			
At 1 January	1,521,853	61,115,370	62,637,223
Acquired in business combinations	-	47,072,942	47,072,942
Charge for the year	<u>714,223</u>	<u>3,439,076</u>	<u>4,153,299</u>
At 31 December	<u>2,236,076</u>	<u>111,627,388</u>	<u>113,863,464</u>
<i>Carrying amount:</i>			
At 31 December	<u>22,711,276</u>	<u>55,517,491</u>	<u>78,228,767</u>

The depreciation charge for the year has been allocated as follows:

	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
Cost of operations (note 23)	<b>4,617,350</b>	4,024,114
General and administrative expenses (note 24)	<b><u>129,186</u></b>	<u>129,185</u>
	<b><u>4,746,536</u></b>	<u>4,153,299</u>
 Profit arising from investment properties:		
	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
Leasing income derived from investment property	<b>14,565,172</b>	7,626,404
Direct expenses (including repair and maintenance) generating rental income (included in cost of sale)	<b>(4,758,571)</b>	(3,112,866)
Direct expenses (including repair and maintenance) that did no generate rental income (included in cost of sale)	<b><u>(625,998)</u></b>	<u>(650,152)</u>
	<b><u>9,180,603</u></b>	<u>3,863,386</u>

Investment properties is stated at cost less accumulated depreciation. As at 31 December 2025, the fair value of the investment property was determined at AED 143.34 million (2024: AED 110.30 million) which is based on valuations performed using the DCF approach; fair value is estimated based on significant unobservable inputs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**7 INVESTMENT PROPERTIES** continued

These inputs include future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of the existing leases; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows, taking into account assumptions regarding maintenance costs, and market rents.

Significant increase (decrease) in the estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increase (decrease) in the long term vacancy rate and discount rate (and exit yield) in isolation would result in a significantly lower (higher) fair value. Generally, a change in the assumption made for the estimated rental value, is accompanied by a directionally similar change. In the rent growth per annum and discount rate (and exit yield), and an opposite change in the long-term vacancy rate.

The Group's investment properties are categorised into Level 3 of the fair value hierarchy. There were no transfers between Level 1, 2 and 3 during current and previous years.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property categorised into Level 3 of the fair value hierarchy using discounted cash flow model that internally developed by the Group, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Sensitivity</u>
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, considering the expected rental growth rate, occupancy rate, and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rate. Among other factors, the discount rate estimation considers the quality of a building and its location.	<ul style="list-style-type: none"> <li>- Expected market rental growth (2025: 1%; 2024:1%).</li> <li>- Occupancy rate (2025: 91%-95%; 2024:70%-85%)</li> <li>- Risk-adjusted discount rates (2025: 10.25-12%; 2024: 12.0%)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>- expected market rental growth were higher/ (lower);</li> <li>- the risk-adjusted discount rate was lower/(higher);</li> <li>- the occupancy rate was higher/(lower).</li> </ul>

**8 GOODWILL**

	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
Goodwill	<b><u>33,843,963</u></b>	<b><u>33,843,963</u></b>

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

During the year ended 31 December 2025, the management performed its annual impairment review of goodwill using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment was recorded.

**Key assumptions for the value in use calculations:**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**8 GOODWILL** continued**Implicit period cash flow forecasts**

Group prepares cash flow forecasts and working capital estimates considering future customer growth, expected cost, local market competition and macro-economic environment.

**Discount rate**

The discount rate for calculating the value in use is 15% (2024: 17.18%) and Terminal growth rate of 2% (2024: 2%).

**Capital Expenditure**

Cash flow forecast for capital expenditure is based on past experience and includes the future requirement.

**Sensitivity analysis**

No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2025.

**9 INTANGIBLE ASSETS**

Movement in intangible assets are as follows:

	<i>Computer software AED</i>	<i>Customer relationships AED</i>	<i>Total AED</i>
<b>2025</b>			
<i>Cost:</i>			
At 1 January 2025	1,305,011	7,138,648	8,443,659
Additions during the year	<u>395,559</u>	<u>-</u>	<u>395,559</u>
At 31 December 2025	<b><u>1,700,570</u></b>	<b><u>7,138,648</u></b>	<b><u>8,839,218</u></b>
<i>Accumulated amortisation:</i>			
At 1 January 2025	833,845	2,745,635	3,579,480
Charge for the year	<u>161,224</u>	<u>2,196,507</u>	<u>2,357,731</u>
At 31 December 2025	<b><u>995,069</u></b>	<b><u>4,942,142</u></b>	<b><u>5,937,211</u></b>
<i>Carrying amount:</i>			
At 31 December 2025	<b><u>705,501</u></b>	<b><u>2,196,506</u></b>	<b><u>2,902,007</u></b>
<b>2024</b>			
<i>Cost:</i>			
At 1 January 2024	1,527,104	-	1,527,104
Additions during the year	393,750	-	393,750
Acquired in business combinations	90,607	7,138,648	7,229,255
Write-off	<u>(706,450)</u>	<u>-</u>	<u>(706,450)</u>
At 31 December 2024	<b><u>1,305,011</u></b>	<b><u>7,138,648</u></b>	<b><u>8,443,659</u></b>
<i>Accumulated amortisation:</i>			
At 1 January 2024	708,564	-	708,564
Charge for the year	741,124	1,098,254	1,839,378
Acquired in business combinations	90,607	1,647,381	1,737,988
Write off during the year	<u>(706,450)</u>	<u>-</u>	<u>(706,450)</u>
At 31 December 2024	<b><u>833,845</u></b>	<b><u>2,745,635</u></b>	<b><u>3,579,480</u></b>
<i>Carrying amount:</i>			
At 31 December 2024	<b><u>471,166</u></b>	<b><u>4,393,013</u></b>	<b><u>4,864,179</u></b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**10 INVESTMENT IN EQUITY SECURITIES - FVTOCI**

Movement in investment securities - FVTOCI are as follows:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
At 1 January	336,054	70,772,190
Change in fair value	(23,814)	(2,146,852)
Disposals during the year	<u>(312,240)</u>	<u>(68,289,284)</u>
At 31 December	<u><u>-</u></u>	<u><u>336,054</u></u>

Investment securities - Fair Value Through Other Comprehensive Income (FVTOCI) represent investments in quoted shares of a company in United Arab Emirates. Out of these investments, there were no equity investments in related parties as at 31 December 2025 (2024: AED 336,054).

No dividend income was received from investment securities - FVTOCI carried at fair value during the year (2024: AED 1,229,944).

The Group has elected to designate these investments as investment securities - FVTOCI at their initial recognition.

The fair value of the quoted equity securities is determined by reference to quoted market prices on the stock exchange at the close of business on the reporting date.

**11 TRADE AND OTHER RECEIVABLES**

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Trade receivables	194,415,819	238,757,419
Unbilled receivables	32,032,416	30,101,896
Less: provision for expected credit losses	<b>(116,451,665)</b>	<b>(155,580,453)</b>
	<b>109,996,570</b>	113,278,862
Prepayments	31,726,265	27,266,110
Deposits and other receivables	4,957,874	6,781,100
Advances to suppliers	<u>529,172</u>	<u>299,169</u>
	<b>147,209,881</b>	147,625,241
Less: provision for expected credit loss on other receivables	(1,248,901)	-
Less: provision for expected credit loss on advance to suppliers	<u>(48,000)</u>	<u>-</u>
	<b><u>145,912,980</u></b>	<b><u>147,625,241</u></b>

The average contractual credit period on rendering of services is 60 days (2024: 60 days). No interest is charged on other receivables.

Above trade receivables include an amount of AED 36,105,161 (2024: AED 46,005,456) assigned to the previous owner as per the signed agreement between the parties dated 1<sup>st</sup> October 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**11 TRADE AND OTHER RECEIVABLES** continued**Provision for expected credit losses**

Movement in the provision for expected credit losses of trade receivables, deposits and other receivables and advances to suppliers is as follows:

	2025 AED	2024 AED
At 1 January	155,580,453	70,706,874
Acquired in business combination	-	45,830,843
(Reversal) / charge for the year	(7,623,093)	43,959,732
Written off	(22,950,301)	(3,659,661)
Adjustment against recognition of gross receivables *	<u>(7,258,493)</u>	<u>(1,257,335)</u>
At 31 December **	<u>117,748,566</u>	<u>155,580,453</u>

\*This represents the amount collected from impaired receivables (beneficially owned by previous shareholders). The amounts collected are paid or payable to the previous shareholders in terms of the relevant agreements without impacting the consolidated statement of profit or loss.

\*\* This includes expected credit losses of AED 36,105,161 (2024: AED 43,189,614) related to previous shareholders for the period prior i.e. 30 September 2023 as per the signed agreement between the parties dated 1<sup>st</sup> October 2023.

	1 January AED	Acquired in business combination AED	(Reversal) / charge for the year AED	Written off AED	Adjustment against recog- nition of gross receivables * AED	Reporting date AED
<b>At 31 December 2025</b>						
Trade receivables	155,580,453	-	(8,919,994)	(22,950,301)	(7,258,493)	116,451,665
Deposit and other receivables	-	-	1,248,901	-	-	1,248,901
Advances to suppliers	-	-	48,000	-	-	48,000
<b>Total</b>	<u>155,580,453</u>	<u>-</u>	<u>(7,623,093)</u>	<u>(22,950,301)</u>	<u>(7,258,493)</u>	<u>117,748,566</u>
<b>At 31 December 2024</b>						
Trade receivables	<u>70,706,874</u>	<u>45,830,843</u>	<u>43,959,732</u>	<u>(3,659,661)</u>	<u>(1,257,335)</u>	<u>155,580,453</u>
<b>Total</b>	<u>70,706,874</u>	<u>45,830,843</u>	<u>43,959,732</u>	<u>(3,659,661)</u>	<u>(1,257,335)</u>	<u>155,580,453</u>

At reporting date, the ageing of trade receivables is as follows:

	Current AED	Past due					Individually assessed AED	Total AED
		<30 AED	31 - 60 AED	61 - 90 AED	>91 AED	>91 AED		
<b>31 December 2025</b>								
Average expected credit loss rate	0.33%	1.19%	1.69%	2.45%	15.40%	99.87%	59.90%	
Estimated total gross carrying amount at default	52,969,219	13,049,439	6,241,510	2,934,708	3,698,576	115,522,367	194,415,819	
Lifetime ECL	174,450	155,327	105,703	71,886	569,686	115,374,613	116,451,665	
<b>31 December 2024</b>								
Average expected credit loss rate	0.01%	6.62%	6.03%	10.21%	52.27%	98.52%	65.16%	
Estimated total gross carrying amount at default	44,786,047	6,248,173	13,318,099	7,280,916	23,861,773	143,262,411	238,757,419	
Lifetime ECL	2,840	413,806	802,516	743,307	12,471,702	141,146,282	155,580,453	

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 RELATED PARTY BALANCES AND TRANSACTIONS**

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

Amounts due from related parties included in the consolidated statement of financial position are as follows:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
<i>Amounts due from related parties:</i>		
Entities under common control	17,451,260	45,825,969
Other related entities	<u>-</u>	<u>670,676</u>
	17,451,260	46,496,645
Less: provision for expected credit losses	<u>(304,974)</u>	<u>-</u>
	<u>17,146,286</u>	<u>46,496,645</u>

Movement in the provision for expected credit losses on related parties were as follows:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
At 1 January	-	-
Charge for the year *	<u>304,974</u>	<u>-</u>
At 31 December	<u>304,974</u>	<u>-</u>

\*This represents amounts of impaired receivables from related parties (beneficially owned by previous shareholders). The amount reduced the payable to the previous shareholders in terms of the relevant agreements.

Equity investments in related parties are disclosed in note 10 of the consolidated statement of financial position.

Other balances included in the consolidated statement of financial position are as follows:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Bank balances with a financial institution		
Other related party	42,983,255	77,431,060
Entity under common control	<u>12,105,021</u>	<u>-</u>
	<u>55,088,276</u>	<u>77,431,060</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**12 RELATED PARTY BALANCES AND TRANSACTIONS** continued

Amounts due to related parties included in the consolidated statement of financial position are as follows:

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
<b>Amounts due to related parties:</b>		
Parent entity	35,280	23,572
Entities under common control	1,843,702	67,000
Other related entities	<u>406,829</u>	<u>9,015</u>
	<u>2,285,811</u>	<u>99,587</u>

The Group entered into the following significant transactions with related parties carried out on terms and conditions agreed between the parties.

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Revenue	<u>70,785,743</u>	<u>46,099,266</u>
Expenses	<u>4,636,705</u>	<u>287,750</u>
Board of Directors' remuneration	<u>1,503,445</u>	<u>(1,147,000)</u>
Interest income on deposits with financial institution	<u>2,428,064</u>	<u>1,409,789</u>
<b>Key management compensation:</b>		
Salaries and other short-term employees' benefits	3,409,777	1,361,488
Post-employment benefits	<u>37,800</u>	<u>152,892</u>
	<u>3,447,577</u>	<u>1,514,380</u>

**13 DEPOSITS WITH BANKS**

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Term deposits with original maturities more than three months*	119,239,095	139,637,245
Margin deposit with original maturity more than three months	<u>10,000</u>	-
Deposits with banks	<u>119,249,095</u>	<u>139,637,245</u>

The term deposits carry interest rates that ranges between 2.82% to 5.5% (2024: 3.25% to 6.0%) per annum. These deposits are held in a local bank and are denominated in UAE Dirhams, and these deposits have original maturity up to 12 months.

\* Term deposits amounted to AED 17,297,853 (2024: AED 28,603,078) are under lien against labour guarantees included bank guarantees and performance bonds as disclosed in note 31.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**14 CASH AND CASH EQUIVALENTS**

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Cash in hand	366,224	582,771
Cash at banks	50,035,837	56,617,916
Term deposits*	9,000,000	-
Margin deposits	<u>-</u>	<u>267,289</u>
Cash and cash equivalents	<u>59,402,061</u>	<u>57,467,976</u>

\*The term deposits carry interest rates that ranges between of 3.30% to 3.54% per annum and are short term in nature. These deposits are held in a local bank and are denominated in UAE Dirhams.

In 2025, AED 3,659,400 (2024: AED 6,531,793) is held to cover any payable balances related to the period prior i.e. 30 September 2023 as per the signed agreement between the parties dated 1<sup>st</sup> October 2023.

**15 SHARE CAPITAL**

As at 31 December 2025, the Company's authorised share and paid in capital comprises 51.10 million ordinary shares with a par value of AED 1 each (2024: 51.10 million ordinary shares with a par value of AED 1 each). As at 31 December 2025, the paid up capital of the Company is AED 51.10 million (2024: AED 51.10 million).

**16 LEGAL RESERVE**

In accordance with the Company's Articles of Association and the UAE Federal Law No. (32) of 2021, 10% of the profit for the year is to be transferred to a legal reserve that is non-distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid up share capital of the Company.

**17 OTHER RESERVE**

Other reserve pertains to the non-distributable legal reserve of the subsidiaries. During the prior year, few subsidiaries share capital is reduced which result in reversal of excess legal reserve.

**18 DIVIDEND**

During the year, shareholders approved to pay dividends of AED 155,446,200 at a price of AED 3.042 per share. No dividend was paid in the prior year.

**19 BANK BORROWINGS**

Bank borrowings comprises of the following:

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Vehicle loans	<u>-</u>	<u>26,356</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**19 BANK BORROWINGS** continued

Movement in borrowings during the year is as follows:

	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
At 1 January	<b>26,356</b>	-
Acquired in business combination (note 4)	-	540,206
Repayments during the year	<b>(26,356)</b>	(491,958)
Reclassification	<u>-</u>	<u>(21,892)</u>
At 31 December	<u><u>-</u></u>	<u><u>26,356</u></u>

Analysed in the consolidated statement of financial position as follows:

	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
Current liabilities	<u><u>-</u></u>	<u><u>26,356</u></u>

The following table details the Group's remaining contractual maturity for its borrowings:

	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
Less than 3 months	-	7,430
After 3 months but no more than 12 months	<u>-</u>	<u>18,926</u>
	<u><u>-</u></u>	<u><u>26,356</u></u>

**20 EMPLOYEES' END OF SERVICE BENEFITS**

Movement in the provision for employees' end of service benefits is as follows:

	<b>2025</b>	<b>2024</b>
	<b>AED</b>	<b>AED</b>
At 1 January	<b>25,646,811</b>	12,910,715
Charge during the year	<b>10,135,511</b>	6,493,850
Payments during the year	<b>(6,787,291)</b>	(4,156,912)
Acquired in business combinations (note 4)	<u>-</u>	<u>10,399,158</u>
At 31 December	<u><b>28,995,031</b></u>	<u><b>25,646,811</b></u>

This Employees' end of service benefits includes AED 5,298,852 (2024: AED 7,040,622) related to previous shareholders for the period prior 30 September 2023 as per the signed agreement between the parties dated 1<sup>st</sup> October 2023.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**21 TRADE AND OTHER PAYABLES**

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Salaries and staff benefits payables	40,532,927	34,445,085
Trade payables	12,406,980	15,862,097
Accruals and other payables	11,013,824	9,675,983
Advances from customers	1,743,343	1,273,860
Retentions payables	<u>2,033,387</u>	<u>1,939,861</u>
	<u>67,730,461</u>	<u>63,196,886</u>

The trade and other payables includes AED 7,375,826 (2024: AED 9,542,235) related to previous shareholders for the period prior 30 September 2023 as per the signed agreement between the parties dated 1<sup>st</sup> October 2023.

**22 REVENUE**

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
<b>Revenues</b>		
<b>Rendering of services</b>		
Manpower services	393,762,388	270,733,107
Food and catering	4,806,972	2,062,438
Others	663,984	268,816
Facilities management services	7,675	476,349
Training services	<u>58,110</u>	<u>223,925</u>
	<u>399,299,129</u>	<u>273,764,635</u>
<b>Rental income</b>		
Leasing income	<u>14,565,172</u>	<u>7,626,404</u>
<b>Total</b>	<u>413,864,301</u>	<u>281,391,039</u>

All revenue are generated in United Arab Emirates.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
<b>Timing of revenue recognition</b>		
Services transferred over time	409,057,329	279,328,601
Services transferred at a point in time	<u>4,806,972</u>	<u>2,062,438</u>
<b>Total</b>	<u>413,864,301</u>	<u>281,391,039</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**23 COST OF OPERATIONS**

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Salaries and wages	187,796,650	138,569,356
Immigration and visa expenses	28,319,464	15,243,355
Insurance	16,218,775	10,116,835
Food and catering	12,126,029	11,385,076
Leave pay, air tickets and other benefits	10,669,514	8,029,408
Pension and employees' end of service benefit charge	8,735,917	5,848,268
Travel and transportation	6,558,591	8,477,009
Depreciation of investment property (note 7)	4,617,350	4,024,114
Utilities	4,117,415	4,034,772
Workers tools, uniforms and training	3,037,559	1,984,266
Accommodation	2,632,790	1,460,119
Depreciation of property and equipment (note 5)	998,423	1,196,952
Recruitment fee	836,238	55,890
Repair and maintenance	643,132	958,031
Facility management and other related charges	461,683	374,786
Depreciation of right-of-use asset (note 6)	72,602	175,042
Others	<u>23,524</u>	<u>317,318</u>
	<u>287,865,656</u>	<u>212,250,597</u>

**24 GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Salaries and wages	14,475,505	12,036,570
Marketing fees	6,903,296	2,900,377
Leave pay, air tickets, and other benefits	5,699,616	2,007,837
Amortization of intangibles (note 9)	2,357,731	1,839,378
Legal expenses	1,910,226	1,323,992
Pension and employees' end of service benefits charge	1,621,903	901,470
Insurance	1,743,686	1,116,971
Board of directors' remuneration*	1,503,445	(1,147,000)
Rent expense	1,505,686	1,158,961
Professional fees	1,159,647	784,652
Travel and transportation	902,388	1,001,048
Depreciation of property and equipment (note 5)	700,198	415,147
Repair and maintenance	695,019	664,579
Immigration and visa expenses	428,535	103,684
Utilities	421,291	452,282
Food and catering	211,527	249,917
Depreciation on investment properties (note 7)	129,186	129,185
Others	<u>617,221</u>	<u>333,479</u>
	<u>42,986,106</u>	<u>26,272,529</u>

\*The board of directors' remuneration is being calculated based on the profit as per the ultimate parent policy.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**25 FINANCE INCOME**

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Interest income on term deposits	<u>4,508,281</u>	<u>4,244,728</u>

**26 FINANCE COSTS**

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Interest expense on lease liabilities (note 6)	1,712,726	1,697,361
Bank charges	284,147	330,361
Interest expense on borrowings	<u>888</u>	<u>40,382</u>
	<u>1,997,761</u>	<u>2,068,104</u>

**27 OTHER INCOME**

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
Operations fee	811,770	745,687
Others	1,365,201	3,560,839
Gain on disposal of property and equipment	240,089	44,330
Scrap sales	186,521	32,502
Penalty income	4,500	199,752
Dividend income	<u>-</u>	<u>1,197,304</u>
	<u>2,608,081</u>	<u>5,780,414</u>

**28 INCOME TAX**

The major components of taxation disclosed in the consolidated statement of profit or loss are:

	<i>2025</i> <i>AED</i>	<i>2024</i> <i>AED</i>
<b>Consolidated statement of profit or loss</b>		
<i>Current Income tax</i>		
Current income tax charge	(8,157,655)	(1,490,949)
Current income tax charge related to Domestic Minimum top-up tax	(3,320,667)	-
Adjustment in respect of current income tax of previous year	<u>(24,778)</u>	<u>-</u>
	(11,503,100)	(1,490,949)
<i>Deferred tax</i>		
Relating to origination and reversal of temporary differences	(521,985)	-
Adjustment in respect of deferred income tax of previous year	<u>112,722</u>	<u>846,823</u>
Net income tax expense reported in the consolidated statement of profit and loss	<u>(11,912,363)</u>	<u>(644,126)</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 28 INCOME TAX continued

	2025 AED	2024 AED
<b>Consolidated statement of other comprehensive income</b>		
<i>Deferred tax related to items recognized in OCI during the year</i>		
Relating to fair value loss on investments in investment in equity securities – FVTOCI	<u>2,143</u>	<u>193,217</u>
Deferred tax asset recorded in consolidated statement of financial position relate to the following:		
	2025 AED	2024 AED
<b>Deductible temporary differences</b>		
Losses available for offsetting against future taxable income	312,738	747,980
Losses on fair value loss on investments in investment in equity securities – FVTOCI	<u>-</u>	<u>193,217</u>
Total	<u>312,738</u>	<u>941,197</u>
Deferred tax liability recorded in consolidated statement of financial position relate to the following:		
<b>Taxable temporary differences</b>		
Relating to intangible assets acquire in business combination	<u>197,685</u>	<u>395,371</u>
<b>Current income tax</b>		
The movement in the current taxation account is as follows:		
	2025 AED	2024 AED
At 1 January	2,378,908	-
Acquired in business combination (note 4)	-	887,959
Payment during the year	(2,403,685)	-
Charge during the year excluding DMTT	8,157,655	1,490,949
Charge during the year related to DMTT	3,320,667	-
Adjustment in the current tax in respect of the previous year	24,778	-
Tax on OCI	<u>(23,653)</u>	<u>-</u>
At 31 December	<u>11,454,670</u>	<u>2,378,908</u>
The reconciliation of taxable income is as follows:		
	2025 AED	2024 AED
Accounting profit before income tax	94,880,933	6,865,219
At statutory income tax rate of 9%	8,539,284	617,870
Pillar 2 taxes	3,320,668	-
Adjustment in respect to previous year	(87,950)	-
Tax effect of standard exemption	(96,840)	-
Transfer pricing adjustment	20,427	-
Non-deductible expenses for tax purposes	220,982	3,131
Income unclaimable	(4,208)	-
Income claimable in taxable income	-	5,720
Merger reserve allowed in determining the taxable income	-	128,100
Income exempts from tax	<u>-</u>	<u>(110,695)</u>
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<u>11,912,363</u>	<u>644,126</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**28 INCOME TAX** continued**Domestic Minimum Top-Up Tax (“DMTT”)**

On 11 February 2025, the Ministry of Finance (MoF) of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 on the Imposition of Top-Up Tax on Multinational Enterprises (Cabinet Decision), introducing a Domestic Minimum Top-Up Tax (“DMTT”) on multinational enterprises (MNEs). Effective from fiscal years starting on or after 1 January 2025, the DMTT Imposes a top-up tax on low-taxed UAE entities, ensuring a minimum effective tax rate (ETR) of 15% in the UAE.

The Group is part of a multinational enterprise (the ultimate parent of the Group) which falls within the scope of the OECD BEPS Pillar Two Global Anti-Base Erosion Model Rules (GloBE Rules) and therefore subject to DMTT effective 1 January 2025. While the ultimate parent of the Group is in the process of performing a full impact assessment of DMTT across all group entities including any available reliefs to pay additional taxes for the year under applicable tax rules, the Group has made provision for DMTT in these consolidated financial statements on prudent basis under the advice of its ultimate parent who is ultimately liable for the DMTT.

**29 BASIC AND DILUTED EARNINGS PER SHARE**

Earnings per share amounts are calculated by dividing the profit attributable to shareholders of the Group by the weighted average number of share outstanding during the year.

	<i>2025</i>	<i>2024</i>
	<i>AED</i>	<i>AED</i>
Profit for the year attributable to equity holders of the parent	<u>83,009,696</u>	<u>6,221,093</u>
Weighted average number of shares	<u>51,100,000</u>	<u>51,100,000</u>
Earnings per share	<u>1.62</u>	<u>0.12</u>

There were no potentially dilutive securities as at 31 December 2025 and 31 December 2024, and accordingly, diluted earnings per share are the same as basic earnings per share.

**30 SEGMENTAL REPORTING**

The Group has three reportable segments, as described below, which are aligned with the Group’s strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Board of Directors review internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group’s reportable segment:

- Manpower outsourcing segment, which involves provision of manpower services;
- Real estate segment, which involves in real estate enterprises investment, development, institution and management; and building, camps catering and labour accommodation management; and
- Other segments include the Group’s business operations on training and facilities management.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

## 30 SEGMENTAL REPORTING continued

All Group reportable segments are located in United Arab Emirates. Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports data reviewed by the Group's executive management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

<i>Description</i>	<i>Manpower outsourcing AED</i>	<i>Real estate AED</i>	<i>Others AED</i>	<i>Inter segment eliminations AED</i>	<i>Total AED</i>
Revenue	402,198,176	36,824,475	378,835	(25,537,185)	413,864,301
Direct costs	<u>(288,813,037)</u>	<u>(23,932,862)</u>	<u>(305,972)</u>	<u>25,186,215</u>	<u>(287,865,656)</u>
Gross profit	113,385,139	12,891,613	72,863	(350,970)	125,998,645
General and administrative expenses	(31,806,763)	(3,576,035)	(6,084,586)	(1,518,722)	(42,986,106)
Reversal of / (provision) for expected credit	8,198,909	415,176	(990,992)	-	7,623,093
Impairment loss on capital work in progress	-	(873,300)	-	-	(873,300)
Finance income	2,064,135	86,614	2,357,532	-	4,508,281
Finance costs	(268,211)	(1,724,740)	(4,810)	-	(1,997,761)
Other income	<u>697,477</u>	<u>2,216,234</u>	<u>164,376,684</u>	<u>(164,682,314)</u>	<u>2,608,081</u>
Profit for the year before tax	<u>92,270,686</u>	<u>9,435,562</u>	<u>159,726,691</u>	<u>(166,552,006)</u>	<u>94,880,933</u>

For the year ended 31 December 2024 :

<i>Description</i>	<i>Manpower outsourcing AED</i>	<i>Real estate AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Total AED</i>
Revenue	303,570,955	20,956,625	4,283,314	(47,419,855)	281,391,039
Direct costs	<u>(241,506,436)</u>	<u>(14,258,723)</u>	<u>(2,491,011)</u>	<u>46,005,573</u>	<u>(212,250,597)</u>
Gross profit	<u>62,064,519</u>	<u>6,697,902</u>	<u>1,792,303</u>	<u>(1,414,282)</u>	<u>69,140,442</u>
General and administrative expenses	(24,203,904)	(2,863,858)	(1,180,636)	1,975,869	(26,272,529)
Provision for expected credit losses	(43,540,087)	(419,645)	-	-	(43,959,732)
Finance income	1,312,604	-	2,932,124	-	4,244,728
Finance costs	(359,916)	(1,287,277)	(420,911)	-	(2,068,104)
Other income	<u>3,392,041</u>	<u>970,489</u>	<u>1,979,471</u>	<u>(561,587)</u>	<u>5,780,414</u>
Profit for the year before tax	<u>(1,334,743)</u>	<u>3,097,611</u>	<u>5,102,351</u>	<u>-</u>	<u>6,865,219</u>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**30 SEGMENTAL REPORTING** continued

As at 31 December 2025

	<i>Manpower outsourcing AED</i>	<i>Real estate AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Total AED</i>
Total current assets	327,948,607	62,243,109	47,878,509	(96,359,803)	341,710,422
Total non-current assets	<u>4,182,864</u>	<u>99,155,444</u>	<u>126,145,712</u>	<u>(89,988,564)</u>	<u>139,495,456</u>
Total assets	<u>332,131,471</u>	<u>161,398,553</u>	<u>174,024,221</u>	<u>(186,348,367)</u>	<u>481,205,878</u>
Total liabilities	<u>195,715,084</u>	<u>28,847,605</u>	<u>87,916,845</u>	<u>(168,360,077)</u>	<u>144,119,457</u>

As at 31 December 2024

	<i>Manpower outsourcing AED</i>	<i>Real estate AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Total AED</i>
Total current assets	391,565,534	48,077,420	90,521,203	(138,937,050)	391,227,107
Total non-current assets	<u>2,303,978</u>	<u>79,819,227</u>	<u>149,570,154</u>	<u>(87,005,019)</u>	<u>144,688,340</u>
Total assets	<u>393,869,512</u>	<u>127,896,647</u>	<u>240,091,357</u>	<u>(225,942,069)</u>	<u>535,915,447</u>
Total liabilities	<u>114,414,170</u>	<u>29,747,100</u>	<u>121,072,506</u>	<u>(138,784,051)</u>	<u>126,449,725</u>

**31 COMMITMENTS AND CONTINGENCIES**

	<i>2025 AED</i>	<i>2024 AED</i>
Bank guarantees and performance bonds	<u>13,816,707</u>	<u>24,816,809</u>

**32 FAIR VALUES****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:** quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Group held the following financial instrument measured at fair value:

	<i>Level 1 AED</i>	<i>Level 2 AED</i>	<i>Level 3 AED</i>	<i>Total AED</i>
<b>31 December 2025</b>				
Investment in equity securities - FVTOCI	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>31 December 2024</b>				
Investment in equity securities - FVTOCI	<u>336,054</u>	<u>—</u>	<u>—</u>	<u>336,054</u>

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**33 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT**

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk, interest rate risk and currency risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative or risk management purposes.

The following section discusses the entity's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the entity uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9.

During the year ended 31 December 2025, the Group was not exposed to any significant financial risk, other than credit risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks and these policies are summarised below:

**Financial instruments classification**

The Group's financial assets are classified at amortized cost pertaining to cash and bank balances, due from related parties and trade receivables. FVOCI pertaining to investment securities are measured at fair value. The Group's financial liabilities at amortised cost pertains to trade and other payables, due to related parties and lease liabilities.

**Capital risk management**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group's capital structure comprises share capital, additional paid up capital, legal reserve, merger reserve, other reserve, investment revaluation reserve and retained earnings is measured at AED 337,086,421 (2024: AED 409,465,722).

**Financial risk management objectives**

The Group is exposed to the following risks related to financial instruments - credit risk, liquidity risk and market risks (equity price risk and interest rate risk). The Group risks are monitored by management on a continued basis. The Group does not enter into or trade in financial instruments, derivative financial instruments, for speculative purposes.

The Group does not have any significant exposure to foreign currency risk as all of its assets are denominated in AED Dirhams.

**Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group, and arises principally from the Group's trade and other receivables and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties, however significant revenue is generated by dealing with high profile customers, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counter-parties, and continually assessing the creditworthiness of such non-related counter-parties. Bank balances are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank.

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. Trade and other receivables and balances with banks are not secured by any collateral.

As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**33 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT** continued**Credit risk management** continued

The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED	Loss allowance AED	Net carrying amount AED
<b>31 December 2025</b>							
Trade receivables	11	N/A	i	Lifetime ECL	194,415,819	(116,451,665)	77,964,154
Unbilled receivables	11	N/A	i	Lifetime ECL	32,032,416	-	32,032,416
Due from related parties	12	N/A	i	Lifetime ECL	17,451,260	(304,974)	17,146,286
Deposits and other receivables	11	N/A	i	Lifetime ECL	4,957,874	(1,248,901)	3,708,973
Deposits with banks	13	AA	N/A	12-month ECL	119,249,095	-	119,249,095
Cash and cash equivalents	14	AA	N/A	12-month ECL	59,402,061	-	59,402,061
<b>31 December 2024</b>							
Trade receivables	11	N/A	i	Lifetime ECL	238,757,419	(155,580,453)	83,176,966
Unbilled receivables	11	N/A	i	Lifetime ECL	30,101,896	-	30,101,896
Due from related parties	12	N/A	i	Lifetime ECL	46,496,645	-	46,496,645
Deposits and other receivables	11	N/A	i	Lifetime ECL	6,781,100	-	6,781,100
Deposits with banks	13	AA	N/A	12-month ECL	139,637,245	-	139,637,245
Cash and cash equivalents	14	AA	N/A	12-month ECL	57,467,976	-	57,467,976

For trade receivables, unbilled receivables, due from related parties, deposits and other receivables, deposits with banks and cash and cash equivalents, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

**33 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT** continued**Liquidity risk management**

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The responsibility of liquidity risk rests with management, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long term funding and liquidity management requirements.

The table below summarises the maturity profile of the Group's financial liabilities. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The contractual maturities of the financial liabilities, determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date, are as follows:

	<i>Less than 1 year AED</i>	<i>More than 1 years AED</i>	<i>Total AED</i>
<b>31 December 2025</b>			
Trade and other payables (excluding advances from customers)	<b>65,987,118</b>	-	<b>65,987,118</b>
Lease liabilities	<b><u>1,992,888</u></b>	<b><u>70,470,839</u></b>	<b><u>72,463,727</u></b>
	<b><u>67,980,006</u></b>	<b><u>70,470,839</u></b>	<b><u>138,450,845</u></b>
<b>31 December 2024</b>			
Trade and other payables (excluding advances from customers)	62,156,656	-	62,156,656
Lease liabilities	1,963,588	71,200,970	73,164,558
Bank borrowings	<u>26,356</u>	<u>-</u>	<u>26,356</u>
	<b><u>64,146,600</u></b>	<b><u>71,200,970</u></b>	<b><u>135,347,570</u></b>

**Market risk**

The Group's activities expose it primarily to the financial risks of changes in equity prices and interest rates.

During the year, there has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

**Equity price risks**

The Group is exposed to equity price risks arising from quoted equity investments. Quoted equity investments are held for strategic purposes.

The Group monitors the risk of changes in equity prices by sensitivity analysis taking 100 basis points change due to the volatile nature of the market in which the securities are listed.

**Equity price sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

In the previous year, if equity prices had been 100 basis points higher/lower, the Group's equity and the corresponding value of investment securities would increase/decrease by AED 3,361 as a result of Group's portfolio classified as investment in equity securities carried through FVTOCI.

**Fair value of financial instruments**

Management considers that the carrying amounts of financial assets and financial liabilities in the consolidated financial statements approximate their fair values.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 December 2025

**34 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified involving the presentation of deferred tax asset and deferred tax liability which was presented as net in prior year, and currently presented separately; presentation of cash and bank balances which was broken down into deposits with maturity of more than three months and cash and cash equivalents, some of the deposits presented under trade and other payable in prior year were reclassified to customer deposits. These reclassifications were made, wherever necessary, to conform to the presentation adopted in the current year's consolidated financial statements. These reclassifications have no impact on the total assets, total liabilities, total equity and profit of the Group.