

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

## **INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2024 (UNAUDITED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF**

### **SAWAEED HOLDING P.J.S.C.**

#### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Sawaeed Holding P.J.S.C. (the “Company”) and its subsidiaries (collectively referred to as the “Group”) as at 30 June 2024 which comprise the interim consolidated statement of financial position as at 30 June 2024, and the related interim consolidated statements of profit or loss and comprehensive income for the three month and six month periods then ended and the related interim consolidated statements of changes in equity and cash flows for the six month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

#### *Scope of review*

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

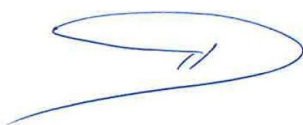
#### *Other matter*

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 23 February 2024. The interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2023 were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial statements on 1 August 2023.

#### *Conclusion*

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

For Ernst & Young



Registration No 811

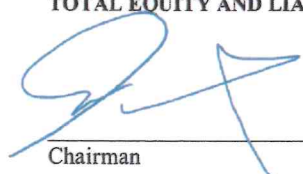
22 July 2024  
Abu Dhabi  
United Arab Emirates

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

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

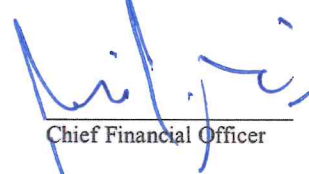
		(Unaudited) 30 June 2024 AED	(Audited) 31 December 2023 AED
	Notes		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	17,281,806	17,738,640
Investment property	5	56,268,136	57,923,082
Right-of-use-assets	6	30,170,904	30,109,434
Intangible asset		380,071	818,539
Deferred tax asset	18	4,630,465	-
Financial assets at fair value through other comprehensive income	7	40,393,709	70,772,190
		<u>149,125,091</u>	<u>177,361,885</u>
<b>Current assets</b>			
Trade and other receivables	8	81,434,984	104,483,177
Amounts due from related parties	9	21,125,303	21,212,658
Cash and bank balances	10	103,573,145	80,044,929
		<u>206,133,432</u>	<u>205,740,764</u>
<b>TOTAL ASSETS</b>		<u><b>355,258,523</b></u>	<u><b>383,102,649</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	51,100,000	51,100,000
Additional paid up capital		1,350,000	1,350,000
Legal reserve	13	5,473,975	5,473,975
Restricted reserve	14	34,527,923	34,527,923
Cumulative changes in fair value reserve		(3,334,350)	17,464,688
Retained earnings		184,911,422	203,141,623
<b>Total equity</b>		<u><b>274,028,970</b></u>	<u><b>313,058,209</b></u>
<b>Non-current liabilities</b>			
Lease liabilities	6	29,371,507	29,507,406
Provision for employees' end of service benefits	15	14,043,186	12,910,715
		<u>43,414,693</u>	<u>42,418,121</u>
<b>Current liabilities</b>			
Trade and other payables	16	35,077,402	25,682,705
Lease liabilities	6	1,947,639	1,943,614
Amounts due to related parties	9	146,866	-
Income tax payable	18	642,953	-
		<u>37,814,860</u>	<u>27,626,319</u>
<b>Total liabilities</b>		<u><b>81,229,553</b></u>	<u><b>70,044,440</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>355,258,523</b></u>	<u><b>383,102,649</b></u>



Chairman

Chief Executive Officer

Signed by:  
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Chief Financial Officer

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Sawaeed Holding P.J.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the three month and six month periods ended 30 June 2024

		<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>Notes</i>	<i>2024 AED</i>	<i>2023 AED</i>	<i>2024 AED</i>	<i>2023 AED</i>
Revenue	17	45,194,517	31,857,665	89,628,048	66,824,708
Direct costs		(38,148,856)	(27,934,985)	(74,724,460)	(55,220,836)
<b>GROSS PROFIT</b>		<b>7,045,661</b>	<b>3,922,680</b>	<b>14,903,588</b>	<b>11,603,872</b>
General and administrative expenses		(3,952,669)	(3,803,726)	(9,664,735)	(8,022,645)
Provision for expected credit losses of trade receivables		(1,700,000)	(2,583,322)	(45,026,092)	(4,113,968)
Finance expense		(451,596)	(407,545)	(908,950)	(804,434)
Other income		<u>2,168,312</u>	<u>1,481,703</u>	<u>3,513,417</u>	<u>3,088,476</u>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<b>3,109,708</b>	<b>(1,390,210)</b>	<b>(37,182,772)</b>	<b>1,751,301</b>
Income tax (expense) / benefit	18	<u>(209,585)</u>	<u>-</u>	<u>3,462,454</u>	<u>-</u>
<b>PROFIT / (LOSS) AFTER TAX FOR THE PERIOD</b>		<b><u>2,900,123</u></b>	<b><u>(1,390,210)</u></b>	<b><u>(33,720,318)</u></b>	<b><u>1,751,301</u></b>
<b>Basic and diluted earnings / (loss) per share (AED)</b>	19	<b><u>0.06</u></b>	<b><u>(0.027)</u></b>	<b><u>(0.66)</u></b>	<b><u>0.034</u></b>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Sawaeed Holding P.J.S.C.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three month and six month periods ended 30 June 2024

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<b>Profit / (loss) after tax for the period</b>	<b>2,900,123</b>	(1,390,210)	<b>(33,720,318)</b>	1,751,301
<b>Other comprehensive (loss) / income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Change in the fair value of financial assets at fair value through other comprehensive income, net of tax	<b>(2,528,764)</b>	1,610,602	<b>(5,308,921)</b>	(5,117,454)
<b>Total comprehensive (loss) / income for the period</b>	<b><u>371,359</u></b>	<u>220,392</u>	<b><u>(39,029,239)</u></b>	<u>(3,366,153)</u>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Sawaeed Holding P.J.S.C.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six month periods ended 30 June 2024

	<i>Attributable to the owners of the Company</i>								
	<i>Share capital AED</i>	<i>Additional paid up capital AED</i>	<i>Non Legal reserve AED</i>	<i>Restricted reserve AED</i>	<i>Cumulative changes in fair value reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>	<i>controlling interests AED</i>	<i>Total AED</i>
At 1 January 2023 (audited)	51,100,000	1,350,000	4,838,115	34,527,923	20,769,892	202,509,109	315,095,039	1,773,117	316,868,156
Profit for the period	-	-	-	-	-	1,751,301	1,751,301	-	1,751,301
Other comprehensive loss for the period	-	-	-	-	(5,117,454)	-	(5,117,454)	-	(5,117,454)
Total comprehensive loss for the period	-	-	-	-	(5,117,454)	1,751,301	(3,366,153)	-	(3,366,153)
Dividend declared and paid (note 11)	-	-	-	-	-	(5,110,000)	(5,110,000)	-	(5,110,000)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(19,775)	19,775	-	-	-
Liquidation of a subsidiary	-	-	-	-	-	-	-	(1,773,117)	(1,773,117)
Balance at 30 June 2023 (unaudited)	<u>51,100,000</u>	<u>1,350,000</u>	<u>4,838,115</u>	<u>34,527,923</u>	<u>15,632,663</u>	<u>199,170,185</u>	<u>306,618,886</u>	<u>-</u>	<u>306,618,886</u>
Balance at 1 January 2024 (audited)	51,100,000	1,350,000	5,473,975	34,527,923	17,464,688	203,141,623	313,058,209	-	313,058,209
Loss for the period	-	-	-	-	-	(33,720,318)	(33,720,318)	-	(33,720,318)
Other comprehensive loss for the period	-	-	-	-	(5,308,921)	-	(5,308,921)	-	(5,308,921)
Total comprehensive loss for the period	-	-	-	-	(5,308,921)	(33,720,318)	(39,029,239)	-	(39,029,239)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(15,490,117)	15,490,117	-	-	-
<b>Balance at 30 June 2024 (unaudited)</b>	<b><u>51,100,000</u></b>	<b><u>1,350,000</u></b>	<b><u>5,473,975</u></b>	<b><u>34,527,923</u></b>	<b><u>(3,334,350)</u></b>	<b><u>184,911,422</u></b>	<b><u>274,028,970</u></b>	<b><u>-</u></b>	<b><u>274,028,970</u></b>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

# Sawaeed Holding P.J.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six month periods ended 30 June 2024

		Six months period ended 30 June	
		2024	2023
	Notes	AED	AED
		(Unaudited)	(Unaudited)
<b>OPERATING ACTIVITIES</b>			
(Loss) profit for the period before tax		(37,182,772)	1,751,301
Adjustments for:			
Depreciation of property and equipment	4	681,385	684,952
Depreciation of investment property		1,654,946	1,654,945
Provision for employees' end of service benefits	15	1,901,935	1,081,095
Provision for expected credit losses		45,026,092	4,113,968
Finance income		(1,286,385)	(897,162)
Amortisation of intangible assets		7,642	61,940
Write-off of intangible assets		706,450	-
Depreciations of right-of-use assets		412,848	427,195
Finance costs		908,950	804,434
Dividend income	7	(1,016,463)	(760,977)
Operating cash flows before movements in working capital		11,814,628	8,921,691
Changes in working capital:			
Trade and other receivables		(21,977,899)	(5,710,731)
Amounts due from related parties		87,355	-
Trade and other payables		9,394,697	(3,835,885)
Amounts due to related parties		146,866	(43,598)
Cash used in operating activities		(534,353)	(668,523)
Finance costs paid		(119,484)	-
Payment of employees' end of service benefits	15	(769,464)	(865,421)
Net cash used in operating activities		(1,423,301)	(1,533,944)
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of property and equipment under liquidation		-	42,024
Purchases of property and equipment	4	(224,551)	(517,124)
Purchase of investment in financials assets		-	(2,859,019)
Proceeds from disposal of financials assets	7	24,544,502	328,622
Purchases of intangible assets		(275,624)	7,643
Bank deposits with original maturities of more than three months	10	(14,176,190)	20,025,000
Finance income received		1,286,385	638,808
Dividend income received		1,016,463	760,977
Net cash generated from investing activities		12,170,985	18,426,931
<b>FINANCING ACTIVITIES</b>			
Dividends declared and paid	11	-	(5,110,000)
Payment of cash distribution to non-controlling interest		-	(1,773,117)
Repayment of principal portion of lease liability		(1,395,658)	(1,403,499)
Net cash used in financing activities		(1,395,658)	(8,286,616)
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>		<b>9,352,026</b>	<b>8,606,371</b>
Cash and cash equivalent at the beginning of the period		19,126,038	46,920,818
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>		<b>28,478,064</b>	<b>55,527,189</b>

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the six-month period ended 30 June 2024 (unaudited)

**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 issued by the Abu Dhabi Municipality dated 11 March 2018. The Company is registered on the secondary market in Abu Dhabi Stock Exchange.

During the period, ESG Emirates Stallions Group PJSC, a Private Joint Stock Company, acquired 100% shareholding of the Company from other shareholders. As at 30 June 2024, ESG Emirates Stallions Group PJSC is the Parent and International Holding Company PJSC is the Ultimate Parent of the Company.

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.

The registered office of the Company is located at P.O. Box 70919, Abu Dhabi, U.A.E.

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

**2.1 BASIS OF PREPARATION**

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting.

These interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual consolidated financial statements as at 31 December 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results for the financial year ending 31 December 2024.

The interim condensed consolidated financial statements have been prepared under the historical cost convention basis, except for investments in financial assets carried at fair value through other comprehensive income which are stated at fair value.

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

**2.2 BASIS OF CONSOLIDATION**

The interim condensed 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.



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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

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

**2.2 BASIS OF CONSOLIDATION** continued

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

- the 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 period are included in the interim condensed consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

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

### 2.2 BASIS OF CONSOLIDATION continued

Details of the Company's subsidiaries as at 30 June 2024 and 31 December 2023 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>
		<b>2024</b>	<b>2023</b>	
Sawaeed Employment – Sole Proprietorship L.L.C	United Arab Emirates	<b>100%</b>	100%	Providing upon request employee provision services.
Sawaeed Investment – Sole Proprietorship L.L.C.	United Arab Emirates	<b>100%</b>	100%	Real estate enterprises investment, development, institution and management; and camps and labour accommodation management.
Sawaeed Facilities Management – Sole Proprietorship L.L.C.	United Arab Emirates	<b>100%</b>	100%	Facilities management services, interior cleaning services for buildings and dwellings, and cleaning the outside (interface) buildings.
Sawaeed Training Centre-Sole Proprietorship L.L.C.	United Arab Emirates	<b>100%</b>	100%	Training on construction work.
Takatof Employment Co. L.L.C. (i)	United Arab Emirates	<b>100%</b>	100%	Providing employees services upon request (temporary employment) and labor and employment supply
Sawaeed General Projects – Sole Proprietorship L.L.C (ii)	United Arab Emirates	<b>100%</b>	100%	Project Management services.

(i) As per agreement signed between the shareholders, the other shareholder owning 51% of Takatof Employment LLC has assigned his full rights and obligations over the mentioned entity to Sawaeed Investments L.L.C. and is only entitled to management fee equivalent to 15% share in net profit of Takatof Employment L.L.C.

(ii) Subsidiary incorporated on 10 October 2023 and has not started its commercial operations as at reporting date.

### 2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7;
- Amendments to IFRS 16: Lease Liability in a Sale and Leaseback;
- Amendments to IAS 1: Classification of liabilities as Current or Non-current.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

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

**2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**  
continued

**Impact on the adoption of UAE Corporate Tax Law disclosures**

The Group has adopted the Federal corporate tax (CT) regime as implemented by the UAE Ministry of Finance through release of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“Corporate Tax Law” or the “Law”) to enact a Corporate Tax (“CT”) regime in the UAE. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Group has adopted the CT regime from with effect from 1 January 2024, and accordingly, it has recorded a net income tax benefit of AED 3,462,454 in interim consolidated statement of profit or loss.

**New material accounting policy information adopted by the Group**

**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 interim 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 using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

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

**2.3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP**  
continued

**New material accounting policy information adopted by the Group** continued

**Taxation** continued

*Deferred tax* continued

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

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

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

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

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

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2023.

# Sawaeed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 4 PROPERTY AND EQUIPMENT

During the six month ended 30 June 2024, additions to property and equipment is AED 224,551 (30 June 2023: AED 517,124). Depreciation expense for the six month period ended 30 June 2024 amounted to AED 681,385 (30 June 2023: AED 684,952).

### 5 INVESTMENT PROPERTY

	<i>Building</i> <i>AED</i>
Cost:	
At 31 December 2023 (audited)	<b><u>119,038,452</u></b>
At 30 June 2024 (unaudited)	<b><u>119,038,452</u></b>
Accumulated depreciation:	
At 1 January 2023 (audited)	57,805,480
Charge for the year	<u>3,309,890</u>
At 1 January 2024 (audited)	61,115,370
Charge for the period	<u>1,654,946</u>
At 30 June 2024 (unaudited)	<b><u>62,770,316</u></b>
Carrying amount:	
At 30 June 2024 (unaudited)	<b><u>56,268,136</u></b>
At 31 December 2023 (audited)	<u>57,923,082</u>

The investment property pertains to building constructed on a plot of land governed by a long-term operating lease agreement with Higher Corporation for Specialized Economic Zones (“Zones Corp”) on which the labour accommodation camp has been built.

Management believes there is no impairment as at 30 June 2024.

### 6 RIGHT TO USE OF ASSETS AND LEASES LIABILITIES

Movements in right of use assets and lease liabilities during the period are as follows:

	<i>Right of</i> <i>use assets</i> <i>AED</i>	<i>Lease</i> <i>liabilities</i> <i>AED</i>
At 1 January 2023 (audited)	29,166,531	30,028,359
Additions during the year	1,648,254	1,648,254
Depreciation expense	(705,351)	-
Interest expense	-	1,678,351
Payments	<u>-</u>	<u>(1,903,944)</u>
At 1 January 2024 (audited)	<b>30,109,434</b>	<b>31,451,020</b>
Modification during the period	<b>474,318</b>	<b>474,318</b>
Depreciation expense	<b>(412,848)</b>	
Interest expense	-	<b>789,466</b>
Payments	<u>-</u>	<u>(1,395,658)</u>
At 30 June 2024 (unaudited)	<b><u>30,170,904</u></b>	<b><u>31,319,146</u></b>

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
For the six-month period ended 30 June 2024 (unaudited)

**6 RIGHT TO USE OF ASSETS AND LEASES LIABILITIES** continued

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

	<b>30 June 2024 AED (Unaudited)</b>	<b>31 December 2023 AED (Audited)</b>
Current portion	<b>1,947,639</b>	1,943,614
Non-current portion	<b><u>29,371,507</u></b>	<u>29,507,406</u>
	<b><u>31,319,146</u></b>	<u>31,451,020</u>

The Group had entered into two long-term thirty-year operating lease agreements with Higher Corporation for Specialized Economic Zones to rent plots of land in Abu Dhabi, UAE on which the labour accommodation camp has been built and another on which the training centre has been built.

**7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

Movement in financial assets carried at fair value through other comprehensive income are as follows:

	<b>(Unaudited) 30 June 2024 AED</b>	<b>(Audited) 31 December 2023 AED</b>
At 1 January	<b>70,772,190</b>	71,179,433
Purchases	-	3,206,808
Change in fair value	<b>(5,833,979)</b>	(3,285,429)
Disposals during the period / year	<b><u>(24,544,502)</u></b>	<u>(328,622)</u>
At the end of the period / year	<b><u>40,393,709</u></b>	<u>70,772,190</u>

Financial assets at fair value through other comprehensive income represent investments in quoted shares of UAE Company.

These investments in equity instruments are not held-for-trading. Instead, they are held for medium to long term strategic purposes. Accordingly, the management of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

Dividend income received from financial assets carried at fair value amounted to AED 1,016,463 (30 June 2023: AED 760,977).

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

#### 8 TRADE AND OTHER RECEIVABLES

	<i>(Unaudited)</i> <b>30 June</b> <b>2024</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
Trade receivables	<b>164,808,167</b>	159,134,994
Unbilled receivables	<b>9,509,068</b>	-
Less: provision for expected credit losses	<b>(115,732,966)</b>	<u>(70,706,874)</u>
	<b>58,584,269</b>	88,428,120
Prepayments	<b>9,886,493</b>	9,318,285
Deposits and other receivables	<b>8,357,294</b>	6,736,772
Advances to suppliers	<b><u>4,606,928</u></b>	<u>-</u>
	<b><u>81,434,984</u></b>	<u>104,483,177</u>

The average contractual credit period on rendering of services is 60 days (31 December 2023: 60 days), whereas the actual average collection period is considered as 180 days (31 December 2023: 180). No interest is charged on other receivables. The Group has determined the allowance for credit loss on the basis of past history and analysis of capacity of clients to make future payments.

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

	<i>(Unaudited)</i> <b>30 June</b> <b>2024</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
At 1 January	<b>70,706,874</b>	62,849,146
Charge for the period / year	<b><u>45,026,092</u></b>	<u>7,857,728</u>
At the end of the period / year	<b><u>115,732,966</u></b>	<u>70,706,874</u>

#### 9 RELATED PARTY BALANCES AND TRANSACTIONS

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

# Sawaeed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 9 RELATED PARTY BALANCES AND TRANSACTIONS continued

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

	<i>(Unaudited)</i> <b>30 June</b> <b>2024</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
<b>Amounts due from related parties:</b>		
Trojan General Contracting LLC	15,072,201	15,747,454
Trojan Construction Group - Sole Proprietorship LLC	2,217,411	2,217,411
Al Ain Farms for Livestock Production	1,686,522	809,315
ATGC Transport and General Contracting LLC	566,509	229,173
National Projects & Construction LLC	493,614	-
Emarat Europe Fast Bldg. Technology System Factory LLC	257,214	467,435
Gulf Dunes Landscaping & Agricultural Services Company LLC	210,381	171,545
Inspire Integrated Services LLC	200,163	1,199,298
Reem Emirates Aluminium LLC	151,433	-
H.H. Sheikh Mansour Bin Zayed Al Nahyan	79,866	103,863
National Petroleum Construction Company PJSC	61,538	32,404
Khidmah Sole Proprietorship LLC	54,814	-
Tafawuq Facilities Management Company LLC	47,054	47,770
Sheikh Hamdan Bin Zayed Al Nahyan Private Office	-	4,858
Pivot Engineering and General Contracting	13,205	-
United International Group for Manpower Services LLC	10,500	-
Hi-Tech Concrete Products LLC	<u>2,878</u>	<u>182,132</u>
	<b><u>21,125,303</u></b>	<b><u>21,212,658</u></b>

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

	<i>(Unaudited)</i> <b>30 June</b> <b>2024</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
Financial assets carried at fair value through other comprehensive income ( <i>entities under common control</i> )	<u>22,675,549</u>	<u>50,002,211</u>
Balances with a financial institution ( <i>other related party</i> )	<u>47,571,552</u>	<u>20,021,051</u>

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

	<i>(Unaudited)</i> <b>30 June</b> <b>2024</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
<b>Amounts due to related parties:</b>		
United International Group for Manpower Services LLC	78,989	-
ESG Emirates Stallions Group PJSC	66,743	-
Abu Dhabi Land General Contracting LLC	<u>1,134</u>	<u>-</u>
	<b><u>146,866</u></b>	<b><u>-</u></b>



# Sawaeed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 9 RELATED PARTY BALANCES AND TRANSACTIONS continued

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	<u>6,810,222</u>	<u>7,098,783</u>	<u>13,562,126</u>	<u>16,196,388</u>
Board of Directors' remuneration	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Interest income on deposits with financial institution	<u>206,718</u>	<u>115,103</u>	<u>360,093</u>	<u>270,035</u>
<b>Key management compensation:</b>				
Salaries and other short-term employees' benefits	<u>285,000</u>	<u>285,000</u>	<u>570,000</u>	<u>570,000</u>
Post-employment benefits	<u>57,000</u>	<u>57,000</u>	<u>114,000</u>	<u>114,000</u>

### 10 CASH AND BANK BALANCES

	<i>(Unaudited) 30 June 2024 AED</i>	<i>(Audited) 31 December 2023 AED</i>
Cash in hand	<b>108,830</b>	72,075
Cash at banks	<b>28,010,264</b>	19,053,963
Term deposits	<b>75,095,081</b>	60,918,891
Margin deposits	<u><b>358,970</b></u>	<u>-</u>
Cash and bank balances	<b>103,573,145</b>	80,044,929
Less: term deposits with original maturities of more than three months*	<u><b>(75,095,081)</b></u>	<u><b>(60,918,891)</b></u>
Cash and cash equivalents	<u><b>28,478,064</b></u>	<u><b>19,126,038</b></u>

Term deposits have maturities of three to twelve months from the date of placement and carry fixed interest rates ranging from 4.0% to 5.20% (31 December 2023: 4.6% to 5.2%).

\* Fixed deposits amounted to AED 25,278,073 are mortgaged against labour guarantees included bank guarantees and performance bonds as disclosed in note 21.

Cash and cash equivalents as at 30 June 2023 (unaudited) amounted to AED 55,527,189.

### 11 DIVIDENDS

As decided by the Board at the Board Meeting held on 22 February 2024, no cash dividend was paid to the shareholders in respect of the period ended 31 March 2024 (30 June 2023: AED 5,110,000 at a price of AED 0.10 per share).

# Sawaeed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 12 SHARE CAPITAL

	<i>(Unaudited)</i> <b>30 June</b> <b>2024</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
<b>Authorised, issued and fully paid</b>		
51,100,000 (31 December 2023: 51,100,000 shares of AED 1 each (31 December 2023: AED 1 each))	<b><u>51,100,000</u></b>	<b><u>51,100,000</u></b>

### 13 LEGAL RESERVE

In accordance with the Company's Memorandum 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.

### 14 RESTRICTED RESERVE

Restricted reserve pertains to the non-distributable legal reserve of the subsidiaries.

### 15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

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

	<i>(Unaudited)</i> <b>30 June</b> <b>2023</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
At 1 January	<b>12,910,715</b>	13,020,788
Charge during the period / year	<b>1,901,935</b>	2,074,667
Payments during the period / year	<b><u>(769,464)</u></b>	<b><u>(2,184,740)</u></b>
<b>At the end of the period / year</b>	<b><u>14,043,186</u></b>	<b><u>12,910,715</u></b>

### 16 TRADE AND OTHER PAYABLES

	<i>(Unaudited)</i> <b>30 June</b> <b>2023</b> <b>AED</b>	<i>(Audited)</i> <b>31 December</b> <b>2023</b> <b>AED</b>
Salaries and staff benefit payables	<b>18,031,137</b>	15,938,749
Trade payables	<b>8,819,353</b>	3,457,501
Accruals and other payables	<b>3,563,127</b>	3,422,430
Advances from customers	<b>2,723,922</b>	2,327,965
Retentions payables	<b><u>1,939,863</u></b>	<b><u>536,060</u></b>
	<b><u>35,077,402</u></b>	<b><u>25,682,705</u></b>

# Sawaeed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 17 REVENUE

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Revenues</b>				
Manpower services	<b>36,660,251</b>	28,976,409	<b>78,563,437</b>	61,144,955
Facilities management services	<b>1,825,030</b>	194,541	<b>1,859,963</b>	370,967
Food and catering services	<b>-</b>	8,282	<b>-</b>	71,610
	<b><u>38,485,281</u></b>	<u>29,179,232</u>	<b><u>80,423,400</u></b>	<u>61,587,532</u>
<b>Rental income</b>				
Leasing income	<b><u>6,709,236</u></b>	<u>2,678,433</u>	<b><u>9,204,648</u></b>	<u>5,237,176</u>
	<b><u>45,194,517</u></b>	<u>31,857,665</u>	<b><u>89,628,048</u></b>	<u>66,824,708</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>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Timing of revenue recognition</b>				
Goods and services transferred at a point in time	-	8,282	-	71,610
Goods and services transferred over time	<b><u>45,194,517</u></b>	<u>31,849,383</u>	<b><u>89,628,048</u></b>	<u>66,753,098</u>
	<b><u>45,194,517</u></b>	<u>31,857,665</u>	<b><u>89,628,048</u></b>	<u>66,824,708</u>

### 18 INCOME TAX

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

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Interim consolidated statement of profit or loss</b>				
<i>Income tax</i>				
Charge for the period	<b><u>363,953</u></b>	-	<b><u>642,953</u></b>	-
<i>Deferred tax</i>				
Relating to origination and reversal of deductible temporary differences	<b><u>(154,368)</u></b>	-	<b><u>(4,105,407)</u></b>	-
Net income tax expense (benefit) reported in the interim consolidated statement of profit and loss	<b><u>209,585</u></b>	-	<b><u>(3,462,454)</u></b>	-

# Sawaeed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 18 INCOME TAX continued

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Interim consolidated statement of other comprehensive income</b>				
<i>Deferred tax related to items recognised in OCI during the period:</i>				
Relating to fair value loss on investments in financial assets	<u>(250,097)</u>	<u>-</u>	<u>(525,058)</u>	<u>-</u>
Deferred income tax (benefit) recorded in the interim consolidated statement of OCI	<u>(250,097)</u>	<u>-</u>	<u>(525,058)</u>	<u>-</u>

Deferred tax assets recorded in interim consolidated statement of financial position relate to the following:

	<i>(Unaudited)</i> <i>30 June</i>	<i>(Audited)</i> <i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
Provisions and others	4,438,836	-
Losses available for offsetting against future taxable income	<u>191,629</u>	<u>-</u>
	<u>4,630,465</u>	<u>-</u>

### 19 BASIC AND DILUTED EARNINGS / (LOSS) 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 period.

	<i>Three months ended</i> <i>30 June</i>		<i>Six months ended</i> <i>30 June</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit / (loss) for the period	<u>2,900,123</u>	<u>(1,390,210)</u>	<u>(33,720,318)</u>	<u>1,751,301</u>
Weighted average number of shares	<u>51,100,000</u>	<u>51,100,000</u>	<u>51,100,000</u>	<u>51,100,000</u>
Earnings / (loss) per share	<u>0.06</u>	<u>(0.027)</u>	<u>(0.66)</u>	<u>0.034</u>

There were no potentially dilutive securities as at 30 June 2024 and 2023, and accordingly, diluted earnings per share are the same as basic earnings per share.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

**20 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;
- Workers' accommodation, which involves in real estate enterprises investment, development, training institution and management; and camps and labour accommodation management; and
- Other segments include the Group's business operations on catering and facilities management.

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.

**For the period ended 30 June 2024 (unaudited):**

<i>Description</i>	<i>Manpower outsourcing AED</i>	<i>Workers' accommodation AED</i>	<i>Others AED</i>	<i>Inter segment eliminations AED</i>	<i>Total AED</i>
Revenue	99,792,735	9,204,648	3,290,829	(22,660,164)	89,628,048
Direct costs	(88,911,661)	(6,364,652)	(1,054,163)	21,606,016	(74,724,460)
Gross profit	10,881,074	2,839,996	2,236,666	(1,054,148)	14,903,588
General and administrative expenses	(8,498,573)	(1,082,560)	(1,364,665)	1,281,063	(9,664,735)
Provision for expected credit losses of trade receivables	(45,026,092)	-	-	-	(45,026,092)
Finance expense	(77,804)	(673,610)	(157,536)	-	(908,950)
Other income	1,474,875	376,222	1,889,235	(226,915)	3,513,417
(Loss) / profit for the period	(41,246,520)	1,460,048	2,603,700	-	(37,182,772)

**For the period ended 30 June 2023 (unaudited)**

<i>Description</i>	<i>Manpower outsourcing AED</i>	<i>Workers' accommodation AED</i>	<i>Others AED</i>	<i>Inter segment eliminations AED</i>	<i>Total AED</i>
Revenue	67,685,461	10,533,060	2,420,077	(13,813,890)	66,824,708
Direct costs	(54,527,277)	(6,714,356)	(2,140,377)	8,161,174	(55,220,836)
Gross profit	13,158,184	3,818,704	279,700	(5,652,716)	11,603,872
General and administrative expenses	(6,823,909)	(921,625)	(6,210,691)	5,933,580	(8,022,645)
Provision for expected credit losses of trade receivables	(4,113,968)	-	-	-	(4,113,968)
Finance expense	-	(602,063)	(202,371)	-	(804,434)
Other income	1,428,719	1,731,549	209,072	(280,864)	3,088,476
(Loss) / profit for the period	3,649,026	4,026,565	(5,924,290)	-	1,751,301

# Sawaheed Holding P.J.S.C.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six-month period ended 30 June 2024 (unaudited)

### 20 SEGMENT REPORTING (continued)

As at 30 June 2024 (unaudited):

	<i>Manpower outsourcing AED</i>	<i>Workers' accommodation AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Total AED</i>
Total current assets	132,173,506	45,666,326	84,172,921	(55,879,321)	206,133,432
Total non-current assets	<u>76,031,067</u>	<u>79,671,733</u>	<u>23,744,132</u>	<u>(30,321,841)</u>	<u>149,125,091</u>
Total assets	<u>208,204,573</u>	<u>125,338,059</u>	<u>107,917,053</u>	<u>(86,201,162)</u>	<u>355,258,523</u>
Total liabilities	<u>61,801,374</u>	<u>30,071,608</u>	<u>79,392,245</u>	<u>(90,035,674)</u>	<u>81,229,553</u>

As at 31 December 2023 (audited):

	<i>Manpower outsourcing AED</i>	<i>Workers' accommodation AED</i>	<i>Others AED</i>	<i>Eliminations AED</i>	<i>Total AED</i>
Total current assets	157,599,035	41,498,534	61,563,575	(54,920,380)	205,740,764
Total non-current assets	<u>106,728,524</u>	<u>81,454,251</u>	<u>24,130,815</u>	<u>(34,951,705)</u>	<u>177,361,885</u>
Total assets	<u>264,327,559</u>	<u>122,952,785</u>	<u>85,694,390</u>	<u>(89,872,085)</u>	<u>383,102,649</u>
Total liabilities	<u>50,669,342</u>	<u>29,146,382</u>	<u>79,947,801</u>	<u>(89,719,085)</u>	<u>70,044,440</u>

### 21 COMMITMENTS AND CONTINGENCIES

	<i>(Unaudited) 30 June 2024 AED</i>	<i>(Audited) 31 December 2023 AED</i>
Bank guarantees and performance bonds	<u>32,266,770</u>	<u>3,815,543</u>

### 22 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.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
For the six-month period ended 30 June 2024 (unaudited)
**22 FAIR VALUES continued**

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

	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>	<i>Total</i> <i>AED</i>
<b>30 June 2024</b>				
Financial assets carried at fair value through other comprehensive income	<u>40,393,709</u>	<u>-</u>	<u>-</u>	<u>40,393,709</u>
<b>31 December 2023</b>				
Financial assets carried at fair value through other comprehensive income	<u>70,772,190</u>	<u>-</u>	<u>-</u>	<u>70,772,190</u>

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

**23 SEASONALITY OF RESULTS**

No income of a seasonal nature was recorded in the interim consolidated statement of profit or loss for the six months period ended 30 June 2024 and 2023.

**24 COMPARATIVE FIGURES**

Certain comparative figures have been reclassified, wherever necessary, to confirm to the presentation adopted in the current period's interim condensed consolidated financial statements. These reclassifications were not significant and have no impact on the total assets, total liabilities, total equity and profit of the Group.