

Abu Dhabi National Hotels Company PJSC

**Review report and condensed consolidated interim
financial information for the six-month period ended
30 June 2025 (Unaudited)**

Abu Dhabi National Hotels Company PJSC

Review report and condensed consolidated interim financial information for the six-month period ended 30 June 2025 (Unaudited)

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Review report on the condensed consolidated interim financial information to the Board of Directors of Abu Dhabi National Hotels Company PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Abu Dhabi National Hotels Company PJSC (the 'Company') and its subsidiaries (the 'Group') as at 30 June 2025 and the related condensed consolidated interim statements of profit or loss, comprehensive income for the three-month and six-month periods then ended, and condensed consolidated interim statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

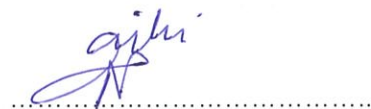
Scope of review

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.

Conclusion

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

PricewaterhouseCoopers Limited Partnership – Abu Dhabi
31 July 2025



Nizar Jichi
Registered Auditor Number 5596
Abu Dhabi, United Arab Emirates

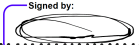
Abu Dhabi National Hotels Company PJSC

Condensed consolidated interim statement of financial position

		As at	
		30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property and equipment	5	9,745,937	9,796,986
Right-of-use assets	6	18,573	33,887
Investment in associates	7	17,352	18,176
Investment in joint ventures	8	183,644	213,971
Financial assets at fair value through other comprehensive income	9	21,179	21,179
Intangible assets	10	1,120,678	1,134,489
Franchise fee		729	792
		<u>11,108,092</u>	<u>11,219,480</u>
Current assets			
Inventories		21,533	26,152
Trade and other receivables	11	955,814	857,853
Financial assets at fair value through profit or loss	12	308,576	401,788
Term deposits	13	412,735	403,307
Cash and bank balances	14	324,992	571,072
		<u>2,023,650</u>	<u>2,260,172</u>
Total assets		<u>13,131,742</u>	<u>13,479,652</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	15	1,260,000	1,260,000
Statutory and optional reserves	16	1,000,000	1,000,000
Own shares	17	(60,180)	(114,001)
Asset revaluation reserve	18	5,417,347	5,417,347
Retained earnings		2,219,489	1,978,285
Proposed dividends	15	-	567,000
Capital and reserves attributable to equity holders of the Parent		<u>9,836,656</u>	<u>10,108,631</u>
Non-controlling interests		451,235	452,614
Total equity		<u>10,287,891</u>	<u>10,561,245</u>
LIABILITIES			
Non-current liabilities			
Bank borrowings	19	906,421	998,451
Provision for employees' end of service benefits		159,822	153,505
Deferred income tax liabilities	26	68,445	70,162
Lease liabilities	20	3,629	15,578
		<u>1,138,317</u>	<u>1,237,696</u>
Current liabilities			
Bank borrowings	19	825,389	697,967
Current tax liabilities	26	71,070	42,325
Lease liabilities	20	18,069	24,894
Trade and other payables	21	791,006	915,525
		<u>1,705,534</u>	<u>1,680,711</u>
Total liabilities		<u>2,843,851</u>	<u>2,918,407</u>
Total equity and liabilities		<u>13,131,742</u>	<u>13,479,652</u>

To the best of our knowledge, the condensed consolidated interim financial information is prepared, in all material respects, in accordance with IAS 34.

The condensed consolidated interim financial information was authorised and approved by the Board of Directors for issuance on 31 July 2025.

Signed by:	Signed by:	Signed by:	Signed by:
			
Khalaf Sultan Rashed	Sheikh Ahmed Mohammed	Khalid Anib	Rami Naim
Saeed Al Dhaheri	Sultan Suroor Aldhahiri	Chief Executive Officer	Chief Financial Officer
Chairman of the Board	Vice Chairman of the Board and Managing Director		

The notes on pages 7 to 32 are an integral part of this condensed consolidated interim financial information. (2)

Abu Dhabi National Hotels Company PJSC

Condensed consolidated interim statement of profit or loss

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2025	2024	2025	2024
		AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)	AED'000 (Unaudited)
Revenues from contracts with customers		845,793	772,133	1,727,251	1,226,899
Cost of services		(638,548)	(661,859)	(1,284,600)	(962,877)
Gross profit		<u>207,245</u>	<u>110,274</u>	<u>442,651</u>	<u>264,022</u>
General and administrative expenses		(51,998)	(15,641)	(114,531)	(37,651)
Net impairment loss of financial assets		(22,903)	(1,845)	(24,194)	(12,058)
Gain on previously held equity interest in joint venture	25	-	-	-	916,409
Fair value gain on financial assets at FVTPL	12	2,057	-	6,788	-
Other income	23	8,549	64,594	13,769	69,760
Operating profit		<u>142,950</u>	<u>157,382</u>	<u>324,483</u>	<u>1,200,482</u>
Finance income		5,196	287	10,443	745
Finance costs		(22,594)	(30,194)	(46,148)	(59,583)
Finance costs-net		<u>(17,398)</u>	<u>(29,907)</u>	<u>(35,705)</u>	<u>(58,838)</u>
Share of profit from associates	7	461	382	979	968
Share of profit from joint ventures	8	7,076	8,346	14,886	24,563
Profit for the period before tax		<u>133,089</u>	<u>136,203</u>	<u>304,643</u>	<u>1,167,175</u>
Income tax expense	26	(11,024)	(6,775)	(26,174)	(16,473)
Profit for the period		<u><u>122,065</u></u>	<u><u>129,428</u></u>	<u><u>278,469</u></u>	<u><u>1,150,702</u></u>
Attributable to:					
Equity holders of the Parent		110,066	129,406	253,017	1,150,588
Non-controlling interests		11,999	22	25,452	114
		<u><u>122,065</u></u>	<u><u>129,428</u></u>	<u><u>278,469</u></u>	<u><u>1,150,702</u></u>
Basic and diluted earnings per share attributable to ordinary equity holders of the Parent (AED)	27	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>	<u>0.09</u>

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Condensed consolidated interim statement of comprehensive income

Note	Three-month period ended 30 June		Six-month period ended 30 June	
	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Profit for the period	122,065	129,428	278,469	1,150,702
Other comprehensive income:				
<i>Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss</i>				
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	<u>122,065</u>	<u>129,428</u>	<u>278,469</u>	<u>1,150,702</u>
Total comprehensive income is attributable to:				
Equity holders of the Parent	110,066	129,406	253,017	1,150,588
Non-controlling interests	11,999	22	25,452	114
	<u>122,065</u>	<u>129,428</u>	<u>278,469</u>	<u>1,150,702</u>

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Condensed consolidated interim statement of changes in equity

	Attributable to equity holders of the Parent							Non-controlling interests AED'000	Total equity AED'000
	Share capital AED'000	Statutory and optional reserves AED'000	Own shares AED'000	Asset revaluation reserve AED'000	Foreign currency translation reserve AED'000	Retained earnings AED'000	Proposed dividends AED'000	Total AED'000	
At 1 January 2024 (Audited)	1,200,000	1,000,000	(83,566)	5,420,257	(289)	991,773	300,000	8,828,175	8,830,437
Profit for the period	-	-	-	-	-	1,150,588	-	1,150,588	1,150,702
Total comprehensive income for the period	-	-	-	-	-	1,150,588	-	1,150,588	1,150,702
Purchase of own shares	-	-	(41,728)	-	-	-	-	(41,728)	(41,728)
Transfer of revaluation reserve to retained earnings on disposal of property and equipment (Note 18)	-	-	-	(2,910)	-	2,910	-	-	-
Transactions with non-controlling interest	-	-	-	-	-	-	-	(657)	(657)
Transactions with owners:									
Bonus shares	60,000	-	-	-	-	-	(60,000)	-	-
Dividends (Note 15)	-	-	-	-	-	-	(240,000)	(240,000)	(240,000)
At 30 June 2024 (Unaudited)	<u>1,260,000</u>	<u>1,000,000</u>	<u>(125,294)</u>	<u>5,417,347</u>	<u>(289)</u>	<u>2,145,271</u>	<u>-</u>	<u>9,697,035</u>	<u>9,698,754</u>
Balance at 1 January 2025 (Audited)	1,260,000	1,000,000	(114,001)	5,417,347	-	1,978,285	567,000	10,108,631	10,561,245
Profit for the period	-	-	-	-	-	253,017	-	253,017	278,469
Total comprehensive income for the period	-	-	-	-	-	253,017	-	253,017	278,469
Own shares	-	-	35,922	-	-	-	-	35,922	35,922
Other movement	-	-	17,899	-	-	(11,813)	-	6,086	-
Transactions with owners:									
Dividends (Note 15)	-	-	-	-	-	-	(567,000)	(567,000)	(587,745)
At 30 June 2025 (Unaudited)	<u>1,260,000</u>	<u>1,000,000</u>	<u>(60,180)</u>	<u>5,417,347</u>	<u>-</u>	<u>2,219,489</u>	<u>-</u>	<u>9,836,656</u>	<u>10,287,891</u>

The notes on pages 7 to 32 are an integral part of this condensed consolidated interim financial information.

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Condensed consolidated interim statement of cash flows

	Note	Six-month period ended 30 June	
		2025	2024
		AED'000 (Unaudited)	AED'000 (Unaudited)
Cash flows from operating activities			
Profit for the period before tax		304,643	1,167,175
Adjustments for:			
Depreciation of property and equipment	5	127,360	128,761
Depreciation of right-of-use assets	6	17,559	14,296
Share of profit from associates	7	(979)	(968)
Share of profit from joint ventures	8	(14,886)	(24,563)
Provision for impairment of financial assets		24,194	12,058
Reversal of provision for slow moving inventories		(8)	-
Provision for employees' end of service benefits		17,916	8,735
Gain on disposal of property and equipment	23	(8,675)	(62,926)
Fair value gain on financial assets carried at fair value through profit or loss		(6,788)	-
Finance costs		46,148	59,583
Finance income		(10,443)	(745)
Fair value gain on retained equity interest in joint venture		-	(916,409)
Amortisation of intangible assets	10	20,511	10,010
Amortisation of franchise fee		63	214
Operating cash flows before employees' end of service benefits payment and changes in working capital		516,615	395,221
Payment of employees' end of service benefits		(11,598)	(4,428)
Changes in working capital:			
Inventories		4,627	644
Trade and other receivables		(170,367)	63,121
Trade and other payables		(126,065)	(240,901)
Net cash flow generated from operating activities		213,212	213,657
Cash flows from investing activities			
Purchase of property and equipment	5	(77,085)	(30,413)
Proceeds from disposal of property and equipment		10,418	84,369
Derecognition of financial assets at FVTPL	12	100,000	-
Dividend received from associates	7	1,803	1,053
Dividend received from joint ventures	8	45,213	43,179
Payment for acquisition of subsidiaries, net of cash acquired		(762)	76,653
Payment for acquisition of a joint venture	8	-	(30,000)
Finance income received		10,443	745
Net cash flow generated from investing activities		90,030	145,586
Cash flows from financing activities			
Proceeds from bank borrowings		580,346	455,781
Dividend paid		(567,000)	(240,000)
Principal elements of lease payments		(20,970)	(10,364)
Transactions with non-controlling interest		-	(657)
Repayment of bank borrowings		(495,550)	(487,485)
Interest paid		(46,148)	(59,583)
Net cash flow used in financing activities		(549,322)	(342,308)
Net (decrease)/increase in cash and cash equivalents		(246,080)	16,935
Cash and cash equivalents at the beginning of the period		571,072	377,168
Cash and cash equivalents at the end of the period	14	324,992	394,103
Non-cash transactions:			
Own shares		53,821	41,728
Addition of right-of-use assets	6	958	-
Addition of lease liabilities	20	958	-
Transfer of revaluation reserve to retained earnings		-	2,910

The notes on pages 7 to 32 are an integral part of this condensed consolidated interim financial information. (6)

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025

1 General information

Abu Dhabi National Hotels Company PJSC (the “Company”), a public shareholding company, was incorporated in Abu Dhabi, United Arab Emirates (“UAE”) on 13 April 1975 by Law No. (3) as amended by Law No. (5) of 1978, to own and manage hotels and to undertake other related business. The Company’s shares are listed on Abu Dhabi Securities Exchange. The address of its registered office is P.O. Box 46806, Abu Dhabi, United Arab Emirates.

The Group owns twelve hotels within the UAE (Radisson Blu Abu Dhabi, Radisson Blu Al Ain, Abu Dhabi Sheraton Hotel, Le Meridien Abu Dhabi, Sofitel Hotel – Dubai Jumeirah Beach, Park Hyatt Abu Dhabi Hotel and Villas, Ritz Carlton Abu Dhabi Grand Canal, Kempinski Central Avenue Hotel LLC, Kempinski The Boulevard Hotel LLC, MDD Hotel LLC, VDD Hotel LLC and Dubai Marina Hotel LLC) that are managed by international hotel operating companies or operating under a franchise agreement. The Group also has tourism services, transportation services, and catering services.

The Company has investments in the following subsidiaries as of 30 June 2025 and 31 December 2024.

Name	Country of operation	Principal activity	Interest (%)	
			30 June 2025	31 December 2024
Al Ghazal Transportation Company – Al Ghazal Express - Owned by Abu Dhabi National Hotels Company PJSC– (“Subsidiary”)	United Arab Emirates	Transport services	100	100
Dome Hotels LLC (“Subsidiary”)	United Arab Emirates	Hospitality	100	100
ADNMC Sole proprietorship LLC (“Subsidiary”)	United Arab Emirates	Hospitality	100	100
Em Sherif Café West Bay LLC (“Subsidiary”)	United Arab Emirates	Food and beverage	80	80
ADNM RAK INVESTMENTS L.L.C- O.P.C – Sole Proprietorship L.L.C (“Subsidiary”)	United Arab Emirates	Hospitality	100	100
ADRM Restaurants Management – Sole Proprietorship LLC. (“Subsidiary”)	United Arab Emirates	Restaurants management	100	100
National Facility Management Company – Sole Proprietorship LLC (“Subsidiary”)	United Arab Emirates	Maintenance	100	100
ADNH General Security Guard Arab Guard Services LLC (“Subsidiary”)	United Arab Emirates	Security guard services	100	100

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

1 General information (continued)

Name	Country of operation	Principal activity	Interest (%)	
			30 June 2025	31 December 2024
A D N H Catering plc ("Subsidiary")	United Arab Emirates	Catering	60	60

A D N H Catering plc sub-group consists of the following entities:

Name	Country of operation	Principal activity	Interest (%)	
			30 June 2025	31 December 2024
A D N H Catering L.L.C ("Subsidiary")	United Arab Emirates	Catering	100	100
A D N H Catering L.L.C. SP ("Subsidiary")	United Arab Emirates	Catering	100	100
A D N H Catering - L.L.C - O.P.C ("Subsidiary")	United Arab Emirates	Catering	100	100
Food Nation Catering Services L.L.C*	United Arab Emirates	Catering	100	-

*On 17 March 2025, A D N H Catering plc (subsidiary) further expanded its operations by acquiring 100% of the issued shares in Food Nation Catering Services LLC, a company specialized in providing high-quality catering services, particularly within the education sector (Note 24).

The Company also has investments in the following associates and joint ventures as of 30 June 2025 and 31 December 2024.

Name	Country of operation	Principal activity	Interest (%)	
			30 June 2025	31 December 2024
Compass Arabia Ltd. ("Joint Venture") ("ADNH Compass – KSA")	Gulf and the Middle East	Catering and contract services	30	30
Compass Catering Services W.L.L. ("Joint Venture") ("ADNH Compass – Qatar")	Gulf and the Middle East	Catering and contract services	50	50
High Spirits LLC ("Joint Venture")	United Arab Emirates	Food and beverage	50	50
M Five Cleaning Services LLC ("Joint Venture")	United Arab Emirates	Cleaning Services	50	50
Overseas Tourist Investment Company Limited ("Associate")	Jersey, Channel Islands	Tourist complexes	38.46	38.46
Prime Concept Café & Restaurant LLC ("Associate")	United Arab Emirates	Food and beverage	43	43

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

2 Application of new and revised IFRS Accounting Standards

2.1 New and revised IFRS Accounting Standards applied with no material effect on the condensed consolidated interim financial information

Except for the adoption of new and amended standards as set out below in Note 2.2, the accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024.

Amendments to IAS 21 - Lack of Exchangeability (effective 1 January 2025) - An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Other than the above, there are no other material IFRS Accounting Standards and amendments that were effective for the first time for the financial period beginning on or after 1 January 2025. The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current period but may affect the accounting for the Group's future transactions or arrangements.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

The Group has not early adopted new and revised IFRS Accounting Standards that have been issued but are not yet effective.

- (a) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments - effective for annual periods beginning on or after 1 January 2026.
- (b) Annual improvements to IFRS – Volume 11 - effective for annual periods beginning on or after 1 January 2026.
- (c) Amendment to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity - effective for annual periods beginning on or after 1 January 2026 but can be early adopted subject to local endorsement where required.
- (d) IFRS 18, 'Presentation and Disclosure in Financial Statements' - effective for annual periods beginning on or after 1 January 2027 with early adoption possible subject to local endorsement where required.
- (e) IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' - effective for annual periods beginning on or after 1 January 2027.

The Group is currently assessing the impact of these standards, and amendments on the future condensed consolidated interim financial information of the Group and intends to adopt these, if applicable, when they become effective.

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

3 Material accounting policies

3.1 Basis of preparation

The condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") and also comply with the applicable requirements of the laws in the UAE.

The condensed consolidated interim financial information has been prepared in United Arab Emirates Dirham ("AED"), which is the functional and presentation currency of the Company/Group. All values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

The condensed consolidated interim financial information has been prepared using the historical cost basis, except for the remeasurement of investment securities at fair value and revaluation of land.

The condensed consolidated interim financial information does not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2024. However, selected explanatory notes as shown below are included to explain events and transactions that are significant to the understanding of the changes in the Group's financial position and performance since the last consolidated financial statements.

The material accounting policies adopted in the preparation of the condensed consolidated interim financial information are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2024. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3.2 Fair value of financial instruments

The Group's management considers that the fair values of financial assets and financial liabilities approximates to their carrying amounts as stated in the consolidated financial statements.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – fair value measurement are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Management has determined the fair value of these unquoted investments by applying an appropriate risk adjusted liquidity discount on the net assets of the investee companies.

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

3 Material accounting policies (continued)

3.2 Fair value of financial instruments (continued)

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 June 2025				
Investment securities	308,576	-	21,179	329,755
31 December 2024				
Investment securities	401,788	-	21,179	422,967

The carrying values of the Group's financial assets and financial liabilities as at 30 June 2025 are not materially different from their fair values.

4 Critical accounting judgments and key sources of estimation uncertainty

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The Group's financial risk management objectives and policies are the same as the ones identified in the consolidated financial statements for the year ended 31 December 2024.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2024.

5 Property and equipment

The movement of the property and equipment as follows:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Property and equipment at net carrying value	9,745,937	9,796,986

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

5 Property and equipment (continued)

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	9,796,986	9,953,267
Acquired through business combination (Notes 24, 25)	842	19,675
Additions during the period/year	77,085	114,569
Disposals during the period/year	(1,616)	(26,737)
Depreciation charge for the period/year	(127,360)	(263,788)
At 30 June/31 December	<u>9,745,937</u>	<u>9,796,986</u>

The depreciation charge has been allocated in the condensed consolidated interim statement of profit or loss as follows:

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
Cost of services	126,949	127,980
General and administrative expenses	411	781
	<u>127,360</u>	<u>128,761</u>

Bank borrowings are secured against the mortgage of hotel properties with a value of AED 5 billion as at 30 June 2025 (31 December 2024: AED 5 billion).

5.1 Revaluation of land

Included in property and equipment is land stated at the revalued amount of AED 6.3 billion as at 30 June 2025 (31 December 2024: AED 6.3 billion).

During the year ended 31 December 2023, the Group engaged an accredited independent valuer to determine the fair value of the land. The revaluation resulted in a gain in the value of land of AED 1.397 billion.

Fair value is determined by reference to market-based evidence. This means that valuations performed by the valuer are based on active market comparable prices, adjusted for any difference in the nature, location, or condition of the specific property. In estimating the revalued amounts of the land, the highest and best use of the land has been considered. The inputs used in the valuation are based on observable market data, and thus, the valuation techniques are considered to be Level 3 fair value measurement. There is no material change to the fair value of the land since the last valuation date that might impact the condensed consolidated interim financial information for the six-month period ended 30 June 2025.

If land was measured using the cost model, the carrying amounts would be AED 710,059 thousand (2024: AED 710,059 thousand).

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

5 Property and equipment (continued)

Leased land

The Group leases from the Abu Dhabi Municipality four parcels of land, which are leased at a nominal value. The leases of these parcels of land are renewed on an annual basis.

6 Right-of-use assets

Group as a lessee

The Group has lease contracts for various items of land and buildings used in its operations. The lease terms range from 12 to 15 years, respectively.

Set out below are the carrying amounts of right-of-use assets recognised and the movement during the period/year:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	33,887	4,774
Acquired through business combination, net (Note 24)	1,287	53,271
Additions during the period/year	958	10,203
Depreciation charge during the period/year	(17,559)	(34,361)
At 30 June/31 December	<u>18,573</u>	<u>33,887</u>

The depreciation charge has been allocated in the condensed consolidated interim statement of profit or loss as follows:

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
Cost of services	<u>17,559</u>	<u>34,361</u>

7 Investment in associates

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	18,176	17,288
Share of profit during the period/year	979	1,941
Dividend received during the period/year	(1,803)	(1,053)
At 30 June/31 December	<u>17,352</u>	<u>18,176</u>

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

7 Investment in associates (continued)

(a) Overseas Tourist Investment Company Limited (“OTIC”)

The Group has a 38.46% interest in equity share capital of Overseas Tourist Investment Company Limited (“OTIC”), which is incorporated in Jersey, Channel Island and participates in tourist complexes and operates in Morocco. The Group’s investment in this associate is accounted for using the equity method of accounting. OTIC is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group’s interest in the associate. The Group’s investment in the OTIC as at 30 June 2025 amounted to AED 10,743 thousand (31 December 2024: AED 10,743 thousand).

(b) Prime Concept Café & Restaurants LLC

The Group’s percentage of equity shareholding in Prime Concept as at 30 June 2025 is 43% (31 December 2024: 43%). The Group’s investment in the Prime Concept Café & Restaurants LLC as at 30 June 2025 amounted to AED 6,609 thousand (31 December 2024: AED 7,433 thousand).

8 Investment in joint ventures

	30 June 2025 AED’000 (Unaudited)	31 December 2024 AED’000 (Audited)
Investment in ADN H Compass Middle East entities (a)	22,968	42,704
Investment in High Spirits LLC (b)	127,662	135,740
Investment in M Five Cleaning Services LLC (c)	33,014	35,527
	<u>183,644</u>	<u>213,971</u>

(a) ADN H Compass – Middle East entities

The Group has a 50% beneficiary interest with equal voting power in Compass Catering Services W.L.L. (“ADN H Compass – Qatar”) and 30% interest in Compass Arabia Ltd. (“ADN H Compass – KSA “), a joint arrangement with Compass Group International BV and another party. These entities provide catering, laundry, housekeeping and facility management services to third parties.

(b) High Spirits LLC

High Spirits LLC is a joint venture between ADN H and Holiday Marine Services LLC engaged in the trade of liquor and beverages. High Spirits LLC commenced business from 1 January 2021.

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

8 Investment in joint ventures (continued)

(c) *M Five Cleaning Investments LLC*

During the year ended 31 December 2024, the Group has acquired a 50% equity interest with equal voting power in M Five Cleaning Services LLC, registered in the United Arab Emirates, which specialises in housekeeping and cleaning services. The Group recorded the 50% interest acquired in the business as an investment in joint venture at a value of AED 30,000 thousand.

Movement in investment in joint ventures is as follows:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	213,971	359,923
Share of profit for the period/year	14,886	43,608
Acquired during the period/year	-	30,000
Dividend received during the period/year	(45,213)	(166,147)
Fair value gain on retained equity interest before reclassification of subsidiary	-	916,409
Reclassified as a subsidiary	-	(969,822)
At 30 June/December	<u>183,644</u>	<u>213,971</u>

9 Financial assets at fair value through other comprehensive income

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Unquoted equity investment	<u>21,179</u>	<u>21,179</u>

The unquoted equity investment represents the Group's equity interest of 10.224% (31 December 2024: 10.224%) in Abu Dhabi Tourism Investment Company ("ADTIC").

ADTIC is registered in Egypt as a private joint stock company. Its objectives are mainly to invest in tourist projects in Egypt. ADTIC owns two hotels in operation under a management agreement with an international hotel operator and holds an equity share in a private shareholding company in Egypt which is engaged in the construction of a tourist resort in Egypt. Investment securities are denominated in UAE Dirhams.

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

10 Intangible assets

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Intangible assets at net carrying value	<u>1,120,678</u>	<u>1,134,489</u>
At 1 January	1,134,489	-
Acquired through business combination (Notes 24, 25)	6,700	1,165,156
Amortisation charge for the period/year	<u>(20,511)</u>	<u>(30,667)</u>
At 30 June/31 December	<u>1,120,678</u>	<u>1,134,489</u>

The amortisation charge has been allocated in the condensed consolidated interim financial statement of profit or loss as follows:

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
General and administrative expenses	<u>20,511</u>	<u>10,010</u>

11 Trade and other receivables

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade receivables	683,640	711,962
Less: allowance for expected credit losses	<u>(100,693)</u>	<u>(59,018)</u>
	582,947	652,944
Contract assets	120,224	35,872
Due from related parties (Note 22)	8,935	8,304
Prepayments	73,584	51,545
Other receivables	<u>170,124</u>	<u>109,188</u>
	<u>955,814</u>	<u>857,853</u>

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

12 Financial assets at fair value through profit or loss

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	401,788	-
Additions during the period/year	-	400,000
Derecognized during the period/year	(100,000)	-
Fair value gain on financial assets at FVTPL	6,788	1,788
At 30 June/31 December	<u>308,576</u>	<u>401,788</u>

13 Term deposits

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Term deposits held with local banks	<u>412,735</u>	<u>403,307</u>

During the year ended 31 December 2024, the Group, invested in term deposits with local banks amounting to AED 400,000 thousand as at 30 June 2025 (31 December 2024: AED 400,000 thousand). These deposits have a maturity date more than three months and less than one year and carry an average interest rate of 4.65% (31 December 2024: 4.65%) per annum. Finance income recorded during the period amounted to AED 9.4 million (30 June 2024: AED 745 thousand).

14 Cash and bank balances

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash on hand	1,680	832
Cash at bank*	<u>323,312</u>	<u>570,240</u>
	<u>324,992</u>	<u>571,072</u>

*Included in the cash at bank is short-term deposits placed during the period. These represented deposits with original maturities of less than three month with local banks. The short-term deposits carried average interest rates of 4% per annum (31 December 2024: 5% per annum). Finance income recorded during the period amounted to AED 1,014,691 (30 June 2024: AED 2,598,489).

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

15 Share capital

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>Authorised, issued and fully paid</i>		
12,600,000,000 shares* of AED 0.1 each	<u>1,260,000</u>	<u>1,260,000</u>
<i>Issued, subscribed and paid-up capital</i>		
At 1 January	1,260,000	1,200,000
Bonus shares issued in 2024: 600,000,000 shares of AED 0.1 each	-	60,000
At 30 June/31 December	<u>1,260,000</u>	<u>1,260,000</u>

* During the year ended 31 December 2024, the Group issued 600 million bonus shares of AED 0.1 each to its existing shareholders on the basis of 5% of the ordinary shares held as of 31 December 2023. The bonus shares are ordinary shares and carry the same rights as other ordinary shares. The legal formalities of the issuance of the share capital were completed on 11 March 2024.

During the year ended 31 December 2024, at the Annual General Meeting held on 28 February 2024, the Shareholders approved a cash dividend of AED 0.02 per share for each of the 12.6 billion shares as at that date totalling to AED 240 million. The cash dividend was paid to the Shareholders on 28 March 2024.

On the Annual General Meeting held on 9 April 2025, the Shareholders approved a cash dividend proposed by the Board of Directors on 14 February 2025 of AED 0.045 per share for each of the 12.6 billion shares as at that date totalling to AED 567 million, which was paid to shareholders on 21 April 2025.

16 Statutory and optional reserves

(a) Statutory reserve

In accordance with the UAE Federal Decree Law No. 32 of 2021, and Article 60 of the Company's Articles of Association, 10% of the profit for the year is to be transferred to a statutory reserve until such reserve reaches 50% of the Company's issued and fully paid-up capital. This reserve is not available for distribution. No transfers were made in the current period. During the year ended 31 December 2024, a transfer of AED 130 million has been made to the statutory reserve to make the statutory reserve reach 50% of the Company's issued and fully paid-up capital. This reserve of AED 630 million is not available for distribution.

(b) Optional reserve

No transfers were made in the current period. During the year ended 31 December 2024, a transfer of AED 130 million has been made to the statutory reserve.

This reserve of AED 370 million is not available for distribution.

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

17 Own shares

During the year 2023, the Group engaged a third-party licensed Market Maker on the Abu Dhabi Securities Exchange that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. The shares are purchased for the Company's account by the Market Maker. The Market Maker trades and operates within the predetermined parameters approved by the Group. The Group monitors the transactions undertaken by the Market Maker on a daily basis. The Group has provided the majority of funding to the Market Maker to trade the Company's shares and it carries all risks and rewards associated with the arrangement. Given the nature and substance of the arrangement, the shares have been classified as "Own Shares" in Equity.

As at 30 June 2025, the Group carried AED 60 million (31 December 2024: AED 114 million) of own shares under an arrangement with this third-party licensed Market Maker on the Abu Dhabi Securities Exchange.

18 Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and decreases to the extent that such decreases relate to increases on the same asset previously recognised in equity. During the year ended 31 December 2023, the Group had engaged an accredited independent valuer to determine the fair value of the land (Note 5).

During the year ended 31 December 2024, the Group sold a penthouse resulting in a disposal in the asset revaluation reserve of AED 2.9 million which was recycled in the retained earnings during the year ended 31 December 2024.

19 Bank borrowings

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>Borrowings with commercial banks:</i>		
Due in less than one year – current	825,389	697,967
Due in more than one year – non-current	906,421	998,451
	<u>1,731,810</u>	<u>1,696,418</u>

The bank borrowings comprise the following:

Bank borrowings 1

On 3 January 2019, the Group obtained a term loan from a local bank amounting to AED 1,600 million to finance its acquisition of Dome Hotels LLC. The facility carries a variable interest rate plus a spread. The loan is repayable in semi-annual instalments. The collateral constitutes a mortgage of the assets purchased from the loan proceeds. The carrying amount of this term loan as at 30 June 2025 was AED 1,024 million (31 December 2024: AED 1,088 million). The loan amount included AED 4.9 million in accrued interest for 30 June 2025.

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

19 Bank borrowings (continued)

Bank borrowings 1 (continued)

The Group paid AED 12 million as processing fees for the loan and as at 30 June 2025 has an unamortised prepaid loan arrangement fee of AED 7.5 million (31 December 2024: AED 8.9 million) that is netted off from the loan balance.

Bank borrowings 2

On 12 March 2020, a subsidiary of the Company, Al Ghazal Transport, obtained a term loan facility from a local bank amounting to AED 80 million for purchase of vehicles. This term loan facility was subsequently renewed to AED 105 million. The loan is repayable in equal monthly instalments. Al Ghazal drew down the entire facility as at 30 June 2025. The facility carries a variable annual interest rate plus a spread. The carrying amount of this loan as at 30 June 2025 was AED 47 million (31 December 2024: AED 36 million). The loan amount included AED 191 thousand in accrued interest for June 2025.

Bank borrowings 3

On 11 November 2022, a subsidiary of the Company, Al Ghazal Transport obtained a term loan facility from a local bank amounting to AED 100 million to finance up to 90% of the purchase value of new vehicles for its operations in the UAE. The loan is repayable in equal monthly instalments. Al Ghazal did not draw down the entire facility as at 30 June 2025. The facility carries a variable annual interest rate plus a spread. The carrying amount of this loan as at 30 June 2025 was AED 44 million (31 December 2024: AED 56 million). The loan amount included AED 194 thousand in accrued interest for June 2025.

Bank borrowings 4

On 1 November 2024, a subsidiary of the Company, ADNHC Catering plc, obtained a term loan from a local bank which amounting to AED 50 million. This loan carries a variable annual interest rate plus a spread. The loan is under an irrevocable corporate guarantee of Abu Dhabi National Hotels Company PJSC. The loan is repayable after 12 months by 1 November 2025. At the reporting date, the loan was paid in total during the period ended 30 June 2025.

Short term bank borrowings

In addition, during the year ended 31 December 2024, the Group had obtained short term loans from three local banks. The carrying amount of these short-term loans at reporting date was AED 616 million (31 December 2024: AED 458 million). This amount includes AED 3.7 million in accrued interest in relation to the six-month period ended 30 June 2025. Certain property and equipment are mortgaged to banks against the short bank borrowings.

The carrying amounts of the Group's borrowings are denominated in UAE Dirhams.

Debt covenants

As at 30 June 2025, there is no non-compliance of financial covenants. The debt covenants compliance is tested by the banks on semi-annual basis (30 June and 31 December).

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

20 Lease liabilities

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	40,472	7,176
Acquired through business combination, net (Note 24)	1,239	53,271
Additions during the period/year	958	10,203
Accretion of interest during the period/year	401	2,307
Payments during the period/year	(21,372)	(32,485)
At 30 June/31 December	<u>21,698</u>	<u>40,472</u>

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

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current	18,069	24,894
Non-current	<u>3,629</u>	<u>15,578</u>
	<u>21,698</u>	<u>40,472</u>

21 Trade and other payables

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade payables	291,079	337,435
Accrued liabilities	301,565	292,230
Directors' remuneration	8,500	16,500
Due to a related party (Note 22)	2,987	2,804
Other payables	<u>186,875</u>	<u>266,556</u>
	<u>791,006</u>	<u>915,525</u>

Trade payables are non-interest bearing and are normally settled within 60 days of the invoice date.

22 Related party balances and transactions

Related parties represent Joint ventures, associates, managed hotels, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

22 Related party balances and transactions (continued)

In the ordinary course of business, the Group receives goods and services from, and provides goods and services to, such enterprises on rates, terms and conditions agreed between the parties.

Terms and conditions of transactions with related parties

The sales to and services from related parties are made at normal market prices. Outstanding balances at the period-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the period ended 30 June 2025 and the year ended 31 December 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

Balances with related parties reflected in the condensed consolidated interim statement of financial position are as follows:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Due from related parties:		
ADNH Compass – Middle East entities	6,509	5,986
Overseas Tourist Investment Company Limited	858	718
High Spirits LLC	300	1,082
Others	1,268	518
	<u>8,935</u>	<u>8,304</u>
Due to a related party		
High Spirits LLC	<u>2,987</u>	<u>2,804</u>

Significant transactions with related parties included in the condensed consolidated interim statement of profit or loss are as follows:

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
Management fees received from Al Diar Hotels	<u>1,661</u>	<u>1,493</u>
Purchases	<u>5,057</u>	<u>5,160</u>
Sales and other services	<u>993</u>	<u>32,518</u>
Key management compensation	<u>4,475</u>	<u>3,761</u>

During the six-month period ended 30 June 2025, there were no loans extended to the Directors of the Group (31 December 2024: Nil).

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

23 Other income

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
Gain on sale of property and equipment	8,675	62,926
Others	5,094	6,834
	<u>13,769</u>	<u>69,760</u>

24 Acquisition of Food Nation Catering Services LLC

On 17 March 2025, the Group entity acquired control over Food Nation Catering Services LLC through a 100% acquisition of the shareholding, making the entity a subsidiary of the Group.

The acquired company is specialised in providing high-quality catering services, particularly within the education sector. The acquisition of Food Nation Catering Services LLC is expected to increase the Group's market share in this sector.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value. The excess of the fair value of the consideration transferred over the fair value of the net assets acquired has been recorded as "goodwill" in the condensed consolidated interim statement of financial position.

The acquisition accounting was performed on a provisional basis and will be completed within a year as permitted under IFRS 3 after finalising the valuation of the acquired assets and liabilities. The provisional amounts will be adjusted to reflect any new information that would be obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised as at that date.

The following table summarises the recognised amount of assets and liabilities acquired at the acquisition date:

	31 March 2025 AED'000 (Unaudited)
Assets	
Property and equipment (Note 5)	842
Right-of-use assets (Note 6)	1,287
Intangible assets	1,219
Trade and other receivables	1,994
Inventories	150
Cash and cash equivalents	<u>3,493</u>
	<u>8,985</u>

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

24 Acquisition of Food Nation Catering Services LLC (continued)

	31 March 2025 AED'000 (Unaudited)
Liabilities	
Lease liabilities (Note 20)	1,239
Income tax provision	64
Trade and other payables	7,630
Deferred income tax liabilities (Note 26)	108
	<u>9,041</u>
Fair value of purchase consideration	
- Initial consideration paid in cash	4,255
- Consideration payable	1,168
	<u>5,423</u>
Add: fair value of net identifiable liabilities acquired	57
Goodwill recognised	<u>5,480</u>

The intangible assets acquired as part of the business combination are detailed below:

	31 March 2025 AED'000 (Unaudited)
Customer relationships	589
Trademark	631
Goodwill	5,480
	<u>6,700</u>

The goodwill is mainly attributable to the assembled workforce of the acquired business. It will not be deductible for tax purposes. The fair value of acquired trade receivables is AED 1,896 thousand. The gross contractual amount for trade receivables due is AED 2,062 thousand with a loss allowance of AED 166 thousand recognised on acquisition.

If the acquisition had occurred on 1 January 2025, consolidated pro-forma revenue and profit for the period ended 30 June 2025 would have been AED 1,737,171 thousands and AED 278,060 thousands respectively. These amounts have been calculated using the subsidiary's results and adjusting them for differences in the accounting policies between the group and the subsidiary (if any). No material transaction costs were incurred on the acquisition.

Cash outflow on acquisition:

	31 March 2025 AED'000 (Unaudited)
Cash consideration paid	4,255
Less: cash acquired with subsidiary	<u>(3,493)</u>
Net outflow of cash – investing activities	<u>762</u>
	(24)

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

24 Acquisition of Food Nation Catering Services LLC (continued)

31 March
2025
AED'000
(Unaudited)

NCI's share of net identifiable liabilities (19)

25 Acquisition of ADN H Catering – UAE entities

As at 31 March 2024, the Group acquired control over ADN H Catering- L.L.C - O.P.C, ADN H Catering L.L.C and ADN H Compass L.L.C. SP (ADN H Catering – UAE entities) through acquisition of the remaining 49% shareholding in the ADN H Catering – UAE entities, making each of the three entities wholly owned subsidiaries of the Group. The date of acquisition of control over ADN H Catering – UAE entities is 31 March 2024.

The reason for the business combination is due to the fact that the acquired businesses were within the industry of ADN H and therefore, ADN H has acquired the remaining shares of the business to have full control over its hospitality business.

The Company has applied the principles of IFRS 3 Business Combinations and has accounted for the effect of the acquisition under the acquisition method from 31 March 2024 when control was acquired by the Group.

The fair value of the pre-existing interest in ADN H Catering – UAE entities on the date of acquisition of control is AED 969,822 thousand.

At the acquisition date, the identifiable assets (including newly identified customer relationships intangible assets) acquired and the liabilities assumed are recognised at their fair value. The fair value of assets and liabilities approximated their carrying values. The excess of the fair value of the retained interest over the net asset value as been recorded as “goodwill” in the condensed consolidated interim financial position.

The following table summarises the recognised amount of assets and liabilities acquired at the acquisition date:

	31 March 2024 AED'000 (Unaudited)
Assets	
Property and equipment (Note 5)	19,675
Right-of-use assets	78,040
Intangible assets	817,800
Inventories	10,860
Trade and other receivables	667,972
Cash and bank balances	190,606
	<u>1,784,953</u>

(25)

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

25 Acquisition of ADNHC Catering – UAE entities (continued)

	31 March 2024 AED'000 (Unaudited)
Liabilities	
Provision for employees' end of service benefits	112,472
Income tax provision	7,447
Lease liabilities	78,603
Trade and other payables	669,653
Deferred income tax liabilities	72,896
	<u>941,071</u>
Fair value of purchase consideration	
- Initial consideration paid in cash	113,953
- Present value of deferred consideration to be paid in cash	107,463
	<u>221,416</u>
Fair value of previously held equity interest (Note 9)	969,822
Less: fair value of net identifiable assets acquired	<u>(843,882)</u>
Goodwill recognised	<u>347,356</u>
Fair value of the previously held equity interest (Note 9)	969,822
Less: carrying value of the previously held equity interest	<u>(53,413)</u>
Gain on previously held equity interest in joint venture recognised in the condensed consolidated interim statement of profit or loss (Note 8)	<u>916,409</u>

The intangible assets acquired as part of the business combination are detailed below:

Customer relationships	817,800
Goodwill	347,356
	<u>1,165,156</u>

The goodwill is significantly attributable to the assembled workforce of the acquired business. It will not be deductible for tax purposes. Besides, cash and bank balances of AED 190,606 thousand, all other line items of assets and liabilities are non-cash transactions for the purpose of consolidated statement of cash flows.

26 Income taxes

Current tax liabilities recorded in the condensed consolidated interim statement of financial position is as follows:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current tax liabilities	<u>71,070</u>	<u>42,325</u>

Abu Dhabi National Hotels Company PJSC

Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

26 Income taxes (continued)

Income tax expense recorded in the condensed consolidated interim statement of profit or loss comprises the following:

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
Current tax	27,999	17,769
<i>Deferred tax</i>		
Decrease in deferred tax liabilities, net	(1,825)	(1,296)
	<u>26,174</u>	<u>16,473</u>

Reconciliation of tax expense and the accounting profit multiplied by the Group's domestic tax rate for 2025:

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Profit before income tax (period/year)	304,643	1,167,175
Tax using the Group's tax rate of 9%	27,418	105,046
<i>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</i>		
Gain on previously held equity interest in joint venture	-	(82,477)
Gain on sale of immovable property	-	(3,593)
Donations, grants, gifts to non-qualifying public benefit entities disallowed	56	63
Share of net profit of investments accounted for using the equity method	(1,458)	(2,298)
Miscellaneous	1,983	1,028
	<u>27,999</u>	<u>17,769</u>

For determining the tax expense for the period, the accounting profit has been considered for tax purposes. The average effective tax rate is approximately 9%.

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

26 Income taxes (continued)

Deferred tax liabilities movement during the period:

	Intangible assets AED'000	Right-of- use assets AED'000	Lease liabilities AED'000	Total AED'000
At 1 January 2024 (Audited)	-	-	-	-
Acquisition of subsidiaries	73,602	(764)	57	72,895
(Charge)/credit during the year	(2,760)	28	(1)	(2,733)
At 31 December 2024 (Audited)	70,842	(736)	56	70,162
Acquisition of a subsidiary	108	-	-	108
(Charge)/credit during the period	(1,843)	19	(1)	(1,825)
At 30 June 2025 (Unaudited)	69,107	(717)	55	68,445

27 Basic and diluted earnings per share

Earnings per share amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent by the weighted average number of shares outstanding during the period. The following reflects the profit and share data used in the earnings per share computations:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Earnings attributable to equity holders of the Parent (AED)	110,066	129,406	253,017	1,150,588
Weighted average number of shares in issue (excluding own shares)	12,575,465	12,452,683	12,575,465	12,452,683
Basic and diluted earnings per share (AED)	0.01	0.01	0.02	0.09

28 Segment information

The primary segment reporting format is determined to be operating segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

28 Segment information (continued)

Operating segments

For management purposes, the Group is currently organised into four major operating segments. These segments are the basis on which the Group reports its primary segmental information. These are:

- Hotels
- Catering services
- Transport services
- Holding company - responsible for managing investments held by the Group, development of hotels and general coordination of the Group's activities.

Individual hotels, transportation and catering segments' performance is measured based on profit or loss.

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

28 Segment information (continued)

Information regarding these segments is presented below:

	Hotels AED '000	Catering services AED '000	Transport services AED '000	Holding company AED '000	Eliminated entries AED '000	Total AED '000
Six-month period ended 30 June 2025 (Unaudited)						
Revenue	779,675	837,859	149,559	-	(39,842)	1,727,251
Cost of services	(510,080)	(682,720)	(131,045)	-	39,245	(1,284,600)
Gross profit/(loss)	269,595	155,139	18,514	-	(597)	442,651
General and administrative expenses	-	(48,803)	(4,507)	(61,221)	-	(114,531)
Provision of impairment of financial assets	(129)	(23,497)	(568)	-	-	(24,194)
Share of profit from an associate	-	-	-	979	-	979
Share of profit from joint ventures	-	656	-	14,230	-	14,886
Fair value gain on financial assets at FVTPL	-	-	-	6,788	-	6,788
Other income	-	55	9,424	3,693	597	13,769
Finance income	-	1,015	-	9,428	-	10,443
Finance costs	(41,362)	(2,168)	(2,618)	-	-	(46,148)
Profit for the period before tax	228,104	82,397	20,245	(26,103)	-	304,643
Income tax expense						(26,174)
Profit for the period						278,469
30 June 2025 (Unaudited)						
Total assets	9,821,044	1,141,847	190,731	1,978,325	(205)	13,131,742
Total liabilities	1,823,802	599,559	107,231	360,660	(47,401)	2,843,851

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

28 Segment information (continued)

Information regarding these segments is presented below (continued):

	Hotels AED '000	Catering services AED '000	Transport services AED '000	Holding company AED '000	Eliminated entries AED '000	Total AED '000
Six-month period ended 30 June 2024 (Unaudited)						
Revenue	698,188	408,294	150,931	-	(30,514)	1,226,899
Cost of services	(490,499)	(369,132)	(135,622)	-	32,376	(962,877)
Gross profit	207,689	39,162	15,309	-	1,862	264,022
General and administrative expenses	-	-	-	(37,651)	-	(37,651)
(Provision)/reversal of impairment of financial assets	1,229	-	(1,479)	(11,808)	-	(12,058)
Share of profit from an associate	-	-	-	968	-	968
Share of profit from joint ventures	-	-	-	24,563	-	24,563
Gain on previously held equity interest in joint venture	-	-	-	916,409	-	916,409
Other income	-	-	8,039	63,583	(1,862)	69,760
Finance income	-	-	-	745	-	745
Finance costs	(55,099)	(690)	(3,794)	-	-	(59,583)
Profit for the period before tax	153,819	38,472	18,075	956,809	-	1,167,175
Income tax expense						(16,473)
Profit for the period						1,150,702
31 December 2024 (Audited)						
Total assets	9,557,531	1,201,922	248,156	2,472,248	(205)	13,479,652
Total liabilities	1,887,293	655,685	153,198	278,684	(56,453)	2,918,407

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Notes to the condensed consolidated interim financial information for the six-month period ended 30 June 2025 (continued)

29 Contingencies and commitments

	30 June 2025 AED'000 (Unaudited)	30 June 2024 AED'000 (Unaudited)
Bank guarantees	238,643	149,645
Within one year	9,600	92,669
Between one and two years	4,137	56,976
Above two years	224,906	-
	238,643	149,645

Capital commitments

The estimated capital expenditure contracted as at 30 June 2025 amounting to AED 212.7 million (31 December 2024: AED 98.4 million).

30 Seasonality of results

The seasonal nature of the Group's activities primarily is driven by the hotel division, whose revenue has variability during the first and last quarters of the year.