

**SAGASSE INVESTMENT
HOLDING RSC LTD**

**Reports and consolidated financial statements
for the year ended 31 December 2024**

SAGASSE INVESTMENT HOLDING RSC LTD

Reports and consolidated financial statements for the year ended 31 December 2024

	Pages
Board of Directors' report	1
Independent auditor's report	2 - 4
Consolidated statement of financial position	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of changes in equity	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9 - 36

**Board of Director's report
for the year ended 31 December 2024**

The Director has the pleasure in submitting this report together with the audited consolidated financial statements of Sagasse Investment Holding RSC Ltd (the "Company") and its subsidiary (together referred to as the "Group") for the year ended 31 December 2024.

Principal activities

Sagasse Investment Holding RSC Ltd is a special purpose vehicle with principal activities of holding ownership of equity and non-equity assets including shares, debentures, bonds, loans and other forms of securities, and holding ownership of real estate, intellectual property, other tangible and intangible assets.

Results for the year

During the year, the Group reported a total comprehensive income of USD 284,611,316 (2023: USD 321,802,501).

Board of Director

The Director of the Company during the year was as follows:

- Mr. Syed Basar Shueb Syed Shueb

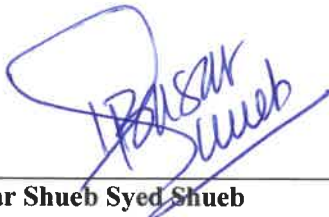
So far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware and he has taken all the steps that he ought to have taken as Director in order to make ourselves aware of any relevant audit information and to establish that the Group's auditor are aware of that information.

Release

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

Auditor

A resolution to reappoint Deloitte & Touche (M.E.) LLP as auditors for the ensuing year will be put to the members at the Annual General Meeting.



Syed Basar Shueb Syed Shueb
Director
Abu Dhabi, UAE



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SAGASSE INVESTMENT HOLDING RSC LTD

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Sagasse Investment Holding RSC LTD ("the Company") and its subsidiary (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Other Matter

The financial statements of the Group for the period from 24 February 2023 (date of incorporation) to 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 30 May 2024.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the Board of Directors' report which we obtained prior to the date of this auditors' report. The other information does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF SAGASSE INVESTMENT HOLDING RSC LTD (continued)**

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and their presentation in accordance with Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, and Companies Regulations (International Accounting Standards) Rules, 2015, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF SAGASSE INVESTMENT HOLDING RSC LTD (continued)

Auditor's Responsibilities for the Audit of the Consolidated financial statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the provisions of the Abu Dhabi Global Market Companies Regulations 2020 and Companies Regulations (International Accounting Standards) Rules 2015, we report that :

- the consolidated financial statements of the Group have been prepared in accordance with the requirements of the Regulations
- adequate accounting records have been kept by the Group; and
- the Group's consolidated financial statements are in agreement with the accounting records

Deloitte & Touche (M.E.) LLP



Shahzeb Memon
4 February 2025
Abu Dhabi
United Arab Emirates

**Consolidated statement of financial position
as at 31 December 2024**

	Notes	2024 USD	2023 USD
ASSETS			
Non-current assets			
Investment in an associate	5	789,762,472	-
Loan receivable	6	-	1,996,455,574
Total non-current assets		789,762,472	1,996,455,574
Current assets			
Other receivables	7	54,422	66,575,342
Due from a related party	12	-	1,000
Cash and cash equivalents	8	4,863,673	3,526,187
Total current assets		4,918,095	70,102,529
Total assets		794,680,567	2,066,558,103
EQUITY AND LIABILITIES			
Equity			
Share capital	9	1,000	1,000
Additional capital contribution	10	777,620,200	2,000,000,000
Currency translation reserve		744,490	-
Retained earnings		12,718,959	66,545,239
Total equity		791,084,649	2,066,546,239
Current liabilities			
Other payables	11	98,503	9,524
Due to related parties	12	3,497,415	2,340
Total liabilities		3,595,918	11,864
Total equity and liabilities		794,680,567	2,066,558,103



Director



Group Chief Financial Officer

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2024**

	Notes	2024 USD	Period from inception to 31 December 2023 USD
Income			
Interest income	14	275,988,027	325,359,453
Share of net results of equity account investee	5	8,004,425	-
Expenses			
General and administrative expenses	13	(125,626)	(12,526)
Allowance for expected credit losses on loan receivable	6	-	(3,544,426)
Profit for the year/ period		283,866,826	321,802,501
Other comprehensive income:			
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Share of other comprehensive income of associates	5	2,251,157	-
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Foreign exchange differences on translation of foreign operations	5	(1,506,667)	-
Other comprehensive income for the year / period		744,490	321,802,501
Total comprehensive income for the year/ period		284,611,316	321,802,501

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of changes in equity
for the year ended 31 December 2024**

	Share Capital (USD)	Additional capital contribution (USD)	Currency Translation reserve (USD)	Retained earnings (USD)	Total Equity (USD)
Share capital introduced	1,000	-	-		1,000
Additional contribution during the period (note 10)	-	3,000,000,000	-		3,000,000,000
Repayment of capital contribution during the period (note 10)	-	(1,000,000,000)	-		(1,000,000,000)
Total comprehensive income for the period	-	-	-	321,802,501	321,802,501
Dividend distributed during the period (note 15)	-	-	-	(255,257,262)	(255,257,262)
As at 31 December 2023	1,000	2,000,000,000	-	66,545,239	2,066,546,239
As at 1 January 2024	1,000	2,000,000,000	-	66,545,239	2,066,546,239
Profit for the year	-	-	-	283,866,826	283,866,826
Other comprehensive income for the year	-	-	744,490	-	744,490
Total comprehensive income for the year	-	-	744,490	283,866,826	284,611,316
Additional capital contribution during the year (note 10)	-	777,620,200	-	-	777,620,200
Dividend distributed during the year (note 15)	-	-	-	(341,237,532)	(341,237,532)
Repayment of Capital contribution during the year (note 10)	-	(1,996,455,574)	-	-	(1,996,455,574)
Transfer of capital contribution (note 10)	-	(3,544,426)	-	3,544,426	=
As at 31 December 2024	1,000	777,620,200	744,490	12,718,959	791,084,649

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of cash flows
for the year ended 31 December 2024**

		2024 USD	Period from inception to 31 December 2023 USD
	Notes		
Cash flows from operating activities			
Profit for the year / period		283,866,826	321,802,501
<i>Adjustments for:</i>			
Allowance for expected credit losses on loan receivable		-	3,544,426
Interest income on fixed deposits	14	(54,422)	-
Profit Share from Associate	5	(8,004,426)	-
		275,807,978	325,346,927
Working capital changes:			
- Decrease / (increase) in due from related parties	12	146,551,044	(1,000)
- Decrease / (increase) in other receivables	6	24,657,534	(66,575,342)
- Increase in other payables	11	88,979	9,524
- (Decrease) / increase in due to related parties	12	(146,492,407)	2,340
		300,613,128	258,782,449
Loan receivable, net	6	-	(1,210,000,000)
Net cash generated from/ (used in) operating Activities		300,613,128	(951,217,551)
Cash flows from investing activity			
Cash acquired on business combination of entity under common control	16	44,082	-
Cash flows from financing activities			
Share capital issued		-	1,000
Capital contribution received		-	1,210,000,000
Dividend paid	15	(299,319,724)	(255,257,262)
Net cash (used in)/ generated from financing Activities		(299,319,724)	954,743,738
Net increase in cash and cash equivalents		1,337,486	3,526,187
Cash and cash equivalents at the beginning of the year / period		3,526,187	-
Cash and cash equivalents at the end of the year / period	8	4,863,673	3,526,187
Non-cash transactions:			
Dividend distributed	15	(41,917,808)	-
Additional capital contribution	10	777,620,200	-
Repayment of capital contribution	10	(1,996,455,574)	-

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements for the year ended 31 December 2024

1 General information

Sagasse Investment Holding RSC LTD (the “Company”) is special purpose vehicle registered in Abu Dhabi Global Markets (“ADGM”) as a Private Company limited by shares under registration number 000009477. The Company was incorporated on 24 February 2023.

The Company is wholly owned by E Point Zero Holding RSC Ltd (the “Parent Company”), an entity registered in Abu Dhabi Global Markets (“ADGM”). During the year, the Company’s ownership was transferred from Two Point Zero A LLC (the “Previous Shareholder”) to the Parent Company effective from 12 December 2024. Royal Group Holding LLC is the Ultimate Parent Company.

The principal activities of the Company are to hold ownership of equity and non-equity assets including shares, debentures, bonds, and other forms of security, and holding ownership of real property, intellectual property, other tangible and intangible assets.

These consolidated financial statements include the financial performance and position of the Company and its subsidiary and associate (collectively referred to as the “Group”), details of which are set out below.

Name of investment	Classification	Ownership %
Electra Investment Holding RSC Ltd	Subsidiary	100%
El-Sewedy Electric Company	Associate	20.37%

The Company’s registered office address is Sub-unit 1 of the Unit 4, Level 8, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

2 Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS Accounting Standards) (IFRSs) as issued by International Accounting Standards Board (IASB) and the applicable requirements of Abu Dhabi Global Market (“ADGM”) Companies Regulations 2020 (as amended), and Companies Regulations (International Accounting Standards) Rules 2015.

Basis for measurement

The consolidated financial statements are prepared under the historical cost convention.

Functional and presentation currency

The consolidated financial statements have been presented in United State Dollars (“USD”), which is the functional and presentation currency of the Group.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information

3.1 Application of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”) (IFRS)

New and amended IFRS that are effective for the current period

In the current period, the Group has applied a number of amendments to IFRS and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these consolidated financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

New and revised IFRS	Summary
Amendments to IFRS 16 <i>Leases</i> relating to Lease Liability in a Sale and Leaseback	The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.
Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to Classification of Liabilities as Current or Non-Current	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.
Amendments to IAS 1 <i>Presentation of Financial Statements</i> relating to Non-current Liabilities with Covenants	The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.
Amendments to IAS 7 <i>Statement of Cash Flows</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> relating to Supplier Finance Arrangements	The amendments add disclosure requirements, and ‘signposts’ within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
IFRS S2 Climate-related Disclosures	IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.1 Application of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”) (IFRS) (continued)

New and amended IFRS that are effective for the current period (continued)

Other than the above, there are no other significant IFRS and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

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

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	1 January 2025
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i> IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity’s assets, liabilities, equity, income and expenses.	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i> IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures (2011)</i> The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.1 Application of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”) (IFRS) (continued)

New and revised IFRS in issue but not yet effective and not early adopted (continued)

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Annual improvements to IFRS Accounting Standards - Volume 11	
The pronouncement comprises the following amendments:	1 January 2026
<ul style="list-style-type: none"> • IFRS 1: <i>Hedge accounting by a first-time adopter</i> • IFRS 7: <i>Gain or loss on derecognition</i> • IFRS 7: <i>Disclosure of deferred difference between fair value and transaction price</i> • IFRS 7: <i>Introduction and credit risk disclosures</i> • IFRS 9: <i>Lessee derecognition of lease liabilities</i> • IFRS 9: <i>Transaction price</i> • IFRS 10: <i>Determination of a “de facto agent”</i> • IAS 7: <i>Cost method</i> 	

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments will not have a material impact on the consolidated financial statements of Group in the period of initial application.

3.2 Accounting policies, estimates and judgements

Going concern

The Group’s management has made an assessment of the Group’s ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.

Basis of consolidation

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

Control is achieved when the Group:

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

The Group re-assesses 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****3.2 Accounting policies, estimates and judgements (continued)****Basis of consolidation (continued)**

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated financial statements from the date the Group gains control until the date 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.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without 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.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Business combinations and goodwill (continued)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

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

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

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

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****3.2 Accounting policies, estimates and judgements (continued)****Business combinations and goodwill (continued)**

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

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

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

Changes in Group's ownership interest in existing subsidiaries

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

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of 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 (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

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

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of the equity of the acquired entities are added to the merger, acquisition and other reserves within the Group's equity. Any transaction costs paid for the acquisition are recognised directly in equity.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****3.2 Accounting policies, estimates and judgements (continued)****Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The results and assets and liabilities of the associates or joint venture are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement consolidated of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within "share of loss from investment in associate and joint venture" in the consolidated statement of profit or loss.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Investments in associates and joint ventures (continued)

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

Subsequent measurement

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

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

The Group has the following financial assets:

Financial assets at amortised cost

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Financial assets (continued)

Financial assets at amortised cost (continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include a certain portion of trade and other receivables, due from related parties, loan to a related party and cash and bank balances.

Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

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

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

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

Financial assets at fair value through profit or loss

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

This category includes quoted and unquoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on quoted and unquoted equity investments are recognised under interest and other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Financial assets (continued)

Impairment of financial assets (continued)

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

The Group considers a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, due to related parties, loans from related parties, lease liabilities and borrowings.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities (continued)

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to a certain portion of trade and other payables, due to related parties, lease liabilities and borrowings.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Value added tax ("VAT")

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

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Value added tax (“VAT”) (continued)

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

Cash and cash equivalents

Cash and cash equivalents include cash in hand, unrestricted balances held with banks, and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents are carried at amortised cost and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

Income

Interest income

Interest income comprises of interest income from bank deposits and loan receivable and exchange gain or loss. Finance income is recognised as the interest accrues using the effective interest method.

Provisions

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

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

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Current versus non-current classification (continued)

A liability is classified as current when:

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

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Dividends

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

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

Deferred tax

Deferred tax is provided 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; and
- 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.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

3 Summary of material accounting policy information (continued)

3.2 Accounting policies, estimates and judgements (continued)

Taxation (continued)

Deferred tax (continued)

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.

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.

Expense recognition

Costs and expenses are recognized in profit or loss upon utilization of the assets or services or at the date these are incurred.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****3 Summary of material accounting policy information (continued)****3.2 Accounting policies, estimates and judgements (continued)****Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income, trade and other receivables, due from related parties and cash and bank balances at fair value at each consolidated statement of financial position date.

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

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

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

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

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

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

4 Significant accounting judgements, estimates and assumptions

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

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

Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect in the amounts recognized in the consolidated financial statements:

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****4 Significant accounting judgements, estimates and assumptions (continued)****Critical judgments in applying the Group's accounting policies (continued)***Classification of Shareholders' contribution*

Shareholders' contribution has been classified as an equity instrument. In judging whether the Shareholders' contribution is a financial liability or an equity instrument, management has considered the underlying substance and economic reality of the balances and the detailed criteria for the determination of such classification as set out in IAS 32 *Financial Instruments: Presentation*. Management is satisfied that the shareholders' contribution is appropriately classified as an equity instrument.

Business combination under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The components of the equity of the acquired entities are added to the same components within Group entity. Any transaction costs paid for the acquisition are recognised directly in equity. The Group completed its assessment and concluded that the transaction represents a business combination of entities under common control which is outside the scope of IFRS 3 given that the Group and the acquired entity are ultimately controlled by the same party before and after the acquisition. Accordingly, consistent with the Group accounting policy, the Group accounted for the transaction using the pooling of interest method.

Key sources of estimation uncertainty

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

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. The Group uses estimates for the computation of loss rates. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. As per ECL model, the impairment loss allowance for loan receivable as at 31 December 2024 is nil (2023: USD 3,544,426).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

5 Investment in an associate

The movement in the investment in associates is as follows:

	2024 USD	2023 USD
Acquired through business combinations under common control (note 16)	781,013,557	-
Group's share in associates' profit for the period	8,004,425	-
Group's share in associates' other comprehensive income for the period	2,251,157	-
Foreign Exchange Translation movement	(1,506,667)	-
	<hr/>	<hr/>
As at 31 December	789,762,472	-
	<hr/> <hr/>	<hr/> <hr/>

Details of the Group's associate are as follows:

<u>Associate</u>	<u>Principal activities</u>	<u>Share in ownership</u>	<u>2024</u>	<u>2023</u>	<u>Place of registration</u>
El-Sewedy Electric Company	Energy	20.37%	-		Egypt

Above associate is accounted for using the equity method in these consolidated financial statements as set out in the group's accounting policies in note 3.

Latest available financial information in respect of the Group's associate is summarised below:

	2024 USD
Current assets	4,424,401,361
Non-current assets	810,114,830
Current liabilities	(3,829,116,190)
Non-current liabilities	(259,154,558)
	<hr/>
Equity	1,146,245,443
Non-controlling interest	(86,538,973)
	<hr/>
Equity attributable to owners of the parent company	1,059,706,470
	<hr/> <hr/>
Proportion of the group's ownership interest in the associate	215,862,208
Goodwill arising on acquisition	573,900,264
	<hr/>
Group's carrying amount of investment	789,762,472
	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

5 Investment in an associate (continued)

The equity attributable to owners of the parent company are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation before the end of 2025.

	2024
	USD
Revenue	382,864,472
Profit from operations	40,390,469
Less: Profit attributable to non-controlling interests	(1,095,303)
	<hr/>
Profit attributable to the owners of the Company	39,295,166
	<hr/> <hr/>
Group's share of profit	8,004,425
	<hr/> <hr/>

6 Loan receivable

	2024	2023
	USD	USD
Loan receivable	-	2,000,000,000
Less: allowance for expected credit losses	-	(3,544,426)
	<hr/>	<hr/>
	-	1,996,455,574
	<hr/> <hr/>	<hr/> <hr/>

Movement in the loan receivable balance as follows:

	2024	2023
	USD	USD
Opening balance	2,000,000,000	-
Advanced during the year / period	-	3,000,000,000
Repaid during the year / period	-	(1,000,000,000)
Transferred to a shareholder during the year / period (note 12)	(2,000,000,000)	-
	<hr/>	<hr/>
	-	2,000,000,000
	<hr/> <hr/>	<hr/> <hr/>

Movement in expected credit loss as follows:

	2024	2023
	USD	USD
Opening balance	3,544,426	-
Allowance provided during the year / period	-	3,544,426
Transferred to a shareholder during the year / period (note 12)	(3,544,426)	-
	<hr/>	<hr/>
	-	3,544,426
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

6 Loan receivable (continued)

On 05 February 2023, previous owner provided a USD denominated loan amounting to USD 790 million to the borrower. The loan carried a fixed interest rate of 15% per annum. The loan was subsequently novated to the Company and was fully repaid by the borrower together with the accrued interest to the Company during the period from July 2023 to August 2023.

On 07 March 2023, the Company provided a USD denominated loan amounting to USD 2.21 billion to the borrower. The loan carried a fixed interest rate of 15% per annum which is receivable on a semi-annual basis. During the prior year, USD 210 million was repaid by the borrower together with the accrued interest. The remaining principal loan balance of USD 2 billion was receivable through a bullet payment on 31 December 2028.

During 2023, the Company recorded an allowance for expected credit loss of USD 3.5 million against the loan receivable.

On 30 November 2024, the Group transferred the loan receivable along with the accrued interest to its previous Shareholder – Two Point Zero A LLC. The distribution is in combination of dividend (to the extent of retained earnings) and to the repayment of capital contribution (balance).

Interest income recognized during the year is USD 275,857,423 (2023: 307,020,813).

7 Other Receivables

	2024 USD	2023 USD
Accrued interest income on fixed deposits	54,422	-
Accrued interest income on loan receivable	-	66,575,342
	<hr/>	<hr/>
As at 31 December	54,422	66,575,342
	<hr/> <hr/>	<hr/> <hr/>

8 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents have been calculated as follows:

	2024 USD	2023 USD
Current accounts	1,863,673	3,526,187
Short-term deposit	3,000,000	-
	<hr/>	<hr/>
	4,863,673	3,526,187
	<hr/> <hr/>	<hr/> <hr/>

Cash and cash equivalents comprise of short-term deposits having original maturities of three months or less. Deposit carries interest rate of 4.45% per annum.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

8 Cash and cash equivalents (continued)

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank in the UAE. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 months ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

9 Share capital

The authorized, issued and paid-up share capital of the Company comprises 1,000 shares at USD 1 each.

	31 December 2024 and 31 December 2023	
	No. of shares	Value USD
Share capital	1,000	1,000

10 Additional capital contribution

On 30 November 2024, the Group distributed the loan receivable along with the accrued interest to its previous Shareholder – Two Point Zero A LLC. The distribution is in combination of dividend (to the extent of retained earnings) and to the repayment of capital contribution (balance). The movement during the year as follows:

	2024 USD	2023 USD
Opening balance	2,000,000,000	-
Additional capital contribution during the year (note 16)	777,620,200	-
Novation of loan	-	790,000,000
Received in cash	-	2,210,000,000
Deemed distribution to the Shareholder	(1,996,455,574)	(1,000,000,000)
Transfer of capital contribution to retained earnings	(3,544,426)	-
	777,620,200	2,000,000,000

The additional capital contribution is interest-free and does not constitute a liability or obligation of the Company, and is repayable at the discretion of the Company.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

11 Trade and other payables

	2024	2023
	USD	USD
Trade payable	3,779	-
Other payables	94,724	11,864
	<hr/>	<hr/>
	98,503	11,864
	<hr/>	<hr/>

12 Related parties transaction and balances

Related parties represent the shareholders 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.

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

		2024	2023
	Relationship	USD	USD
Due from a related party			
Two Point Zero A LLC	Under common control	-	1,000
		<hr/>	<hr/>

		2024	2023
	Relationship	USD	USD
Due to related parties			
IHC Capital Holding LLC	Under common control	3,178,178	-
Two Point Zero Group LLC	Under common control	319,132	-
Two Point Zero B RSC LTD	Under common control	105	-
Pal Technology Services LLC	Other related party	-	2,340
		<hr/>	<hr/>
		3,497,415	2,340
		<hr/>	<hr/>

Transactions with related parties during the year / period are as follows:

	2024	Period from inception to 31 December 2023
	USD	USD
Expenses paid by a related party on behalf of the Group	319,237	2,340
	<hr/>	<hr/>
Deemed distribution to the Shareholder (note 6 and 10)	(1,996,455,574)	-
	<hr/>	<hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

12 Related parties transaction and balances (continued)

The Group does not have any key management personnel. The Parent Company provided certain administrative services to the Group free of charge.

13 General and administrative expenses

	2024	Period from
	USD	inception to 31
		December 2023
		USD
Government Fee	83,279	-
Licensing cost	22,116	2,340
Audit fee	20,156	9,524
Bank charges	75	531
Foreign exchange loss	-	131
	125,626	12,526

14 Interest income

	2024	Period from
	USD	inception to 31
		December 2023
		USD
Interest income on loan receivable (note 6)	275,857,423	307,020,813
Interest income on fixed deposits	54,442	18,338,640
Interest income on bank accounts	76,162	-
	275,988,027	325,359,453

15 Dividend

During the year, the Shareholder of the Company approved dividend of USD 341,237,532 (2023: USD 255,257,262) of which USD 299,319,724 was paid in cash and USD 41,917,808 paid in kind.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

16 Business combinations under common control

Electra Investment Holding RSC Ltd

During the year, the shareholder of Electra Investment Holding RSC Ltd ("Electra") transferred its entire ownership interest to the Group at its carrying value at the date of the transfer for a nil consideration. The transfer was accounted for as a business combination under common control using the pooling of interest method as detailed in note 3.

Electra is a special purpose vehicle registered in Abu Dhabi Global Markets ("ADGM") as a Private Company limited by shares under registration number 18283 and was incorporated on 15 April 2024. The principal activity of Electra is holding ownership of equity and non-equity assets, including shares, debentures, bonds, other forms of security, real property, intellectual property, other tangible and intangible assets.

Details of assets and liabilities recognised at the date of transfer of ownership as follows:

	USD
Assets	
Investment in an associate (note 5)	781,013,557
Due from related parties	146,550,044
Cash and bank balances	44,082
	<hr/>
Total assets	927,607,683
	<hr/> <hr/>
Liabilities	
Due to related parties	149,987,483
	<hr/>
Net assets	777,620,200
	<hr/> <hr/>

The net assets as on the date of transfer of ownership under common control were allocated as additional contribution (note 10).

17 Financial risk management

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

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

17 Financial risk management (continued)

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

Majority of the exposure arises from balances with banks and loan receivable. Management is confident in its ability to continue to control and minimise the loss arising from its exposure to credit risk resulting from the balances with banks based on the fact that cash balance is held with a reputable bank and therefore, the risk of default is considered negligible.

The Group has exposure to one counterparty with respect to its loan receivable. The Group used external ratings for the specific counterparty and/or comparable proxy companies in order to measure its credit risk exposure against the counterparty.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations, generally approximates their carrying value.

At 31 December 2024	Note	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount USD	Loss allowance USD	Net Carrying amount USD
Cash and cash equivalents	8	AA-	Not applicable	12 month ECL	4,863,673	-	4,863,673
Other receivables	7	AA-	Not applicable	12 month ECL	54,422	-	54,422
					4,918,095		4,918,095

At 31 December 2023	Note	External credit rating	Internal credit rating	12 month or lifetime ECL	Gross carrying amount USD	Loss allowance USD	Net Carrying amount USD
Loan receivable	6	Not applicable	Doubtful	Lifetime ECL	2,000,000,000	(3,544,426)	1,996,455,574
Cash and cash equivalents	8	AA-	Not applicable	12 month ECL	3,526,187	-	3,526,187
Other receivables	7	Not applicable	Doubtful	Lifetime ECL	66,575,342	-	66,575,342
Due from a related party	12	Not applicable	Doubtful	Lifetime ECL	1,000	-	1,000
					4,918,095		4,918,095

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

17 Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with its financial liabilities when they fall due. The consequence may be the failure to meet obligations and fulfil commitments. Prudent liquidity risk management implies maintaining a level of bank balance deemed adequate by management to finance the Group's activities. Liquidity requirements are monitored regularly and management ensures that sufficient funds are available to meet any commitments as and when they arise. All the Group's financial liabilities fall due within one year.

The Group limits its liquidity risk by ensuring banking facilities and funding from majority shareholder is available.

The contractual payment terms of all financial liabilities of the Group are as follows:

	12 months USD	More than 12 months USD	Total USD
At 31 December 2024			
Amount due to related parties	3,497,415	-	3,497,415
Other payables	98,503	-	98,503
	<hr/>	<hr/>	<hr/>
	3,595,918		3,595,918
	<hr/>	<hr/>	<hr/>
	12 months USD	More than 12 months USD	Total USD
At 31 December 2023			
Amount due to related parties	2,340	-	2,340
Other payables	9,524	-	9,524
	<hr/>	<hr/>	<hr/>
	11,864	-	11,864
	<hr/>	<hr/>	<hr/>

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The majority of transactions are in US Dollar but the group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy.

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)**

17 Financial risk management (continued)

Foreign currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Total USD
Currency	
Egyptian pound (EGP)	785,802,177

Foreign currency sensitivity analysis

The group is mainly exposed to the Egyptian pound (EGP). The following table details the group's sensitivity to a 5% increase and decrease in currency units against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 5% change in foreign currency rates.

A positive number below indicates an increase in profit and other equity where currency units strengthens 5% against the relevant currency. For a 5% weakening of currency units against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

	Total USD
Other comprehensive income / loss	39,290,109
Equity	39,290,109

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group does not have exposure to the risk of changes in market interest rates related to the Group's short-term bank deposits which carries a fixed rate of interest.

Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. Capital comprises share capital, additional capital contribution, foreign currency reserve and retained earnings and is measured at USD 791,084,649 (2023: USD 2,066,546,239).

**Notes to the consolidated financial statements
for the year ended 31 December 2024 (continued)****18 Fair values of financial instruments**

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of loan receivable, accrued interest, due from a shareholder and bank balance. Financial liabilities consist of amount due to related parties and trade and other payables.

The fair values of financial instruments are not materially different from their carrying values.

19 Corporate Income Tax

On 1 June 2023, the UAE introduced Federal Decree-Law No. 47 of 2022 on Corporate Tax, applicable to businesses operating within the UAE, including free zone entities. Free zone entities are subject to a 0% corporate tax rate on qualifying income, provided they meet the conditions outlined in the law and related regulations. Sagasse Investment Holding RSC Ltd operates as a free zone entity within a designated free zone and has assessed its eligibility to qualify for the 0% tax rate on income generated during the financial year ended 2024. Management confirms that the entity has complied with all relevant regulatory requirements necessary to maintain its qualifying status.

As of the reporting date, no corporate tax expense has been recognized in these consolidated financial statements, as management has determined that all income earned qualifies for the 0% corporate tax rate. It is important to note that non-qualifying income or any non-compliance with free zone requirements may be subject to the standard corporate tax rate of 9%.

Management continues to monitor changes to tax laws and regulations and remains committed to ensuring full compliance with the UAE Corporate Tax Law.

20 Approval of the consolidated financial statements

The consolidated financial statements were authorised for issue by the Board of Directors on 4 February 2025.