CATERING TO A GROWING AUDIENCE

2024

INTEGRATED REPORT 2024

ADNH CATERING

About Us

ADNH Catering plc (the “Company” or “ADNHC” and, with its subsidiaries, the “Group”) is an established market leader in the food services market in the UAE with a significant geographical presence in strategic locations across the UAE and Saudi Arabia.

ADNH Catering’s business is diverse, offering solutions across the food and support services markets, from daily catering services to catering at large scale events and from cleaning services in education, healthcare and defence facilities to offshore energy facilities.

ADNH Catering is a subsidiary of Abu Dhabi National Hotels Company, a hospitality group that includes hotels, restaurants, destination management and transportation services, and which has its shares listed on the ADX.

The Company’s shares were listed on the ADX in October 2024.

Our Vision & Mission

Vision

The Group’s vision is to be a leader of contract food services and support services in its markets, maximising value for its stakeholders.

Mission

The mission of the Group is to focus on growth and diversification, whilst delivering industry-setting standards of service.

Our Values

Openness, Trust & Integrity

We set the highest ethical and professional standards at all times. We want all our relationships to be based on honesty, respect, fairness and a commitment to open dialogue and transparency.

Win Through Teamwork

We encourage individual ownership, but work as a team. We value the expertise, individuality and contribution of all colleagues, working in support of each other and readily sharing good practice, in pursuit of shared goals.

Can-Do Safely

We take a positive and commercially aware “can-do” approach to the opportunities and challenges we face.

Passion For Quality

We are passionate about delivering superior food and service and take pride in achieving this. We look to replicate success, learn from mistakes and develop the ideas, innovation and practices that will help us improve.

Responsibility

We take responsibility for our actions, individually and as a Group. Every day, everywhere we look to make a positive contribution to the health and wellbeing of our customers, the communities we work in and the world we live in.

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WWW.ADNHC.ME

SECTION 01

Overview

ADNH CATERING

At A Glance

Formed in 2001 as ADNH Compass, a joint venture between Abu Dhabi National Hotels Company and the Compass Group, ADNH Catering has since grown to provide a wide range of food and support services to a diverse client base.

In early 2024, Abu Dhabi National Hotels completed the acquisition of Compass Group's remaining 50% stake in ADNH Catering, making the company a wholly-owned subsidiary, with a view to accelerating regional growth and driving both revenue and margin expansion. In October 2024, ADNH Catering's shares were listed on the ADX.

TODAY, ADNH CATERING SERVES MORE THAN 280 CLIENTS ACROSS FIVE KEY SECTORS

Defence | Correctional | Healthcare | Business & Industry* | Education

including energy and remote sub-sectors

Food Service Offering

ADNH Catering provides high-quality food services, preparing and serving meals from both on-site kitchens and the Group's central production facilities. The Group also operates Husk, a coffee and grab-and-go business. As at 31 December 2024, food services represented approximately 62% of the Company's revenue.

Support Service Offering

ADNH Catering also offers a range of support services, including general cleaning, housekeeping, pest control, laundry, and the provision of manpower, drivers and other technical specialists. Additionally, the Group provides procurement services for clients and operates ZadSource. As at 31 December 2024, support services represented approximately 38% of the Company's revenue.

OUR KEY SECTORS SUMMARISED

1. Defence
The defence sector demands quick mobilisation, robust security, and ESG initiatives like sustainability, wellness and Emiratisation. The Group, serving this sector since 1990, provides food services, employs over 1,800 staff, and serves approximately 40.6 million meals annually. Market share is supported by emergency response capabilities, health initiatives (e.g., medical check-ups, yoga), and sustainability efforts such as eliminating plastics and sourcing local food.

2. Correctional
This sector prioritises security, safety, and emergency response capabilities. The Group has served correctional clients since 1997, operating across 34 sites with more than 950 staff and serving approximately 30.8 million meals annually. Innovations include app-based ordering and vehicle tracking. Market share is driven by financial stability, health protocols, and expertise in sensitive environments.

3. Healthcare
The healthcare sector requires strict pricing, governance, and customised therapeutic menus. Since 2006, the Group has operated at seven hospitals and 28 clinics, providing approximately 20.8 million patient meals annually with over 2,000 staff. Its services include food and cleaning, with accreditations like the Joint Commission International Quality Accreditation. Market share is supported by technology-driven ordering systems and high ethical standards.

4. Business & Industry
The business & industry sector focuses on wellness, sustainability and innovative concepts, driven by Gen Z and Millennial preferences. Active since 1982, the Group serves clients like an international hotel group, offering food services, corporate dining, and retail operations with over 2,500 staff. Market share is boosted by strategic facilities, competitive pricing and alignment with client ESG goals.

5. Education
This sector values labour flexibility and collaboration with multiple stakeholders. The Group, serving since 1980, provides food services to institutions like the British International School Abu Dhabi (approximately 57,000 meals annually) and the University of Birmingham Dubai. Services include opening retail outlets and promoting health programmes. Market share is supported by bundled cost-effective solutions and sustainability practices.

Operational and Financial Highlights

Details of the Company's reorganisation during 2024 ("the Reorganisation") are set out in the CFO's Review section within this Integrated Report.

OPERATIONAL HIGHLIGHTS

- **Total contracts for 2024 grew by 5.4%** year-on-year to 388
- As of 31 December 2024, the Company **served a total of 283 clients**
- Contract retention rate stood at a **best-in-class 97%** as of December 2024
- Expansion of presence in Saudi Arabia by **increasing equity stake in Saudi Joint Venture from 30% to 50%**
- **Strategic plan to drive SAR 500 million in growth** for Saudi JV over the next 3-5 years in alignment with vision to leverage opportunities in the Saudi market
- **Saudi strategic plan supported by a decade of partnership in KSA** and a 17% increase in clients served in the Kingdom from 2021 to 2023
- Through horizontal integration and adjacent expansion, the Company **continued to make significant progress with Husk, its coffee and grab-and-go brand**
- By the end of H1 2025, 25 Husk outlets are expected to be **operational across the UAE, with an additional 25 locations set to open in H2 2025**
- **Completion of the Reorganisation**
- **Listing of the Company's shares** on the Abu Dhabi Exchange, via IPO
- **In a post-period event in January 2025, as part of the stated strategy to pursue inorganic growth through targeted bolt-on acquisitions,** the Company acquired Food Nation Catering Services, a chef-driven school catering business in the UAE that currently feeds more than 70,000 students across three Emirates

FINANCIAL HIGHLIGHTS

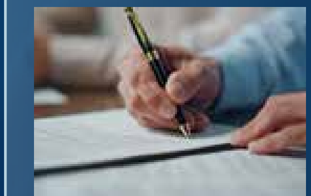
- **Maintained market share of ~28%** of the Company's addressable food catering market
- **Statutory Accounts for the Group recorded a consolidated revenue for the 15 month period ended 31 December 2024** (the "2024 Period") of AED 1,892 million compared to AED 1,389 million during the corresponding 12 month period ended September 2023 (the "2023 Period")
- **During the 2024 Period the Group acquired a 30% shareholding in Compass Arabia Company ("CAC")** from Abu Dhabi National Hotels Company at a carrying value of AED 9.7 million
- **EBITDA for the 2024 Period amounted to AED 273 million** compared to AED 251 million for the 2023 Period
- **Net profit for the 2024 Period amounted to AED 183 million** compared to AED 211 million in the 2023 Period
- **Special Dividend reaffirmed: Board of Directors approved a recommended dividend of AED 60 million for 2024,** equivalent to 2.7 fils per share to be distributed in April 2025, subject to approval by shareholders at the General Meeting to be held in April 2025
- **For the full-year 2025 period, the Company intends to pay a dividend of AED 180 million,** distributed semi-annually – first in October 2025 and second in April 2026 – subject to business performance, the Board of Directors' recommendation and shareholder approvals

Our Journey

The Group has strong heritage in the UAE, developing its leadership position over more than 45 years. An overview of the principal events in connection with the history and growth of the Group's business is set out below:

1979

ADNH sells its first food services contract

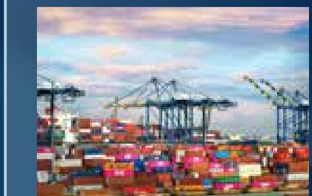


2001

Formation of the joint venture with Compass Group

2009

The Group introduces its 3PL (third-party logistics) model



2012

Compass Arabia is established

2020

ADNH Catering Dubai is awarded a contract with Expo 2020 Dubai

2020-21

Group diversification supports resilience through the COVID-19 pandemic

2023

ADNH Catering Abu Dhabi receives the 'Best Company to Work For – Large' and 'Best Retention & Recruitment Strategy' awards at the UAE Employee Happiness Awards 2022/23

The Group launched Husk, a coffee, grab-and-go brand

2024

ADNH Co. acquires the remaining 50% of the shares in the Group from Compass Group

Corporate restructuring is completed

ADNH Catering plc floats on the ADX via IPO

SECTION 02

Strategic Review

ADNH CATERING

Chairman's Statement

Following the acquisition of Compass' shareholding by ADNH in March 2024 and the reorganisation of the companies comprising the ADNH Catering Group under ADNH Catering PLC, the business successfully listed on the Abu Dhabi stock exchange on 23 October 2024.

Dear colleagues and esteemed shareholders,

On behalf of the Board of Directors of ADNH Catering and all our shareholders, please allow me to express our sincere gratitude to H.H. Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates, H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, and H.H. Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs, for their continuous support and custodianship of the economy and business environment of the United Arab Emirates.

Economists are generally optimistic regarding global economic growth despite the elevated levels of geopolitical tensions and uncertainty. Nevertheless, these tensions and volatility will present continuing challenges to governments and business leaders. Amidst these tensions and volatility, the GCC region and UAE in particular are expected to experience continuing growth, with growth in the UAE increasing from approximately 4% in 2024 to exceed 6% in 2025. This growth is driven by both the energy and gas sector and the diversification of the economy in the services, healthcare, governmental and the tourism sector. As a catering and support services provider that operates across various sectors of the economy, ADNH Catering is well positioned to grow in a sustainable and resilient manner across a diversified economy.

Commentary 2024

Following the acquisition of Compass' shareholding by ADNH in March 2024 and the reorganisation of the companies comprising the ADNH Catering Group under ADNH Catering PLC, the business successfully listed on the Abu Dhabi stock exchange on 23 October 2024.

Our growth ambitions were furthered with the signature of the sale and purchase agreement for the increase of ADNH Catering's shareholding in its associated company in the Kingdom of Saudi Arabia, Compass Arabia, from 30% to 50%. This transaction is going through regulatory approvals in the Kingdom of Saudi Arabia, following which we will implement our sectorised business and growth model in the Kingdom. We also announced in January 2025 the acquisition of 100% of the share capital of Food Nation Catering Services LLC, specialist catering to the primary and secondary education sector based in the United Arab Emirates with a portfolio encompassing prestigious international schools in the UAE. ADNH Catering aims to leverage on such acquisition for the purpose of deepening its penetration of the education sector in the UAE and scaling up the education sector catering division by rolling out the same model in the Kingdom of Saudi Arabia. Additionally, we have initiated a rebranding exercise of two of our institutional catering activities.

In the 15 months period to 31 December 2024 the business has Consolidated Revenues of AED 1,892 million compared to AED 1,389 million for the year to 30 September 2023. Operating Profits were AED 201 million in the period to 31 December 2024; in the 12 months period to 30 September 2023 Operating Profits were AED 211 million.

For the period to 31 December 2024, our Catering Business Revenue was AED 1,177 million and Operating Profits were AED 158 million compared to a Revenue of AED 875 million and Operating Profits of AED 167 million in the period to 30 September 2023.

Our Support Services Businesses recorded a total Revenue of AED 715 million and Operating Profits of AED 43 million compared to a Revenue of AED 514 million and Operating Profits of AED 44 million in the period to 30 September 2023.

In the period to 31 December 2024 we have recorded a corporate taxation provision of AED 18 million.

Outlook for 2025 and beyond

We are confident that our diversified sectorisation and business and growth management models put us in a favourable position to continue our growth story in the United Arab Emirates and scale up our business in the Kingdom of Saudi Arabia by leveraging on our expertise, excellence in terms of service delivery, long track-record and high client retention rate with key clients in the government and private sector in the UAE for more than four decades.

As our activities are diversified across all sectors of the economy, we believe our earnings will be resilient and sustainable in the future. Furthermore, we aim to leverage on the combined strengths of ADNH Catering UAE entities, Compass Arabia, and our newly acquired school catering arm "Food Nation" and other future strategic acquisitions in order to increase value for our shareholders in the near to medium term and cement ADNH Catering Group as a leading regional group in the catering and support services sector.

Return to shareholders

In line with our announced dividend policy and projected cash flows, the Board of Directors promote for deliberation by the General Assembly a recommendation for a special cash dividend distribution of AED 60 million in April.

Recognition and appreciation

I would like to express my appreciation of the commitment and dedication of our Board of Directors. Similarly, on behalf of the Board of Directors and the shareholders, I would like to recognise the contribution of the management, the operations, support and administrative teams in ensuring that we deliver sector leading services and results.

Khalaf Sultan Rashed Saeed Al Dhaheri

Chairman

CEO's Statement

ADNH Catering is a market leader in the UAE with approximately 28% share of its addressable market and a diversified client base across five strategic sectors.

Dear Stakeholders,

During 2024, a milestone year for ADNH Catering, we successfully listed on the Abu Dhabi Securities Exchange in October, reinforcing the strength of our business and positioning us for the future. Notably we refreshed our strategy to deliver growth, increase market share and optimise shareholder returns. I will talk in greater detail about that strategy below.

Our strong financial performance reflects the resilience of our operations and, after adjusting for prior periods' one-off events, we delivered revenue, earnings and profit growth. We took significant steps to drive both organic and inorganic growth while implementing innovative initiatives across employee wellbeing, technology and customer offers. Health and safety remained a top priority, ensuring a secure environment for both employees and customers.

Our 2024 performance

The Company's financial performance exceeded expectations, with a particularly strong fourth quarter that was driven by growth in new contracts, increase in like-for-like volumes, retention of existing contracts and margin improvements. On an adjusted basis, we delivered double-digit growth in revenue and earnings for the full year, while sustaining double-digit margins. Operationally, we secured 61 new client contracts, bringing the total number of contracts to 388 at year end. We proudly served 283 clients as of 31 December 2024.

Q4 2024 was the first period, on a comparative basis, where financial results were no longer impacted by the exit of certain onerous contracts and specific one-off events in 2023. Moving forward from Q4 we now have consistent like-for-like revenue and contract base prior period comparators, with full confidence regarding the growth opportunities that lie ahead.

On a pro forma basis, revenue for Q4 was up 12% year-on-year, driven by profitable new contracts, an industry-leading average client retention rate of more than 97%, and expansion of existing contracts. Pro forma Q4 EBITDA grew 22.2% against 2023, with an industry-leading EBITDA margin of 15%. Pro forma net profit for Q4 also achieved double digits, reaching AED 44 million, an increase of 19.9% against Q4 2023.

The progressive performance improvement in Q4, as compared to prior quarters in 2024 and the comparative period in 2023, demonstrates the Company's successful strategy to reallocate resources towards higher-margin opportunities, diversify the contract base, increase contract-level margins and implement better cost controls – all of which contributed materially during the year in offsetting one-off and ongoing costs arising from reorganisation, IPO and post-listing expenses.

Further details of our financial performance during 2024 can be found in the CFO's Financial Review.

Reorganisation and future strategy

During 2024 we demonstrated stability in performance despite significant changes in our ownership structure. The Company began 2024 as a 50-50 joint venture between Abu Dhabi National Hotels (ADNH) and global catering company Compass Group. Early in the year, Compass divested its stake to ADNH. In October, ADNH floated 40% of ADNH Catering's shares in an initial public offering on the Abu Dhabi Securities Exchange.

"The Company's financial performance exceeded expectations, with a particularly strong fourth quarter that was driven by growth in new contracts, increase in like-for-like volumes, retention of existing contracts and margin improvements."

This shift from a joint venture to a publicly listed company was followed by a clearer shareholder focus on growth, innovation and profitability tailored to the local market. To this end, during the year we began to implement a well-defined strategy that seeks to grow both our overall revenues and also our geographic footprint across a broader range of industry verticals, and into related new services.

Firstly, we intensified focus to refine our sales and retention processes to deliver highly competitive value propositions to new and existing customers. This has enabled expansion in attractive business sectors, diversified our client portfolio (both geographically and in business mix) and has delivered high levels of client retention; exceeding 97% when measured as annualised revenue.

The second element of this refreshed strategy, sectorisation, is identified by five key verticals in the Food Catering Segment:

1) Healthcare
2) Business and Industry including the Energy sector
3) Defence
4) Correctional
5) Education

Additionally, our successful Support Services segment (recently rebranded as "Task +") delivers Cleaning, Manpower, Laundry and Pest Control solutions.

Each of these business units is led by a subject matter expert, responsible for ensuring the Company provides industry-specific solutions and innovations to our existing clients and drives new contracts with both existing and new clients.

Horizontal integration and upselling is the third element of our strategy, under which we seek to expand the breadth of our offerings with each client, with a more comprehensive portfolio of services. Our ability to grow the breadth and depth of our services across our client base is enhanced by the strength of our existing relationships with each of them. This is particularly represented by our "HUSK" Café brand and our In-Unit dining offer, "HIVE" that delivers a more consumer-oriented experience within the work environment.

The fourth element of our strategy is to pursue inorganic growth through bolt-on acquisitions which add services to our existing business or extend capability to further expand in key sectors. We will also consider inorganic opportunities that complement our existing services and where we can apply scale advantages to deliver further value to our stakeholders.

And finally, the fifth strand is geographic expansion, especially in Saudi Arabia.

Strategy in action

Reflecting the above, in December 2024 we entered into a Sale and Purchase Agreement to increase ADNH Catering's shareholding in Compass Arabia, our Saudi joint venture, from 30% to 50%. This business, which we seek to grow by SAR 500 million over the next three to five years, will be consolidated into ADNH Catering. We will hold management control, enabling us to implement our growth model in the Kingdom – a market three times the size of the UAE with strong potential. The remaining 50% stake will remain with Al-Rushaid Petroleum Investment Company, a leading Saudi energy conglomerate that also operates in construction, mining and business services. This transaction is expected to complete, subject to regulatory approvals, in the first half of 2025.

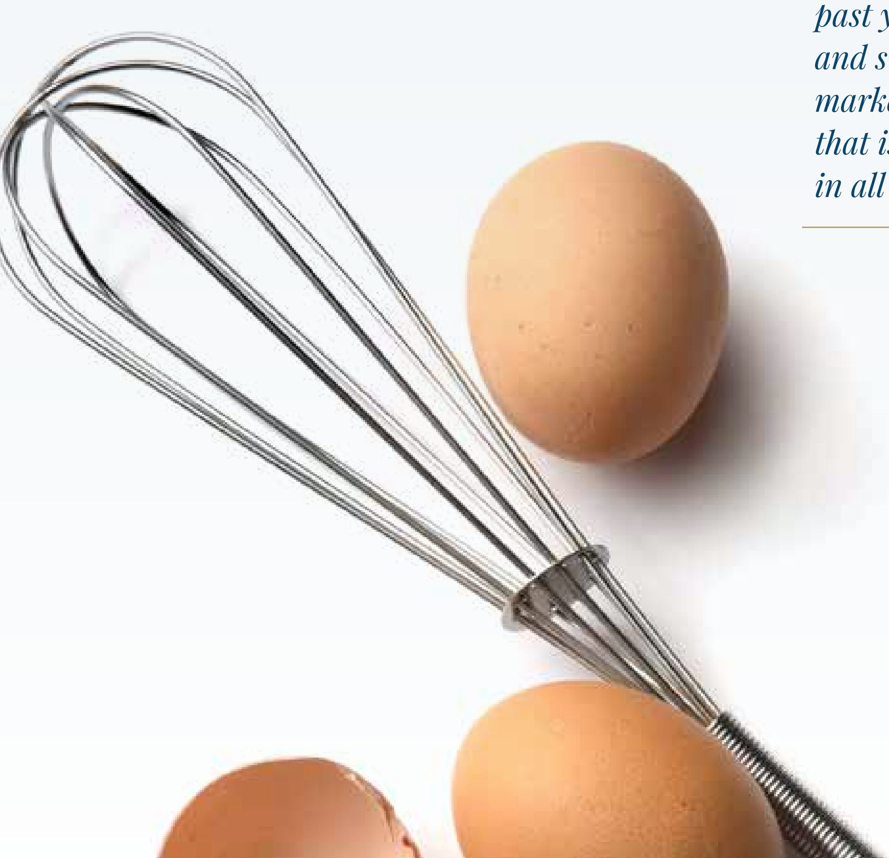
Also during the year, we completed the preparatory work for the all-cash acquisition of 100% of the share capital of Food Nation Catering Services, a UAE-based school catering business that currently feeds more than 70,000 students. This acquisition, which completed in February 2025, reflects our ambition to expand further into the Education sector, in line with our stated strategy.

CEO's Statement

New brand launches
In 2024, we opened our first HUSK coffee outlets, our café brand. By the end of the year, fifteen HUSK-branded outlets were offering this value-added solution to new and existing clients in Abu Dhabi and Dubai. HUSK is immensely attractive particularly for new client relationships, through which we can offer adjacent contracts in catering and support services. The flexibility of the HUSK offering, from a pop-up stand or branded space in a small office, to a hospital or office tower café, makes it extremely agile. It gives us greater brand awareness and allows us to showcase our innovation through features such as digital menus, mobile ordering, contactless payments and loyalty programmes.

During 2024 we enhanced our service offering with the launch of HIVE, our branded restaurant-style format for clients who want to offer their employees a more consumer-oriented dining environment. HIVE is a modern and modular food service proposition that reflects the level of innovation we are bringing to the catering industry in the region. We will roll it out across our client portfolio over the next three years.

We enjoyed good levels of success during 2024 with our large-scale events solutions, which included Saadiyat Nights and Formula 1. These events are strategically important because, in addition to demonstrating our strong logistics capabilities and our ability to scale with speed, these events naturally build our brand's reputation and drive business development in this space.



Technology and supply chain
During the year we developed our own digital roadmap which addresses both back office and customer-facing solutions. This framework is helping technology teams to more efficiently develop solutions that will support cost control and margin expansion. Actions included beginning to implement advanced database management as well as more integrated procurement-to-payment systems. These technology developments are also supporting the Company's consumer-facing service offerings, as we bring in capabilities such as facial recognition for use in frictionless point of sale locations.

We continued to adjust and adapt our supply chain to enhance its resilience and accommodate international fluctuations in product availability and pricing. Our global reach contributes to the quality of our supply chain. By the end of 2024, we were working with more than 250 suppliers from the UAE and 70 other countries.

Health and safety
Safety in the workplace is our top priority, aligning with our HSE mantra which is: 'We start safe, and we stay safe.' During 2024 we continued to make sure our people maintained a strong focus on workplace safety and the role that a rigorous health and safety ethic plays in enhancing the Company's business and our clients' operations.

> *"We are optimistic about 2025 and beyond, building on the sustained momentum of the past year, particularly the fourth quarter, and supported by an expanding addressable market in both the UAE and Saudi Arabia that is growing at more than 4% a year in all sectors."*

Our extensive safety culture was expanded this year with the launch of our Safety in Action programme. This initiative aims to prevent accidents before they happen by providing thorough learning sessions and frequent safety demonstrations. The ADNH Catering commitment to safety was not only cited by employees as an important reason they choose to remain with the Company, it was also recognised externally by one of our most loyal clients; at an event hosted by Dubai Police, our employees were celebrated for serving 32 million meals with a flawless health and safety record.

Outlook
We are optimistic about 2025 and beyond, building on the sustained momentum of the past year, particularly the fourth quarter, and supported by an expanding addressable market in both the UAE and Saudi Arabia that is growing at more than 4% a year in all sectors. This offers significant opportunities to win new business and increase market share. Additional growth may come from acquisitions that expand our service offering or increase our geographic reach. With an available revolving credit facility of AED 250 million, alongside our internal resources, we are well positioned to act on these opportunities.

We expect to continue implementing our HIVE branded restaurant-style food service offering in more client locations during the year. We also anticipate that 25 HUSK outlets will be operational across the UAE by the middle of 2025, with a further 25 identified for development in H2.

In 2025 we anticipate concluding our share acquisition in Saudi Arabia to reach 50% ownership of Compass Arabia and beginning the implementation of our refreshed strategy in the Kingdom. We already have an established presence with a material portfolio of existing clients, particularly in the Energy and Healthcare sectors. These client companies have their own growth ambitions; we aspire to grow with them while simultaneously extending our client base geographically.

Our goals in 2025 and beyond include creating a growing awareness of our brand and of the unique value we bring to our clients over the longer term. We expect to achieve those goals, and ultimately to drive shareholder value, through top line growth, sector expansion, horizontal cross selling and value-adding acquisitions. With the momentum achieved during what was an historic 2024, ADNH Catering is well positioned to continue delivering for its clients and consumers, its employees and its shareholders.

Clive Cowley
Chief Executive Officer

Investment Case

The Group's pursuit of its vision & mission is underpinned by the following seven competitive strengths:

1. Large and Growing Addressable Market Supported by Strong Macro Economic Tailwinds

- In 2023, the food services market in the UAE and Saudi Arabia was valued at USD$ 5.2 billion and is projected to grow to USD$ 6.8 billion by 2028
- Growth in the UAE and Saudi Arabian food services markets is expected to be supported by governmental growth transformation agendas, promoting both countries as tourism and healthcare destinations, which is expected to further drive demand for the supply of food and support services
- The UAE's GDP is expected to grow at a CAGR of 3.6% from 2023 to 2028, whilst its population is expected to grow at a CAGR of 1.7% across the same period
- Saudi Arabia's GDP is expected to grow at a CAGR of 2.9% from 2023 to 2028, whilst its population is expected to grow at a CAGR of 2.3% across the same period

2. A Market Leader with Significant Regional Presence and a Diversified and Sectorised Business

- The Group is an established market leader in the UAE, commanding an approximate 28% market share of its addressable market in 2023
- The Group's business is diversified, offering services across the food and support services markets, from daily catering services to catering services at large scale events and from cleaning services in education, healthcare and defence facilities to offshore energy facilities
- The Group's business is sectorised, offering services to clients in both the public and private sectors across its five key sectors
- The Group believes that its diversified and sectorised approach, in combination with the significant regional presence, provides it with a competitive advantage by reducing concentration risk and offering greater resilience throughout economic cycles

3. Diverse Portfolio of Strategic Clients with a Competitive Edge in Securing Long-term and High-quality Contracts

- The Group has a diversified client base across its key sectors and long-standing relationships with multiple clients, with an average contract retention rate of over 91% over the last five years
- The Group's top 10 contracts have an average tenure of approximately 20 years
- During the last 10 years, the Revenue CAGR for the ADNH Catering's top 10 clients was 9.4%
- The Group's track record of securing and retaining high-quality contracts with strategic clients, including government clients, has helped establish its reputation in the market, providing it with a competitive edge when bidding for new long-term and high-quality contracts

4. Robust Financial Performance Driven by Strong Margins Resulting in High Cash Conversion

- For the year ended 30 September 2023 and the fifteen-month period ended 31 December 2024, the Group's financial performance was robust, being supported by operational efficiencies
- The Group's robust financial performance was further supported by strong margins, driven by proactive business selection, wherein the Group moved away from less attractive contracts, and a capital expenditure light investment model that can be tailored to the specific needs of individual clients

5. Strategically Located Central Production Facilities with Structured Procurement Processes and Streamlined Distribution Processes Enable the Delivery of Centralised Solutions and Innovative Food Services Technologies

- The Group has two strategically located Central Production Facilities in each of Abu Dhabi and Dubai, which cover a client base across the UAE and serve approximately 19,000 meals daily, providing food services to clients that do not have onsite facilities
- The Group's focused procurement strategy has resulted in obtaining competitive discounts of approximately 4% against the market values of contracts
- The Group uses a combination of direct delivery and third-party logistics distribution models, giving it a competitive cost advantage
- The Group is able to deliver centralised solutions and innovative food services technologies to its clients, which it believes offer it with a competitive edge when bidding for contracts

6. Firm Commitment to ESG, Driving Operational Excellence and Sustainable Growth

- The Group is a member of the UAE Ministry of Climate Change and Environment sustainability taskforce and in 2023 it reduced 10,035 kg of CO_2 emissions through the use of B5 biodiesel within its 47 buses
- In 2023, the Group replaced 90% of lightbulbs in staff accommodation to LED bulbs, eliminated all single-use plastic bags and all Styrofoam packaging products and 41% of the food products used in its operations were locally sourced
- The Group believes that its track record in delivering on operational and sustainability KPIs offers it a competitive advantage when pitching to clients with stringent ESG requirements as part of their contract tender criteria
- The Group also offers flexibility to accommodate the ESG requirements of clients. For example, its ability to provide menus focused on environmentally sustainable practices, such as veganism and locally sourced produce

The Company is well positioned to benefit from additional growth levers with the longer–term aim of creating the leading GCC platform in its sector.

7. Experienced, Committed Senior Management Team, Backed by a Reputable Shareholder

- The Group's senior management comprises eight team members with a combined experience of over 200 years in the food and support services sectors
- The Group is further supported by dedicated resources, including a growth team, bid centre team and retention team
- The Group is supported by its majority shareholder, Abu Dhabi National Hotels, a leading semi-government company and highly regarded regional player, whose reputation the Group believes provides it with a competitive advantage when bidding for government contracts in terms of credibility and large-scale events.

Strategy

The Group's growth potential is supported by its well-identified strategy comprising the following five limbs:

1. Sales and Retention

The Group plans to secure additional growth by further driving its new sales and retention initiatives, formalising its retention process, implementing efficiency initiatives to drive improvements in margins and by continuing to invest in its workforce and its health and safety processes.

The Group plans to capitalise on its track record of securing new business, winning AED 157 million of new business in the 15 month period to 31 December 2024 by continuing to expand into, and secure new business in, the private healthcare and business & industry sectors. By 2028, the healthcare sector is expected to comprise 14% of the Group's addressable market, whilst the business & industry sector is expected to comprise approximately 48% of the Group's addressable market. In addition, the Group plans to broaden its client base across the UAE, particularly in Dubai, and capture larger, sustainable-margin support services contracts.

By continuing to formalise its retention process, the Group plans to improve its historical client retention rate of over 95%. Retention initiatives the Group plans to implement as part of this formalisation include formalising client communications via quarterly business discussions, client surveys and consumer surveys. These client communications will be further complemented by initiatives to enhance internal engagement, such as trainings on presentation skills and involvement of subject matter experts, as well as augmenting the Group's retention processes through the addition of a pre-empt bid process.

The Group is also implementing efficiency initiatives to further drive competitiveness and improve new sales and client retention, including implementing technologies to enable real time oversight of workforce attendance, implementing in-depth contract opportunity reviews with site leads, reducing costs through culinary, operations and procurement workshops, maintaining an approved provider list that aims to ensure business units are procuring optimal products and continuing to invest in its workforce and its health and safety policies and procedures. The Group believes that workforce welfare and a robust health and safety track record will be key factors for consideration by clients when awarding new contracts and renewing existing contracts.

2. Segment Specific Strategy

Sectorisation is a focal point of the Group's strategy, with the Group having a deep presence its Key Sectors. The Group's sectorisation strategy is based on three core values, with the view to promoting industry knowledge, specialist skills, niche market expertise and digitisation and innovation, including through pilot schemes:

(i) Structure for Success – sector management teams headed by subject matter experts;

(ii) Focus to Deliver Excellence – maximise growth potential and disciplined retention process; and

(iii) Positive Impact – enhance operational excellence and financial performance.

The Group has designed specific strategies for each of its Key Sectors in order to facilitate continued diversification, specialisation and accelerated growth. Within the business & industry sector, which is expected to represent approximately 48% of the Group's addressable market by 2028, the Group's focus is on branding and increasing its offerings direct to consumers through innovative and technological offerings, as well as increasing its offerings at large-scale events, focusing on high-end business sites and five star hotels for its pipeline. Within the defence sector, which is expected to represent approximately 21% of the Group's addressable market by 2028, the Group plans to add further military sites it serves across the UAE, acquire contracts for additional services, such as laundry.

Within the healthcare sector, which is expected to represent approximately 14% of the Group's addressable market by 2028, the Group's focus is on expanding in private healthcare, continuing to diversify within Dubai and targeting healthcare facilities as locations to open Husk outlets. Within the education sector, which is expected to represent approximately 9% of the Group's addressable market by 2028, the Group's focus is on expanding in private schools and universities, growing through retail operations and targeting educational facilities as locations to open Husk outlets.

3. Horizontal Integration and Adjacent Expansion

A key element of the Group's strategy is horizontal integration and adjacent expansion via its Husk coffee, grab-and-go brand. The Group is aiming to have opened 50 Husk locations by the end of 2025. The expansion of the Husk brand aims to provide for ground-level entry points for other adjacent contracts and greater brand awareness, allowing the Group to better connect with its clients, and highlight the Group's ability to innovate with digital menus, mobile ordering, contactless payments and royalty programs.

Similarly, the Group plans to expand its large-scale events solutions offering, building on the success of its offering at the Formula 1 in Abu Dhabi and Saadiyat Nights. By expanding is large-scale events solutions offering, the Group aims to increase its brand reputation, enhance its go-to-market strategy, highlight the Group's strong logistics capabilities and establish a platform to win further contracts for large-scale events.

4. KSA Growth Opportunity

The Group's KSA growth strategy is focused on three hubs, East, Jeddah and Riyadh, with Riyadh being the priority market for growth and raising awareness of the Group's client capabilities. The Group intends to leverage the opportunity presented by its existing clients in the UAE who are expanding their businesses into the KSA, by aiming to provide services to the expanded KSA operations of these existing UAE clients. Since 2018, the Group's growth strategy in the KSA has focused on the healthcare sector, in particular the private healthcare market. Following its entry into the market in 2018, the Group won a second contract in the healthcare sector in 2019 and further expanded its offering in the healthcare sector between 2021 and 2023. The Group plans to continue emphasising the healthcare sector as part of its KSA growth strategy.

5. Inorganic Growth

The Group has identified a robust pipeline of potential targets that would represent consolidation opportunities, particularly in the education and business & industry sectors. The Group plans to consider bolt-on acquisitions outside of the food services market, for example, in high-level glass cleaning and landscaping services.

"During the year we began to implement a well-defined strategy that seeks to grow both our overall revenues and also our geographic footprint across a broader range of industry verticals, and into related new services."

Clive Cowley, Chief Executive Officer

CFO's Review

I am delighted that 2024 marked the year that we floated our very first equity stake in ADNH Catering, on the Abu Dhabi Securities Exchange.

Dear Stakeholders,

During an historic year for ADNH Catering plc ("ADNHC" or "the Company") and amidst a period of significant global inflation, particularly in foodstuffs, in 2024 the Company delivered strong double-digit revenue and earnings growth compared to adjusted results for last year, with significant new business gains and key client retention. Through an effective bidding selection process and operational controls, we achieved notable margin improvements.

We successfully navigated the exit of Compass PLC, 50% shareholder in the business, a subsequent reorganisation of the business entities to form the ADNH Catering Group and then completed our IPO on the ADX. We have also prepared for the acquisition of a new business in the educational catering space and laid the path for expansion outside of the UAE. This performance was achieved through industry-leading contract and employee retention rates and effective cost management, facilitated by our mature and sophisticated procurement models.

"Strong fourth quarter results capped a solid performance for the full year. On a pro forma basis, in Q4 ADNH Catering reported a 12% increase in revenue year-on-year, to reach AED 443 million."

The Reorganisation
The Company was incorporated in the Abu Dhabi Global Market on 21 June 2024. On 30 June 2024, ownership of the catering and support services businesses in the UAE and the Kingdom of Saudi Arabia were contributed by ADNH Catering's parent company, Abu Dhabi National Hotels PJSC ("ADNH"), into the Company as part of a reorganisation ("the Reorganisation") using the Business Combination method. This method requires the Company to adopt the history of the entity it acquires for reporting purposes. The statutory accounts of ADNH Catering published on 11 February 2025 therefore correspond to the 15-month period ending 31 December 2024, and comprise:

- ADNH Catering LLC-OPC ("ADNH Catering Abu Dhabi")'s financial statements for the full 15-month period.
- ADNH Catering LLC ("ADNH Catering Dubai") and ADNH Compass LLC – SP ("ADNH Catering Sharjah")'s operations from 1 April 2024, the first day of full ownership by ADNH of ADNH Catering Dubai and ADNH Catering Sharjah; and
- 30% shareholding of Compass Arabia from 1 July 2024, the date the shareholding was acquired by ADNH Catering Abu Dhabi.

The prior year comparative financial information for the 12 months ended 30 September 2023 only reflects the performance of ADNH Catering Abu Dhabi.

2024 performance
Our fourth quarter results for the three-month period ending on 31 December 2024 are the first to provide true like-for-like comparisons of performance across the entire business from 2023 to 2024. These results therefore present a clear indication of the underlying strength of the Company's business and growth prospects.

Strong fourth quarter results capped a solid performance for the full year. On a pro forma basis, in Q4 ADNH Catering reported a 12% increase in revenue year-on-year, to reach AED 443 million. EBITDA for Q4 was up 22.2% from Q4 2023 to AED 66.5 million, with an improved EBITDA margin of 15%. Net profit grew by 20% to AED 44 million, demonstrating the impact of our human resource and procurement management model, as well as operational efficiencies and proactive contract management.

For the full year, on a pro forma and adjusted like-for-like basis, revenue improved 12.9% to AED 1.7 billion (but unadjusted, declined by 2.6%). EBITDA was AED 233 million, a 10.5% increase on an adjusted basis (down 11.8% on an unadjusted basis). Net profit, on an adjusted basis, increased marginally to AED 153.6 million (down 25.6%, unadjusted).

The adjustments mentioned here exclude the one-off negative impact of our decision in 2023 to de-risk our portfolio by exiting one unprofitable contract, whose renewal terms were not commercially viable, as well as changes in our revenue recognition model for part of our Support Services business. These numbers also are presented as unaudited unreviewed pro forma combined income statements that we believe provide the clearest, most effective representation of our financial results given the Reorganisation.

The Catering Segment, which includes preparing and serving meals from onsite client kitchens, from our central production facilities, and from our new and growing Husk coffee grab-and-go brand, represented 62% of Company revenue. The Support Services Segment, which comprises general (non-technical) cleaning, housekeeping, pest control, laundry and the supply of manpower, drivers and

"For the full year, on a pro forma and adjusted like-for-like basis, revenue improved 12.9% to AED 1.7 billion."

CFO's Review

other technical specialists, represented 38% of Company revenue. The Catering Segment saw a pre-tax net profit of AED 158 million for the period ending 31 December 2024, while Support Services Segment reported a pre-tax net profit of AED 43 million.

Our 2024 financial performance was driven by strong fundamentals. We signed 14 new contracts in the fourth quarter and 61 new contracts over the full year, bringing the total number of contracts to 388. As of 31 December 2024, we served 283 clients.

In line with our announced dividend policy, and taking into consideration our projected cash flows, the Board has approved a special dividend of AED 60 million for 2024, equivalent to 2.7 fils per share. This is to be distributed in April 2025, subject to approval by shareholders at the General Meeting to be held in April 2025.

Financial position and capital structure

As part of our financial strategy, during 2024 we secured a three-year AED 250 million revolving credit facility. While smaller acquisitions can be fully funded using internal resources, this credit facility will give us the necessary financial capabilities to execute larger transactions whilst remaining within comfortable risk parameters.

Overall, ADNH Catering pursues a CAPEX-light investment model, whereby operations conducted at client sites typically use client assets. As a result, CAPEX has represented less than 1% of revenues over the past five years, compared to an industry average of approximately 3%. In the near-term, this could rise to approximately 1.5% as we pursue attractive longer-term contracts, but medium-term we expect to revert to the 1% range.

Cost management

We continue to successfully manage costs through well-established, highly effective personnel and procurement models that address our two biggest expenses.

On the employee side, we have a best-in-class employee welfare programme that extends from ethical recruiting to high-quality housing, fair salaries, on-time payment, and professional development and career progression opportunities. As a result, we have significantly lower employee turnover compared to the market. Lower employee turnover brings cost advantages and efficiencies in recruitment and training, in addition to a more stable service delivery base and enhanced client relationships.

Our procurement and supply chain model not only leverages our large buying power but also works to mitigate inflationary impacts. This is through accessing the market directly and by locking in prices through fixed contracts, while leaving open the opportunity to buy on the spot market when prices are advantageous.

> *"Our 2024 financial performance was driven by strong fundamentals. We signed 14 new contracts in the fourth quarter and 61 new contracts over the full year, bringing the total number of contracts to 388. As of 31 December 2024, we served 283 clients."*

Outlook

Both the UAE and Saudi Arabia markets continue to grow. We anticipate our Catering and Support Services growth to continue by 5%-7% over the near- and mid-term. Contract profit margins will remain in the 18% range and EBITDA margins will be sustained at approximately 13%-14%.

As with the Q4 2024 results, during 2025 we expect to be able to demonstrate quarterly performance on a like-for-like basis that will provide further evidence of the strength of our underlying business model and our ability to effectively execute our clear growth strategy.

Following the special dividend for 2024, in 2025 we anticipate a dividend of AED 180 million, paid twice yearly subject to business performance, the Board of Directors' recommendation and shareholder approvals. For 2026, the Board anticipates a dividend that is at least 5% higher than that paid in 2025. Beginning in 2027 and moving forward, the Board has committed to a progressive dividend policy that will be determined based on a target payout ratio linked to profit after tax for the year and paid semi-annually.

Anthony Childers

Chief Financial Officer

> *"Our procurement and supply chain model not only leverages our large buying power but also works to mitigate inflationary impacts."*

Our People

In a business where 'people' clearly play such an integral part in the Company's success, we talked to Vishal Subba, Chief People Officer, about some of the key elements of ADNH Catering's approach to the recruitment, retention and wellbeing of its employees.

"We will continue to invest in and enhance our employee focus, including through our Committed to Care programme, which encompasses ethical recruitment, employee welfare and fair compensation."

Vishal Subba, Chief People Officer

Q By the end of 2024, ADNH Catering had a workforce of more than 18,000 people. What benefits and challenges does such a large workforce, and the infrastructure to hire locally and internationally at scale, bring?

A Having such a large, diverse staff from more than 70 countries with a wide range of skills means we can quickly mobilise and deploy at scale across all requirements. Our strong existing relationships with partners in key sourcing countries means we can hire at scale to meet longer-term needs as well. The main challenge – which we address by putting in place extensive systems, facilities and other resources – is implementing the full range of industry-leading HR, accommodation, workforce development and employee welfare services to such a large, diverse and geographically dispersed workforce.

Q Having achieved an employee attrition rate in 2024 that is less than half the catering and cleaning industry average, what are the benefits to ADNH Catering and to its customers?

A For customers, the benefits include having stable long-term employees who get to know their customer, their business and their employees. In fact customers choose us, in part, because they are confident in having the same staff year after year. We enable significant cost savings by eliminating employee churn. Every 1% reduction in annual employee turnover translates to savings of more than AED 725,000. Given that our employee turnover in 2024 was 18.5% – about half the industry average for both catering and cleaning services – we save in the range of AED 10-20 million a year just on recruitment costs, not including training or anything else.

Q For the second year in a row in 2024, the Company was honoured in the Employee Happiness Awards in the "Best Company to Work for – Large" and "Best Recruitment Strategy" categories. What were the key reasons for these back-to-back recognitions?

A We are recognised for the long list of systems and programmes we have put in place to ensure our ethical recruitment and treatment of employees, as well as their overall quality of life. We host recreational and social events, and operate health camps. In the workplace, we have an occupational health and safety team that ensures our people work in safe environments and receive immediate care in the case of an incident. We have a People Happiness Forum for employees to share feedback and our Committed to Care wellbeing initiative ensures employees know they are valued and supported.

Name: Sebastian Anthony
Title: People Operation Officer
Length of service: 33 years

"Whenever I need anything or approach management, they listen to me and take care of my questions and give me full support. Health and safety are the priority for our company. They take care of our staff to the maximum and make salary payments on time".

Name: Ajit Kumar
Title: Business Finance Manager
Length of service: 27 years

"What has motivated me to stay is how it keeps changing. Every year there is something new coming up, and the best thing is I'm part of all the new things coming up in this company".

Name: Mahendhar Nalla
Title: Supervisor
Length of service: 9 years

"One piece of advice I want to give to new joiners is to love your job; try to learn everything, be positive and work very hard. Then you will achieve everything".

Our People

Q **During the year, 75 employees celebrated being with the Company for 20 years or longer, while more than 3,000 have been with you for at least 10 years. How have you achieved such sustained loyalty?**

A We treat all our employees with respect, no matter their length of tenure, their nationality or their gender. In fact, women comprise 25% of our leadership team. We provide fair compensation, including a Company-wide minimum wage. We ensure transparent recruitment with no surprises. Once they are employed, our people work in safe environments, have their health looked after, enjoy industry-leading accommodation and have opportunities to build their skills for advancement, whether in their current placement or elsewhere across our numerous contracts.

Q **In 2024, ADNH Catering saw exponential growth in applications for its two-year-old Al-Akadimia frontline worker training programme. Can you talk about this initiative, its benefits and its projected growth?**

A Al-Akadimia has been one of our biggest recent successes. Employees in frontline cleaning or entry-level catering roles can apply. If accepted into the six-month programme, which teaches them new skills in the same or different fields, they are guaranteed a job elsewhere within ADNH Catering that fits their new abilities. We began in 2023 with 400 applications for 40 spots. In 2024, we had 7,000 applicants for 80 places.

In 2025 we will grow it even further, as it has created tremendous buzz across the Company, further boosting motivation, morale and retention. Furthermore, clients see this programme as a success, feeling as if their staff are being promoted, even if they move to another organisation. This is because we take those clients on the employee's journey with us. They attend the Al-Akadimia graduation of the staff member, who was perhaps an office boy or cleaner at their company for four or five years. They feel personal pride in the employee's success, feeling they played a role in facilitating this.

Q **At ADNH Catering, 2024 was the "Year of the Project Manager", where you launched 'SPOTlights' – a comprehensive training programme for middle management. Why did you launch this and why is it important to your wider people strategy?**

A In 2024 we inaugurated 'SPOTlights', our new middle management training programme, and its initial success already ensures we will expand it. While we have an existing matrix of training programmes for frontline and managerial staff, we didn't have a programme designed specifically for middle managers who comprise a major contingent of our workforce. We wanted to make sure we were upskilling them to be even more successful in their roles. Our goal is to give employees skills for life and to help them to perform their jobs to a level that meets each client's highest expectations.

Name: Sawsan Ibrahim
Title: Key Account Manager
Length of service: 14 years

"The most important thing motivating me is management. They said, you can do it, just go ahead. It's easy to talk to anyone in management and you can see that if you have questions or need anything, nobody will stop you. All these things are making me a stronger woman who can be an inspiration for others, especially for other women. I want to show how we can be independent and do any job".

Q **As you expand within the UAE and in Saudi Arabia, how will you ensure that your successful people-focused model is replicated and scaled effectively?**

A With so much experience and scale, we have the systems and experience to bring our model of employee care and wellbeing to each new geography or company we acquire, even as we support the ongoing profitability of those newly acquired entities. We will also bring the ADNH Catering culture of employee pride in delivering excellent service to our customers.

Q **In 2024, the government of Sri Lanka recognised the Company for creating high-value employment opportunities for its nationals. What systems do you have in place to ensure ethical recruitment that has attracted employees from more than 70 countries?**

A We begin with a commitment to highly ethical recruitment. From that starting point, we have developed a network of reputable agencies and dedicated compliance officers located in source countries. We have also signed multiple agreements and MoUs with governments of those countries, so that we comply with, or exceed, all government mandates, including minimum country-mandated salary rates. For example, we have instituted our own minimum wage for all staff, regardless of which part of the world they come from. Additionally, we have shown a dedication to providing meaningful careers, as well as a commitment to employee safety and welfare.

Q **What are your human capital priorities for 2025 and beyond?**

A We will continue to invest in and enhance our employee focus, including through our Committed to Care programme, which encompasses ethical recruitment, employee welfare and fair compensation. We will build on our successful specialised training programmes by expanding Al-Akadimia and the SPOTlights programme. And even as we grow our workforce going forward, we will continue to provide industry-leading accommodation, health and wellbeing services, and leisure activities to every employee.

Name: Chrissie Kabaghe
Title: Sales Coordinator
Length of service: 11 years

"I'm always striving to achieve more, to keep learning. This company is a very good place that gives you room to grow. We are surrounded by people willing to give you whatever knowledge you are looking for. They are willing to give you the extra push for you to achieve your goals."

Name: Jaffer Mohammed
Title: Assistant Operations Manager
Length of service: 10 years

"So many things keep me motivated. One of them is growth. The company provides lots of opportunities for growth. I have been promoted seven times in nine years. It seems almost unbelievable when I look back at my career starting as a room boy. What a journey I have come on with the company!"

Name: Sunil Kumar
Title: Chief Steward
Length of service: 28 years

"We get our salary on time, so I can take care of my family without any issues. I've been working with the company for a very long time, with the dream of building a nice house in my home town, which I have achieved. I'm able to provide for my children's education through this company's salary".

SECTION 03

ESG

Board of Directors

Mr. Khalaf Sultan Rashed Saeed Al Dhaheri

Chairman

Mr. Khalaf Sultan Rashed Saeed Al Dhaheri serves as the Chairman of the Company. Mr. Al Dhaheri also serves on the boards of Abu Dhabi National Hotels Company PJSC and on the audit committee for Abu Dhabi National Hotels Company PJSC. Mr. Al Dhaheri is the group chief operating officer for First Abu Dhabi Bank, prior to which, Mr. Al Dhaheri was group chief operating officer for group operations, IT and corporate support division for National Bank of Abu Dhabi.

Mr. Al Dhaheri was awarded a Bachelors Degree in Accounting from U.A.E University and a Masters of Business Administration by Zayed University in 2005 and is a chartered public accountant.

H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri

Vice Chairman

H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri serves as the Vice Chairman of the Company. H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri also serves on the boards of Abu Dhabi National Hotels Company PJSC, Abu Dhabi Aviation, E&, First Abu Dhabi Bank and Al Dhafra Insurance Company.

H.E. Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri was awarded a Bachelors Degree in Civil Engineering Science by U.A.E University in 1993.

Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba

Member

Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba serves as a Director of the Company. Mr. Alotaiba also serves on the boards of Abu Dhabi National Hotels Company PJSC, Alotaiba Investment Group, Emirates General Contracting and United Emirates General Construction Est.

Mr. Alotaiba was awarded a Bachelors Degree in Business by the Arab Academy for Science, Technology and Maritime Transport, Alexandria, Egypt in 2001.

Mr. Khalid Anib

Member

Mr. Khalid Anib serves as a Director of the Company. Mr. Anib also serves on the boards of Abu Dhabi National Hotels Company PJSC, Abu Dhabi Tourism Investment Company and Arab Misr Hotels Company. Mr. Anib is the chief executive officer for Abu Dhabi National Hotels Company PJSC, prior to which, Mr. Anib was Managing Director – Hospitality Division at Al Hokair Group, Saudi Arabia, general manager for Banyan Tree Al Areen, Bahrain and multi-unit general manager for Sofitel City Centre Hotel & Residence, Dubai.

Mr. Anib was awarded a Masters in Business Administration from Strathclyde University in 2006 and a Diploma in Marketing and Export Business from Ammati Koulo, Turku, Univer Finland, in 1998.

Mr. Darwish Ahmed Darwish Ahmed Elketbi

Member

Mr. Darwish Ahmed Darwish Ahmed Elketbi serves as a Director of the Company. Mr. Elketbi also serves on the board of Abu Dhabi National Hotels Company PJSC. Mr. Elketbi is the director for M/S Saif Bin Darwish, prior to which, Mr. Elketbi was a director for Darwish Bin Ahmed & Sons Company L.L.C, Dubai.

Mr. Elketbi was awarded a Bachelors Degree in Business Administration from Suffolk University in 1998 and a Masters in Business Administration from Boston University in 2000.

Ms. Rauda Abdulla Sorour Aldhaheri

Member

Ms. Rauda Abdulla Sorour Aldhaheri serves as a Director of the Company. Ms. Aldhaheri also serves on the board of Abu Dhabi National Hotels Company PJSC and Al Dhafra Insurance Company. Ms. Aldhaheri is a company manager for Alfa Gulf Real Estate, prior to which she was a company manager for Bin Suroor Engineering.

Ms. Aldhaheri was awarded a Bachelors Degree in Architectural Engineering from U.A.E University in 2015.

Mr. Clive Cowley

Member

Please refer to the Executive Management section of this Integrated Report for Mr. Cowley's biography.

Executive Management

Mr. Clive Cowley

Chief Executive Officer

Mr. Clive Cowley is the Chief Executive Officer of the Company, a role he has held since its incorporation, and was the chief executive officer for ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Cowley was general director for ESS Support Services LLC, executive director of ISS Food Hygiene Ltd, and commercial director of ISS Servisystem Ltd.

Mr. Cowley was awarded a Graduate Diploma in Environmental Health from Charles Trevelyan College of Arts and Technology in 1973, a Post Graduate Diploma in Air Pollution Control from Newcastle-upon-Tyne Polytechnic in 1975 and a Master's in Business Leadership from Revans University in 2004.

Mr. Anthony Childers

Chief Financial Officer

Mr. Anthony Childers is the Chief Financial Officer for the Company, a role he has held since 1 November 2024 when he succeeded Mr. Andrew Marshall as the outgoing Chief Financial Officer of the Company. Prior to which, Mr. Childers was country manager and finance manager for Subsea 7, Mexico and country manager for Whittaker Engineering.

Mr. Childers was awarded a Bachelor's degree in Physical Education and Sports Science from Loughborough University in the UK in 1986 and a Master's in Business Administration from Warwick University in 1988, and is a Chartered Accountant.

Mr. Peter Nichols

Chief Operating Officer

Mr. Peter Nichols is the Chief Operating Officer for the Company, a role he has held since its incorporation, and was chief operating officer of ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Nichols was managing director of Empact Group (formerly Compass Group Southern Africa), business director for Compass Group, China, executive director of Compass Group, Middle East, and managing director for Compass Group, Greece.

Mr. Nichols was awarded a National Diploma in Management Sciences from Reading University in 2022, a Master's Degree in Business Leadership from Revans University in 2005 and is a fellow of the International Management Centres Association.

Mr. Vishal Subba

Chief People Officer

Mr. Vishal Subba is the Chief People Officer for the Company, a role he has held since its incorporation, and was chief people officer of ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Subba was head of people, Middle East, general manager, human resources and assistant general manager for ADNH Compass ME LLC.

Mr. Subba was awarded a Bachelor of Arts with specialisation in Industrial Relations, Economics and Sociology and a further honours in English from Bangalore University in 1996.

Ms. Pamela Di Benedetto

General Counsel

Ms. Pamela Di Benedetto is the General Counsel for the Company, a role she has held since its incorporation, and was general counsel for ADNH Catering L.L.C – O.P.C and its affiliates in the UAE and KSA. Prior to which, Ms. Di Benedetto was general counsel, Africa and Middle East, for Sodexo Group and international finance and business legal counsel for ENI S.p.A.

Ms. Di Benedetto was awarded a Bachelor of Laws with specialisation in International Commercial Contracts from the Catholic University of Milan in 2013 and was admitted to the Italian Bar Association in 2013.

Ms. Catherine Leach

Client Relationship Director

Ms. Catherine Leach is the Client Relationship Director for the Company, a role she has held since its incorporation, and was client relationship director for ADNH Catering L.L.C – O.P.C. Prior to which, Ms. Leach was head of strategic partnerships for ADNH Catering L.L.C – O.P.C, strategic partner of Compass UK&I, account director for Beacon Purchasing, regional manager for Miko Coffee, and national account director and country manager for Unilever South Africa, Southeast Asia, China and Taiwan.

Ms. Leach was awarded a Bachelor of Sciences with major in Horticulture from the University of Cape Town in 1988.

Mr. Evan Hooper

Procurement & Supply Chain Director

Mr. Evan Hooper is the Procurement and Supply Chain Director for the Company, a role he has held since its incorporation, and was procurement and supply chain director for ADNH Catering L.L.C – O.P.C. Prior to which, Mr. Hooper was procurement and supply chain director for Aramark UK and buyer/merchandiser for Marks and Spencer PLC.

Mr. Hooper was awarded a Bachelor's in Accounting from Bournemouth University in June 2000, and was awarded MCIPS from the Chartered Institute of Purchasing & Supply in 2018.

Corporate Governance Report

Introduction

ADNH Catering PLC (the "Company") was established on 21 June 2024 as a public limited liability company, registered in the Abu Dhabi Global Market. It is governed by the regulations applicable to public joint-stock companies, as outlined in the Chairman of the Board of Directors of the Securities and Commodities Authority (SCA)'s Resolution No. (3/RM) of 2020, which adopted the Governance Guide for Public Joint Stock Companies. The Company's shares were listed on the Abu Dhabi Securities Exchange on 23 October 2024 (the date on which trading of its shares commenced).

The Company is committed to adopting robust governance practices, principles of accountability, and ensuring the highest levels of transparency in its operations. The following outlines the requirements for implementing corporate governance controls and the Company's report on meeting those requirements.

1 Statement of procedures taken to complete the Corporate Governance system for the period ending 31 December 2024 and method of implementing thereof.

a. The Company complies with the Corporate Governance Regulations ("CGRs") and applies best practices to reflect the compliance of its Board of Directors and Executive Management with the CGRs by applying its core values of transparency, accountability and responsibility, which enhances the relationship between the company's shareholders, Board of Directors and all stakeholders.
b. The Board of Directors elects from among its members a chairman and Vice Chairman. The Vice Chairman acts on behalf of the Chairman in the absence of the Chairman or for any other reasons that prevent the Chairman from attending.
c. The Audit and Risk Committee and Nomination, Compensation & HR and Supervision & Follow-Up Committee work according to the Corporate Governance system and consists of Members of the Board of Directors.
d. The Audit and Risk Committee applies the procedures within the framework of its functions according to the Corporate Governance system and directly reports to the BOD.
e. The Company complies with the highest levels of ethical and professional conduct and obliges its employees to comply therewith.
f. The BOD nominates an external auditor upon the recommendation of the Audit and Risk Committee and the appointment of the external auditor as well as the fees are approved by the Company's General Assembly.
g. In alignment with the UAE's leadership in spearheading the Net Zero Emissions by 2050 initiative in the Middle East and North Africa region, the Company is dedicated to adopting long-term strategies aimed at mitigating greenhouse gas (GHG) emissions. Our commitment extends to limiting the global temperature rise to 1.5°C (degrees Celsius) to pre-industrial levels and in 2024 remained consistent with our Sustainability Program which includes inter alia:
    - Environmental Key Achievements and Goals Tracker: details on energy conservation measures, water saving, and waste reduction initiatives.
    - Social Impact: updates on employee well-being, diversity and inclusion efforts, training, and contributions to the communities in which we operate.
    - Governance Practices: reinforcement of ethical business practices, risk management, and compliance.

2 Statement of ownership and transactions of Board of Directors (Board) Members, their spouses and their children in the Company securities for the period ending 31 December 2024 according to the following schedule:

S/N	Name	Position/Relationship	Shares Held as at 31/12/2024	Total Sale Transactions	Total Purchase Transactions
1	Mr. Khalaf Sultan Rashed Saeed Al Dhaheri	Chairman	3,500,000	NIL	NIL
2	Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri	Vice Chairman	8,000,000	Nil	1,000,000
	Sheikha Sheikha Suroor Al Dhaheri	Vice Chairman's Wife	100,000	Nil	Nil
	Sheikh Mohamed Ahmed Mohammed Sultan Suroor Aldhahiri	Vice Chairman's Son	28,851,524	4,600,368	Nil
3	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Board Member	NIL	Nil	Nil
4	Mr. Darwish Ahmed Darwish Ahmed AlKetbi	Board Member	NIL	Nil	Nil
5	Ms. Rauda Abdulla Suroor Aldhaheri	Board Member	NIL	Nil	Nil
6	Mr. Khalid Anib	Board Member	3,857,000	Nil	Nil
	Mrs. Fadila Zahzouhi Zaghloul	Mr. Khalid Anib's Wife	2,000,000	Nil	Nil
7	Mr. Clive William Cowley	Board Member	44.200	Nil	Nil

3 Board Formation:

Statement of the current Board formation according to the following schedule:

S/N	Name	Category (Executive, Non-Executive, and Independent)		Experience & Qualifications	Period as BM from date of first election	Membership & positions in other joint-stock companies	Positions in any other important regulatory, government or commercial entities
1	Mr. Khalaf Sultan Rashed Saeed Al Dhaheri	Chairman	Independent /non-executive	Master's degree in finance & business administration	Since 27 August 2024	Abu Dhabi National Hotels Company PJSC	–
2	Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri	Vice Chairman	Non-Independent /Non-Executive	Bachelor's degree in civil engineering	21 June 2024	- Vice Chairm at Abu Dhabi Aviation - BOD Member at Etisalat - BOD Member at FAB - BOD Member at Al Dhafra Insurance Co. - Vice Chairman at ADNH	–

Corporate Governance Report *continued*

S/N	Name	Category (Executive, Non-Executive, and Independent)		Experience & Qualifications	Period as BM from date of first election	Membership & positions in other joint-stock companies	Positions in any other important regulatory, government or commercial entities
3	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Board Member	Independent /non-executive	Bachelor's degree in business administration	Since 27 August 2024	BOD Member at ADNH	BoD Member: - Al Otaiba Investment Grp - Emirates General Contr. - United Emirates General Construction Est.
4	Mr. Darwish Ahmed Darwish Ahmed Alketbi	Board Member	Independent /non-executive	Master's degree in international business	Since 27 August 2024	BOD Member at ADNH	–
5	Ms. Rauda Abdulla Suroor Aldhaheri	Board Member	Independent /non-executive	Bachelor's Degree – Engineering	Since 27 August 2024	- Board Member Al Dhafra Insurance - BOD Member at ADNH	–
6	Mr. Khalid Anib	Board Member	Non-Independent /non-executive	- Bachelor's degree in business administration - International Accor Vivier Certificate - Marketing and Export Business Diploma	21 June 2024	–	–
7	Mr. Clive William Cowley	Board Member	non-Independent /executive	- Postgraduate Diploma, Environmental Health - Postgraduate Diploma, Air Pollution Control	Since 27 August 2024	–	–

- **Statement of percentage of female representation in the Board for the period ended 31 December 2024**

Female representation on the Board of Directors for the period extending until 31 December 2024 is 14.28%.

- **Statement of reasons for the absence of any female candidate for the Board membership.**

N/A

- **A statement of the remuneration, allowances and fees received by the members of the Board of Directors**

1. Total remuneration Paid to Members of the Board of Directors for the period ended 31 December 2024:

Total remuneration paid to the members of the Board of Directors for the period up to 31 December 2024.

None

2. Total remuneration proposed to be paid to Members of the Board of Directors for the period ended 31 December 2024, which shall be presented in the Annual General Assembly for approval:

The total proposed remuneration for the Board of Directors for the period ending 31 December 2024 is AED 4,250,000. This proposal will be presented for consideration and approval during the forthcoming Annual General Assembly Meeting.

3. Details of allowances for attending sessions of Committees derived from the BOD, which were paid to the BOD Members for the period ended 31 December 2024:

a. Audit and Risk Committee Meetings/Attendance:

	Allowances for attending meetings of the committees			
Name	Committee Name	Allowance Per Meeting	Number of Meetings	Total Paid
Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Audit and Risk Committee	AED. 10,000	1	AED. 10,000
Mr. Darwish Ahmed Darwish Ahmed Elketbi		AED. 5,000	1	AED. 5,000
Ms. Rauda Abdulla Sorour Aldhaheri		AED. 5,000	1	AED. 5,000
Mr. Rami Naim Al Mohtaseb		AED. 5,000	1	AED. 5,000

b. Supervision and Follow Up Committee Meeting Attendance:

	Allowances for attending meetings of the committees			
Name	Committee Name	Allowance Per Meeting	Number of Meetings	Total Paid
Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Supervision and Follow Up Committee	There are no Allowances paid to the Supervision and Follow Up Committee	–	Non
Mr. Darwish Ahmed Darwish Ahmed Elketbi			–	Non
Ms. Rauda Abdulla Sorour Aldhaheri			–	Non
Mr. Rami Naim Al Mohtaseb			–	Non

c. Nomination Compensation & HR Committee Meeting/Attendance:

	Allowances for attending meetings of the committees			
Name	Committee Name	Allowance Per Meeting	Number of Meetings	Total Paid
Mr. Darwish Ahmed Darwish Ahmed Elketbi	Nomination Compensation & HR Committee	AED. 10,000	1	AED. 10,000
Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri		AED. 5,000	1	AED. 5,000
Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba		AED. 5,000	1	AED. 5,000
Mr. Khalid Anib		AED. 5,000	1	AED. 5,000

d. Board Executive Committee (BEC) Meetings/Attendance:

	Allowances for attending meetings of the committees			
Name	Committee Name	Allowance Per Meeting	Number of Meetings	Total Paid
Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri	Board Executive Committee	AED. 10,000	2	AED. 20,000
Mr. Darwish Ahmed Darwish Ahmed Elketbi		AED. 5,000	2	AED. 10,000
Mr. Khalid Anib		AED. 5,000	2	AED. 10,000

Corporate Governance Report *continued*

4. Details of additional allowances, salaries or fees received by a Board Member other than allowances for attending Committee meetings and their reasons for the period ended 31 December 2024.

None

c. The Number and dates of BOD meetings held for the period ended 31 December 2024 as well as attendance frequency by all Members; in person and by proxy.

	Meeting Date	Attendees	By Proxy	Absent
BOD Meeting No. 1	7 November 2024	Mr. Khalaf Sultan Rashed Saeed Al Dhaheri Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Elketbi Ms. Rauda Abdulla Sorour Aldhaheri Mr. Khalid Anib Mr. Clive William Cowley	Nil	NIL

d. Number of Resolutions taken by Circulation for the period ended 31 December 2024 with Meeting dates:

One resolution was passed by the Board of Directors on 30 October 2024.

5. Board Committees:

Audit & Risk Committee

a. The Audit & Risk Committee Chairman's acknowledgement of his responsibility for the Committee System at the Company, reviews its work mechanism and ensures its effectiveness.

"Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba, Chairman of the Audit & Risk Committee, acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

b. The Audit & Risk Committee consists of the following Members:

	Name	Capacity
The Audit & Risk Committee Members	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Chairman
	Mr. Darwish Ahmed Darwish Ahmed Elketbi	Member
	Ms. Rauda Abdulla Sorour Aldhaheri	Member
	Mr. Rami Naim Al Mohtaseb	Member

c. The number of meetings held by the Audit and Risk Committee during the period from 23 October 2024 (the date of commencement of trading in the Company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024 and their dates to discuss matters related to the financial statements and any other matters, and a statement of the number of times the members attended the meetings in person:

	Meeting Number	Meeting Date	Attendees	Absent
Audit and Risk Committee	1	6 November 2024	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba Mr. Darwish Ahmed Darwish Ahmed Elketbi Ms. Rauda Abdulla Sorour Aldhaheri Mr. Rami Naim Al Mohtaseb	NIL

d. Statement of The Audit & Risk Committee functions and the duties assigned thereto:

1. The integrity of the Company's financial statements and annual and interim reports were monitored and reviewed as part of the Committee's regular work during the year, with particular focus on the following:

- Any changes in accounting policies and practices.
- Highlighting the areas subject to the discretion of the Company's Board of Directors.
- Substantial amendments resulting from the audit.
- Assuming the Company's continuity of operation.
- Compliance with the accounting standards determined by the Authority.
- Compliance with listing and disclosure rules and other legal requirements related to the preparation of financial reports.

2. An explanation of how you assessed the independence and effectiveness of the external audit process, and the approach followed in appointing or reappointing the external auditor, and information on the length of the current audit firm's term.

Name of Auditing Firm & Audit Partner	Audit firm: PricewaterhouseCoopers Limited Partnership (ADGM Branch)
Name: Partner Auditor	Imran Massey
Number of years served as an external auditor for the Company	One year
Number of years the partner auditor has been auditing the company's accounts	One year
Total fees for auditing the financial statements for the period from 23 October 2024 (the date on which trading of the company's shares commenced on the Abu Dhabi Securities Exchange) until 31 December 2024.	AED260,400
Details and the nature of other services provided.	None
Fees and costs for other special services other than auditing the financial statements for the period from 23 October 2024 (the date on which trading of the company's shares commenced on the Abu Dhabi Securities Exchange) until 31 December 2024.	None

The external auditor was appointed in compliance with legal rules and procedures. His performance and effectiveness were assessed and monitored by the committee in collaboration with the company's CFO and the Manager of the Internal Audit Department.

3. A statement explaining the committee's recommendation regarding the appointment, reappointment or dismissal of the external auditor, and the reasons for the Board of Directors' non-acceptance of that recommendation:

The committee recommended to the company's Board of Directors the reappointment of PricewaterhouseCoopers as the external auditor for the year 2025, due to their efficiency and effectiveness in auditing the company's accounts during the previous period.

4. An explanation of how to ensure the independence of the external auditor if he provides services other than the audit of the company's accounts:

The external auditor did not provide any other services to the company.

5. The actions taken by the committee or will be taken to address any shortcomings or weaknesses in the event of any failures in internal control or risk management:

The committee works to ensure that the work of the internal audit and risk management department is followed up so that any shortcomings or weaknesses in the event of internal control or risk management are avoided. In this regard, the Committee approved the governance framework submitted by the Internal Audit Department, including the Audit and Risk Committee Charter, the Internal Audit Charter, the Internal Audit Manual, the Internal Audit Strategy, and other key documents. In addition, the Internal Audit Department prepared an internal audit plan to assess the effectiveness of control measures in the identified areas. The internal audit plan was approved by the Committee.

Corporate Governance Report *continued*

6. Evidence that the Committee reviewed all reports with medium and high risks issued by the Internal Audit to determine whether they resulted from major failures or weaknesses in internal control:

No significant deficiencies were identified by the Internal Audit Department. The Internal Audit Department is following up on the actions taken by the management to improve and develop the control and internal audit systems in the company's various departments.

7. Comprehensive information on the corrective action plan in the event of significant deficiencies in the areas of risk management and internal control systems:

No significant deficiencies were identified in the areas of risk management and internal control systems by the Internal Audit Department.

8. Any transactions concluded with related parties shall be conducted in accordance with legal principles and procedures. During the period from 23 October 2024 to 31 December 2024:

No transactions were concluded with related parties amounting to 5% of the company's capital, which requires disclosure.

Nomination and Remuneration Committee:

a. The Nomination and Remuneration Committee Chairman's acknowledgement of his responsibility for the Committee system at the Company, review of its work mechanism and ensure its effectiveness.

"Mr. Darwish Ahmed Darwish Ahmed Elketbi, Nomination and Remuneration Committee Chairman acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

b. NC&HR Committee consists of the following Members:

	Name	Capacity
NC & HR Committee	Mr. Darwish Ahmed Darwish Ahmed Elketbi	Chairman
	Sheikh Ahmed Mohammed Sultan Suroor AlDhahiri	Member
	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Member
	Mr. Khalid Anib	Member

c. Statement of NC&HR Committee functions and the duties assigned thereto:

1. Ensuring independence of independent members on a regular basis.
2. Preparing the remuneration, benefit, incentives and salary policies for the BOD members and the Company's employees and reviewing the same on an annual basis; consistently verifying that the remuneration and benefits given to the senior executive management are reasonable and consistent with the Company's performance.
3. Defining the Company's need for talent at the level of the senior executive management and employees and the criteria for selecting them.
4. Preparing, controlling the implementation of and, on an annual basis, reviewing the Company's HR and Training policy.
5. Organizing and following up the process of nominations for BOD membership according to the applicable laws and regulations of the corporate governance.
6. Developing a policy for nominations of the BOD membership that aims to ensure gender diversity and encourage women to run for the BOD membership.

d. A statement of the number of meetings held by the Nominations and Remuneration Committee during the period from 23 October 2024 (the date of commencement of trading in the company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024 and the dates of their holding, with a statement of the number of times all members of the Committee attended in person.

	Meeting Number	Meeting Date	Attendees	Absent
NC&HR Committee	1	27 November 2024	Mr. Darwish Ahmed Darwish Ahmed Elketbi	NIL
			Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri	
			Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	
			Mr. Khalid Anib	

Supervision and Follow-up Committee of Insiders' Transactions.

a. Chairman's acknowledgement of his responsibility for the Committee system at the Company, review of its work mechanism and ensure its effectiveness.

"Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba, Supervision and Follow-up Committee Chairman, acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

b. Supervision and Follow-up Committee of insiders' transactions consisted of the following Members:

	Name	Capacity
Supervision and Follow Up Committee	Mr. Mohamed Khalaf Ahmed Khalaf Alotaiba	Chairman
	Mr. Darwish Ahmed Darwish Ahmed Elketbi	Member
	Ms. Rauda Abdulla Sorour Aldhaheri	Member
	Mr. Rami Naim Al Mohtaseb	Member

Statement of Insiders' Trading Supervision and Follow-Up Committee functions and the duties assigned thereto:

The Insiders' Trading Supervision and Follow Up Committee is responsible for managing, following up and supervising transactions and ownership of the insiders, maintaining their records and submitting periodic statements and reports to the market.

c. A summary of the Committee's work report during the period from 23 October 2024 (the date of commencement of trading in the Company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024 and the dates of its meetings, stating the number of times all Committee members attended in person.

- Insiders' names were uploaded on ADX website.
- The Committee followed up with the BOD`s Secretary on notifying the insiders of the transaction prohibition periods and made sure that the Chairman, BOD members and all the employees were informed of the prohibition imposed on trading in the Company's securities until the disclosure of the financial statements.

Any Committee or other Committees approved by the Board of Directors:

Committee Name:

Board Executive Committee

a. Chairman's acknowledgement of his responsibility for the Committee system at the Company, review of its work mechanism and ensure its effectiveness.

"Sheikh Ahmed Mohammed Sultan Suroor Al Dhahiri, Chairman of the Board Executive Committee acknowledges his responsibility for the Committee system in the Company, review of its work mechanism and ensuring its effectiveness".

Corporate Governance Report *continued*

b. Names of Members of Board Executive Committee, and statement of its functions and duties assigned thereto:

	Name	Capacity
Board Executive Committee	Sheikh Ahmed Mohammed Sultan Suroor Al Dhahiri	Chairman
	Mr. Darwish Ahmed Darwish Ahmed Elketbi	Member
	Mr. Khalid Anib	Member

The Board Executive Committee meets regularly to follow up on the directives issued by the Board of Directors and to guide the Executive Management of the company in line with the strategic objectives and policies established by the Board of Directors, the provisions of the Law and Legislation related to the company's work and activities.

Responsibilities of the Committee include the following:

- Recommending the Group's Strategic Plans and Long-Term Business Objectives for the Board's approval.
- Reviewing the annual financial plan/budget and monitoring its performance at least on a quarterly basis.
- Recommending to the Board the establishment by the Company of new legal entities and recommending to the Board the liquidation, sale and any other action with regard to disposing of any legal entities/businesses owned by the Group.
- Approving contractual commitments in line with the Company's Delegation of Authority (DoA).
- Approving capital expenditures in line with the Company's DoA.
- Approving business transactions as per the DoA of the Company.
- Monitoring implementation of strategic projects and significant transformation initiatives.
- Overseeing financial and operational performance of the Company and referring/submitting reports to the Board in such regard.
- Overseeing the operations of the Company's business and providing directions and guidance to the Executive Management.
- Carrying out any other work assigned to the Committee by the Company's Board.
- Addressing areas or topics specifically referred to by the Committee by the Board from time to time.
- The Committee may seek advice and assistance from any of the Company's departments (finance department, legal department, engineering/projects department, etc.) and external advisors in order to perform its duties.
- The Committee may recommend to the Board referring certain matters for investigation by the Audit, Compliance & Corporate Governance Committee.
- The Committee may appoint sub-committees and delegate certain authorities to the said sub-committees as it deems appropriate and necessary.
- The Committee recommends to the Board the annual KPIs to be met by the Chief Executive Officer of the Company subject to the Board's approval to the same.

A statement of the number of meetings of the Board Executive Committee of the Board of Directors held by the Committee during the period from 23 October 2024 (the date of commencement of trading in the Company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024, and the dates of their convening, with a statement of the number of times all Committee members attended in person.:

	Meeting Number	Meeting Date	Attendees	Absent
Board Executive Committee	1	4 November 2024	Sheikh Ahmed Mohammed Sultan Suroor Al Dhahiri Mr. Darwish Ahmed Darwish Ahmed Elketbi Mr. Khalid Anib	NIL
	2	25 December 2024	Sheikh Ahmed Mohammed Sultan Suroor Al Dhahiri Mr. Darwish Ahmed Darwish Ahmed Elketbi Mr. Khalid Anib	NIL

Statement of the duties and responsibilities of the Board of Directors carried out by a member of the Board or the Executive Management during the period extending from 23 October 2024 (the date of commencement of trading in the Company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024, based on an authorization from the Board, specifying the duration and validity of the authorization:

Authorized Person	Authorization validity	Authorization period
NIL	NIL	NIL

A statement detailing the transactions that took place with related parties (stakeholders) during the period extending from 23 October 2024 (the date of commencement of trading in the company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024, which shall include the following:

Statement of the Related Party	Clarification of the Nature of the Relationship	Type of the Transaction	Volume of the Transaction
NIL	NIL	NIL	NIL

6. Board of Directors Evaluation

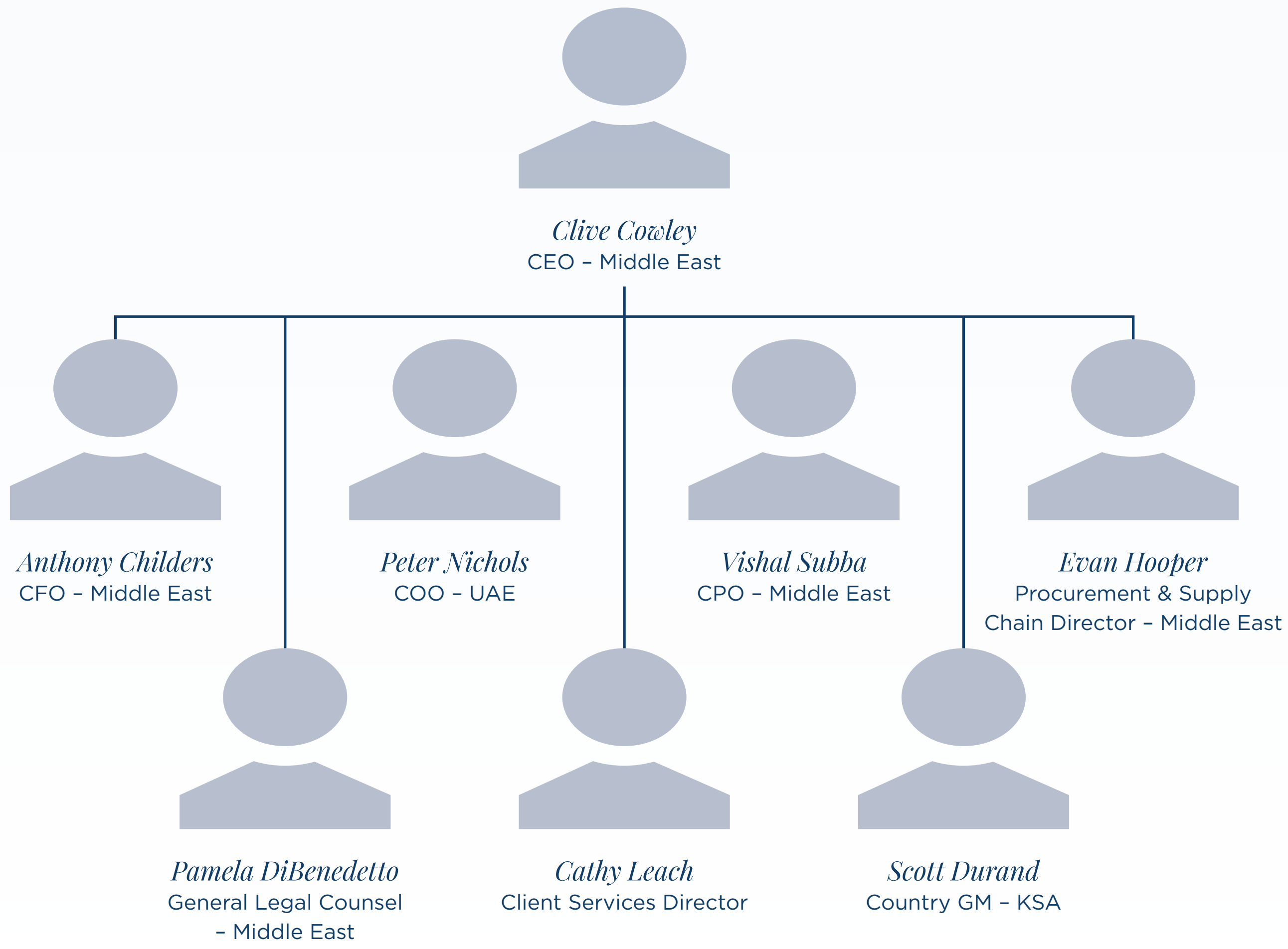
Evaluation of the Board of Directors, its Committees and Executive Management:

a. With the assistance of the Board Secretary, the Chairman submits on an annual basis an evaluation of each member of the Board of Directors. These are kept in the custody of the Board Secretary.

b. Evaluation of the company's board of directors, its members and committees by an independent professional body that has no interest or relationship with the company or any of its board of directors or executive management members:

Not Applicable.

7. The Company Organizational Structure and Executive Management:



Corporate Governance Report *continued*

A detailed statement of senior executive employees in the first and second ranks according to the company's organizational structure, their positions and dates of appointment, and total salaries and benefits paid thereto for the period from 23 October 2024 (the date of commencement of trading in the company shares on the Abu Dhabi Securities Exchange "ADX") to 31 December 2024 as set out below:

S/N	Position	Appointment Date
1	CEO Middle East	1 October 2020
2	Chief Operating Officer	18 October 2020
3	Chief Financial Officer – Middle East	14 July 2024
4	Chief People Officer – Middle East	15 May 2010
5	Procurement & Supply Chain Director – ME	8 January 2017
6	Head of Strategic Projects	13 April 2021
7	General Legal Counsel – Middle East	3 April 2023
8	Client Services Director	4 December 2022

Description	No. of Employees	Total Salaries and Allowances paid during the period from 23 October 2024 (the date of commencement of trading in the company shares on the Abu Dhabi Securities Exchange "ADX") to 31 December 2024	Total Bonuses paid for the period from 23 October 2024 (the date of commencement of trading in the company shares on the Abu Dhabi Securities Exchange "ADX") to 31 December 2024
Executive Management	8	AED. 1,630,055	None

8. External Auditor:

a. Brief about the External Auditor of the Company to the Shareholders:

- For the year 2024, PricewaterhouseCoopers, with Imran Massey as a partner, was appointed as the external auditors of the Company. The primary task of PricewaterhouseCoopers was to provide assurance services for reviewing and auditing quarterly and annual financial statements according to the International Standards on Auditing (ISA). The parent company (ADNH) completed the listing of 40% of shares of ADNH Catering PLC on Abu Dhabi Stock Exchange during the year 2024 and appointed Deloitte, EY, KPMG to provide assurance, accounting, taxation and valuation services related to the IPO.
- The external auditors verified the consolidated financial statements of the Company and its subsidiaries, ensuring that all financial transactions are originated, recorded, and prepared appropriately and correctly in conformity with the accounting standards, and ensure compliance with the accounting principles in addressing all the business of the Company and its subsidiaries.
- The Audit and Risk Committee meets with the external auditors to review and discuss the nature, quality, and conclusions of their findings. The external auditors present their opinion on quarterly reviews and annual audits of the financial statements to the Audit and Risk Committee Committee and attend the General Assembly Meeting to answer and explain all questions and inquiries that may be asked by the stakeholders regarding transparency, credibility, and neutrality, as well as whether there were any obstacles or interventions from the Company's BOD during their work.
- PricewaterhouseCoopers offices have been operating in the UAE for more than 30 years and are one of the major professional service providers in the UAE. It offers services to several public and private sectors, including financial services, insurance, energy, building and contracting, real estate, utilities, consumer products and sales, communications, and entertainment all over the world.

b. Statement of the fees and costs related to the audit or services provided by the external auditor for the period extending from 23 October 2024 (the date of commencement of trading in the company's shares on the Abu Dhabi Securities Exchange) until 31 December 2024, according to the following table:

Name of Auditing Firm & Audit Partner	Audit firm: PricewaterhouseCoopers Limited Partnership (ADGM Branch)
Name: Partner Auditor	Imran Massey
Number of years served as an external auditor for the Company	One year
Number of years the partner auditor has been auditing the company's accounts	One year
Total fees for auditing the financial statements for the period from 23 October 2024 (the date on which trading of the company's shares commenced on the Abu Dhabi Securities Exchange) until 31 December 2024.	AED260,400
Details and the nature of other services provided.	None
Fees and costs for other special services other than auditing the financial statements for the period from 23 October 2024 (the date on which trading of the company's shares commenced on the Abu Dhabi Securities Exchange) until 31 December 2024.	None
A statement of the other services performed by an external auditor other than the Company's auditor in 2024 (if any), and in case there is no other auditor, this shall be expressly stated	– Corporate taxation services were provided by Deloitte & Touche M.E – Accounting consulting services were provided Deloitte & Touche M.E – Acquisition financial due diligence was performed Grant Thornton – ICV verification work was performed by Crowe Mak – Internal audit work was performed by UHY James

c. Statement of qualified opinions made by the company's external auditor in the interim and annual financial statements for the period ending on 31 December 2024. In the absence of any qualified opinions, this shall be stated clearly.

The external auditor has expressed an unqualified opinion on all audits for the period ending on 31 December 2024.

8. Internal Control System:

a. The Board's acknowledgement of its responsibility for the company's internal control system and for reviewing its working mechanism and ensuring its effectiveness:

The Board of Directors of the Company acknowledges its responsibility for the Company's internal control system and for its review and effectiveness. The Board of Directors of the Company has established a specialized internal control department that reports to it through the Audit and Risk Committee, which is responsible for implementing the internal control system. This committee has defined the objectives, tasks and powers of the Internal Control Department.

b. Name of Department Manager, his Qualifications and Date of Appointment:

The Internal Audit Department is headed by Ms. Farah Eida, a holder of program certificates in the field of internal auditing and financial auditing (CFE, GRCP) and has been working in the internal auditing profession for more than 7 years. She was appointed and joined the company on 29 November 2024.

c. Name of the Manager of the Department, his qualifications and date of appointment.

To ensure that an appropriate degree of independence is maintained in the performance of the functions of the internal control system, Mr. Wasif Javed Dar was appointed as Compliance Manager in ADNH Catering PLC on 1 December 2024.

The Internal Control Department has free access to the Audit and Risk Committee, to which it is functionally affiliated.

Corporate Governance Report *continued*

d. How the internal control department handles any significant issues problems in the Company:

The Internal Audit Department raises any internal audit points before the Audit and Risk Committee, which takes the necessary decisions to address such points. It is worth mentioning that the Company did not encounter any major issues for the period ending on 31 December 2024.

e. Number of reports issued by the company's internal control department during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024:

During the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024, an internal report was submitted based on a report prepared by outsourced internal auditing services company (UHY).

9. Details of the violations committed during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024, and a statement of their reasons, how to address them and avoid their recurrence in the future:

The company did not commit any violations during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024.

10. Statement of cash and in-kind contributions made by the Company during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024 toward the local community development and environmental conservation:

The company has maintained its commitment to providing a safe working environment for its employees and all its labor. To ensure compliance with the highest standards, the company's Executive Management and its subordinates conduct an active program of internal audit and inspection program to ensure that there are no violations. The Executive Management is also keen to work with all stakeholders and competent authorities to protect and preserve the environment.

The company did not make any contributions during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) until 31 December 2024.

11. General Information:

a. Statement of the Company share price in the Market (closing price, highest price and lowest price) during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024:

ADNH Catering Share price – 2024

Date	Closing price	Highest Price	Lowest Price
31 October 2024	0.955	0.970	0.941
30 November 2024	0.930	0.957	0.902
31 December 2024	0.915	0.936	0.900

b. Statement of the Company's comparative performance with the general market index and sector index to which the company belongs during the period from 23 October 2024 (the date on which trading of the company's shares began on the Abu Dhabi Securities Exchange) to 31 December 2024:

Comparison with General and Sector Index

Date	Closing price	General Index	Sector Index
31 October 2024	0.955	9,327.92	5,458.91
30 November 2024	0.930	9,234.80	5,113.68
31 December 2024	0.915	9,419.00	5,186.81

c. Statement of shareholders' ownership distribution as of 31 December 2024 (individuals, companies, governments) classified as follows:

		Percentage of Shares Held				%
S/N	Shareholder Category	Individual	Companies	Government	Total	
1	Local	270,499,950	1,753,500,891	95,000,000	2,119,000,841	94.2%
2	Arab	28,104,837	18,922,455	–	47,027,292	2.1%
3	Foreign	29,659,952	54,311,915	–	83,971,867	3.7%
	Total	**328,264,739**	**1,826,735,261**	**95,000,000**	**2,250,000,000**	**100.0%**

d. Statement of shareholders who hold 5% or more of the Company's share capital as of 31 December 2024:

S/N	Name	Number of Shares Held	% of the Shares Held of the Company's Capital
1	Abu Dhabi National Hotels Company PJSC	1,350,000,000	60.0%

e. Statement of shareholders' distribution by the size of equity as of 31 December 2024:

S/N	Share(s) Owned	Number of Shareholders	Number of Shares Held	% of the Shares Held of the Share Capital
1	Less than 50,000	12,893	36,477,277	1.6%
2	From 50,000 to less than 500,000	129	20,259,308	0.9%
3	From 500,000 to less than 5,000,000	85	183,774,720	8.2%
4	More than 5,000,000	35	2,009,488,695	89.3%
	Total	**13,142**	**2,250,000,000**	**100.0%**

f. Statement of measures taken regarding controls of investor relationships and an indication of the following:

a. An Investor Application form is made available on the Company's website to facilitate the process of submitting applications from shareholders for transactions related to their shares.

b. Communication between the competent departments of the company (Legal and Finance departments) is activated regarding facilitating and accelerating the transactions and requests of shareholders and considering any complaints received from them.

Name and contact information of the Investors' Relations Manager

Name	Contact Details
Mr. Usman Saeed Saeed Ur Rehman Hashmi	Office Tel: +971 2 4087429 Mob.: +971 50 6132152 Email: usman.saeed@adnh.com P.O.Box: 46806

Corporate Governance Report *continued*

The page relating to Investor Relations includes:

- The Company's Annual Financial Statement
- Management Discussion Reports
- Corporate Governance Reports
- Minutes of the Annual General Assembly Meetings
- Contact Details of the Investor Relations Section
- Daily share price
- Announcements on Unclaimed dividends
- The link of the Investor Relations webpage on the website of the Company is:

https://investors.adnhc.me

g. Statement of Special Resolutions presented to the General Assembly held in 2024 and the procedures taken with respect thereto:

Not applicable.

h. Name of Rapporteur of the Board Meetings.

The Rapporteur is Mr. Nadim Elias El Haj and was formally appointed as Board Secretary on 21 June 2024.

i. Statement of significant events that took place in the Company as of 31 December 2024.

On 12 December 2024, the company announced that it has entered into a sale and purchase agreement to increase its stake in its joint venture in Saudi Arabia to a controlling 50% stake.

j. Statement of Related Party Transactions that may have taken Place the Company as of 31 December 2024 equivalent to 5% or more than the Company's Capital.

None.

k. Statement of the Emiratization percentage in the Company in 2022, 2023 and 2024.

Year	Count of Employees	UAE Nationals	%
2022	175	14	8.03%
2023	188	16	8.60%
2024	193	12	6.13%

During 2023 and 2024, the company experienced a decline in the number of Emirati employees, as many opted for the government sector, which became their preferred employer of choice. However, by 2025, the percentage of Emirati nationals in the workforce had returned to 2023 levels, demonstrating the company's continued commitment to increasing the employment of nationals. We remain dedicated to strengthening the national workforce, with a clear focus on increasing the representation of Emiratis and expanding the proportion of Emirati talent within the company in the years ahead.

l. Statement of innovative projects & initiatives implemented by the Company, or which were under development as of 31 December 2024:

On 12 December 2024, the company announced that it has entered into a sale and purchase agreement to increase its stake in its joint venture in the Kingdom of Saudi Arabia to a controlling stake of 50% with the aim of expanding in the Saudi market and benefiting from the Company's expertise in the catering and support services sector in order to increase business growth in the Kingdom of Saudi Arabia, which will positively reflect on the Company's future financial performance and lead to creating added value for the Company's shareholders.

Signature of Chairman of the Board of Directors	Signature of Chairman of the Audit and Risk Committee	Signature of Chairman of the Nomination & Remuneration & Human Resources Committee	Signature of the Manager of the Internal Audit Department
Date:	Date:	Date:	Date:

ESG Summary

We are pleased to publish ADNH Catering's first Sustainability Report, for the year 2024, which presents an overview of our commitment to sustainable practices.

Developed in line with the guiding principles and disclosures outlined in the Global Reporting Initiative ("GRI") 2021 Standards and the Abu Dhabi Securities Exchange ("ADX") ESG Reporting Guidance for Listed Companies, the report offers an overview of our operations, strategic direction, key material issues, information on key environmental and social parameters, and governance structure.

We highlight the efforts we have made and the progress we continue to strive for, reinforcing our dedication to creating lasting, positive impact.

Our report serves as a comprehensive resource, providing our stakeholders with a detailed understanding of our business operations and performance. The transparency reflected therein is essential for promoting informed decision-making and strengthening the trust and confidence that our stakeholders place in us.

The Company's full Sustainability Report 2024 can be found here:

https://www.adx.ae/main-market/company-profile/disclosures?symbols=ADNHC&secCode=ADNHC

In line with the ADX ESG Reporting Guidance for Listed Companies, set out below is a summary index illustrating ADNH Catering's disclosures for 2024 across Environmental, Social and Governance metrics.

Data	Metric	Page number(s), link, and/or direct answer
ENVIRONMENTAL		
E1. GHG Emissions	E1.1) Total amount in CO_2 equivalents, for Scope 1 (if applicable)	Refer page 21, 22 of our Sustainability Report
	E1.2) Total amount, in CO_2 equivalents, for Scope 2 (if applicable)	Refer page 21, 22 of our Sustainability Report
	E1.3) Total amount, in CO_2 equivalents, for Scope 3 (if applicable)	Refer page 21, 22 of our Sustainability Report
E2. Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	We are working on the metric to provide data in future disclosures
	E2.2) Total non-GHG emissions per output scaling factor	We are working on the metric to provide data in future disclosures
E3. Energy Usage	E3.1) Total amount of energy directly consumed	Refer page 20 of our Sustainability Report
	E3.2) Total amount of energy indirectly consumed	Refer page 20 of our Sustainability Report
E4. Energy Intensity	Total direct energy usage per output scaling factor	We are working on the metric to provide data in future disclosures
E5. Energy Mix	Percentage: Energy usage by generation type	Refer page 20 of our Sustainability Report
E6. Water Usage	E6.1) Total amount of water consumed	Refer page 23 of our Sustainability Report
	E6.2) Total amount of water reclaimed	We are working on the metric to provide data in future disclosures

ESG SUMMARY *continued*

Data	Metric	Page number(s), link, and/or direct answer
E7. Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes/No	Refer page 19 of our Sustainability Report
	E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	Refer page 19 of our Sustainability Report
	E7.3) Does your company use a recognised energy management system?	Refer page 20 of our Sustainability Report
E8. Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks Yes/No	Refer page 16, 19 of our Sustainability Report
E9. Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Refer page 16, 19 of our Sustainability Report
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	We are working on the metric to provide data in future disclosures
SOCIAL		
S1. CEO Pay Ratio	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	Refer page 16 of our Sustainability Report. For further details on the compensation structure, we are working on the metric to provide data in future disclosures
	S1.2) Does your company report this metric in regulatory filings? Yes/No	We are working on the metric to provide data in future disclosures
S2. Gender Pay Ratio	Ratio: Median male compensation to median female compensation	For further details on the compensation structure, we are working on the metric to provide data in future disclosures
S3. Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	Refer page 35, 36 of our Sustainability Report
	S3.2) Percentage: Year-over-year change for part-time employees	N/A. We do not have a significant number of part-time employees within our operations
	S3.3) Percentage: Year-over-year change for contractors/ consultants	Refer page 35, 36, 37 of our Sustainability Report
S4. Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	Refer page 35, 36, 37 of our Sustainability Report
	S4.2) Percentage: Entry- and mid-level positions held by men and women	Refer page 37 of our Sustainability Report
	S4.3) Percentage: Senior- and executive-level positions held by men and women	Refer page 37 of our Sustainability Report

Data	Metric	Page number(s), link, and/or direct answer
S5. Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	N/A. We do not have a significant number of part-time employees within our operations
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	Refer page 37 of our Sustainability Report
S6. Non- Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	Refer page 34 of our Sustainability Report
S7. Injury Rate	Percentage: Frequency of injury events relative to total workforce time	Refer page 48 of our Sustainability Report
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy? Yes/No	Refer page 45 of our Sustainability Report
S9. Child & Forced Labour	S9.1) Does your company follow a child and/or forced labour policy? Yes/No	The Company adheres to the legal framework and regulations in the UAE, which prohibit forced or compulsory labour
	S9.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No	We are working on the metric to provide data in future disclosures
S10. Human Rights	S10.1) Does your company follow a human rights policy? Yes/No	Yes. See our Code of Business Conduct. Refer page 17 of our Sustainability Report
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	Refer page 28 of our Sustainability Report
S11. Nationalisation	S11.1) Percentage of national employees	Refer page 35 of our Sustainability Report
	S11.2) Direct and indirect local job creation	Refer page 28, 29, 35 of our Sustainability Report
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	We are working on the metric to provide data in future disclosures
GOVERNANCE		
G1. Board Diversity	G1.1) Percentage: Total Board seats occupied by men and women	7 Board members: 6 male and 1 female. Refer to our Corporate Governance Report
	G1.2) Percentage: Committee chairs occupied by men and women	Male: 100% Refer to our Corporate Governance Report
G2. Board Independence	G2.1) Does your company prohibit CEO from serving as Board Chair? Yes/No	Yes
	G2.2) Percentage: Total Board seats occupied by independents	57% Refer to our Corporate Governance Report

ESG SUMMARY *continued*

Data	Metric	Page number(s), link, and/or direct answer
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Refer to the Employee Recognition and Excellence Awards section in our Sustainability Report
G4. Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)* * Applicable to companies operating in countries in which collective bargaining is applicable by law	N/A
G5. Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	ADNH Catering's suppliers are required to follow the Company's Code of Business Conduct
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	100%
G6. Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	Yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	100%
G7. Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	Yes
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	Yes
G8. Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/No	Yes. The Company has published a Sustainability Report for 2024 on the ADX website
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	Yes
G9. Disclosure Practices	G9.1) Does your company provide reporting frameworks? Yes/No	The Company follows the ADX and GRI reporting frameworks. We developed our Sustainability Report 2024 in line with the GRI guiding principles, the ADX Guidelines and in alignment with UN SDGs and UAE National Strategy 2030
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	Yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	Yes

Data	Metric	Page number(s), link, and/or direct answer
G10. External Assurance	Are your sustainability disclosures assured or validated by a third party? Yes/No	The Company's Sustainability Report 2024 was not subject to third party assurance. However, we hold ISO certifications for specific sustainability and ESG materiality topics, such as ISO 45001, ISO 9001, ISO 14001, and ISO 22001. These certifications were granted by third party organisations following their standard verification processes

SECTION 04

Financial Statements

DIRECTORS' REPORT

For the fifteen-month period ended 31 December 2024

Dear valued Shareholders,

Peace be upon you

On behalf of the Board of Directors of ADNH Catering plc and our shareholders please allow me to express our sincere gratitude to H.H. Sheikh Mohammed bin Zayed Al Nahyan, President of the United Arab Emirates, H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and ruler of Dubai and H.H. Sheikh Mansour Bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Presidential Affairs for their continuous support for, and custodianship of, the economy and business environment of the United Arab Emirates.

Overview of our Business

ADNH Catering is the UAE's largest food services company, leveraging decades of experience and expertise in the catering industry. In addition to Food Services, the Company also offers Support Services including cleaning and manpower supply. The Company is part of ADNH (Abu Dhabi National Hotels Company PJSC) known for its expertise in hospitality and food services. ADNH sold its first food service contract in 1979, marking its presence as an early mover in the industry.

ADNH Catering offers a range of services, including corporate catering, event catering, and food solutions for various sectors such as healthcare, education, defence, business & industry, and others. The Company provides catering and food services through on-site kitchens or centralized hubs, depending upon each client's specific requirements and the contract signed. This flexibility allows ADNHC to deliver high-quality service and innovative culinary offerings tailored to diverse client needs. ADNHC is recognized for its high-quality standards, innovative culinary offerings, and commitment to customer satisfaction. It also offers Support Services including cleaning & housekeeping, manpower supply, integrated facilities management (IFM), and procurement services. The company provides these bundled services and IFM by partnering with IFM companies.

The ADNH Catering Group Structure

The consolidating entities that operate on a unified basis in the United Arab Emirates comprise:

ADNH Catering Abu Dhabi

ADNH Catering Dubai

ADNH Catering Sharjah

As described in the consolidated financial statements, we are pursuing two inorganic opportunities. One will extend the reach of our educational catering business, the second will enable us to project our strong business model to the Kingdom of Saudi Arabia by increasing our shareholding in Compass Arabia ("Saudi Catering Business" or "KSA JV") to 50% and having operational control thereon.

Our Vision

The Group's vision is to be a leader of contract food services and support services in its markets, maximising value for its shareholders.

Our Mission

The mission of the Group is to focus on organic and inorganic growth and diversification, whilst delivering industry-setting standards of service in the communities and markets where we operate.

Members of the Board of Directors:

The Board consists of 7 Directors of which there is one Executive Director and six Non-Executive Directors, four of whom are independent Directors, as follows:

Mr. Khalaf Al Dhaheri, Chairman, Independent Non-executive director

Ms. Rauda Abdulla Sorour Aldhaheri, Independent Non-executive director

Mr. Darwish Al Ketbi, Independent Non-executive director

Mr. Khalid Anib, Non-executive director

Mr. Mohamed Khalaf Al Otaiba, Independent Non-executive director

H.E. Sheikh Ahmed Al Dhahiri, Non-executive director

Mr. Clive Cowley, Executive director

Commentary on the 15 months period ended 31 December 2024

Following the acquisition of Compass' shareholding in our business by ADNH in March 2024 and the reorganization of the companies comprising the ADNH Catering Group under ADNH Catering plc, our business successfully listed on the Abu Dhabi Securities Exchange (ADX) on 23 October 2024. Our growth ambitions were further boosted by the signature of a Sale and Purchase Agreement to increase ADNH Catering's shareholding in its Saudi Joint Venture, Compass Arabia, from 30% to 50%. The transaction is currently subject to regulatory approval in the Kingdom of Saudi Arabia, following which we will exercise operational control of the business to execute our sectorized growth model in the Kingdom, where we see significant potential.

In a post-period event in January 2025, we announced the acquisition of 100% of the share capital of Food Nation Catering Services LLC, a specialized company providing catering services to primary and secondary education institutions in the United Arab Emirates. The acquisition supports ADNH Catering's strategic objective to deepen its penetration of the education sector. Additionally, we have initiated a rebranding exercise for two of our institutional catering activities as well as one of our support services activities.

On a statutory basis, in the fifteen-month period ended 31 December 2024 the business reported Consolidated Revenue of AED 1,892 million compared to AED 1,388 million for the year ended 30 September 2023. Operating Profits were AED 201 million in the fifteen-month period to 31 December 2024; whereas in the twelve-month period to 30 September 2023 Operating Profits were AED 211 million.

For the fifteen-month period to 31 December 2024, Revenue for the Catering Business was AED 1,177 million and profit for the period were AED 158 million compared to Revenue of AED 875 million and profit for the year up to 30 September 2023 of AED 167 million.

Our Support Services Businesses recorded Revenue of AED 715 million and profit for the period of AED 43 million in the fifteen months ended 31 December 2024, compared to Revenue of AED 514 million and profit for the year up to 30 September 2023 of AED 44 million.

In the fifteen-month period to 31 December 2024 we recorded a corporate taxation provision of AED 18 million.

Outlook for 2025 and beyond

We are confident that our diversified business model and strategic growth roadmap together put us in an excellent position to further increase our market share in the UAE, and leverage on our sector expertise in the UAE to drive the expansion of our Saudi Catering Business across various sectors and provinces in KSA (including Riyadh) after having operational control of our KSA JV. Market conditions in the UAE and KSA are favourable for our business, and we will drive further growth in the UAE and KSA on the back of such strong market dynamics.

Returns to shareholders

In line with our announced dividend policy and projected cash flows, the Board of Directors recommends a special cash dividend distribution of AED 60 million in April 2025, which represents 26.6% of share capital and is equivalent to 2.7 Fils per share.

Recognition and appreciation

I would like to express my appreciation for the commitment and support of our Board of Directors. Similarly, on behalf of the Board of Directors and the Shareholders I wish to thank the management and employees of ADNH Catering for their continued efforts and achievements.

Statement of disclosure to auditors:

The Directors of ADNH Catering plc certify that as far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board of Directors,

Khalaf Sultan Rashed Saeed Al Dhaheri
Chairman of the Board

Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri
Vice Chairman

Independent auditor's report to the shareholders of A D N H Catering plc

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of A D N H Catering plc (the "Company") and its subsidiaries (together "the Group") as at 31 December 2024, and its consolidated financial performance and its consolidated cash flows for the fifteen-month period then ended (the "period") in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of profit or loss for the period then ended;
- the consolidated statement of comprehensive income for the period then ended;
- the consolidated statement of changes in equity for the period then ended;
- the consolidated statement of cash flows for the period then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Abu Dhabi Global Market ("ADGM"). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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Independent auditor's report to the shareholders of A D N H Catering plc (continued)

Our audit approach

Overview

Key audit matters	• Acquisition of A D N H Catering L.L.C and A D N H Compass L.L.C. SP
	• Capital Re-organization

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

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

Independent auditor's report to the shareholders of A D N H Catering plc (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Acquisition of A D N H Catering L.L.C and A D N H Compass L.L.C. SP (the "acquisition") During the period ended 31 December 2024, A D N H Catering L.L.C - O.P.C, the subsidiary of A D N H Catering plc (the "subsidiary") acquired 100% of the shares of A N D H Catering L.L.C. ("ADNHC Dubai") and A D N H Compass L.L.C. SP ("ADNHC Sharjah") (referred to as the "entities") from Abu Dhabi National Hotels Company PJSC (the "Ultimate Parent Company") at nominal amounts. The acquisition of the entities is a transaction under common control as disclosed in Note 2.2 to the consolidated financial statements. This acquisition is excluded from the scope of IFRS 3 "Business Combinations", as this represented business combination of the entities under common control, given that the subsidiary and the entities are all controlled by the same Ultimate Parent Company before and after the acquisition. The acquisition has been accounted for in the consolidated financial statements under the predecessor method of accounting which reflects the economic substance of the transaction. We have identified this transaction as a key audit matter due to its financial significance, key judgment used by the management and the significant impact of this transaction on the composition of the Group's businesses and activities. Refer to Notes 2.2, 4.1 and 24 which explain the accounting policy adopted by the Group, the transfer details and the critical accounting judgment for transactions involving entities under common control.	We performed the following procedures over the acquisition transaction of the entities: 1. Obtained and reviewed the Share Transfer Agreements ("STA") and reviewed the ownership structures before and after the transaction in order to assess the acquisition fulfilled the requirements of business combination under common control; 2. Supported by our technical accounting team, we reviewed the accounting policy adopted by the management to conclude on the appropriateness of recognising the acquisition transactions as transactions under common control; 3. Tested the supporting documentation and the underlying schedules on a sample basis. We carried out testing procedures, on a sample basis, to assess the accuracy of the amounts being acquired; 4. Assessed if the predecessor accounting method was appropriately applied by the management in accordance with the Group's accounting policy; and 5. Assessed the adequacy of disclosures in the consolidated financial statements relating to this matter.

Independent auditor's report to the shareholders of A D N H Catering plc (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	*How our audit addressed the key audit matter*
Capital reorganisation ADNH Catering plc (the Company) has been established by the Ultimate Parent Company (Abu Dhabi National Holding Company PJSC) during June 2024 as part of the Group restructuring in regard to the catering business. During this period, the Ultimate Parent Company transferred its subsidiary 'A D N H Catering L.L.C - O.P.C' (the "subsidiary") to ADNH Catering plc at a nominal price. Since, ADNH Catering plc was a non-operating business, management considered this acquisition transaction as a capital re-organization and assumed that ADNH Catering plc is a continuation of the subsidiary. Accordingly, management adopted the predecessor accounting policy, whereby the assets, liabilities, revenues and expenses of the acquired subsidiary are incorporated at their pre-acquisition carrying amounts. No fair value uplift is applied, and no new goodwill is recognized. As a result of the capital re-organization accounting, ADNH Catering plc consolidated financial statements carried amounts from the beginning of the earliest period presented, reflecting that ADNH Catering plc is the continuation of the previously existing reporting entity. We have identified this transaction as a key audit matter due to its financial significance, key judgment used by the management and the significant impact of this transaction on the composition of the Group's businesses and activities. Refer to Notes 2.2 and 4.1 which explain the accounting policy adopted by the Group and the critical accounting judgment for this transaction.	We performed the following procedures over the acquisition transaction of the subsidiary: 1. Obtained and reviewed the Share Sale and Purchase Agreement ("SSPA") and reviewed the ownership structures before and after the transaction; 2. Supported by our technical accounting team, we assessed the appropriateness of management's accounting with reference to relevant guidance on capital reorganisations and common control transactions; 3. Supported by our technical accounting team, we evaluated management's judgement and rationale for selecting the pre-acquisition carrying amounts of the subsidiary; 4. Tested the supporting documentation and the underlying schedules on a sample basis. We carried out testing procedures, on a sample basis, to assess the accuracy of the amounts being acquired; 5. Assessed if the consolidated financial statements appropriately present the amounts of the acquired subsidiary for the full reporting period, including the comparatives; and 6. Assessed the adequacy of disclosures in the consolidated financial statements relating to this matter.

Independent auditor's report to the shareholders of A D N H Catering plc (continued)

Our audit approach (continued)

Key audit matters (continued)

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Emphasis of matter

We draw attention to the fact that, as disclosed in Note 1, following the reorganisation, the Group changed its financial year end from 30 September to 31 December to align itself with the year end of its ultimate parent, Abu Dhabi National Hotels Company PJSC. As a result, the consolidated financial statements are for a period of fifteen months from 1 October 2023 to 31 December 2024.

Our opinion is not modified in respect of this matter.

Other matter

The comparative information in the consolidated financial statements as at and for the year ended 30 September 2023 has not been audited.

Other information

The Directors are responsible for the other information. The other information comprises the Directors' report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and Group's Annual Report, which is expected to be made available to us after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above 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.

When we read the Group's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 and their preparation in compliance with the applicable provisions of the ADGM Companies Regulations 2020, as amended, the ADGM 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.

Independent auditor's report to the shareholders of A D N H Catering plc (continued)

Responsibilities of management and those charged with governance for the consolidated financial statements (continued)

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 judgment 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 risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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Independent auditor's report to the shareholders of A D N H Catering plc (continued)

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

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

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

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

Report on other legal and regulatory requirements

As required by the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015, we report that:

- the consolidated financial statements have been prepared, in all material respects, in accordance with the applicable requirements of the ADGM Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015; and
- the information given in the Directors' report is consistent with the consolidated financial statements of the Group.

For and on behalf of PricewaterhouseCoopers Limited Partnership (ADGM Branch)

11 February 2025

Imran Massey
Partner
Abu Dhabi, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December 2024 AED	As at 30 September 2023 AED (Unaudited)
ASSETS			
Non-current assets			
Property and equipment	5	**16,702,679**	14,958,362
Right-of-use assets	6	**60,595,550**	86,656,545
Intangible assets	7	**280,732,728**	285,534
Investment in a joint venture	8	**10,910,760**	-
Total non-current assets		**368,941,717**	101,900,441
Current assets			
Inventories	9	**14,574,074**	6,819,045
Trade and other receivables	10	**660,116,452**	567,478,224
Due from related parties	11	**10,979,488**	27,041,715
Cash and cash equivalents	12	**190,226,355**	165,697,328
Total current assets		**875,896,369**	767,036,312
Total assets		**1,244,838,086**	868,936,753
EQUITY AND LIABILITIES			
Equity			
Share capital	13	**225,000,000**	-
Statutory reserve	13	**10,000,000**	10,000,000
Additional contributed capital	13	**142,354,198**	20,000,000
Own shares	14	**(20,685,738)**	-
Other reserve	16	**6,249,032**	-
Retained earnings		**123,703,608**	212,421,946
Proposed dividends	13	**60,000,000**	-
Net equity		**546,621,100**	242,421,946
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits	16	**114,319,760**	110,130,739
Lease liabilities	15	**24,481,384**	47,584,568
Deferred tax liabilities	25	**17,323,775**	-
Total non-current liabilities		**156,124,919**	157,715,307
Current liabilities			
Trade and other payables	17	**418,617,421**	415,234,941
Bank borrowings	18	**50,484,586**	-
Due to related parties	11	**21,668,363**	23,177,917
Lease liabilities	15	**31,985,560**	30,386,642
Current tax liabilities		**19,336,137**	-
Total current liabilities		**542,092,067**	468,799,500
Total liabilities		**698,216,986**	626,514,807
Total equity and liabilities		**1,244,838,086**	868,936,753

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operations and consolidated cash flows of the Group as of, and for the fifteen-month period ended 31 December 2024.

These consolidated financial statements were duly approved and authorised for issue by the Board of Directors on 11 February 2025 and signed on their behalf by:

Khalaf Sultan Rashed Saeed Al Dhaheri Chairman	**Sheikh Ahmed Mohammed Sultan Suroor Aldhahiri** Vice Chairman	**Clive William Cowley** Chief Executive Officer	**Anthony Deniol Childers** Chief Financial Officer

The notes on pages 71 to 112 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Revenues from contracts with customers	19	**1,892,221,993**	1,388,792,200
Direct costs	20	**(1,594,013,184)**	(1,124,771,033)
Gross profit		**298,208,809**	264,021,167
General and administrative expenses	21	**(88,231,567)**	(74,955,882)
Provision for impairment of financial assets	10	**(9,228,153)**	(904,989)
Other income		**262,468**	23,275,823
Operating profit		**201,011,557**	211,436,119
Finance income	23	**3,128,994**	2,783,853
Finance costs	23	**(4,562,652)**	(2,784,246)
Finance costs – net		**(1,433,658)**	(393)
Share of net profit of investments accounted for using the equity method	8	**1,192,879**	-
Profit before income tax		**200,770,778**	211,435,726
Income tax expense	25	**(18,053,390)**	-
Profit for the period/year		**182,717,388**	211,435,726
Basic and diluted earnings per share attributable to ordinary equity holders of the Parent (AED)	26	**0.081**	-

The notes on pages 71 to 112 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Profit for the period/year	**182,717,388**	211,435,726
Other comprehensive income		
Items that will not be reclassified to profit or loss:		
Actuarial gain on employees' end of service benefits	**6,249,032**	-
Total other comprehensive income for the period/year	**6,249,032**	-
Total comprehensive income for the period/year attributable to:		
Equity holders of the Parent	**188,966,420**	211,435,726

The notes on pages 71 to 112 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital AED	Statutory reserve AED	Additional contributed capital AED	Own shares AED	Other reserves AED	Retained earnings AED	Proposed dividends AED	Total equity AED
At 1 October 2022 (Unaudited)	-	10,000,000	20,000,000	-	-	215,337,048	-	245,337,048
Total comprehensive income for the period	-	-	-	-	-	211,435,726	-	211,435,726
Transaction with the owners in its capacity as owners:								
Dividends	-	-	-	-	-	(214,350,828)	-	(214,350,828)
At 30 September 2023 (Unaudited)	**-**	**10,000,000**	**20,000,000**	**-**	**-**	**212,421,946**	**-**	**242,421,946**
At 1 October 2023 (Unaudited)	-	10,000,000	20,000,000	-	-	212,421,946	-	242,421,946
Profit for the period	-	-	-	-	-	182,717,388	-	182,717,388
Other comprehensive income for the period	-	-	-	-	6,249,032	-	-	6,249,032
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**6,249,032**	**182,717,388**	**-**	**188,966,420**
Transactions with the owners in its capacity as owners:								
Share capital issuance (Notes 13)	3,673	-	-	-	-	-	-	3,673
Business combination of entities under common control (Notes 1, 24)	-	-	276,088,627	-	-	-	-	276,088,627
Acquisition of a joint venture from the Parent (Notes 1, 8)	-	-	9,708,096	-	-	-	-	9,708,096
Increase in share capital (Note 13)	224,996,327	-	(224,996,327)	-	-	-	-	-
Purchase of own shares (Note 14)	-	-	-	(20,685,738)	-	-	-	(20,685,738)
Dividends (Note 13)	-	-	-	-	-	(211,435,726)	-	(211,435,726)
Proposed dividends (Note 13)	-	-	-	-	-	(60,000,000)	60,000,000	-
Additional contributed capital (Note 13)	-	-	61,553,802	-	-	-	-	61,553,802
At 31 December 2024	**225,000,000**	**10,000,000**	**142,354,198**	**(20,685,738)**	**6,249,032**	**123,703,608**	**60,000,000**	**546,621,100**

The notes on pages 71 to 112 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Cash flows from operating activities			
Profit before income tax		**200,770,778**	211,435,726
Adjustments for:			
Depreciation of property and equipment	5	**18,088,497**	8,165,846
Amortisation of right-of-use assets	6	**45,203,209**	31,468,505
Amortisation of intangible assets	7	**7,624,397**	72,800
Provision of impairment of financial assets	10	**9,228,153**	904,989
Share of net profit of investments accounted for using the equity method	8	**(1,192,879)**	-
Slow moving inventory provision		**(1,337,692)**	-
Gain on disposal of property and equipment		**(187,368)**	-
Provision for employees' end of service benefits		**24,900,626**	20,218,570
Finance income		**(3,128,994)**	(2,783,853)
Finance costs		**4,562,652**	2,784,246
Operating cash flows before payment of employees' end of service benefits and changes in working capital		**304,531,379**	272,266,829
Employees' end of service benefits paid		**(16,137,482)**	(30,416,252)
Changes in working capital:			
Inventories		**(4,038,351)**	7,018,100
Trade and other receivables		**23,518,219**	4,153,514
Due from related parties		**16,062,227**	(8,743,282)
Trade and other payables		**(81,413,420)**	(140,615,963)
Due to related parties		**(42,208,900)**	58,434
Net cash flows generated from operating activities		**200,313,672**	103,721,380
Cash flows from investing activities			
Purchase of property and equipment	5	**(14,954,409)**	(9,814,513)
Proceeds from disposal of property and equipment		**873,889**	1,650,460
Business combination of entities under common control		**455,837**	-
Purchase of intangible assets	7	**-**	(289,550)
Finance income received		**3,128,994**	2,783,853
Net cash flows used in investing activities		**(10,495,689)**	(5,669,750)
Cash flows from financing activities			
Dividends paid in cash	13	**(149,881,924)**	(214,350,828)
Finance cost paid		**(4,078,066)**	(2,784,246)
Proceeds from bank borrowings		**50,000,000**	-
Acquisition of own shares		**(20,685,739)**	-
Principal elements of lease payments	15	**(40,643,227)**	(32,754,686)
Net cash flows used in financing activities		**(165,288,956)**	(249,889,760)
Net increase/(decrease) in cash and cash equivalents		**24,529,027**	(151,838,130)
Cash and cash equivalents at the beginning of the period/year		**165,697,328**	317,535,458
Cash and cash equivalents at the end of the period/year	12	**190,226,355**	165,697,328

Significant non-cash transactions have been disclosed in Note 29 to the consolidated financial statements.

The notes on pages 71 to 112 are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the fifteen-month period ended 31 December 2024

1 General information

ADNH Catering plc (formerly known as "ADNH Catering Limited) (the "Company" or "ADNHC") is a public limited company by shares incorporated on 21 June 2024 under the laws of Abu Dhabi Global Market ("ADGM"), registered under the commercial license number 19524. The registered address of the Company is 2323L, 23rd Floor, Sky Towers, Shams Abu Dhabi, Al Reem Island, Abu Dhabi, United Arab Emirates ("UAE"). The Company's shares are listed on Abu Dhabi Securities Exchange ("ADX"). The Company and its subsidiaries as defined below are together referred as "the Group".

On 3 September 2024, the Company's shareholders passed a resolution to change the name of the Company to ADNH Catering plc from ADNH Catering Limited and the legal formalities to change the Company's name were completed on 4 September 2024. Simultaneously, the Company changed its legal structure from a "Private Company Limited by shares" to a "Public Company Limited by shares".

ADNHC is a wholly owned subsidiary of Abu Dhabi National Hotels Company PJSC ("Parent", or "ADNH PJSC" or "the Ultimate Controlling Company" or "Ultimate Parent Company"), a public shareholding company listed on the Abu Dhabi Securities Exchange, which was incorporated in Abu Dhabi, 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.

During 2024, following the capital reorganisation, the Group has changed its financial year from "1 October to 30 September" to "1 January to 31 December", in order to align itself with the year end of its Ultimate Parent Company, Abu Dhabi National Hotels Company PJSC. Since the Group started this financial period on 1 October 2023, the Group's first consolidated financial statements have been prepared for the fifteen-month period ended 31 December 2024 (first fiscal year). Details are provided in Note 2.1- "Capital reorganisation".

The comparative financial information for the year ended 30 September 2023 is unaudited and is presented for comparative purposes only.

The results on the consolidated statement of profit or loss for the fifteen-month period ended 31 December 2024 are not comparable to the results of the twelve-month year ended 30 September 2023.

The Company's separate financial statements will be prepared for the period from 21 June 2024 (inception date) to 31 December 2024.

On 23 October 2024, the Ultimate Controlling Company sold 40% of the shares of the Company on Abu Dhabi Securities Exchange ("ADX").

As of 31 December 2024, the following transactions were completed between ADNH PJSC and ADNH CATERING – L.L.C – O.P.C ("ADNHC Abu Dhabi") previously known as Abu Dhabi National Hotels Compass Middle East LLC in regard to ANDH Catering L.L.C. ("ADNHC Dubai") previously known as Abu Dhabi National Hotels Compass Emirates LLC and ADNH Compass L.L.C. SP ("ADNHC Sharjah") (collectively "ADNHC Entities"):

- On 31 March 2024, the Parent increased its equity interests in ADNHC Abu Dhabi, ADNHC Dubai and ADNHC Sharjah from 51% to 100% in each of these entities.
- On 11 June 2024 and 26 June 2024, the Parent transferred 100% equity interest in ADNHC Dubai and ADNHC Sharjah entities, respectively, to ADNHC Abu Dhabi for a total consideration of AED 20,000, with a transaction close date of 30 June 2024 (Note 24);
- On 28 June 2024, the Parent entered into a share transfer agreement to transfer its 30% equity interest in Compass Arabia Co Ltd ("KSA JV"), that was accounted for as an equity-accounted joint venture, to ADNHC Abu Dhabi, with a transaction close date of 30 June 2024 (Note 8); and
- On 30 June 2024, the Parent transferred its 100% equity interest in ADNHC Abu Dhabi to the Company (the "Reorganisation").

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

Accordingly, below is the list of subsidiaries and joint venture of the Company are as follows:

			Ownership interest	
Name of subsidiary	**Area of domicile**	**Principal activities**	**31 December 2024**	**30 September 2023 (Unaudited)**
ADNH CATERING – L.L.C – O.P.C	UAE	Catering & contract services	**100%**	**-**
ADNH Catering L.L.C	UAE	Catering	**100%**	**-**
ADNH Compass L.L.C. SP	UAE	Catering	**100%**	**-**
Name of joint venture				
Compass Arabia Co Ltd	KSA	Catering	**30%**	**-**

The principal activity of the Company is to act as a holding company for the entities within the Group. The principal activities of the subsidiaries are to provide catering, cleaning and other services to hospitals, camps, onshore and offshore oilfields, defence/military, airports, shopping malls, universities and schools, palaces and other facilities.

2 Material accounting policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS"), IFRS Interpretations Committee ("IFRS IC") interpretations, as issued by the International Accounting Standards Board (IAASB) applicable to companies reporting under IFRS, under the historical cost convention, unless otherwise stated.

These consolidated financial statements are presented in UAE Dirhams ("AED"), which is the Company's functional and reporting currency of the Company/Group. The Company has utilised the exemption from ADGM in order to prepare their consolidated financial statements in AED instead of US Dollar.

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards which requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

Going concern

The management have, at the time of approving the consolidated financial statements, made a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, management continues to adopt the going concern basis of accounting in preparing the consolidated financial statements.

New and revised IFRS applied in the preparation of the consolidated financial statements

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 October 2023 have been adopted in this consolidated financial statements. The application of these revised IFRS Accounting Standards and interpretations have not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to IAS 1 (effective 1 January 2024)

Amendments made to IAS 1 Presentation of Financial Statements in 2020 and 2022 clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (for example, the receipt of a waiver or a breach of covenant that an entity is required to comply with only after the reporting period).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either on or before the reporting date, this needs to be considered in the classification as current or non-current even if the covenant is only tested for compliance after the reporting date.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting date. The disclosures include:

- the carrying amount of the liability;
- information about the covenants (including the nature of the covenants and when the entity is required to comply with them); and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

Lease liability in sale and leaseback – Amendments to IFRS 16 (effective 1 January 2024)

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments must be applied retrospectively in accordance with the requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7 (effective 1 January 2024)

On 25 May 2023, the IASB issued amendments to IAS 7 and IFRS 7 to require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to the investors' need for more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk. The new disclosures will provide information about:

(1) The terms and conditions of SFAs.
(2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
(3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
(4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
(5) Non-cash changes in the carrying amounts of financial liabilities in (2).
(6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

Entities will be required to aggregate the information that they provide about SFAs. However, entities should disaggregate information about terms and conditions that are dissimilar, disclose explanatory information where the range of payment due dates is wide, and disclose the type and effect of non-cash changes that are needed for comparability between periods.

The IASB has provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

The application of the amendments had no significant impact on the Group's consolidated financial statements.

New and revised IFRS issued but not yet effective and not early adopted

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after 31 December 2024, and which the Group has not early adopted.

Amendments to IAS 21 – Lack of Exchangeability (effective 1 January 2025, early adoption is available)

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

These new requirements will apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (effective 1 January 2026)

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

(a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;

(b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;

(c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and

(d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in (b) are most relevant to financial institutions, but the amendments in (a), (c) and (d) are relevant to all entities. The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

IFRS 18, 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027, early adoption is permitted)

This is the new standard on presentation and disclosure in financial statements, which replaces IAS 1, with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027, early adoption is permitted)

This new standard works alongside other IFRS Accounting Standards. An eligible subsidiary applies the requirements in other IFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in IFRS 19. IFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. IFRS 19 is a voluntary standard for eligible subsidiaries.

IFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027, early adoption is permitted)

A subsidiary is eligible if:

- it does not have public accountability; and
- it has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

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

Capital reorganisation

The reorganisation as discussed in Note 1, is a common control transaction as ADNHC Abu Dhabi and the Company, are controlled by ADNH PJSC both before and after the reorganisation. Accordingly, the reorganisation has been accounted for as a capital restructuring of "ADNHC Abu Dhabi" and the consolidated financial statements of the Group represents the continuation of ADNHC Abu Dhabi consolidated financial statements. Considering that the Company was established on 21 June 2024 and therefore share capital was nil for 1 October 2023, it is not meaningful to present share capital or an analysis of reserve or components of other comprehensive income in the comparative figures, other than retained earnings, statutory reserves and additional contributed capital which are separately identifiable for 1 October 2023.

2.2 BUSINESS COMBINATIONS UNDER COMMON CONTROL

During the period, ADNHC Abu Dhabi has acquired 100% of the shares of ADNHC Dubai and ADNHC Sharjah from the Ultimate Controlling Parent. This transaction is considered a common control transaction as these entities will continue to be controlled by ADNH PJSC both before and after the business combination. Considering that these acquisitions are considered to be outside the scope of IFRS 3 "Business Combinations", Management has chosen the predecessor accounting method for these transactions. The predecessor accounting method is considered to involve the combining parties being presented as if they had always been combined. To this effect, the Group will account for the acquisitions from the beginning of the period in which the combination occurs (i.e., from the date when these entities were under the common control of ADNH PJSC).

The acquisitions are accounted for using the predecessor accounting method as follows:

- Assets and liabilities of the subsidiaries acquired, are reflected at their carrying amounts and no adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the acquisition that would otherwise be done under the acquisition method;
- No goodwill is recognised as a result of the acquisitions, except to the extent that existing goodwill was previously recognised in the combining entities.
- The difference between the consideration transferred and the equity of the entities acquired as at the date of the acquisition is reflected within equity as a 'Additional contributed capital';
- The statement of profit or loss and retained earnings reflect the results of the subsidiaries starting from the date when these entities were under common control of the Parent;
- The Group has adopted an accounting policy to report the comparative information as if the Group always owned the businesses acquired under common control from the date when such businesses were part of the Group.

2.3 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at 31 December 2024.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee.

The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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. 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 ("OCI") are attributed to the equity holders of the Parent of the Group and to the non-controlling interests (if any), 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 intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

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 as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Group loses control of a subsidiary, the profit or loss on disposal 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.

2.4 INVESTMENT IN JOINT VENTURE

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 joint control are similar to those necessary to determine control over subsidiaries. The Entities' investment in its joint ventures are accounted for using the equity method.

When the Group receives investment in joint ventures from other entities under common control where such transfers reflect transactions with owners in their capacity as owners, on initial recognition, these investments are accounted at their respective carrying amounts as recorded in the transferor's financial statements. The difference between consideration paid and the carrying amount is reflected as 'Additional contributed capital' within equity.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Groups' share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

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

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

The consolidated financial statements of the 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 joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the 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 joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of significant influence over the 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 joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.5 INCOME TAX

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the period, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Taxable profits or losses are based on estimates if the consolidated financial statements are authorised prior to filing relevant tax returns. Taxes other than on income are recorded within operating expenses.

Current 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 in the consolidated statement of profit or loss.

Deferred tax

Deferred income tax is provided using the balance sheet liability method for tax loss carry forwards and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences. Deferred tax liabilities are not recorded for temporary differences on initial recognition of goodwill, and subsequently for goodwill which is not deductible for tax purposes. Deferred taxes are recorded on temporary differences arising after initial recognition of goodwill, including those arising on initial introduction of the tax law in the UAE. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse or the tax loss carry forwards will be utilised.

Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient future taxable profit available against which the deductions can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Group controls the reversal of temporary differences relating to taxes chargeable on dividends from subsidiaries or on gains upon their disposal. The Group does not recognise deferred tax liabilities on such temporary differences except to the extent that management expects the temporary differences to reverse in the foreseeable future.

2.6 REVENUE

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amount collected on behalf of third parties. The Group recognises revenue from contracts with customers based on the five step model set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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For the fifteen-month period ended 31 December 2024

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

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

If the Group acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognised is the net amount of costs made by the Group (where applicable).

The Group recognises revenue when it transfers control over product or service to a customer and when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met as described below:

i. Catering services

The services rendered to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered.

ii. Manpower services

Income from manpower services is recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided.

Revenue is stated net of discounts and returns. The revenue from manpower services is recognised overtime using input method on the basis of Group's efforts to the satisfaction of a performance obligation in accounting for its services. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15.

iii. Fixed fee services

Income from fixed fee services is recognised in the accounting period when the related services have been performed and accepted by the customers and there are no significant uncertainties regarding recovery of the consideration due, associated costs or the rejection of the services provided. Revenue is stated net of discounts and returns. The revenue from rendering of services is recognised overtime using input method on the basis of Group's efforts to the satisfaction of a performance obligation in accounting for its services. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of the performance obligations under IFRS 15.

iv. Food and beverage

The sale of goods (including food and beverage sales) to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered.

v. Non-food supplies

The sale of non-food supplies (such as disposable plates and glasses) to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered.

vi. Laundry

The services rendered to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered.

vii. Shop sales

The sale of goods (including food, beverage sales and other items) to the customers are representative of their stand-alone selling prices. These obligations are fulfilled at a point in time, when they have been delivered.

viii. Other revenues

Other revenues mainly represent gardening services, pest control and façade cleaning services. Revenues from these items are recognized at point in time.

2.7 PROPERTY AND EQUIPMENT

Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

Depreciation

Items of property and equipment are depreciated on a straight-line basis in consolidated statement of profit or loss over the estimated useful lives of each component.

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

	Years
Leasehold improvements	5 to 10
Operating equipment	3 to 5
Furniture, fixtures and office equipment	3 to 4
Motor vehicles	3 to 4

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

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

2.8 INTANGIBLE ASSETS

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use,
- management intends to complete the software and use or sell it,
- there is an ability to use or sell the software,
- it can be demonstrated how the software will generate probable future economic benefits,
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

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Customer contracts

Customer contracts are recognised at their fair values at the date of acquisition and are subsequently amortised on a straight-line basis, based on the timing of projected cash flows of the contracts over their estimated remaining terms.

Intangible assets are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

The estimated useful lives of the intangible assets are as follows:

	Years
Customer relationships	20
Software	3

2.9 CAPITAL WORK-IN-PROGRESS

Capital work-in-progress is stated at cost. All costs directly attributable to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost. No depreciation is charged on such assets until available for use. When commissioned, capital work-in-progress is transferred to the appropriate property and equipment asset category and depreciated in accordance with the Group's policies.

2.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition and is calculated using the weighted average costing method. Net realisable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

2.11 TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers for services performed or goods sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the consolidated statement of comprehensive income. When a receivable balance is uncollectible, it is written off against the provision for impairment of receivables. Subsequent recoveries of amounts previously written off are credited in the profit or loss. The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for receivables.

2.12 CONTRACT ASSETS

Contract asset is recognised when a performance obligation is satisfied and revenue has been recognised, but the payment remains conditional on the Group's future performance. The Group can only invoice the customer after satisfying additional performance obligations within the same contract. Upon completion of the performance obligation, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

2.13 CASH AND CASH EQUIVALENTS

In the consolidated statement of financial position, Cash and cash equivalents comprise cash (i.e. cash at bank and cash equivalents). Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash 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.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand and at bank as defined above.

2.14 SHARE CAPITAL

Share capital represents the nominal (par) value of shares that have been issued to the shareholder. The Company may issue shares up to its authorised share capital. Each share has a nominal (par) value of AED 0.1 (equivalent to USD 0.027). The Group may issue 1 share against each Additional contributed capital (regardless of the amount contributed) or it may also elect to issue one share against multiple contributions received by the Group during a given reporting period.

2.15 DIVIDENDS PAID TO SHAREHOLDERS

The Group recognises a liability to make cash distributions to the shareholders when the distribution is authorised. As per the laws and regulation applicable in UAE, a distribution is authorised when it is approved by the shareholders. The amount is recognised directly in equity.

2.16 EMPLOYEE BENEFITS

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the consolidated statement of financial position in respect of plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated statement of profit or loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated statement of financial position.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service costs.

With respect to UAE nationals employed by the Group, the Group makes contributions to the relevant UAE Government pension scheme calculated as a percentage of the employees' salaries. The obligations under these schemes are limited to these contributions, which are expensed when due.

2.17 LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At the commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components (if any) and will instead account for the lease and non-lease components as a single lease component.

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The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents 'right-of-use assets' and 'lease liabilities' as separate line items in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.18 TRADE AND OTHER PAYABLES

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.19 PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised when the Group has a present legal or constructive obligation 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.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and expected net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract. Before a provision is established, the Group recognises an impairment loss on the assets associated with that contract.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset only if it is virtually certain that reimbursement will be received and the amount can be measured reliably.

Contingent liabilities are possible obligations that arise from past events whose existence will be confirmed only by the occurrence, or non-occurrence, of one or more uncertain future events not wholly within the Group's control; or are present obligations that have arisen from past events but are not recognised because it is not probable that settlement will require outflow of economic benefits, or because the amount of the obligations cannot be reliably measured.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements, unless they are remote.

(a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Company/Group operates (the "functional currency"). The consolidated financial statements are presented in UAE Dirham (AED), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

2.21 FINANCIAL INSTRUMENTS

Financial assets

(a) 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. The Group does not have financial assets at fair value.

In order for a financial asset to be classified and measured at amortised cost, 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.

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(b) Subsequent measurement

Financial assets are subsequently measured at amortised cost (debt instruments, cash and cash equivalents and trade receivables).

The Group has the following financial assets:

Cash and cash equivalents

Cash and cash equivalents which include cash on hand and deposits held at call with banks with original maturities of three months or less, are classified as financial assets at amortised cost.

(c) Financial assets at amortised cost

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

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

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

(d) 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.

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

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

(e) 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.

(a) 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.

(b) Financial liabilities

Trade and other payables are classified as 'financial liabilities' and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(c) 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 financial statements 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.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.22 GOODWILL

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 profit or loss. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

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.

2.23 SEGMENT REPORTING

The Chief Executive Officer (CEO) is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Operating segments are reported in a manner consistent with the internal reporting provided to the CEO.

2.24 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the consolidated financial statements based on current/non-current classification. An asset is 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
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

2.25 OWN SHARES

Own equity instruments that are reacquired (own shares) are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium. Such own shares may be acquired and held by the entity or by the other members of the consolidated group. Consideration paid or received shall be recognised directly in equity.

3 Financial risk management

3.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. The Group's overall risk management process seeks to minimise potential adverse effects of these risks on the Group's financial performance.

(a) Market risk

(i) Currency risk
The currency risk is the risk of fluctuation of the value of financial instruments due to changes in the foreign exchange rates. Most of the Group's transactions are in AED and US dollars. The Group is not exposed to significant currency risk from USD Dollar as the AED is pegged to the US Dollar.

(ii) Interest rate risks
The Group is exposed to interest rate risk at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings.

The Group's exposures to interest rates risk on financial liabilities are detailed in the liquidity risk management section of this note.

At the reporting date the interest rate profile of the Group's interest-bearing financial instrument was:

	31 December 2024 AED	30 September 2023 AED
Fixed rate instruments		
Short term deposit	**40,0000,000**	-
Variable rate instruments		
Bank borrowings	**50,484,586**	-
Lease liabilities	**56,466,944**	77,971,210
	106,951,530	77,971,210

Fair value sensitivity analysis for fixed rate instruments

Term deposits issued at fixed interest rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Cash flow sensitivity analysis for variable rate instruments

The Group assumes a fluctuation in interest rates of 25 basis points for variable rate instruments at the reporting date and estimates an impact of AED 267,379 (30 September 2023: AED 194,928) on the net profit for the period and equity at that date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. This analysis is performed on the same basis for 2024.

(iii) Price risk
Price risk arises from the changes in fair value of equity investments. The Group has no exposure to price risk as it has no equity securities at the reporting date.

(b) Credit risk

Credit risk is managed on Group basis, except for credit risk relating to trade receivables balances. Each local entity is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The Group's policy is to place cash and cash equivalents and short terms deposits with reputable banks and financial institutions. The cash and cash equivalents are held with banks, which are rated A to Aa3, based on Moody's ratings.

Refer to Note 10 for the significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. During the period, the credit risk relating to trade receivables is not significantly changed.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Trade and other receivables	**649,495,484**	557,260,965
Due from related parties	**10,979,488**	27,041,715
Cash and cash equivalents	**190,226,355**	165,697,328
	850,701,327	750,000,008

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For the fifteen-month period ended 31 December 2024

Trade receivables

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Due from related parties

Related parties have been transacting with the Group since its inception and as at the reporting date, management believes that impairment loss in relation to amount due from related parties is immaterial and accordingly has not established an allowance. The Group does not require collateral in respect of its amount due from related parties. The Group does not have amounts for which no loss allowance is recognised because of collateral.

Bank balances

With respect to bank balances of AED 190,002,203 as at 31 December 2024 (30 September 2023: AED 164,843,711), only banks that are rated A to Aa3, based on Moody's ratings, are accepted.

Impairment on cash and cash equivalents has been measured on a 15-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash at bank has a low credit risk because the counterparties have high credit-ratings assigned by international credit-rating agencies.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the business, management aims to maintain flexibility in funding by keeping committed credit lines available and support from the shareholders to minimise the risk.

As at 31 December, fair values of the balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than one year AED	More than one year AED	Total AED
31 December 2024			
Bank borrowings	**50,484,586**	**-**	**50,484,586**
Trade and other payables	**418,617,421**	**-**	**418,617,421**
Lease liabilities	**32,005,007**	**27,837,533**	**59,842,540**
Due to related parties	**21,668,363**	**-**	**21,668,363**
	522,775,377	**27,837,533**	**550,612,910**

	Less than one year AED	More than one year AED	Total AED
31 September 2023 (Unaudited)			
Trade and other payables	415,234,941	-	415,234,941
Lease liabilities	47,584,568	30,386,642	77,971,210
Due to related parties	23,177,917	-	23,177,917
	485,997,426	30,386,642	516,384,068

3.2 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The policies are based on management's assessment of available options, in conjunction with the shareholders. The Group is not exposed to capital risk due to availability of surplus funds.

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Bank borrowings	**50,484,586**	–
Lease liabilities	**56,466,944**	77,971,210
Less: cash and cash equivalents	**(190,226,355)**	(165,697,328)
Net debt	**(83,274,825)**	(87,726,118)
Total equity	**546,621,100**	242,421,946
Equity and net debt	**424,970,138**	154,695,828
Gearing ratio	**Negative**	Negative

3.3 FAIR VALUE MEASUREMENT

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

Fair value hierarchy levels 1 to 3 are 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).

The carrying values of the Group's financial assets and financial liabilities as at 31 December 2024 are not materially different from their fair values.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty are as follows:

4.1 CRITICAL JUDGEMENTS

(a) Transactions involving entities under common control

Transactions involving entities under common control where the transaction has substance are accounted for using the acquisition method. For transactions involving entities under common control where the transaction does not have substance, the Group adopts the predecessor accounting method. Under the predecessor accounting method, the carrying value of assets and liabilities in the books of the transferor (as adjusted to comply with Group accounting policies), are used to account for these transactions. No goodwill is recognised as a result of the transfer. The only goodwill recognised is any existing goodwill relating to either of the combining entities. The difference between the consideration paid and the net assets acquired is reflected as 'additional contributed capital' within equity. The transfer between ADNH to ADNH Catering L.L.C – O.P.C is considered a transaction under common control.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

A number of factors are considered in assessing whether the transaction has substance including the following:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as non-controlling interests or other third parties;
- whether or not the transaction is conducted at fair value;
- the existing activities of the entities involved in the transaction; and
- whether or not the transaction brings entities together into a 'reporting entity' that did not exist before.

The transfer between ADNH to ADNH Catering plc is also a common control transaction as ADNHC Abu Dhabi and ADNH Catering plc, are controlled by ADNH PJSC both before and after the reorganisation. Accordingly, the reorganisation has been accounted for as a capital reorgnisation of "ADNHC Abu Dhabi" and the consolidated financial statements of the Group represents the continuation of ADNHC Abu Dhabi consolidated financial statements.

(b) Principal versus agent consideration

The Group's performance obligation is to arrange for the specified goods to the customer, in some cases, where the Group does not control the specified goods before those goods are transferred to the customer, when the Group satisfies a performance obligation, the Group recognises marginal income which it expects to be entitled in exchange for arranging for the specified goods to be provided by the other party. The Group's primary obligation is to arrange for specific goods, and accordingly, acts as agent on those specified goods since:

- the Group does not control the specified goods provided by other parties before the goods are transferred to the customer. For all the goods imported, the end customer is mentioned in the bill of lading thus confirming the goods are restricted to that end customer;
- primary responsibility for the fulfilling the promise does not rest with the Group;
- the Group does not bear any inventory risk since the ownership of the infrastructure, as set out in the contracts;
- the Group does not have the price risk on the contracts;
- customers retain the right to remove the Group to provide goods based on their convenience without default from the Group.

(c) Inventories

The Group has engaged Seven Seas Storage Management, a third-party logistics service provider, for warehousing and delivery management services. As per the terms of the agreement legal tittle in the goods at all times vests with Seven Seas until the goods are handed over to the Group at the delivery point. Seven seas can set a price with ultimate vendors and has the right to hold/sell the inventory to any other party. Seven Seas has also taken out and maintained insurance policies at its expense during the term of this agreement. Management has reviewed the detailed criteria under IAS 2 "Inventories", the definition of an asset under the Framework and the terms of the agreement with Seven Seas Storage Management and is satisfied that the cost of inventories held at the Seven Seas Storage Management's warehouse at period end should not be recorded in the consolidated financial statements.

4.2 ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables.

The loss allowance for trade receivables is based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the impairment calculation which are applied to the exposure at default to arrive at the expected credit losses at the reporting date. Management base their assumptions on the Group's historical data, existing market conditions as well as forward looking estimates. As at 31 December 2024, the allowance for impairment of trade receivable amounted to AED 23,463,277 (30 September 2023: AED 14,235,124).

(b) Impairment on inventory obsolescence

Inventories are stated net of allowance for obsolescence. Management has considered the allowance required for inventory obsolescence based on the current economic environment, past obsolescence history. As at 31 December 2024, the impairment amounted to AED 1,234,811 (30 September 2023: AED 2,572,503).

(c) Defined benefit plans

The cost of the defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers a full yield curve which is determined by reference to market yields on high quality US Corporate bonds, which lies within the acceptable range of bond yields in the region. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases and pension increases are based on expected future inflation rates for UAE and Group strategy. Further details about these obligations are provided in Note 16.

(d) Goodwill

For intangible assets with indefinite useful lives (goodwill), the Group assesses annually or more frequently where indicators exist that suggest the intangible asset might be impaired by comparing the recoverable amounts with their carrying amounts. In determining the recoverable amounts of goodwill, the Group makes estimates and assumptions about future cash flows based on the value in use. In doing so, management makes assumptions and estimates regarding the discount rates in order to calculate the net present value of the future cash flows. Management tests at least annually whether goodwill is impaired by comparing the recoverable amounts of cash-generating units with their carrying amounts.

The recoverable amount is the higher of the fair value less cost of disposal and the value in use. In determining the recoverable amount, management makes estimates and assumptions concerning future revenues, future costs, future working capital, Weighted Average Cost of Capital ("WACC") and future inflation rates (Note 7).

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For the fifteen-month period ended 31 December 2024

5 Property and equipment

	Leasehold improvements AED	Buildings AED	Operating equipment AED	Furniture, fixtures & office equipment AED	Motor vehicles AED	Capital work-in progress AED	Total AED
Cost							
At 1 October 2022 (Unaudited)	2,653,404	7,296,514	55,518,231	16,793,832	2,388,998	1,704,106	86,355,085
Additions	-	-	3,777,671	5,310,754	-	726,088	9,814,513
Transfers	-	-	(226,181)	(126,114)	-	-	(352,295)
Disposals	-	(7,296,514)	(13,010,116)	(2,545,857)	(466,000)	(1,498,262)	(24,816,749)
At 30 September 2023 (Unaudited)	2,653,404	-	46,059,605	19,432,615	1,922,998	931,932	71,000,554
Acquisition through business combination (Note 24)	-	-	3,286,436	1,954,655	-	323,835	5,564,926
Additions	414,493		4,351,140	5,882,764	-	4,306,012	14,954,409
Transfers	168,554		-	3,753,442	-	(3,921,996)	-
Disposals	-	-	(10,336,095)	(1,765,622)	(1,446,500)	-	(13,548,217)
At 31 December 2024	**3,236,451**	**-**	**43,361,086**	**29,257,854**	**476,498**	**1,639,783**	**77,971,672**
Accumulated depreciation							
At 1 October 2022 (Unaudited)	2,073,405	7,296,514	48,771,466	10,864,547	2,388,998	-	71,394,930
Charge for the year	116,000	-	4,526,779	3,523,067	-	-	8,165,846
Transfers	-	-	(255,919)	(96,192)	-	-	(352,111)
Disposals	-	(7,296,514)	(12,939,116)	(2,464,843)	(466,000)	-	(23,166,473)
At 30 September 2023 (Unaudited)	2,189,405	-	40,103,210	11,826,579	1,922,998	-	56,042,192
Charge for the period	208,779	-	6,584,015	11,295,703	-	-	18,088,497
Disposals	-	-	(9,920,230)	(1,494,966)	(1,446,500)	-	(12,861,696)
At 31 December 2024	**2,398,184**	**-**	**36,766,995**	**21,627,316**	**476,498**	**-**	**61,268,993**
Net carrying amount							
At 30 September 2023 (Unaudited)	463,999	-	5,956,395	7,606,036	-	931,932	14,958,362
At 31 December 2024	**838,267**	**-**	**6,594,091**	**7,630,538**	**-**	**1,639,783**	**16,702,679**

Fully depreciated assets as at 31 December 2024 amounted to AED 58,362,742 (30 September 2023: AED 41,658,970).

The depreciation charge for the period/year ended has been allocated in the consolidated statement of profit or loss as follows:

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Direct costs (Note 20)	**16,773,077**	7,566,904
General and administrative expenses (Note 21)	**1,315,420**	598,942
	18,088,497	8,165,846

6 Right-of-use assets

	Buildings AED	Vehicles AED	Total AED
Cost			
At 1 October 2022 (Unaudited)	73,554,916	26,737,030	100,291,946
Additions	21,901,448	20,890,232	42,791,680
Disposals	(2,674,071)	(10,170,784)	(12,844,855)
At 30 September 2023 (Unaudited)	**92,782,293**	**37,456,478**	**130,238,771**
Acquisition through business combination (Note 24)	10,650,935	3,534,823	14,185,758
Additions	107,206	8,712,253	8,819,459
Disposals	(12,887,091)	(6,623,322)	(19,510,413)
At 31 December 2024	**90,653,343**	**43,080,232**	**133,733,575**
Accumulated depreciation			
At 1 October 2022 (Unaudited)	12,085,607	12,561,387	24,646,994
Charge for the year	24,346,705	7,121,800	31,468,505
Disposals	(2,362,489)	(10,170,784)	(12,533,273)
At 30 September 2023 (Unaudited)	34,069,823	9,512,403	43,582,226
Charge for the period	35,815,545	9,387,664	45,203,209
Disposals	(9,679,601)	(5,967,809)	(15,647,410)
At 31 December 2024	**60,205,767**	**12,932,258**	**73,138,025**
Net carrying amount			
At 30 September 2023 (Unaudited)	**58,712,470**	**27,944,075**	**86,656,545**
At 31 December 2024	**30,447,576**	**30,147,974**	**60,595,550**

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

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Direct costs (Note 20)	**42,688,878**	29,519,657
General and administrative expenses (Note 21)	**2,514,331**	1,948,848
	45,203,209	31,468,505

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For the fifteen-month period ended 31 December 2024

7 Intangible assets

	Software AED	Customer relationships AED	Goodwill AED	Total AED
Cost				
At 1 October 2022 (Unaudited)	14,078,261	-	-	14,078,261
Additions	289,550	-	-	289,550
At 30 September 2023 (Unaudited)	**14,367,811**	**-**	**-**	**14,367,811**
Acquisition through business combination (Note 24)	-	200,100,000	87,971,591	288,071,591
At 31 December 2024	**14,367,811**	**200,100,000**	**87,971,591**	**302,439,402**
Accumulated amortisation				
At 1 October 2022 (Unaudited)	14,009,477	-	-	14,009,477
Charge for the year	72,800	-		72,800
At 30 September 2023 (Unaudited)	14,082,277	-	-	14,082,277
Charge for the period	120,647	7,503,750	-	7,624,397
At 31 December 2024	**14,202,924**	**7,503,750**	**-**	**21,706,674**
Net carrying amount				
At 30 September 2023 (Unaudited)	**285,534**	**-**	**-**	**285,534**
At 31 December 2024	**164,887**	**192,596,250**	**87,971,591**	**280,732,728**

Management tests for impairment on an annual basis for the intangible assets that have indefinite life and goodwill.

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

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Direct costs	**60,418**	-
General and administrative expenses (Note 21)	**7,563,979**	72,800
	7,624,397	72,800

The determination of the recoverable amount for the cash generating unit requires significant judgments and estimates, including projections of future cash flows from the businesses. The recoverable amounts have been estimated based on value in use.

The test for goodwill impairment was carried out by discounting future cash flows to be generated from the continuing use of the cash-generating units to which the goodwill applies and on the assumption of an indefinite life. Key assumptions used in the calculation of recoverable amounts are the discount rate and the terminal value growth rate. The other assumptions used are based on past experience and external sources.

Key assumptions are as follows:

- Discount rate: 12%
- Terminal growth rate: 2%

During the year ended 31 December 2024, management performed its annual impairment review of goodwill, using the discounted cashflow model and identified no impairment.

Goodwill has been recorded from the transaction which occurred recently during the current period. No significant deviations from the initial cash flow projections have been identified.

8 Investment in a joint venture

During 2024, the Ultimate Controlling Parent transferred its 30% equity interest in Compass Arabia Co Ltd ("KSA JV"), with a carrying amount of AED 9,717,881 in exchange for a purchase consideration of AED 9,785 (SAR 10,000), with a transaction close date of 30 June 2024. The excess of carrying amount of the investment acquired over the purchase consideration has been recorded as "Additional contributed capital" within equity in the consolidated statement of financial position as this transaction is considered to be transaction with owners in its capacity as owner.

			Ownership interest	
Name of joint venture	**Area of domicile**	**Principal activities**	**31 December 2024**	**30 September 2023 (Unaudited)**
Compass Arabia Co Ltd	Kingdom of Saudi Arabia	Catering	**30%**	**-**

	31 December 2024 AED
Transferred from the Parent	**9,717,881**
Less: consideration payable (recognised within 'due to related parties')	**(9,785)**
Additional contributed capital	**9,708,096**

Movement in the joint venture during the period is as follows:

	2024 AED
Acquired during the period	**9,717,881**
Share of profit*	**1,192,879**
At 31 December	**10,910,760**

The joint venture's summarised financial position is as follows:

	31 December 2024 AED
Non-current assets	**10,881,648**
Cash and cash equivalents	**5,258,569**
Other current assets (excluding cash)	**101,076,074**
Financial liabilities (excluding trade payables)	**(13,793,452)**
Other current liabilities (including trade payables)	**(59,485,957)**
Other non-current liabilities	**(7,567,682)**
Net assets	**36,369,200**
Group's share of net assets	**30%**
Carrying amount of equity accounted investment	**10,910,760**

** The profit sharing from the joint venture recognized in the consolidated financial statements consists of the operating results of Compass Arabia Co Ltd for the six-month period ended 31 December 2024 subsequent to the share transfer which took place on 30 June 2024.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

The joint venture's summarised financial performance is as follows:

	For the six-month period ended 31 December 2024 AED
Revenue	**84,828,915**
Expenses	**(79,081,438)**
Depreciation	**(1,260,523)**
Interest expense, net	**(213,362)**
Income tax expense	**(297,329)**
Profit for the period	**3,976,263**
Share of profit at 30%	**1,192,879**

9 Inventories

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Food supplies	**10,465,308**	6,836,158
Operating supplies	**5,343,577**	2,555,390
	15,808,885	9,391,548
Less: provision for impairment of slow-moving inventories	**(1,234,811)**	(2,572,503)
	14,574,074	6,819,045

Material consumed during the period ended 31 December 2024 amounted to AED 641,867,390 (for the year ended 30 September 2023: AED 477,609,083) and was included in direct costs (Note 20).

The movement in inventory provision is as follows:

	2024 AED	2023 AED (Unaudited)
As at 1 October	**2,572,503**	2,572,503
Reversal for the period/year (Note 20)	**(1,337,692)**	–
As at 31 December	**1,234,811**	2,572,503

10 Trade and other receivables

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Trade receivables	**596,034,174**	508,266,654
Less: provision for impairment of trade receivables	**(23,463,277)**	(14,235,124)
	572,570,897	494,031,530
Contract assets	**35,872,382**	20,567,958
Rebates	**-**	34,147,304
Prepayments	**10,620,968**	10,217,259
Other receivables	**41,052,205**	8,514,173
	660,116,452	567,478,224

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. None of the trade receivables that have been written off is subject to enforcement activities. Trade receivables include certain balances with related parties.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above.

The average contractual credit period on sale of goods or services is 45 – 60 days.

The movement in the provision for impairment of trade receivables during the period/year was as follows:

	31 December 2024 AED	30 September 2023 AED (Unaudited)
At 1 October	**14,235,124**	17,538,679
Charge during the period/year	**9,228,153**	904,989
Write off	**-**	(4,208,544)
At 31 December/30 September	**23,463,277**	14,235,124

The total impact of the provision for impairment of financial assets in the profit or loss for the period ended 31 December 2024 is AED 9,228,153 (for the year ended 30 September 2023: AED 904,989).

As at 31 December, the ageing of trade receivables and ECL was as follows:

	Total	Current	1 – 60 days	61 – 90 days	91 – 120 days	121 – 365 days	>365 days
2024							
Gross receivables (AED)	596,034,174	307,657,077	153,210,019	37,031,499	31,006,160	46,454,697	20,674,722
Provision (%)	-	-	1%	2%	2%	9%	81%
Provision amount (AED)	(23,463,277)	-	(1,545,333)	(558,345)	(650,989)	(4,054,217)	(16,654,393)
Net receivables (AED)	572,570,897	307,657,077	151,664,686	36,473,154	30,355,171	42,400,480	4,020,329
2023							
Gross receivables (AED)	508,266,654	170,039,592	123,863,651	56,106,769	38,641,774	112,124,223	7,490,645
Provision (%)	-	-	2%	3%	6%	2%	87%
Provision amount (AED)	(14,235,124)	-	(1,979,116)	(1,473,335)	(2,497,207)	(1,752,276)	(6,533,190)
Net receivables (AED)	494,031,530	170,039,592	121,884,535	54,633,434	36,144,567	110,371,947	957,455

At 31 December 2024, the Group had significant concentration of credit risk with five customers accounting to AED 286,600,367 representing 48% of total trade receivables (30 September 2023: four customers amounting to AED 259,342,537 representing 49% of total trade receivables) at that date.

Management is confident that this concentration of credit risk will not result in any loss to the Group considering the credit history of these customers.

The carrying amounts of the Group's trade receivables are denominated in UAE Dirham and approximate their fair value as of 31 December 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

11 Related party transactions and balances

Related parties comprise the shareholders of the Company, the directors and those enterprises over which the shareholders, the directors or the Group can exercise control or significant influence or which can significantly influence the Group. 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.

The related party transactions and outstanding balances are as follows:

	Type of transaction	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Entities controlled by the Parent			
Al Ghazal Transport Company	Purchases	**73,459,054**	35,406,642
The Ritz-Carlton Abu Dhabi, Grand Canal	Sales	**3,383,984**	1,117,669
Sunshine Travel & Tours	Purchases	**5,521,232**	8,441,559
Kempinski Central Avenue	Sales	**2,758,613**	-
Kempinski The Boulevard	Sales	**2,394,357**	-
Park Hyatt Abu Dhabi Hotels and Villas	Sales	**1,896,384**	78,915
Others	Purchases & sales	**10,517,909**	2,088,536
Parent			
Abu Dhabi National Hotels Company PJSC	Purchases & sales	**15,247,720**	1,718,638
Joint venture			
Compass Arabia Co. Ltd	Loan	**5,077,207**	-
Transfer of provision for employees' end of service benefits		**-**	2,951,097
Key management personnel compensation			
Salaries and allowances		**11,931,190**	8,725,144
Post-employment benefits		**695,412**	416,890
		12,626,602	9,142,034
Board remuneration		**1,400,000**	-
Number of key management personnel		**10**	9

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Due from related parties:		
Ultimate Parent Company		
Abu Dhabi National Hotels Company PJSC	**545,893**	78,238
Entities under common control of the Parent		
Compass Arabia Co. Ltd	**4,947,489**	805
Kempinski Central Avenue Hotel	**858,017**	–
Dubai Marina Hotel LLC	**731,999**	–
Kempinski The Boulevard Hotel	**528,164**	–
Park Hyatt Abu Dhabi Hotels and Villas	**473,788**	14,131
Al Ghazal Transport Company	**469,498**	114,941
VDD Hotel	**417,620**	–
SOFITEL HOTEL DUBAI	**411,524**	–
MDD Hotel LLC	**404,662**	–
The Ritz-Carlton Abu Dhabi, Grand Canal	**401,107**	510,814
ADNH Catering L.L.C	**–**	24,793,797
ANDH Compass LLC SP	**–**	1,464,506
Compass Catering Services W.L.L.	**–**	11,139
Others	**789,727**	53,344
	10,979,488	27,041,715
Due to related parties:		
Entities under common control of the Parent		
Al Ghazal Transport Company	**15,777,187**	16,897,540
Sunshine Travel & Tours	**842,830**	3,524,797
Others	**44,818**	964,770
	16,664,835	21,387,107
Ultimate Parent Company		
Abu Dhabi National Hotels Company PJSC	**5,003,528**	1,790,810
	21,668,363	23,177,917

Balance for Compass Arabia Co. Ltd includes a non-interest-bearing loan in an amount of AED 4,905,000 which is receivable on demand and hence classified as a current asset.

12 Cash and cash equivalents

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Cash in hand	**224,152**	853,617
Cash at bank	**150,002,203**	164,843,711
Short term deposits	**40,0000,000**	-
	190,226,355	165,697,328

Short-term deposits represent deposits placed during the period with original maturities of less than 3 months with local banks. The short-term deposits carry average interest rates of 5% per annum. Finance income recorded during the period amounted to AED 3,128,994 (30 September 2023 AED 2,783,853) (Note 23).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

13 Share capital

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Authorised, issued and fully paid		
2,250,000,000 ordinary shares of AED 0.1 each	225,000,000	-
At 1 October	-	-
Issuance of share capital	3,673	-
Increase in share capital	224,996,327	-
	225,000,000	-

On 21 June 2024, the Company was incorporated with a share capital of USD 1,000 (AED 3,673) with par value of USD 1 (AED 3.673) for 1,000 shares. During the period, 61,265,168 additional shares of par value USD 1 (AED 3.673) were issued, increasing the share capital to USD 61,266,168 (AED 225,000,000). Furthermore, a resolution was issued for the outstanding 61,266,168 shares to be split into 2,250,000,000 shares with par value of USD 0.027 (AED 0.1). The share capital of the Company was increased utilising the "Additional contributed capital" for the purpose of the listing of shares.

Statuary reserve of AED 10 million represents reserve of a subsidiary.

On 11 February 2025, the Board of Directors proposed a cash dividend of AED 0.027 per share amounting to AED 60 million.

Additional contributed capital:

The movement of additional contributed capital during the period was as follows:

	2024 AED	2023 AED (Unaudited)
At 1 October	20,000,000	20,000,000
Business combination of entities under common control (Note 24)	276,088,627	-
Acquisition of a joint venture from the Parent (Note 8)	9,708,096	-
Increase in share capital (Note 13)	(224,996,327)	-
Additional contributed capital	61,553,802	-
At 31 December/30 September	**142,354,198**	20,000,000

- The Group acquired a 100% equity interest in ADNHC Dubai and ADNHC Sharjah entities with a value of identifiable net assets (excluding the consideration paid) of AED 276,088,627 (Note 24) which was recognised as additional contributed capital.
- The Group acquired a 30% equity interest in KSA JV with a value of AED 9,708,096 (Note 8) recognised as additional contributed capital.
- During the period, the Group declared a dividend of AED 211,435,726 (30 September 2023: AED 214,350,828) out of which AED 149,881,924 (30 September 2023: AED 214,350,828) was paid in cash and the balance AED 61,553,802 (30 September 2023: nil) was converted to additional contributed capital.
- The Group issued an additional 61,265,168 shares at par value of USD 1 (AED 3.673), of which AED 224,996,327 was transferred from additional contributed capital and converted into share capital.

14 Own shares

During the period, 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 Group'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 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.

The Group has paid an amount of AED 50 million to fund the purchase of the shares.

At 31 December 2024, the Market Maker held 22.1 million shares of the Company on behalf of the Group at AED 20.4 million, which is classified under equity as at 31 December 2024, the remaining amount is presented in other receivables.

15 Lease liabilities

	2024 AED	2023 AED (Unaudited)
At 1 October	77,971,210	65,514,053
Acquired through business combination (Note 24)	14,182,505	-
Additions during the period/year	8,819,459	45,211,843
Disposals	(3,863,003)	-
Accretion of interest	2,952,046	2,784,246
Payments	(43,595,273)	(35,538,932)
At 31 December/30 September	**56,466,944**	77,971,210

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

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Non-current	24,481,384	47,584,568
Current	31,985,560	30,386,642
	56,466,944	77,971,210

For short-term rent refer to Note 20.

Amounts recognised in the consolidated statement of comprehensive income:

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Depreciation of right of use asset (Note 6)	45,203,209	31,468,505
Finance cost – lease liabilities (Note 23)	2,952,046	2,784,246

The consolidated statement of cash flows shows the following movement relating to leases:

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Finance cost paid on lease liabilities (Note 23)	2,952,046	2,784,246
Principal element of lease liabilities	40,643,227	32,754,686

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

16 Provision for employees' end of service benefits

The Group provides end of service benefits (defined benefit obligations) to its eligible employees. The actuarial valuation of the present value of the defined benefit obligations was carried out by a specialized actuary. The Group provides end of service benefits (defined benefit obligations) to its eligible employees.

	2024 AED	2023 AED (Unaudited)
At 1 October	**110,130,739**	117,377,324
Acquired through business combination (Note 24)	**1,674,909**	-
Service costs for the period/year	**18,018,719**	20,218,570
Interest expense for the period/year	**6,881,907**	-
Paid during the period/year	**(16,137,482)**	(30,416,252)
Loss due to changes in demographic assumptions	**709,657**	-
Loss due to changes in financial assumptions	**5,644,849**	-
Experience gain	**(12,603,538)**	-
Transfer from a related party	**-**	2,951,097
At 31 December/30 September	**114,319,760**	110,130,739

The provision is recognised based on the following significant assumptions:

	2024
Average annual rate of salary increases	**4.25%**
Discount rate	**5.1%**

Demographic assumptions for mortality, withdrawal and retirement were used in valuing the liabilities and benefits under the plan.

The demographic assumptions used in estimating the liability include mortality rates based on the IALM2012-14 table. The withdrawal rate is age-based, ranging from 43% per annum at age 20 to 1.5% per annum for ages 53 and above. Additionally, the retirement age for employees in UAE is assumed to be 60 years.

The average duration of the liability is estimated to be between 5 to 7 years.

The calculation of end of service benefits is performed in accordance with the provisions of the UAE Labour Law, ensuring compliance with the regulatory requirements governing employee benefits.

Sensitivity analysis

The liability would be higher by AED 6,164,047 had the discount rate used in the assumption been lower by 1% and the liability would be lower by AED 7,290,202 had the discount rate used in the assumption been higher by 1%. The liability would be higher by AED 6,161,260 had the salary rate used in the assumption been higher by 1% and the liability would be lower by AED 7,291,612 had the salary increase rate used in the assumption been lower by 1%. The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant.

For mortality rates, a 10% increase would result in a decrease in liability of AED 255,050, while a 10% decrease would result in an increase in liability of AED 1,982,155. Regarding withdrawal rates, a 10% increase would lead to an increase in liability of AED 258,804, whereas a 10% decrease would result in an increase in liability of AED 1,537,820.

Risks and uncertainties

a) Volatility, cashflow and economic risks

The volatility and cash-flow risks arise if the Group are not able to generate sufficient operational cash surplus to fund employee benefit liabilities when they fall due.

b) Regulatory risk

The risk arises if the regulator issues guidance on the assumptions to be used in actuarial calculation, which might significantly change the percentage used as assumptions such as the discount rate or the future salary growth. The risk is compounded if the Group have no scope to manage this differential between salary escalation and discount rate.

There are further risks that regulators may impose other unexpected requirements, such as valuation of accrued annual leave, or other employee benefits, not currently foreseen.

c) Liquidity and balance sheet risk

Regulators may discuss the moving of liabilities off-balance sheet, and/or to require some form of asset funding and matching of the liabilities. Regulators may do this to create their own bond markets and also to increase their local stock market liquidity and stability, thereby injecting stimulus into local money markets which may require the Group to set up such schemes exactly when tighter economic circumstances prevail, which means that Group will have strained cash-flow at the very time when they need to both start funding such a scheme and meet existing operational cash-demands.

d) Increasing salary escalation

The Group need to consider the long-term outlook of their future salary escalation policy, as well as macroeconomic factors such as inflation to avoid reduction of profitability of the Group due to the increase in the defined benefit scheme cost.

e) Discount rate risk

The discount rate risk arises when the Schemes' return on assets is lower than the assumed discount rate, if any. Any shortfall in the attained investment return on the assets, if any, compared to the assumed discount rate would be recognised through other comprehensive income.

The Group do not have any scheme assets, at the end of each reporting period, the interest cost is accrued to the Group' profit & loss as a proportion of the schemes' liability.

Pension contribution

The pension charge for the fifteen-month period ended 31 December 2024 is AED 1,416,691 (30 September 2023: AED 1,129,007). The pension contribution is towards the state pension fund therefore accounted for as a defined contribution.

17 Trade and other payables

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Trade payables	**199,089,456**	175,227,568
Accrued expenses	**153,087,312**	181,084,191
Other payables	**66,440,653**	58,923,182
	418,617,421	415,234,941

The average contractual credit period on purchases of goods is 60 – 90 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

18 Bank borrowings

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Borrowings with commercial banks:		
Due in less than one year – current liability	**50,484,586**	-

On 1 November 2024, the Group obtained a term loan from a local bank which amounted to AED 50 million. The loan is repayable after 12 months by 1 November 2025. At the reporting date, the loan amount included AED 484,586 in accrued interest. This loan carries an interest of 1.25% + 3 month EIBOR. The loan is under an irrevocable corporate guarantee of Abu Dhabi National Hotels Company PJSC.

Compliance with covenants

The Group has complied with the financial covenants of the borrowings during the period. Under the terms of borrowing, the Group is required to comply with the following financial covenants at all times:

- To maintain tangible net worth of not less than AED 200,000,000.
- To maintain a net debt to earnings before interest, tax, depreciation and amortization ratio of maximum 2.5x.
- To maintain a maximum leverage ratio (debt to equity) of 1.5x.

19 Revenues from contracts with costumers

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Catering	**1,103,786,541**	783,531,536
Manpower	**502,945,862**	339,679,242
Fixed fee services	**124,580,747**	157,485,030
Food and beverage	**110,177,923**	58,966,572
Non-food supplies	**21,146,310**	17,469,775
Laundry	**12,457,109**	11,479,485
Shop sales	**5,030,214**	3,172,733
Other revenues	**12,097,287**	17,007,827
	1,892,221,993	1,388,792,200
Timing of revenue recognition		
Over time	**627,526,609**	497,164,272
At a point in time	**1,264,695,384**	891,627,928
	1,892,221,993	1,388,792,200
Assets related to contracts with customers		
Contract assets (Note 10)	**35,872,382**	20,567,958

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date. The amount is transferred to receivables when the rights become unconditional. Contract assets have increased as the Group has provided services ahead of the agreed schedules.

Unsatisfied contracts

The aggregate amount of the transaction price allocated to the performance obligations of the Group that are fully or partially unsatisfied as at 31 December 2024 is AED 238,822,267 (30 September 2023: AED 175,283,081). The Group expects to recognise the unsatisfied performance obligations as revenue in the next 12 months reporting period of AED 206,495,988 (30 September 2023: AED 151,557,279).

20 Direct costs

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Staff costs (Note 22)	**778,946,931**	531,907,080
Costs of materials (Note 9)	**641,867,390**	477,609,083
Depreciation of right-of-use assets (Note 6)	**42,688,878**	29,519,657
Short term rent	**23,271,145**	17,531,273
Maintenance	**23,133,442**	20,891,702
Transportation	**29,245,424**	16,752,349
Depreciation of property and equipment (Note 5)	**16,773,077**	7,566,904
Reversal for slow-moving inventories (Note 9)	**(1,337,692)**	-
Others	**39,424,589**	22,992,985
	1,594,013,184	1,124,771,033

21 General and administrative expenses

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Staff costs (Note 22)	**56,338,046**	56,399,071
Software maintenance and support	**11,028,077**	8,784,481
Amortisation of intangible assets (Note 7)	**7,563,979**	72,800
Depreciation of right-of-use assets (Note 6)	**2,514,331**	1,948,848
License fees	**2,462,832**	4,857,439
Depreciation of property and equipment (Note 5)	**1,315,420**	598,942
Board remuneration	**1,400,000**	-
Others	**5,608,882**	2,294,301
	88,231,567	74,955,882

22 Staff costs

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Salaries and wages	**690,436,775**	457,649,116
Employees' end of service benefits (Note 16)	**24,900,626**	20,218,570
Pension costs	**1,416,691**	1,129,007
Other benefits	**118,530,885**	109,309,458
	835,284,977	588,306,151
Direct costs (Note 20)	**778,946,931**	531,907,080
General and administrative expenses (Note 21)	**56,338,046**	56,399,071
	835,284,977	588,306,151

During the period ended 31 December 2024, the average number of staff employed in the Group converted into full-time equivalents was 17,025 employees (2023: 15,096 employees).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

23 Finance costs – net

	For the fifteen-month period ended 31 December 2024 AED	For the year ended 30 September 2023 AED (Unaudited)
Finance income:		
Interest income	**3,128,994**	2,783,853
Finance costs:		
Finance cost on lease liabilities (Note 15)	**2,952,046**	2,784,246
Bank interest and charges	**1,610,606**	-
Finance costs expensed	**4,562,652**	2,784,246
Net finance costs	**1,433,658**	393

24 Transfer of ADNHC Dubai and ADNHC Sharjah to ADNHC Abu Dhabi from Parent

On 31 March 2024, the Ultimate Parent Company (ADNH PJSC) obtained control over ADNHC Abu Dhabi, ADNHC Dubai and ADNHC Sharjah (together the "ADNHC entities") through its acquisition of the remaining 49% shareholding in the ADNHC entities. A fair value assessment was performed to determine the fair values of ADNHC entities at the Ultimate Parent Company.

On 11 June 2024 and 26 June 2024, ADNH PJSC has transferred its 100% equity interest in ADNHC Dubai and ADNHC Sharjah entities, respectively, to ADNHC Abu Dhabi for a total consideration of AED 20,000. This transaction is considered a common control transaction as these entities continued to be controlled by ADNH PJSC both before and after the business combination. Considering that these acquisitions are considered to be outside the scope of IFRS 3 "Business Combinations", management has chosen the predecessor method of accounting for this transaction and transferred these entities at the carrying values of the net assets. The excess of net asset value acquired over the purchase consideration has been recorded as "Additional contributed capital" within equity in the consolidated statement of financial position.

The acquired business contributed revenues of AED 262,749,617 and net profit of AED 20,961,977 to the Group for the period from 1 April 2024 to 31 December 2024. If the transfer occurred on 1 October 2023, the consolidated revenue and consolidated profit after tax for the fifteen-month ended 31 December 2024 would have been AED 2,057,416,099 and AED 190,092,168 respectively.

The following table summarises the recognised amounts of assets and liabilities:

	31 March 2024 AED
Assets	
Property and equipment (Note 5)	**5,564,926**
Right-of-use assets (Note 6)	**14,185,758**
Intangible assets (including pre-existing goodwill) (Note 7)	**288,071,591**
Inventories	**2,385,097**
Trade and other receivables	**125,384,600**
Cash and cash equivalents	**455,837**
	436,047,809
Liabilities	
Provision for employees' end of service benefits	**1,674,909**
Deferred tax liabilities	**17,998,727**
Lease liabilities	**14,182,505**
Trade and other payables	**84,795,900**
Due to related parties	**41,287,141**
	159,939,182
Value of identifiable net assets acquired (including pre-existing goodwill)	**276,108,627**
Consideration payable (recognised within 'due to related parties')	**(20,000)**
Recorded as Additional contributed capital	**276,088,627**

Acquired receivables

The fair value of acquired trade receivables is AED 103,563,786. The gross contractual amount for trade receivables due was AED 120,945,899, with a loss allowance of AED 17,382,113 recognised on acquisition.

Intangible assets (pre-existing) transferred from the Parent as part of the business combination under common control to ADNHC Abu Dhabi are as follows:

	31 March 2024 AED
Customer relationships	**200,100,000**
Goodwill	**87,971,591**
	288,071,591

The impact on the consolidated statement of cash flows is AED 455,837 representing the cash acquired through business combination as other elements related to this transaction are non-cash transactions.

25 Income taxes

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

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Current tax	**18,728,342**	-
Deferred tax		
Increase in deferred tax assets, net	**(674,828)**	-
Decrease in deferred tax liabilities	**(124)**	-
	(674,952)	-
	18,053,390	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

Reconciliation of tax expense and the accounting profit multiplied by the Group's domestic tax rate for 2024:

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Profit before income tax	**200,770,778**	211,435,726
Tax using the Group's tax rate of 9%	**18,069,370**	19,029,215
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Donations, grants, gifts to non-Qualifying Public Benefit Entities disallowed	**(34,012)**	-
Share of net profit of investments accounted for using the equity method	**107,359**	-
Miscellaneous	**(89,327)**	-
Income not taxable	**-**	(19,029,215)
	18,053,390	-

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%.

Deferred tax liabilities movement during the period:

	Intangible assets AED	Right-of-use assets AED	Lease liabilities AED	Total AED
At 1 October 2023 (Unaudited)	-	-	-	-
Acquired through business combination	18,008,999	(15,250)	4,978	17,998,727
(Charge)/credit during the period	(675,209)	381	(124)	(674,952)
At 31 December 2024	17,333,790	(14,869)	4,854	17,323,775

26 Basic and diluted earnings per share

Basic Earnings Per Share (EPS) is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit for the period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 31 December 2024 and 30 September 2023, there were no shares which were dilutive in nature.

The following table reflects the profit for the period and share data used in the basic and diluted EPS calculations:

	31 December 2024 AED
Earnings attributable to equity holders of the Parent (AED)	**182,717,388**
Weighted average number of shares in issue	**2,250,000,000**
Basic and diluted earnings per share (AED)	**0.081**

The weighted average number of ordinary shares for periods presented have been adjusted for the effects of capitalisation arising from the reorganisation which resulted in the issuance of 2,250,000,000 ordinary shares in June 2024. The basic and diluted earnings per share for the year ended 30 September 2023 was not disclosed as the Company did not have share capital during 2023.

27 Segment information

The Group's operating segments are determined based on its internal reporting to the Chief Operating Decision Maker (the "CODM"). The CODM has been determined to be the Chief Executive Officer ("CEO"), as all final decisions are made by the CEO in consultation with the executive committee and the function is primarily responsible for the allocation of resources to segments and assessment of performance of segments.

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.

Operating segments

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

- Catering services
- Support services

The segments are concentrated into two elements which are providing food & beverage services to the customers under catering services and the other is to provide various support services which includes manpower services, laundry services and other services. This presentation reflects how the Group's operating performance is reviewed internally by management and the CODM. Catering services and support services segments' performance is measured based on profit or loss.

Segment profit represents the profit or loss earned by each segment after considering general and administrative expenses, other income, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

	Catering services AED	Support services AED	Total AED
For the period ended 31 December 2024			
Revenue from customers			
– Over a period of time	**26,118,300**	**601,408,309**	**627,526,609**
– At a point in time	**1,151,352,423**	**113,342,961**	**1,264,695,384**
Total revenues	**1,177,470,723**	**714,751,270**	**1,892,221,993**
Direct costs	**(943,999,612)**	**(650,013,572)**	**(1,594,013,184)**
Gross profit	**233,471,111**	**64,737,698**	**298,208,809**
General and administrative expenses	**(66,689,417)**	**(21,542,150)**	**(88,231,567)**
Reversal for impairment of financial assets	**(9,228,153)**	**–**	**(9,228,153)**
Other income	**216,394**	**46,074**	**262,468**
Share of net profit of investments accounted for using the equity method	**1,192,879**	**–**	**1,192,879**
Finance income	**2,416,214**	**712,780**	**3,128,994**
Finance costs	**(3,477,739)**	**(1,084,913)**	**(4,562,652)**
Profit for the period	**157,901,289**	**42,869,489**	**200,770,778**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

	Catering services AED	Support services AED	Total AED
For the period ended 30 September 2023 (Unaudited)			
Revenue from customers			
– Over a period of time	34,967,672	462,196,600	497,164,272
– At a point in time	839,900,312	51,727,616	891,627,928
Total revenues	874,867,984	513,924,216	1,388,792,200
Direct costs	(665,289,129)	(459,481,904)	(1,124,771,033)
Gross profit	209,578,855	54,442,312	264,021,167
General and administrative expenses	(60,002,662)	(14,953,220)	(74,955,882)
Reversal for impairment of financial assets	(897,915)	(7,074)	(904,989)
Other income	18,645,425	4,630,398	23,275,823
Finance income	2,209,810	574,043	2,783,853
Finance costs	(2,210,122)	(574,124)	(2,784,246)
Profit for the year	167,323,391	44,112,335	211,435,726

Revenue of approximately AED 323,119,371 (for the year ended 30 September 2023: AED 230,053,955) is derived from one customer. This revenue is attributed to catering services only.

28 Contingent liabilities

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Bank guarantees	**201,265,047**	211,066,462
Within one year	**22,377,955**	12,721,402
Between one and two years	**1,719,578**	12,838,997
Above two years	**177,167,514**	185,506,063
	201,265,047	211,066,462

The above bank guarantees were issued in the normal course of business.

Commitments

The estimated commitments contracted at 31 December 2024 amounts to AED 42.3 million (30 September 2023: AED 12.2 million).

29 Non-cash transactions

Material non-cash transactions during the period ended 31 December 2024 and for the year ended 30 September 2023 are as follows:

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Acquisition of subsidiaries (net assets acquired through business combination excluding cash and cash equivalents)	**275,632,790**	-
Investment in a joint venture (Note 8)	**9,708,096**	-
Right-of-use assets (Note 6)	**8,819,459**	42,791,680
Lease liabilities (Note 15)	**8,819,459**	45,211,843
Increase in share capital (Note 13)	**224,996,327**	-
Conversion of dividend declared to Additional contributed capital (Note 13)	**61,553,802**	-
Dividends declared but not paid	**-**	214,350,828
Transfer of provision for employees' end of service benefits from a related party	**-**	2,951,097

30 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Financial assets:		
Trade and other receivables	**649,495,484**	557,260,965
Due from related parties	**10,979,488**	27,041,715
Cash and cash equivalents	**190,226,355**	165,697,328
	850,701,327	750,000,008
Financial liabilities		
Trade and other payables	**418,617,413**	415,234,941
Due to related parties	**21,668,363**	23,177,917
Bank borrowings	**50,484,586**	-
Lease liabilities	**56,464,944**	77,971,210
	547,235,306	516,384,068

**For the purpose of the above disclosure, prepayments amounting to AED 10,620,968 (for the year ended 30 September 2023: AED 10,217,259) were excluded from trade and other receivables.*

31 Reconciliation of liabilities arising from financing activities

	31 December 2024 AED	30 September 2023 AED (Unaudited)
Cash and cash equivalent	**190,226,355**	165,697,328
Bank borrowing – repayable within one year	**(50,484,586)**	-
Lease liabilities	**(56,466,944)**	(77,971,210)
Net debt	**83,274,825**	87,726,118

	Other assets	Liabilities from financing activities		
	Cash and cash equivalent AED	Bank borrowing – repayable within one year AED	Lease liabilities AED	Total AED
Net debt				
As at 1 October 2023	165,697,328	-	(77,971,210)	87,726,118
Cash flows	24,529,027	(50,484,586)	21,504,266	(4,451,293)
As at 31 December 2024	**190,226,355**	**(50,484,586)**	**(56,466,944)**	**83,274,825**
As at 1 October 2022 (unaudited)	317,535,458	-	(65,514,053)	252,021,405
Cash flows	(151,838,130)	-	(12,457,157)	(164,295,287)
As at 30 September 2023 (unaudited)	165,697,328	-	(77,971,210)	87,726,118

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

For the fifteen-month period ended 31 December 2024

32 Events occurring after the reporting date

Acquisition of Compass Arabia Limited Company

On 12 December 2024, the Group acquired an additional 20% of the issued shares in Compass Arabia Limited Company, a leading provider of catering services in Saudi Arabia. This acquisition increased the Group's total ownership in Compass Arabia to 50%. The total consideration for this transaction is AED 4,091,042 (SAR 4,177,375).

The Share Purchase Agreement ("SPA") was signed prior to the reporting date and was subject to regulatory approvals and customary closing conditions. The acquisition is considered a subsequent event in accordance with IAS 10, as it was completed after the reporting period

Acquisition of Food Nation Catering Services LLC

On 23 January 2025, the Group further expanded its operations by acquiring 100% of the issued shares in Food Nation Catering Services LLC, a company specialised in providing high-quality catering services, particularly within the education sector. The SPA for this acquisition was signed subsequent to the reporting date.

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