

**LEAF GLOBAL ENVIRONMENTAL
SERVICES COMPANY**

(A Saudi Joint Stock Company)

Jeddah - Kingdom of Saudi Arabia

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
AND INDEPENDENT AUDITOR'S REVIEW REPORT
FOR SIX-MONTHS PERIOD ENDED 30 June 2025**

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Interim Condensed Financial Statements for the six-months period ended 30 June 2025. (unaudited)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED FINANCIAL STATEMENTS

**TO THE SHAREHOLDERS
LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY
(A Saudi Joint Stock Company)
JEDDAH – KINGDOM OF SAUDI ARABIA**

Introduction

We have reviewed the accompanying interim condensed statement of financial position of LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY ("the Company"), as at June 30, 2025 and the related interim condensed statements of profit and loss and comprehensive income for six months period ended June 30, 2025 and the interim condensed statements of changes in equity and interim condensed statement of cash flows for the six months period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. The Company's management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 - "Interim Financial Reporting" ("IAS 34"), as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying June 30, 2025 Interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

Jeddah: August 25, 2025
Rabi'ul-Awwal 02, 1447H



FOR EL SAYED EL AYOUTY & CO.

**Abdullah Ahmed Balamesh
Certified Public Accountant
License No. (345)**

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Interim condensed statement of financial position

As at June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

		June 30, 2025	December 31, 2024
	Notes	(Unaudited)	(Audited)
Assets			
Non-current assets			
Plant and equipment		5,961,380	5,359,328
Current assets			
Trade receivables	5	27,464,548	23,525,357
Contract assets	6	4,477,029	2,820,751
Investment at FVTPL	7	9,424,526	8,192,505
Due from related parties	10.2	5,957,051	5,800,763
Prepayments and other receivables		1,194,161	752,191
Cash and cash equivalents		2,691,648	4,475,024
Total current assets		51,208,963	45,566,591
Total assets		57,170,343	50,925,919
Equity and liabilities			
Equity			
Share capital	8	25,000,000	25,000,000
Statutory reserve		90,000	90,000
Retained earnings		11,979,520	15,902,277
Total equity		37,069,520	40,992,277
Non-current liabilities			
Employees' defined benefit obligations		3,850,300	3,392,128
Current liabilities			
Trade payables		963,188	295,803
Due to related parties	10.4	1,439,965	1,972,167
Accruals and other payables		3,362,312	3,161,263
Provision for zakat	9	485,058	1,112,281
Dividend payable	20	10,000,000	-
Total current liabilities		16,250,523	6,541,514
Total liabilities		20,100,823	9,933,642
Total equity and liabilities		57,170,343	50,925,919



Rizwan Babar Nasrullah
Chief Financial Officer



Petros Emmanouil
Chief Executive Officer



Abdullah Saleh Binladin
Chairman

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Interim condensed statement of comprehensive income

For six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Contract revenue	12	23,612,901	25,189,695
Contract costs	13	(12,163,284)	(14,077,775)
Gross profit		11,449,617	11,111,920
General and administrative expenses	14	(4,326,341)	(4,606,599)
Expected credit losses	5.1,6.1	(797,953)	(920,205)
Operating profit		6,325,323	5,585,116
Other income – net	15	4,957	3,786,785
Realized gains on sale of investments	7.1	232,021	1,965,910
Profit before zakat		6,562,301	11,337,811
Zakat	9	(485,058)	(499,933)
Net profit for the period		6,077,243	10,837,878
Other comprehensive income / (loss) for the period			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement (loss) on employee defined benefit obligations		-	-
		-	-
Total comprehensive income for the period		6,077,243	10,837,878
Basic and diluted earnings per share	17	1.22	2.17



Rizwan Babar Nasrullah
Chief Financial Officer



Petros Emmanouil
Chief Executive Officer



Abdullah Saleh Binladin
Chairman

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Interim condensed statement of changes in equity

For six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Share capital	Statutory reserve	Retained earnings	Total
As at January 1, 2024 (Audited)	25,000,000	90,000	10,000,789	35,090,789
Net profit for the period	-	-	10,837,878	10,837,878
Dividend (note 20)	-	-	(10,000,000)	(10,000,000)
As at June 30, 2024 (Unaudited)	<u>25,000,000</u>	<u>90,000</u>	<u>10,838,667</u>	<u>35,928,667</u>
As at January 1, 2025 (Audited)	25,000,000	90,000	15,902,277	40,992,277
Net profit for the period	-	-	6,077,243	6,077,243
Dividend (note 20)	-	-	(10,000,000)	(10,000,000)
As at June 30, 2025 (Unaudited)	<u>25,000,000</u>	<u>90,000</u>	<u>11,979,520</u>	<u>37,069,520</u>



Rizwan Babar Nasrullah
Chief Financial Officer



Petros Emmanouil
Chief Executive Officer



Abdullah Saleh Binladin
Chairman




LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Interim condensed statement of cash flows

For six-months ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

	Notes	June 30, 2025 (Unaudited)	June 30, 2024 (Unaudited)
Cash flows from operating activities:			
Net profit for the period before Zakat		6,562,301	11,337,811
Adjustments for:			
Depreciation		819,997	527,071
Employees' defined benefit expense		495,139	352,163
Impairment on trade receivables and other financial assets	5.1,6.1	797,953	920,205
Realized gains on sale of investments	7.1	-	(1,965,910)
Unrealised gain on revaluation of investment	7.2	(232,021)	
Exchange gain		-	(28,125)
Operating income before changes in working capital		8,443,369	11,143,215
Working capital changes:			
Trade receivables		(4,500,768)	(12,475,959)
Contract assets		(1,892,654)	1,068,835
Due from related parties		(156,288)	8,076,820
Prepayments and other receivables		(441,970)	(99,446)
Trade payables		667,385	1,397,737
Accruals and other payables		201,049	297,392
Due to related parties		(532,202)	(948,752)
Cash generated from operating activities		1,787,921	8,459,842
Employees' defined benefits paid		(36,967)	(2,773,943)
Zakat paid	9	(1,112,281)	(1,116,777)
Net cash generated from operating activities		638,673	4,569,122
Cash flows from investing activities:			
Additions to plant and equipment		(1,422,049)	(924,194)
Purchase of investments	7.1	(1,000,000)	(1,901,387)
Proceeds from sale of investments	7.1	-	5,564,197
Net cash generated from investing activities		(2,422,049)	2,738,616
Cash flows from financing activities:			
Dividend paid during the period	20 (a)	-	(7,220,000)
Net cash used in financing activities		-	(7,220,000)
INCREASE IN CASH AND CASH EQUIVALENTS		(1,783,376)	87,738
Cash and cash equivalents at the beginning of the period		4,475,024	4,305,825
Effect of movements in exchange rate		-	28,125
Cash and cash equivalents at the end of the period		2,691,648	4,421,688
NON-CASH TRANSACTIONS			
Dividend payable	20	10,000,000	2,780,000
			
Rizwan Babar Nasrullah			
Chief Financial Officer			
			
Petros Emmanouil			
Chief Executive Officer			
			
Abdullah Saleh Binladin			
Chairman			

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)

Notes to interim condensed the financial statements for the six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

1. General

Leaf Global Environmental Services Company (the "Company") is a Saudi Joint Stock Company registered in the Kingdom of Saudi Arabia under Commercial Registration ('CR') number 4030608537 issued in Jeddah on Jamad Thani 12, 1439H (corresponding to 28 February 2018).

On 28 Dhul Qa'dah 1445 (corresponding to 17 June 2023), the shareholders of the Company resolved to change the legal status of the Company from a Saudi Limited Liability Company to "A Saudi Closed Joint Stock Company". The legal formalities in this respect were completed and the updated Company Registration Certificate was obtained on 29 Dhul Qa'dah 1445H (Corresponding to 18 June 2023).

On 21 June 2023 corresponding to 3 Dhul-Hijjah 1444 (H), the general assembly of the Company decided to offer 30% of the Company's shares in Saudi Stock Exchange's (Tadawul) Nomu - Parallel market through an Initial Public Offering (IPO). Capital Market Authority ('CMA') through its resolution dated 27 March 2024 corresponding to Ramadan 17, 1445 (H), approved the Company's application to offer its shares in the Nomu Parallel market. Subsequent to the approval on 27 June 2024 corresponding to 21 Dhul-Hijjah 1445 (H) the Company's shares were made available to Qualified Investors of Nomu - Parallel market for the purpose of trading. The company amended the By-laws to change its status from Closed Joint Stock Company to Joint Stock Company and updated company registration certificate was obtained.

The Company is engaged in cleaning of oil and other contaminants in land and surface waters and in oceans and seas, including coastal areas, testing and measuring environmental indicators and environmental consulting.

During the year 2024, the Company established a branch in the United Arab Emirates to engage in environmental consultancy, studies, and research activities. The details of the branch are as follows:

<u>Branch Location</u>	<u>CR No.</u>	<u>Date of CR</u>
United Arab Emirates (UAE) – Abu Dhabi	101-2024-200002090	28/06/2024

The Company's registered office address is 2nd Floor, Bin Commercial Building, Quraish Street, Dist, As Salama, , Jeddah 23719.

2. Basis of preparation

2.1. Statement of compliance

The interim condensed financial statements for the six-months period ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted in the Kingdom of Saudi Arabia as well as other standards and announcements endorsed by Saudi Organization for chartered and Professional Accountants (SOCPA). The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2024 ("last annual financial statements").

These interim condensed financial statements do not include all the information required to prepare a complete set of financial statements in accordance with the International Financial Reporting Standards adopted in the Kingdom of Saudi Arabia. However, selected accounting policies and explanatory notes have been included to explain the events and transactions that are significant to and understanding of the changes in the financial position and performance of the Company since the last annual financial statements. In addition, the results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

2.2. Basis of measurement

These interim condensed financial statements have been prepared on historical cost basis using the accrual basis of accounting except for employees' defined benefit obligations which are measured using projected unit credit method, the going concern assumption and valuation of investments at fair value through profit or loss (FVTPL).

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)

Notes to interim condensed the financial statements for the six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

2.3. Functional and presentation currency

These interim condensed financial statements are presented in Saudi Arabian Riyals (SR), which is the functional and operational currency of the Company.

2.4. Profit or loss and other comprehensive income and statement of cash flows

The Company has elected to present interim condensed statements of profit or loss and other comprehensive income in a single statement and present its expenses by function. The Company prepares its interim condensed statement of cash flows from operating activities using the indirect method.

3. Significant accounting estimates, assumptions and judgments

The preparation of these interim condensed financial statements requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses and accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Company based its assumptions and estimates on parameters available when the interim condensed financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The operations of the Company are not subject to material seasonal or cyclical variations during the interim period ended 30 June 2025.

The significant judgement exercised in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements for the year ended 31 December 2024.

4. Summary of material accounting policies

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in for the year ended 31 December 2024, except for the adoption of new standards, interpretations and amendments effective as at 1 January 2025, as mentioned in note 19.1. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)

Notes to interim condensed the financial statements for the six-months period ended June 30, 2025
(All amounts in Saudi Riyals unless otherwise stated)

5. Trade receivables

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Contract receivables – Third parties	20,931,800	14,981,640
– Related parties	8,039,501	8,661,595
Retention receivables – Third parties	816,837	1,644,135
	29,788,138	25,287,370
Allowance for expected credit losses of trade receivables (note 5.1)	(2,323,590)	(1,762,013)
	27,464,548	23,525,357

5.1. The movement in allowance for expected credit losses on trade receivables is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Balance at beginning of the period / year	1,762,013	1,221,307
Allowance made during the period / year	561,577	660,706
Written off during the period / year	-	(120,000)
Balance at end of the period / year	2,323,590	1,762,013

5.2. Aging analysis of trade receivables

	30 June 2025 (Unaudited)	31 December 2024 (audited)
0 - 90 days	17,050,764	14,547,506
91 - 180 days	2,767,868	3,883,343
181 - 270 days	3,309,270	820,341
271 - 365 days	1,360,271	418,076
More than 365 days	5,299,965	5,618,104
	29,788,138	25,287,370

6. Contract assets

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Balance at beginning of the period / year	2,871,610	6,713,115
Billed during the period / year	(1,626,284)	(6,713,115)
Unbilled during the period / year	3,518,938	2,871,610
Allowance for expected credit losses of contract assets (note 6.1)	(287,235)	(50,859)
Balance at end of the period / year	4,477,029	2,820,751

6.1. The movement in provision for expected credit losses is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Balance at beginning of the period / year	50,859	201,044
Allowance / (Reversal) made during the period / year	236,376	(150,185)
Balance at end of the period / year	287,235	50,859

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)

Notes to interim condensed the financial statements for the six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

7. Investment at FVTPL

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Investment in Murabaha Fund	9,424,526	8,192,505
Investment in listed companies	-	-
	9,424,526	8,192,505

7.1. The movement in investment is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Balance at beginning of the year	-	1,696,900
Purchased during the year	-	5,203,155
Sold during the year	-	(9,786,298)
Realized gains on sale of investments	-	2,886,243
Balance at the end of the year	-	-

7.2. The movement in investment in Murabaha Fund is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Balance at beginning of the period / year	8,192,505	-
Purchased during the period / year	1,000,000	8,098,749
Unrealized gains	232,021	93,756
Balance at the end of the period / year	9,424,526	8,192,505

7.3. Fair value measurement of financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Fair value			
	FVTPL	Level 1	Level 2	Level 3	Total
30 June 2025 (Unaudited)					
Murabaha Fund	9,424,526	-	-	9,424,526	9,424,526
31 December 2024 (Audited)					
Murabaha Fund	8,192,505	-	-	8,192,505	8,192,505

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company)

Notes to interim condensed the financial statements for the six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

8. Share capital

The authorized, issued and paid-up share capital of the Company as of June 30, 2025 amounting to SR 25,000,000 (December 31, 2024: SR 25,000,000) is divided into 5,000,000 (December 31, 2024: 5,000,000) shares of SR 5 (December 31, 2024: SR 5) each.

Shareholders of the company passed a resolution on January 01, 2023 (corresponding to Jumada Al Thani 8, 1444H) to increase share capital of the company from SR 300,000 (Three hundred thousand Saudi Riyals) to SR 25,000,000 (Twenty-five million Saudi Riyals). For this purpose, shareholders resolved to utilize the retained earnings balance of SR 24,700,000 (Twenty-four million seven hundred thousand Saudi Riyals) as of 31 December 2022. Legal formalities with respect to capital increase have been completed during the year ended December 31, 2023.

As of December 31, 2023, the Company's total authorized, issued, and paid-up share capital was 5,000,000 shares. This included 3,300,000 shares (66%) were held by Abdullah Saleh Mohammed Binladin, with a par value of SAR 5 per share, totaling SAR 16,500,000. Additionally, 1,700,000 shares (34%) were held by Ghaith Saleh Mohammed Binladin, with a par value of SAR 5 per share, amounting to SAR 8,500,000.

On June 27, 2024, the Company was listed on the Saudi Stock Exchange (Tadawul). As of this date, the Company's total authorized, issued, and paid-up share capital was 5,000,000 shares. This included 3,275,000 shares (65.5%) were held by Abdullah Saleh Mohammed Binladin, with a par value of SAR 5 per share, totaling SAR 16,375,000. A further 225,000 shares (4.5%) were held by Ghaith Saleh Mohammed Binladin, also with a par value of SAR 5 per share, amounting to SAR 1,125,000. The remaining 1,500,000 shares (30%) were held by the qualified investors on the parallel market, with a par value of SAR 5 per share, totaling SAR 7,500,000.

9. Zakat

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Movement in provision for Zakat		
Balance as at January 1,	1,112,281	1,151,777
Provided during the year	485,058	1,112,281
Zakat relating to prior year	-	49,426
	485,058	1,161,707
Paid during the period / year	(1,112,281)	(1,201,203)
Balance as at December 31,	485,058	1,112,281

9.1. Status of final assessments

The Company has submitted the Zakat return up to the year ended December 31, 2024 to the Zakat, Tax and Custom Authority ("ZATCA") and obtained the Zakat certificate. The company has received a zakat assessment amounting to SR 49,426 for the year 2022 and the company has settled the assessed amount. The Company has not received any zakat assessment from ZATCA for the year ended December 31, 2024.

9.2. Value-added tax

The Company is registered with value-added tax and submits and pays its returns on the specified statutory dates regularly.

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Notes to the interim condensed financial statements for the six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

10. Related parties' transaction and balances

Related parties include the Company's shareholders, associates and affiliated companies and key management personnel of the Company. Terms and conditions of these transactions are approved by the Company's management. All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash. Significant related party transactions for the period and balance arising there from are described as under:

Related parties	Relationship	Nature of transactions	For the six-month period ended 30 June	
			2025	2024
Biohazards Solutions Innovators Company Limited (BIOSI)	Affiliate	Expenses paid on behalf of the Company	150,846	270,621
		Fund transferred, net	-	8,270,121
Al Fateh Limited	Affiliate	Payments on behalf of the Company	5,442	2,910
Bin Limited	Affiliate	Expenses Charged (Rent)	173,030	213,760
		Amount Paid	(173,030)	(213,760)
Huta Hegerfeld Environmental Works Limited	Affiliate	Expenses paid on behalf of Company	-	220,458
		Transfer of liabilities (EOSB)	-	5,465
Ace One Marine Limited	Affiliate	Expenses paid on behalf of Company	128,099	9,291
		Invoices against boat rent	(856,635)	(979,340)
		EOSB Transfer	(13,777)	-
		Advance Received	1,274,515	170,410
Huta Marine Works Limited	Affiliate	Revenue (Including VAT)	-	172,500
		Funds received	100,000	-
Modern Building Leaders (MBL)	Affiliate	Revenue (Including VAT)	4,721,856	3,458,956
		Amount Received	(4,657,395)	(1,028,866)
The Fundamental Installation for Electrical Works (FIRST FIX)	Affiliate	Revenue (Including VAT)	691,035	252,000
		Amount Received	(750,000)	(704,623)

10.1. Transactions with key management personnel

For the purposes of the disclosure requirements contained in IAS 24 Disclosures Related to Related Parties, the phrase "key management personnel" (i.e., those persons who have the authority and responsibility to plan, direct and control the activities of the Company) refers to the board of directors, chief executive officer and other executives of the Company.

The compensation of the senior management personnel includes salaries and other benefits. The amounts disclosed represent the amounts recognised as an expense during the financial period in respect of key management personnel.

Compensation of key management personnel of the Company for the period ended June 30,

Nature of transactions	2025	2024
Salaries and short-term benefits*	1,714,815	2,147,833
Employee benefits	108,047	142,167
Total	1,822,862	2,290,000

* Salaries and short-term employee benefits include bonus paid to key management personnel during the period ended June 30, 2025 amounting to SR Nil (June 30, 2024: SR 480,000).

LEAF GLOBAL ENVIRONMENTAL SERVICES COMPANY

(A Saudi Joint Stock Company) Jeddah – Kingdom of Saudi Arabia

Notes to the interim condensed financial statements for the six-months period ended June 30, 2025

(All amounts in Saudi Riyals unless otherwise stated)

10.2. Due from related parties

	2025	2024
Biohazards Solutions Innovators Company Limited (BIOSI) (a)	5,935,843	5,784,997
Ace Property Limited	7,266	7,266
Modern Innovative Works Limited	6,000	6,000
Alam Thaqafa	2,500	2,500
Al Fateh Limited	5,442	-
	5,957,051	5,800,763

- a) The balance is secured against the unconditional and irrevocable Joint and several financial guarantee provided by two of the shareholders of the BIOSI.
- b) The management estimates the allowance on due from related parties balance at the reporting date at an amount equal to lifetime ECL. No receivable balance from a related party at the reporting date are past due, taking into account the historical default experience and the future prospects, the management considers that related party balances are not impaired. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the allowances for balances due from related parties.

10.3. The following parties are classified in trade receivables:

	2025	2024
HUTA Marine Works Limited	256,500	356,500
Modern Building Leaders (MBL)	7,356,216	7,291,755
The Fundamental Installation for Electrical Works (FIRST FIX)	426,785	485,750
Saudi Binladen Group	-	527,590
	8,039,501	8,661,595

10.4. Due to related parties

	2025	2024
HUTA Hegerfeld Environmental Works Limited	1,307,558	1,307,558
Ace One Marine Limited	132,407	664,609
	1,439,965	1,972,167

11. Commitments and contingencies

The Company's commitments and contingencies are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Letters of guarantee	4,893,461	2,476,969

12. Contract revenue

The company derives revenue from the transfer of services over time and at a point in time in the following major service lines and geographical regions:

Type of services	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Environmental services	15,544,645	17,000,304
Mangrove transplantation	7,107,256	7,194,391
Coral Reef development	961,000	995,000
	23,612,901	25,189,695

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Region	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Western region	22,790,495	22,916,478
Central region	624,483	408,000
Eastern region	197,923	1,865,217
	23,612,901	25,189,695

13. Contract costs

	For the six-months period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Subcontracts and services	3,899,610	5,951,815
Employee costs	5,607,843	5,423,669
Materials and supplies	757,417	1,605,162
Depreciation	657,052	358,149
Staff welfare	197,131	161,186
Fuel expenses	234,772	142,926
Repair and maintenance	153,163	108,454
Rent	277,004	-
Travelling	61,739	57,318
Utilities	77,689	20,101
IT and computer services	13,367	47,447
Printing and stationery	92,713	36,116
Insurance	36,294	41,578
Others	97,490	123,854
	12,163,284	14,077,775

14. General and administrative expenses

	For the six-months period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Employee costs	2,529,429	2,075,063
Bonus for key management personnel (note 10.1)	-	480,000
Travelling	222,237	302,365
Rent	227,365	421,624
Insurance	175,445	177,309
Professional fees	90,726	137,766
Depreciation	162,945	168,920
IT and computer services	172,130	74,895
Printing and stationery	30,235	77,350
Staff welfare	90,949	147,926
Utilities	35,203	61,226
Repair and maintenance	24,777	42,653
Penalties	28,974	-
Others	535,926	439,502
	4,326,341	4,606,599

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15. Other income

	For the six-months period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Recovery of written off receivables during the period	-	2,854,994
Exchange gain, net	4,508	28,125
Others	449	903,666
	4,957	3,786,785

16. Segment Information

The Company analyses the financial information of its operations as a whole. Accordingly, segmental analysis of the statement profit and loss and other comprehensive income and statement of financial position is not presented. The chief operating decision maker (CODM) considers the Company to be a single operating segment based on the nature of its operations and services as all of the Company's operations.

17. Earnings per share

Basic earnings per share has been calculated based on the weighted average number of outstanding shares during the period. Diluted earnings per share is calculated by adjusting the basic earnings per share for the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all diluted potential ordinary shares.

There has been no item of dilution affecting the weighted average number of ordinary shares.

	For the six-months period ended 30 June	
	2025	2024
Net profit for the period	6,077,243	10,837,878
Weighted average number of ordinary shares for basic & diluted earnings per share	5,000,000	5,000,000
Earnings per share - basic	1.22	2.17

18. Financial risk management

The Company has various financial assets such as cash and cash equivalents, trade receivables and due from related parties which arise directly from its operations. The Company's principal financial liabilities comprise of trade payables and due to related parties. The main purpose of these financial liabilities is to raise finance for the Company's operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with Company's policies and risk appetite. The Management reviews and agrees on policies for managing each of these risks, which are summarised below.

18.1. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include trade payables of the Company. Market prices comprise of two types of risk: interest rate risk and currency risk.

Interest rate risk

Interest rate risk is the exposure to various risks associated with the effect of fluctuations in the prevailing interest rates on the Company's financial positions and cash flows. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

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Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are principally in Saudi Riyals. Therefore, the Company is not subject to significant currency risk.

18.2. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (audited)
Trade receivables	29,788,138	25,287,370
Contract assets	4,764,264	2,871,610
Due from related parties	5,957,051	5,800,763
Cash at banks	2,684,713	4,423,987
	43,194,166	38,383,730

Credit risk on bank balances is limited as same are held with banks with sound credit ratings. For trade receivables, the Company applies the simplified approach to provide for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Further, the expected credit losses also incorporate forward-looking information.

Financial assets are written off only when there is no reasonable expectation of recovery. Where financial assets are written off, the Company continues to engage enforcement activities to attempt to recover the receivable due. Where recoveries are made, after write-off, these are recognized as other income in the statement of comprehensive income.

18.3. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value. Liquidity risk is managed by monitoring on a regular basis that sufficient funds are available. The Company's shareholders also agreed to meet the Company's commitments and contingencies as they become due.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings from financing facilities. The following analysis shows the Company's financial liabilities into relevant maturity grouping based on the remaining period. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal to their carrying balances as the impact of discounting is not significant:

30 June 2025 (Unaudited)	Carrying amounts	Less than 1 year	Between 2 and 5 years
Trade payables	963,188	963,188	-
Due to related parties	1,439,965	1,439,965	-
Accruals and other payables	3,362,312	3,362,312	-
Dividend payable	10,000,000	10,000,000	-
	15,765,465	15,765,465	-
31 December 2024 (audited)	Carrying amounts	Less than 1 year	Between 2 and 5 years
Trade payables	295,803	295,803	-
Due to related parties	1,972,167	1,972,167	-
Accruals and other payables	3,161,263	3,161,263	-
	5,429,233	5,429,233	-

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19. Standards, Interpretations and Amendments to existing Standards

19.1. New IFRSs effective and adopted by the Company

Following are standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated):

<i>Standards/ Interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IAS 21	Lack of exchangeability	1 January 2025

The adoption of the above standards and amendments has no significant impact on the Company's interim condensed financial statements.

19. Standards, Interpretations and Amendments to existing Standards

19.1. New IFRSs, IFRIC and amendments thereof issued but not yet effective

The below IFRSs, amendments to and interpretations of standards that are issued but not effective. The listing is of standards issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt these standards, where applicable, when they become effective.

<i>Standards/ Interpretation</i>	<i>Description</i>	<i>Effective from periods beginning on or after the following date</i>
Amendments to IFRS 9 and IFRS 7	Amendments to the classification and measurement of Financial Instruments - disclosures	1 January 2026
IFRS 18	Presentation and disclosure in financial statements	1 January 2027
IFRS 19	Subsidiaries without public accountability – disclosures	1 January 2027
IFRS 10 and IAS 28	Sale or contribution of assets between investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	Available for optional adoption / effective date deferred indefinitely

The Company is currently assessing the implications of adopting the above-mentioned standards, amendments or interpretations on the Company's interim condensed financial statements on adoption.

20. Interim dividend

- On 3 June 2025, the Board of Directors of the Company approved to distribute interim cash dividends amounting to Saudi Riyals 10 million, i.e. Saudi Riyals 2 per share. As of 30 June 2025, the related liability is included in the financial statements and has been paid subsequently on 10 July 2025.
- On 12 March 2024 corresponding to 02/09/1445H, the Board of Directors of the Company resolved to distribute cash dividends amounting to SR 1.36 per share aggregating to SR 6,800,000 (Six Million Eight Hundred Thousand Saudi Riyals). The dividend has been paid on 18 March 2024.
- On 30 April 2024 corresponding to 21/10/1445H, the Board of Directors of the Company resolved to distribute cash dividends amounting to SR 0.084 per share aggregating to SR 420,000 (Four Hundred Twenty Thousand Saudi Riyals). The dividend has been paid on 22 May 2024.
- On 20 June 2024 corresponding to 14/12/1445H, the Board of Directors of the Company resolved to distribute cash dividends amounting to SR 0.556 per share aggregating to SR 2,780,000 (Two Million Seven Hundred and Eighty Thousand Saudi Riyals).

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21. Subsequent event

No matter occurred up to and including the date of the approval of these interim financial statements by the Board of Directors which could materially affect these financial statements and the related disclosures for the six-months period ended 30 June 2025.

22. Approval of the financial statements

These interim condensed financial statements were approved by the Company's Board of Directors on 25 August 2025 (corresponding to 2 Rabi'ul-Awwal 1447H).