

Amlak Finance PJSC and its Subsidiaries

**REPORTS AND CONSOLIDATED FINANCIAL
STATEMENTS**

31 DECEMBER 2025

Amlak Finance PJSC and its Subsidiaries

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BOARD OF DIRECTORS' REPORT

The Directors present their report and consolidated financial statements for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

Amlak Finance PJSC is licensed to engage in Islamic financing and investing activities based on structures such as Ijara, Murabaha, Mudaraba, Wakala and Musharaka. These activities are conducted in accordance with Islamic Sharia'a which prohibits usury, and within the provisions of its Articles and Memorandum of Association.

RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the attached consolidated financial statements.

To the best of our knowledge, the financial information included in the report fairly presents in all material respects the financial condition, results of operation and cash flows of the Group as of, and for, the years presented in the report.

Signed on behalf of the Board of Directors

A handwritten signature in blue ink, appearing to be "Ahmed Khaled", written over a horizontal line.

18 February 2026

Dubai, United Arab Emirates



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Independent auditors' report

To the Shareholders of Amlak Finance PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Amlak Finance PJSC (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated Statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Assessment of fair value and net realisable value (“the value”) of investment properties and development properties (“the properties”) respectively

Refer to notes 2.4, 3, 12 and 13 to the Group’s consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the carrying amount of Group’s investment properties and development properties amounts to AED 46,868 thousand (2024: AED 376,463 thousand) and AED 47,473 thousand (2024: AED 826,227 thousand) respectively, which are collectively referred to as “the properties.” Valuing these properties involves significant judgment, based on various assumptions and prevailing market conditions.</p> <p>Investment properties are initially measured at cost and subsequently measured at fair value. Development properties are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>The Group engages professionally qualified management appointed valuers to assess the value for its properties. This process of assessment of the value involves significant judgement in estimating the underlying assumptions to be applied.</p> <p>The valuation of investment properties involves significant estimation uncertainty due to the reliance on key assumptions such as sales price per square foot, and market trends. Small changes in these assumptions could lead to material fluctuations in fair value, directly impacting the financial statements.</p>	<p>Our key procedures included:</p> <ul style="list-style-type: none"> • We assessed the appropriateness of the Group’s accounting policies related to measurement of properties against the requirements of the relevant accounting standards and our understanding of the business and industry practice. • We have evaluated the qualifications of the management appointed valuers and read the terms of the engagement of the valuers with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work; • We involved our real estate valuation specialist, who assessed, on a sample basis, valuation methodologies used in the valuation process and challenged assumptions for key estimates of sales price per square foot used in the valuation by comparing them against market rates and available industry data, taking into consideration comparability and market factors; • On a sample basis, performed audit procedures to test the completeness and accuracy of the source data, provided to the valuation experts by Group, used in determination of value by comparing it to underlying supporting information;

Key Audit Matters (continued)

The key audit matter	How the matter was addressed in our audit
<p>Considering the uncertainty surrounding the value of the Group's properties, Group is required to carefully monitor the underlying assumptions, assess their impact on property values, and make significant estimates and judgments. In light of ongoing market volatility, this area warrants focused attention, as any inaccuracies in determining property values could materially affect their carrying value in the Group's consolidated financial statements. Accordingly, these were identified as a key audit matter.</p>	<ul style="list-style-type: none"> • We have performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by Group; and • We assessed the adequacy of disclosures in the consolidated financial statements in accordance with applicable financial reporting framework.

Emphasis of Matter - comparative information

We draw attention to Note 36 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2024 has been restated. Our opinion is not modified in respect of this matter.

Other Matter relating to comparative information

The consolidated financial statements of the Group as at and for the years ended 31 December 2024 and 31 December 2023, (from which the consolidated statement of financial position as at 1 January 2024 has been derived), excluding the adjustments described in Note 36 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 10 March 2025 and 19 March 2024 respectively.

As part of our audit of the consolidated financial statements as at and for the year ended 31 December 2025, we audited the adjustments described in Note 36 that were applied to restate the comparative information presented as at and for the year ended 31 December 2024 and the consolidated statement of financial position as at 1 January 2024. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2024 or 31 December 2023 (not presented herein) or to the consolidated statement of financial position as at 1 January 2024, other than with respect to the adjustments described in Note 36 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in Note 36 are appropriate and have been properly applied.



Other Information

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Board of Directors' report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Annual Report 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 have obtained prior to the date of this auditors' 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.

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 UAE Federal Decree Law No. 32 of 2021, as amended, and the UAE Federal Decree-Law No. (6) of 2025, 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.

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.



Auditors' 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 auditors' 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 skepticism 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 auditors' 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 auditors' 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 group 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.



Auditors' 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 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 auditors' 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

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, we report that for the year ended 31 December 2025:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 1 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2025;
- vi) note 32 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.



Report on Other Legal and Regulatory Requirements (continued)

Further, as required by Article (140) of the UAE Federal Decree-Law No. (6) of 2025, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

KPMG Lower Gulf Limited

Maher AlKatout
Registration No.: 5453
Dubai, United Arab Emirates

Date: **19 FEB 2026**

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	<i>Notes</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i> (Restated)**
Revenue from development properties	13	2,951,712	72,369
Income from Islamic financing and investing assets	4	51,074	20,592
Income on deposits		522	381
Rental income	12	20,991	23,203
Fair value gain on investment properties	12	16,564	12,632
(Loss) / gain on sale of investment properties, net		(11,518)	9,310
Share of profit of an associate, net of tax	15	2,852	8,519
Gain on sale of fixed assets		3,478	-
Gain on debt settlement, net	21	-	44,536
Reversal of development properties written down	13	7,500	6,200
Share of profit from joint venture, net of tax	14	74,933	26,617
Other income	5	1,754	8,625
		3,119,862	232,984
Reversal of impairments		6,475	10,090
Impairment loss on asset held for sale	15	(21,979)	-
Loss on sale on investment in an associate	15	(3,147)	-
Loss on derecognition of investment deposits	21	(20,651)	(17,347)
Amortisation of fair value gain on investment deposits*	21	(17,861)	(31,302)
Cost of sales of development properties	13	(813,660)	(72,369)
Operating expenses	8	(92,063)	(101,244)
PROFIT BEFORE DISTRIBUTION TO FINANCIERS		2,156,976	20,812
Distribution to financiers*	7	(16,505)	(25,555)
PROFIT / (LOSS) FOR THE YEAR BEFORE INCOME TAX – CONTINUING OPERATIONS		2,140,471	(4,743)
Income tax expense (continuing operations)	25	(191,860)	361
NET PROFIT / (LOSS) FOR THE YEAR – CONTINUING OPERATIONS		1,948,611	(4,382)
Discontinued operations			
(Loss) / profit from discontinued operations (net of tax)	20	(605)	16,870
Foreign exchange loss realized on divestment of subsidiary (net of tax)6		(477,653)	-
NET PROFIT FOR THE YEAR		1,470,353	12,488

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

*This amount relates to IFRS 9 impact of Effective Finance Rate accounting of Distribution to financiers. Distribution to financiers include contractual profit accrued against the investment deposits.

	<i>Notes</i>	2025 AED'000	2024 AED'000 (Restated)
Earnings per share attributable to ordinary shareholders of the parent:			
Total earnings			
Basic earnings per share (AED)	9	0.9788	0.0047
Diluted earnings per share (AED)	9	0.9163	0.0034
Continuing operations:			
Basic earnings per share (AED)	9	1.2977	(0.0065)
Diluted earnings per share (AED)	9	1.2148	(0.0065)

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i> (Restated)
Profit for the year	1,470,353	12,488
Other comprehensive income / (loss)		
<i>Item that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations – discontinued operations	2,762	(68,861)
Reclassification of foreign currency translation reserves – discontinued operations	484,573	
Share of other comprehensive income / (loss) in associates	540	(4,762)
Other comprehensive income / (loss) for the year	487,875	(73,623)
Total comprehensive income / (loss) for the year	1,958,228	(61,135)

**The comparative information is restated refer (Note 36). Comparative information has also been re-presented due to discontinued operations (Note 20) and change in classification Note (36).

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		(Restated)*	(Restated)*
	<i>31 December</i>	<i>31 December</i>	<i>01 January</i>
	<i>2025</i>	<i>2024</i>	<i>2024</i>
	<i>Notes</i>	<i>AED'000</i>	<i>AED'000</i>
ASSETS			
Cash and balances with banks**	10	195,401	208,611
Islamic financing and investing assets**	11	2,700,327	637,177
Receivable from sale of investments	16	101,337	-
Investment properties	12	46,868	376,463
Development properties	13	47,473	826,227
Investment in joint venture	14	96,888	21,955
Investment in an associate	15	-	218,804
Other assets	17	127,460	91,433
Deferred tax asset	24	-	2,364
Furniture, fixtures and office equipment	18	2,430	9,033
Assets held for sale	19	98,693	-
TOTAL ASSETS		3,416,877	2,392,067
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits and other Islamic financing	21	-	590,672
Term Islamic financing	22	-	160,306
Employees' end of service benefits	23	6,275	5,688
Deferred tax liability	25	302	923
Income tax payable	25	179,988	5,747
Other liabilities	24	108,834	120,028
Total liabilities		295,399	883,364
Equity			
Share capital	26	1,500,000	1,500,000
Statutory reserve	27	147,035	307,392
Special reserve	28	-	99,265
Mudaraba Instrument	29	-	70,872
Mudaraba Instrument reserve	29	-	266,448
Cumulative changes in fair value	16	-	(540)
Foreign currency translation reserve	30	-	(487,335)
Retained earnings / (accumulated losses)		1,474,443	(247,399)
Total equity		3,121,478	1,508,703
TOTAL LIABILITIES AND EQUITY		3,416,877	2,392,067

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial position, results of operation and cash flows of the Group as of, and for the years presented therein.

The consolidated financial statements were authorised for issue by the Board of Directors and signed on its behalf by:



Chairman

18 FEB 2026



Chief Executive Officer

* Refer to note 36 which disclose the impact of the restatement on the comparative financial statements.

** Cash and balances with banks and Islamic financing and investing assets include cash and cash equivalents amounting to AED 160,401 thousand (31 December 2024: AED 173,611 thousand, 1 January 2024: AED 91,431 thousand) and AED 868,344 thousand (31 December 2024: 69,609 thousand, 1 January 2024: 383,639 thousand) respectively.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000 (Restated)*
OPERATING ACTIVITIES			
Profit / (loss) for the year before tax		1,655,196	18,535
Adjustments for:			
Depreciation	18	957	1,092
Foreign exchange loss realized on divestment of subsidiary	6	484,573	-
Share of profit of an associate, net of tax	15	(2,852)	(8,519)
Share of profit from joint venture, net of tax	14	(74,933)	(26,617)
Impairment loss on asset held for sale	15	21,979	-
Reversal of impairments		(6,475)	(10,272)
Charge of impairment	20	39,103	67,525
Reversal of impairment and recoveries	20	(23,936)	(20,110)
Loss on disposal	20	18,547	-
Fair value loss on islamic financing assets	20	5,200	-
Fair value gain on investment properties	12	(16,564)	(12,632)
Reversal of development properties written down	13	(7,500)	(6,200)
Amortisation of fair value adjustment on investment deposits	21	17,861	31,302
Loss on derecognition of investment deposits	21	20,651	17,347
Distribution to financiers		36,728	73,911
Income on deposits		(2,339)	(8,836)
Other income	5	(2,317)	(8,765)
Loss/ (gain) on sale of investment properties		11,518	(9,310)
Gain on sale of fixed assets		(3,478)	-
Loss on sale on investment in an associate	15	3,147	-
Gain on sale of subsidiary	20	(8,728)	-
Gain on debt settlement	21	-	(44,536)
Provision for employees' end of service benefits	23	1,266	875
Operating profit before changes in operating assets and liabilities:		2,167,604	54,790
Islamic financing and investing assets		(128,987)	201,385
Other assets		(33,353)	(51,222)
Other liabilities		(1,731)	(2,933)
Changes in development properties		786,254	72,369
Cash generated from operating activities		2,789,787	274,389
Employees' end of service benefits paid	23	(678)	(32)
Tax paid	25	(8,170)	(12,853)
Income on deposits		1,584	8,379
Net cash generated from operating activities		2,782,523	269,883
INVESTING ACTIVITIES			
Proceed from sale of investment properties		261,981	121,738
Proceeds from sale of fixed assets		5,574	-
Proceeds from sale of share of associate		197,070	-
Dividend from joint venture		-	140,000
Proceeds from disposal of investment securities		-	4,303
Proceeds from Wakala deposits	11	4,810,564	-
Placement of Wakala deposits	11	(6,287,271)	-
Purchase of furniture, fixtures and office equipment	18	(302)	(533)
Net cash (used in) / generated from investing activities		(1,012,384)	265,508
FINANCING ACTIVITIES			
Receipt of Term Islamic financing		37,364	75,221
Repayment of Term Islamic financing		(17,767)	(37,212)
Profit paid on Term Islamic financing		(16,980)	(48,355)
Investment deposits and other Islamic financing		(946,658)	(642,610)
Profit paid on investment deposits		(15,700)	(25,683)
Redemption of Mudaraba instrument		-	(39,982)
Payment of profit in kind (PIK)		(26,235)	(2,874)
Directors' fee paid		(1,400)	(1,400)
Net cash used in financing activities		(987,376)	(722,895)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS			
Foreign currency translation reserve		2,762	(44,346)
Cash and cash equivalents at the beginning of the year		243,220	475,070
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	1,028,745	243,220
Profit received		93,180	148,204

*The comparative information is restated refer (Note 36).

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2025

	<i>Share Capital AED'000</i>	<i>Statutory Reserve AED'000</i>	<i>Special Reserve AED'000</i>	<i>Mudaraba instrument AED'000</i>	<i>Mudaraba instrument Reserve AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Foreign Currency Translation Reserve* AED'000</i>	<i>Retained Earnings AED'000</i>	<i>Total Equity AED'000</i>
At 1 January 2025	1,500,000	307,392	99,265	70,872	266,448	(540)	(487,335)	(247,399)	1,508,703
Profit for the year	-	-	-	-	-	-	-	1,470,353	1,470,353
Other comprehensive profit for the year	-	-	-	-	-	540	487,335	-	487,875
Total comprehensive income for the year	-	-	-	-	-	540	487,335	1,470,353	1,958,228
Transfer to statutory reserve	-	147,035	-	-	-	-	-	(147,035)	-
Reclassification of Mudaraba instrument to Investment deposits (Note 21)	-	-	-	(70,872)	(266,448)	-	-	-	(337,320)
Reclassification of accrued profit on Mudaraba instrument to Investment deposits	-	-	-	-	-	-	-	(25,028)	(25,028)
Gain on reclassification of Mudaraba instrument to Investment deposits (Note 21.1)	-	-	-	-	-	-	-	19,444	19,444
Transfer from statutory and special reserve	-	(307,392)	(99,265)	-	-	-	-	406,657	-
Translation difference on repatriation of fund from subsidiary	-	-	-	-	-	-	-	(1,149)	(1,149)
Directors' fee paid	-	-	-	-	-	-	-	(1,400)	(1,400)
At 31 December 2025	1,500,000	147,035	-	-	-	-	-	1,474,443	3,121,478

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2025

	<i>Share capital AED'000</i>	<i>Statutory reserve AED'000</i>	<i>Special reserve AED'000</i>	<i>Mudaraba instrument AED'000</i>	<i>Mudaraba instrument reserve AED'000</i>	<i>Cumulative changes in fair value AED'000</i>	<i>Foreign Currency Translation Reserve* AED'000</i>	<i>Accumulated Losses AED'000</i>	<i>Total Equity AED'000</i>
At 1 January 2024 (as previously reported)	1,500,000	302,155	99,265	82,872	311,565	4,222	(418,474)	(257,896)	1,623,709
Impact of change in assessment	-	-	-	-	-	-	-	(9,615)	(9,615)
Restated balance at 1 January 2024	1,500,000	302,155	99,265	82,872	311,565	4,222	(418,474)	(267,511)	1,614,094
Profit for the year (restated)	-	-	-	-	-	-	-	12,488	12,488
Other comprehensive loss for the year	-	-	-	-	-	(4,762)	(68,861)	-	(73,623)
Total comprehensive (loss) / income for the year (restated)	-	-	-	-	-	(4,762)	(68,861)	12,488	(61,135)
Transfer to statutory reserve	-	5,237	-	-	-	-	-	(5,237)	-
Voluntary repayment of Mudaraba Instrument (Note 21.2)	-	-	-	(12,000)	(45,117)	-	-	-	(57,117)
Gain on voluntary repayment of Mudaraba Instrument (Note 21.2)	-	-	-	-	-	-	-	14,261	14,261
Directors' fee paid	-	-	-	-	-	-	-	(1,400)	(1,400)
At 31 December 2024 (restated)	1,500,000	307,392	99,265	70,872	266,448	(540)	(487,335)	(247,399)	1,508,703

* This relates to foreign exchange differences on translation of the Group's subsidiaries in Egypt.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

1 ACTIVITIES

Amlak Finance PJSC (the ‘Company’) was incorporated in Dubai, United Arab Emirates, on 11 November 2000 as a private shareholding company in accordance with UAE Federal Law No (8) of 1984, as amended by the Federal Law No. 2 of 2015 and by Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”).

At the constituent shareholders meeting held on 9 March 2004, a resolution was passed to convert the Company to a Public Joint Stock Company.

The Company is licensed by the UAE Central Bank as a finance company and is engaged in financing and investing activities based on structures such as Ijara, Murabaha, Mudaraba, Wakala and Musharaka. The activities of the Company are conducted in accordance with Islamic Sharia’a, which prohibits usury, and within the provisions of its Articles and Memorandum of Association.

During the year, the Group did not purchase any shares (2024: Nil).

The registered address of the Company is P.O. Box 2441, Dubai, United Arab Emirates.

2 MATERIAL ACCOUNTING POLICIES

2.1 ASSESSMENT OF GOING CONCERN ASSUMPTION

For the year ended 31 December 2025, the Group reported a profit of AED 1,470,353 thousand (31 December 2024 restated: AED 12,488 thousand), reflecting strong financial performance and a significantly improved liquidity position.

As disclosed in the financial statements for the period ended 31 March 2025, the Group previously faced a material uncertainty regarding its ability to meet future repayment obligations under the restructured Common Terms Agreement (“CTA”) dated 17 March 2025. This uncertainty was linked to the need to generate sufficient cash flows from asset sales to settle outstanding liabilities to financiers.

During the year, these uncertainties have been fully resolved. The Group completed the sale of its Ras Al Khor plots for AED 2.9 billion on 23 July 2025 and received full proceeds on the same date. The proceeds were used to fully settle all remaining obligations to financiers amounting to AED 898 million, including accrued profit, on 24 July 2025. In addition, the Group completed the sale of its investment in an associate in June and July 2025, further strengthening liquidity.

Following these transactions, the Group has fully discharged all obligations under the CTA and currently maintains a strong liquidity position with no outstanding financing liabilities. Management and the Board of Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future.

Management and the Board of Directors have developed a new strategic business plan leveraging the Group’s enhanced capital structure and strong position which will be presented to shareholders for approval in general assembly meeting. Based on the current financial position, available liquidity, and future business plans, management and the Board of Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, these consolidated financial statements for the year ended 31 December 2025 have been prepared on a going concern basis.

Basis of preparation

The Group’s consolidated financial statements have been prepared under the historical cost basis except for investment properties carried at fair value, financial assets at fair value through profit or loss.

The consolidated financial statements have been presented in UAE Dirhams (AED) which is the Company’s functional and presentation currency and all values are rounded to the nearest thousand (AED’000) except when otherwise indicated.

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS accounting standards), and applicable the Shariah rules and principles as determined by the Internal Sharia Supervision Committee of the Company, UAE Federal Decree Law No. (32) of 2021, as amended and UAE Federal Decree Law No. (6) of 2025.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

2 MATERIAL ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements comprise the financial statements of Amlak Finance PJSC and its subsidiaries (the Group) as at 31 December 2025.

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.

The subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the ordinary shareholders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

The principal activities of the subsidiaries are the same as those of the parent company. The extent of the Group's shareholding in the subsidiaries is as follows:

<i>Company</i>	<i>Basis for consolidation</i>	<i>Country of incorporation</i>	<i>Percentage shareholding</i>	
			<i>2025</i>	<i>2024</i>
Amlak Finance Egypt Company (S.A.E.) (Note 20.1)	Subsidiary	Egypt	-	100%
Amlak Sky Gardens LLC	Subsidiary	UAE	100%	100%
Amlak Holding Limited	Subsidiary	UAE	100%	100%
Warqa Heights LLC	Subsidiary	UAE	100%	100%
Amlak Capital LLC	Subsidiary	UAE	100%	100%
Amlak Property Investment LLC	Subsidiary	UAE	100%	100%
Amlak Limited	Subsidiary	UAE	100%	100%
Amlak Nasr City Real Estate Investment LLC (Note 20.2)	Subsidiary	Egypt	100%	100%

The attached notes 1 to 36 form part of these consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2025.

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements of the group. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements of the group.

New and revised IFRS Accounting Standards Summary

IAS 21 (Amendments) Lack of exchangeability Clarifies when a currency is considered non-exchangeable and how to estimate a spot exchange rate in such cases. Under these amendments, an entity must apply a consistent approach to determine a suitable exchange rate when the official rate is not available. New disclosures are required to help users understand the effect of using an estimated rate.

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025

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

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

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 18 includes requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	
IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The attached notes 1 to 36 form part of these consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.2 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

New and revised IFRS Accounting Standards

**Effective for
annual periods
beginning on or after**

Annual Improvements 2024–2026 (Volume 11)

1 January 2026

Narrow-scope amendments to multiple standards, effective 1 January 2026. They include minor edits to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7, intended to clarify guidance and correct inconsequential errors.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and the management is in the process of assessing the impact of adoption of these new standards, interpretations and amendments on the consolidated financial statements of Group in the period of initial application.

2.3 DEFINITIONS

The following terms are used in the consolidated financial statements with the meaning specified:

Ijarah (Ijarah Muntahia Bittamleek)

A lease agreement whereby one party (lessor) leases an asset to the other party (lessee), after purchasing/acquiring the asset according to the other party's request against certain rental payments for specified lease term/periods. The duration of the lease, as well as the basis for rental payments, are set and agreed in advance. The lessor retains ownership of the asset throughout the lease term. Ijarah ends by transfer of ownership in the asset to the lessee pursuant to a sale and purchase agreement. Under an Ijarah contract the Group may act as a lessor or a lessee as the case may be.

Forward Ijarah (Ijara Mausoofa Fiz Zimma)

Forward Ijarah is an arrangement whereby the parties' (i.e. lessor and lessee) agree that the lessor shall on a specified future date provide certain described property on lease to the lessee upon its completion and delivery by the developer, from whom the lessor has purchased the property. The lessee pays on-account rentals during the construction period which is setoff against lease rental obligations which commence only upon the lessee having received possession of the property from the Group. Forward Ijarah ends by transfer of ownership in the asset to the lessee. Under a Forward Ijara, the Group may act as a lessor or a lessee, as the case may be.

Sharikatul Milk

Sharikatul Milk is a joint ownership of two or more entities / persons is created in a particular asset or property without common intention to engage in business with respect to such asset or property. The parties share income / revenues from such joint ownership when the asset or property is either leased or sold.

Murabaha to the purchase orderer

Murabaha to the purchase orderer is an agreement whereby one party sells (seller) an asset to the other party (purchaser) after purchasing the assets which the seller has purchased based on a promise received from the purchaser to buy the asset to be purchased according to specific terms and conditions. The seller should disclose cost of the asset and an agreed profit to the purchaser. Under the Murabaha contract the Group may act either as a seller or a purchaser, as the case may be.

Mudaraba

An agreement between two parties whereby one party as a fund provider (Rab Al Mal) would provide funds (Mudaraba Capital), to the other party (Mudarib). Mudarib would then invest the Mudaraba Capital in a specific enterprise or activity against an agreed share in the profit. Mudaraba is an investment contract, however the Mudarib would bear the loss in case of default, negligence or violation of any of the terms and conditions of the Mudaraba by the Mudarib. Under the Mudaraba contract the Group may act either as Mudarib or as Rab Al Mal, as the case may be.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.3 DEFINITIONS (continued)

Sharia'a

Sharia'a is the body of Islamic law and is essentially derived from the Quran and the Sunna'h, Ijma and Qiyas. The Group, being an Islamic Financial Institution, incorporates the Principles of Sharia'a in its activities, as interpreted by its Internal Sharia Supervision Committee.

Wakala Investments

An agency agreement whereby the principal (Muwakkil) provides a certain sum of money (Wakala Capital) to an agent (Wakeel) to invest it in a Sharia'a compliant manner and in accordance with the feasibility study/investment plan submitted to the Muwakkil by the Wakeel. Wakeel for the services is entitled to a fixed fee (Wakala fee) and if the Wakeel achieves a return over and above the amount of expected profit (as stated in the feasibility study/investment plan) Muwakkil may grant such excess to the Wakeel as an incentive for its excellent performance. However, the Wakeel is obliged to return the invested amount in case of its default, negligence or violation of any of the terms and conditions of the Wakala. The Group may either receive the funds from the investors as their investment agent (Wakeel) or provide the funds for management/investment as Muwakkil.

Mudaraba Instrument

An instrument issued in favour of a facility agent, acting for and on behalf of the financiers (as Agent) in respect of their share in the finance portfolio pursuant to which the Agent transferred rights, interests, benefits and entitlements in the finance portfolio to Amlak Shaheen Limited (as Issuer). The Company and the Issuer (as Rab Al Maal) entered into Mudaraba whereby the finance portfolio as Mudaraba Capital will be invested by the Company. Any redemption of the Mudaraba Instrument will be through the Group making a payment under a Mudaraba contract to the Issuer.

2.4 SIGNIFICANT MANAGEMENT ESTIMATES AND JUDGMENTS

Use of estimates

The preparation of the consolidated financial statements requires management to use its judgment and make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenues, expenses, disclosure of contingent liabilities and the resultant provisions for impairment and fair values. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events

that are believed to be reasonable under the circumstances.

Significant items where the use of estimates and judgments are required are outlined below:

(i) Financial instruments

Judgments made in applying accounting policies that have most significant effects on the amounts recognized in the consolidated financial statements of the year ended 31 December 2025 pertain:

- Classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payment of principal and profit on the principal amount outstanding.
- Calculation of expected credit loss (ECL): Assumptions and estimation uncertainties that have a significant impact on ECL for the year ended 31 December 2025. The impact is mainly driven by inputs, assumptions and techniques used for ECL calculation under IFRS 9 methodology.
- Reclassification of financial assets: Financial assets are reclassified only when the Group changes its business model for managing those assets. Such changes are expected to be infrequent and must be significant and demonstrable. Reclassifications are applied prospectively from the reclassification date, and prior periods are not restated. The Group exercises judgment in assessing whether a genuine change in business model has occurred.

Inputs, assumptions and techniques used for ECL calculation

Key concepts that have the most significant impact and require a high level of judgment, as considered by the Group while determining the ECL, are:

The attached notes 1 to 36 form part of these consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.4 SIGNIFICANT MANAGEMENT ESTIMATES AND JUDGMENTS (continued)

(i) Financial instruments (continued)

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over

the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes.

The Group's assessment of significant increases in credit risk is being performed at least quarterly for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. The Group has established thresholds for significant increase in credit risk based on movement in Probability of Default relative to initial recognition.
2. Additional qualitative reviews have been performed to assess the staging results and make adjustments, as necessary, to better reflect the positions which have significantly increased in risk.
3. IFRS 9 contains a rebuttable presumption that instruments which are 30 days past due have experienced a significant increase in credit risk.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The Group reviews its Islamic financing and investing assets for credit impaired financial assets, the assessment of ECL which is performed individually, include key assumptions used in estimating recoverable cash flows.

Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios

The measurement of ECL for each stage and the assessment of significant increases in credit risk considers information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information requires significant judgment.

Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) such as occupancy rates, oil prices, housing price index and GDP (where applicable), that

are closely correlated with credit losses in the relevant portfolio. Each macroeconomic scenario used in the Group's ECL calculation will have forecasts of the relevant macroeconomic variables.

The Group estimation of ECL in Stage 1 and Stage 2 is a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios.

The Group base case scenario is based on macroeconomic forecasts published by the external experts and other publicly available data. Upside and downside scenarios are set relative to the Group base case scenario based on reasonably possible alternative macroeconomic conditions. Scenario design, including the identification of additional downside scenarios will occur on at least an annual basis and more frequently if conditions warrant.

Scenarios are probability-weighted according to the Group best estimate of their relative likelihood based on historical frequency and current trends and future outlook. Probability weights are updated on a quarterly basis (if required).

All scenarios considered are applied to all portfolios subject to ECL with the same probabilities. Sensitivity assessment due to movement in each macroeconomic variable and the respective weights under the three scenarios is periodically assessed by the Group.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.4 SIGNIFICANT MANAGEMENT ESTIMATES AND JUDGMENTS (continued)

(i) Financial instruments (continued)

In some instances the inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material. Such cases are subjected to the Group's Governance process for oversight.

(ii) Definition of default

The definition of default used in the measurement of ECL and the assessment to determine movement between stages is consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default, but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

Expected Life

When measuring ECL, the Group must consider the maximum contractual period over which the Group is exposed to credit risk. All applicable contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options. The expected life is estimated based on the period over which the Group is exposed to credit risk and where the credit losses would not be mitigated by management actions.

Governance

In addition to the existing risk management framework, the Group has established an internal workgroup to provide oversight to the IFRS 9 impairment process. The workgroup is comprised of senior representatives from the Finance and Risk Management team and will be responsible for reviewing and approving key inputs and assumptions used in the Group ECL estimates. It also assesses the appropriateness of the overall allowance results to be included in the Group financial statements.

(i) Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from quoted prices, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable market data where possible, but where this is not possible, a degree of judgment is required in establishing fair values. The judgments include consideration of liquidity and model inputs such as correlation and volatility for longer dated derivatives.

Fair values are subject to a control framework designed to ensure that they are either determined or validated, by a function independent of the risk taker.

(ii) Investment and development properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit and loss. The Group engaged independent valuation specialists to assess fair value during the year. These are valued using appropriate valuation technique by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property, specialist also assesses the impairment of any.

The Group carries its development properties at lower of cost and net realisable value, with changes recognised in the consolidated statement of profit and loss. Assessment of the NRV of development properties requires judgment in estimating expected selling prices and the costs to sell the properties. These estimates depend on market conditions and project-specific factors and may change over time.

(iii) Loss of control

Management exercised significant judgment in assessing control in accordance with IFRS 10, which requires evaluation of power over relevant activities, exposure to variable returns, and the ability to use power to affect those returns.

The attached notes 1 to 36 form part of these consolidated financial statements.

2 MATERIAL ACCOUNTING POLICIES (continued)

2.4 SIGNIFICANT MANAGEMENT ESTIMATES AND JUDGMENTS (continued)

(i) Financial instruments (continued)

Key information relating to the transaction, including the date of loss of control, consideration received, carrying amounts derecognized, and the impact on the Group's financial position and performance, is disclosed below (Note 20.1).

(vi) Satisfaction of performance obligations

The Group exercises judgement in determining the date on which control over land is transferred to customer.

(vii) Business combination

The Group accounts for business combinations using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Transaction costs incurred in connection with a business combination are expensed as incurred and included in administrative expenses.

Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Attributable deferred tax assets/liabilities arising from the business combination are recognised and measured in accordance with IAS 12 Income Taxes.

Any contingent consideration payable is measured at fair value at the acquisition date and, if applicable, re-measured subsequently with changes recognised in profit or loss.

This policy is applied to all business combinations except for those under common control.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The Group has consistently applied the following accounting policies to all periods presented in these Group consolidated financial statements, except for the changes not yet applicable explained in note 2.2.

Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring control of a good or service to the customer, in an amount that reflects the consideration to which the Group expects to be entitled. Revenue is measured based on the consideration specified in a contract with a customer. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements has pricing latitude and is also exposed to credit risks. Revenue is recognised in the income statement as follows:

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1. Identify the 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

- Step 2. Identify the 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.
- 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 will allocate 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 entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs; or
2. The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Group’s performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

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.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the consolidated income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including the significant payment terms, and the related revenue recognition policies.

Type of product / services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Revenue from development properties to Al Warqa Garden	In accordance with the joint venture agreement with Al Warqa Garden (the “JV”), upon signing of the sale and purchase agreement (“SPA”) between the JV and the third-party customers, control over the development properties is transferred to the JV at a point in time, being the date of signing of the SPA between the JV and the third-party customers. Invoices are usually payable within 30 days.	Revenue from development properties is recognized at a point in time upon signing of the SPA between the JV and third-party customers, when control of the property is transferred.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Type of product / services	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Revenue from development properties	Revenue from development properties is recognized at a point in time when control of the property is transferred to the customer. Derecognition of development property occur when the control of the property is transferred to the customer. Invoices are usually payable within 30 days.	Revenue from sale of development properties is recognized at a point in time, as this best depicts the transfer of control to the customer. Revenue is recognized on gross basis while cost of inventory is recognized in profit or loss as Cost of sales of development properties. Advances received from customers are recognized as contract liabilities until the related performance obligations are satisfied.
Rental income	Rental income on investment properties is recognised in the profit and loss statement on a straight-line basis over the term of the lease where the lease is an operating lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease on a straight-line basis. Invoices are usually payable within 30 days.	
Gain on sale of investment properties	Gain from contracts with customers relating to the sale of investment properties is recognized at a point in time when control of the property transfers to the customer, which generally occurs when the control of the property is transferred to the counter party. Gain is measured at the agreed transaction price, net of amounts collected on behalf of third parties such as VAT and the carrying value of the investment property derecognized. Invoices are usually payable within 30 days.	Gain on sale of investment properties is presented on net basis on the face of the group consolidated profit or loss statement.

Ijarah

Ijarah income is recognised on a time-proportion basis over the lease term.

Forward Ijarah

Forward Ijarah income is recognised on a time-proportion basis over the lease term, commencing from the start date of the lease contract.

Sharikatul Milk

Sharikatul Milk income is recognised on a time-proportion basis over the lease term or on transferring to the buyer the significant risks and rewards of ownership of the property.

Murabaha

Murabaha deferred profit is accounted for on a time-proportion basis over the period of the contract based on the net Murabaha amounts outstanding.

The attached notes 1 to 36 form part of these consolidated financial statements.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Revenue recognition (continued)

Mudaraba

Income or losses on Mudaraba financing are accounted for on a time-proportion basis if they can be reliably estimated. Otherwise, income is recognised on distribution by the Mudarib, whereas losses are charged to income on their declaration by the Mudarib.

Musharaka

Income is accounted for on the basis of the net invested Musharaka capital on a time-apportioned basis that reflects the effective yield on the asset.

Documentation fees

Documentation fees estimated to cover processing costs are recognised when related facilities are approved.

Dividend

Dividend revenue is recognised when the right to receive the dividend is established.

Income on deposits

Income on deposits is recognized on an accrual basis using the Effective Profit Rate (EPR) method, which allocates income over the relevant period in a manner that reflects a constant periodic rate of return on the deposit balance. The EPR is determined at initial recognition based on the contractual terms of the deposit and is applied consistently over the tenure of the deposit. Income recognition is therefore time-apportioned based on the effective profit rate, ensuring that income is recognized systematically and rationally over the period to which it relates.

Gain on debt settlement

The Group derecognises a financial liability when it is extinguished — i.e., when the contractual obligation is discharged, cancelled, or expires.

If the terms of a financial liability are renegotiated and result in substantial modification (i.e., present value of modified terms differs significantly from original), the original financial liability is derecognised and a new financial liability is recognised at fair value. Any difference between the carrying amount of the original financial liability and the fair value of the new financial liability is recognised in profit or loss as a gain or loss on modification/extinguishment of financial liability.

In a debt settlement arrangement, if a lender agrees to accept terms that result in the extinguishment of the original liability (e.g., reduced principal), the difference between the carrying amount of the financial liability derecognised and the consideration paid (including any non-cash assets transferred) is recognised immediately in profit or loss as a gain on debt settlement.

Gains recognised on extinguishment are presented in separate line item as gain on debt settlement” in profit or loss. (IFRS 9 Financial Instruments: derecognition and modification requirements)

Allocation of profit

Allocation of profit between the financiers and the shareholders is calculated according to the Group’s standard procedures and is approved by the Group’s Internal Sharia Supervision Committee.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less.

Islamic financing and investing assets

Islamic financing and investing assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Islamic financing and investing assets (continued)

Islamic financing and investing assets are initially recognised at fair value, which is the cash consideration to originate the Islamic financing and investing assets including any transaction costs, and measured subsequently at amortised cost using the effective profit rate method. Income on Islamic financing and investing assets is included in the statement of profit or loss and is reported as income from Islamic financing and investing assets.

The Group recognises impairment allowances for Islamic financing and investing assets using the expected credit loss (“ECL”) model in accordance with IFRS 9. ECL represents a probability-weighted estimate of credit losses that incorporates past events, current conditions and reasonable and supportable forward-looking information, including multiple macroeconomic scenarios.

Islamic financing and investing assets are classified into three stages based on changes in credit risk since initial recognition:

- Stage 1: Assets for which there has not been a significant increase in credit risk since initial recognition. A 12-month ECL is recognised.
- Stage 2: Assets for which there has been a significant increase in credit risk since initial recognition but which are not credit-impaired. A lifetime ECL is recognised.
- Stage 3: Credit-impaired assets. A lifetime ECL is recognised and profit income is calculated on the net carrying amount.

The assessment of a significant increase in credit risk is performed on a relative basis by comparing the risk of default at the reporting date with that at initial recognition, using both quantitative thresholds (including changes in probability of default) and qualitative indicators. As a rebuttable presumption, exposures more than 30 days past due are considered to have experienced a significant increase in credit risk unless evidence demonstrates otherwise.

ECL is estimated using Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) parameters, which are modelled using relevant macroeconomic variables such as occupancy rates, oil prices, housing price indices and GDP. The Group uses a minimum of three forward-looking macroeconomic scenarios, including base, upside and downside scenarios, which are probability-weighted based on management’s best estimate of their relative likelihood.

Where modelled outcomes do not fully capture observed or emerging risks, management overlays may be applied. Such overlays are subject to established governance and periodic review.

ECLs are measured as the present value of expected cash shortfalls, discounted using the original effective profit rate. The carrying amount of Islamic financing and investing assets is reduced through an allowance account, with movements recognised in the statement of profit or loss.

When an Islamic financing and investing asset is uncollectible, it is written off against the related impairment allowance. Write-offs are recognised in the statement of profit or loss when there is no reasonable expectation of recovery.

The reclassification of financial assets is required if, the objective of the entity's business model for managing those financial assets changes, if the group determines that its business model has changed in a way that is significant to its operations, then all affected assets are reclassified from the first day of the next reporting period (the reclassification date) Prior periods are not restated.

Effective from 01 October 2025, the Group reclassified certain islamic financial assets from amortised cost (ACM) to fair value through profit or loss (FVTPL) due to a change in the business model for managing those assets. In accordance with IFRS 9, the reclassification was applied prospectively from the reclassification date, with no restatement of prior periods. Following the reclassification, the affected assets are measured at fair value at each reporting date, with changes in fair value recognised in profit or loss.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Investment properties

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the statement of financial position. Fair values in the consolidated financial statements are determined based on valuations performed by an accredited external, independent valuer. Gains or losses arising from changes in the fair values of investment properties are included in the statement of income in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the statement of profit or loss in the period of derecognition.

Fair value is determined by reference to open market values based on valuations performed by independent surveyors and consultants.

Transfers to or from investment property are made only when there is a change in use and supported by evidence. The Group applies the fair value model, therefore the property is remeasured at fair value on the date of transfer, and the accounting treatment of any resulting gain or loss for transfers from properties previously held for own use property, plant and equipment is transferred to Investment property, the difference between the carrying amount and fair value at the transfer date is recognised as a revaluation adjustment in OCI and subsequently, the revaluation surplus remains in OCI and is not recycled to profit or loss on transfer or disposal; and recycled to retained earnings on disposal.

Transfers from investment property to owner-occupied property or inventory: - The transfer is made at fair value, which becomes the deemed cost under property, plant and equipment or development property. Any difference between previous carrying amount and fair value at transfer is recognized in profit or loss.

Development properties

Development properties comprise properties under development held for sale in the ordinary course of business and are classified as inventories. Development properties are measured at the lower of cost or net realizable value.

Cost includes the cost of land, development and construction costs, and other directly attributable expenditures incurred in bringing the properties to their present location and condition. Costs are capitalized when activities necessary to prepare the properties for their intended sale are in progress.

Assets held for sale

An asset (or disposal group) is classified and disclosed as *held for sale* when all of the following are met:

- Management is committed to a plan to sell
- Asset is available for immediate sale in present condition
- Sale is highly probable (expected within 12 months)
- Asset is actively marketed at a reasonable price
- Actions required to complete the sale indicate it is unlikely the plan will be withdrawn or changed

Assets held for sale classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of such a component. The results of discontinued operations, including any post-tax gain or loss on disposal, are presented as a single amount in the statement of profit or loss, with comparative information represented accordingly.

Investment securities

All investments are initially recognised at fair value, being the fair value of the consideration given including acquisition costs.

At fair value through profit or loss

These are initially recognised at fair value. Gains and losses arising from changes in fair values are included in the statement of profit or loss for the year. Dividends received are included in other income according to the terms of the contract or when the right to the payment has been established.

At fair value through other comprehensive income

After initial recognition, investments classified as “fair value through OCI,” are remeasured at fair value. Unrealised gains and losses are reported as a separate component of equity until the investment is derecognised or the investment is determined to be impaired. Cumulative gains and losses on equity instruments recognized in OCI are transferred to retained earnings on disposal of an investment.

Investment in associates and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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

The Group’s investments in its associate and joint ventures are accounted for using the equity method in accordance with IAS 28 – Investments in Associates and Joint Ventures.

Under the equity method, investments in joint ventures are initially recognized at cost and subsequently adjusted to recognize the Group’s share of the joint ventures’ profit or loss and other comprehensive income. The carrying amount of the investment is reduced by distributions received from the joint ventures.

The Group assesses investments in joint ventures for impairment at each reporting date and recognizes any impairment losses in profit or loss when there is objective evidence that the investment is impaired.

The aggregate of the Group’s share of profit or loss of an associate and joint venture is shown on the face of the statement of profit or loss and represents profit or loss after tax.

Furniture, fixtures and office equipment

Furniture, fixtures and office equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight line basis over the estimated useful lives of assets as follows:

Offices	25 years
Furniture and fixtures	4 - 7 years
Computer and office equipment	3 - 5 years

Capital work in progress is stated at cost less impairment and is transferred to the appropriate asset category when it is brought into use and is depreciated in accordance with Group’s accounting policies.

The attached notes 1 to 36 form part of these consolidated financial statements.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Furniture, fixtures and office equipment (continued)

The carrying values of furniture, fixtures and office equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

Expenditure incurred to replace furniture, fixtures and office equipment is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related equipment. All other expenditure is recognised in the consolidated statement of profit or loss as the expense is incurred.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made.

Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of income on a straight-line basis over the lease term.

Employees' end of service benefits

With respect to its national employees in the UAE, the Group makes contributions to a pension fund established by the General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are recognised in the statement of profit or loss when due.

The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Trade and settlement date accounting

All "regular way" purchases and sale of financial assets are recognised on the "trade date", i.e. the date that the Group purchases or sells the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

a) Financial assets

Initial recognition

On initial recognition, a financial asset is classified as measured: at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

a) Financial assets (continued)

(i) Initial recognition and measurement

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described in three categories:

- At amortised cost
- Financial assets at fair value FVTPL
- Financial assets at fair value FVOCI

Debt instrument

A financial asset (debt instrument) is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective profit rate (EPR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EPR. The EPR amortisation is included in finance income in the consolidated statement of profit or loss. The losses arising from ECL are recognised in the statement of profit or loss.

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the statement of profit or loss and other comprehensive income and presented on net basis in the period in which it arises. Profit income from these financial assets is included in 'profit income' using the effective profit rate method.

Equity instrument

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI, with only dividend income recognized in profit or loss. This election is made on an investment-by-investment basis.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice.
- how the performance of the portfolio is evaluated and reported to the Group's management; and

The attached notes 1 to 36 form part of these consolidated financial statements.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

a) Financial assets (continued)

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

In assessing whether the contractual cash flows are solely payments of principal and profit, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- prepayment and extension terms;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration of the time value of money – e.g. periodical reset of profit rate.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Financial assets are not reclassified after their initial recognition except when, and only when, the Group changes its business model for managing those assets. Such changes are expected to be significant, demonstrable, and infrequent. When a genuine change in business model occurs, the Group reclassifies the affected financial assets prospectively from the next reporting period to the business model change date; previous periods are not restated. The classification of the assets following reclassification reflects the new business model.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - (a) the Group has transferred substantially all the risks and rewards of the asset, or
 - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case,

the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Any cumulative gain/loss recognised in OCI in respect of equity investment securities designated as FVOCI is not recognised in profit or loss account on derecognition of such securities.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognized as a separate asset or liability.

Write-off

Assets carried at amortised cost and equity securities at FVOCI are written off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group has exhausted all legal and remedial efforts to recover from the customers. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The attached notes 1 to 36 form part of these consolidated financial statements.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

b) Financial liabilities

Criteria for classification of financial liabilities under IFRS 9 financial liabilities are classified as financial liabilities at fair value through profit or loss, amortised cost or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Initial recognition

Financial liabilities are initially recognized at fair value and, in case of financial liabilities not recorded at fair value through profit or loss, net of directly attributable transaction costs.

The Group's financial liabilities include Investment deposits and other Islamic financing, term Islamic financing, trade and other payables, bank overdrafts, financing including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities held for trading are measured at FVTPL and all other financial liabilities are recorded at amortized cost.

The Group classifies financial liabilities as held for trading when they have issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Gains and losses arising from changes in fair values are included in the consolidated profit or loss statement in the year in which they arise.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss.

Financing

After initial recognition, any financing obtained is subsequently measured at amortised cost using the EPR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EPR amortisation process.

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

(ii) Impairment

The Group recognises allowance for impairment for expected credit losses (ECL) on financial assets measured at amortised cost and commitments issued.

The Group measures allowance for impairment at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL is measured.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Measurement of Expected Credit Losses (ECL):

The impairment of financial assets measured at amortized cost or at fair value through OCI are calculated in accordance with IFRS 9 expected credit loss (ECL) model. The ECL model contains a three stage approach which is based on the change in credit quality of financial assets since initial recognition. The ECL model is forward looking and requires the use of reasonable and supportable forecasts of future economic conditions in the determination of significant increases in credit risk and measurement of ECL.

Stage 1: 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk (SICR) since origination and are not credit impaired. The ECL will be computed using a factor that represents the Probability of Default (PD) occurring over the next 12 months and Loss Given Default (LGD).

Stage 2: Under Stage 2, where there has been a SICR since initial recognition but the financial instruments are not considered credit impaired, an amount equal to the lifetime ECL will be recorded which is computed using lifetime PD, LGD and Exposure at Default (EAD) measures. Provisions are expected to be higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3: Under the Stage 3, where there is objective evidence of impairment at the reporting date these financial instruments will be classified as credit impaired and an amount equal to the lifetime ECL will be recorded for the financial assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for financial instruments on which credit risk has not increased significantly since their initial recognition. 12-month ECL are the portion of life time

ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

The Group also considers relevant regulatory requirements, in the context of the alignment of those requirements with IFRS, in the estimation of ECL in respect of Stage 3 exposures.

ECL is calculated by multiplying three main components, being the probability of default (PD), loss given default (LGD) and the exposure at default (EAD), and discounting at the initial effective profit rate. The Group has developed a range of models to estimate these parameters. For the portfolios where sufficient historical data was available, the Group developed a statistical model and for other portfolios judgmental models were developed.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt financial assets carried at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following data:

- significant financial difficulty of the customer;
- a breach of contract such as a default or past due event;
- the restructuring of a finance or advance by the Group on terms that the Group would not consider otherwise;
- it is becoming probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a collateral because of financial difficulties.
- The buyer is 90 days or more past due from its contractual payment.

(iii) Offsetting of financial instruments

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

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Zakat

Zakat is computed on the following basis:

- Zakat on shareholders' equity is computed on their Zakat pool (shareholders' equity less paid up capital, plus employees' end of service benefits).
- Zakat on the paid up capital is not included in the Zakat computation as well and is payable by the shareholders personally.

Fair value measurement

The Group measures financial instruments and non-financial assets at fair value at each reporting date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1. In the principal market for the asset or liability, or
2. In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted investment securities.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

All the assets and liabilities of foreign subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are taken directly to a separate component of equity. On disposal of foreign operation, the deferred cumulative amount recognized in equity relating to those particular foreign operations is recognized in profit or loss.

Segment reporting

The group has presented the segment information in respect of its business segments in the same way as it is presented internally to management.

4 INCOME FROM ISLAMIC FINANCING AND INVESTING ASSETS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
<i>Financing assets:</i>		
Real estate Murabaha	<u>1,241</u>	<u>583</u>
	1,241	583
<i>Investing assets:</i>		
Wakala	<u>49,833</u>	<u>20,009</u>
	<u><u>51,074</u></u>	<u><u>20,592</u></u>

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

5 OTHER INCOME

	2025 <i>AED'000</i>	2024 <i>AED'000</i> (Restated)
Gain on initial recognition of repossessed properties	210	2,293
Reversal of liabilities no longer payable	888	3,355
Others	656	2,977
	<u>1,754</u>	<u>8,625</u>

6 CUMULATIVE FOREIGN CURRENCY LOSS RECLASSIFICATION

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Reclassification of FCTR on Amlak Nasr City land (Note 30.1)	388,136	-
Reclassification of FCTR on Amlak Finance Egypt (Note 30.2)	96,437	-
Income tax benefit	(6,920)	-
	<u>477,653</u>	<u>-</u>

During the year 31 December 2025, the Group has divested its foreign investments.. Foreign currency translation reserve has been recycled to profit or loss during the current year.”

7 DISTRIBUTION TO FINANCIERS / INVESTORS

The distribution of profit between the financiers and shareholders has been made in accordance with a basis ratified by the Internal Sharia Supervision Committee and in accordance with the agreements with the respective financiers.

8 OPERATING EXPENSES

	2025 <i>AED'000</i>	2024 <i>AED'000</i> (Restated)
Personnel expenses	39,940	49,691
Legal, consultancy and professional	21,406	20,247
Auditors remuneration	1,443	1,027
Property management (Note 11)	10,752	11,947
Business process	4,091	4,857
Registration charges	476	4,245
Marketing and selling expenses	4,307	418
IT related expense	2,110	1,785
Depreciation	914	1,025
Rent	516	538
Others	6,108	5,464
	<u>92,063</u>	<u>101,244</u>

9 BASIC AND DILUTED PROFIT PER SHARE

Profit per share is calculated by dividing profit attributable to the ordinary shareholders of the parent for the year net of directors' fees, by weighted average number of ordinary shares outstanding during the year.

Diluted profit per share is calculated by dividing the profit attributable to ordinary shareholders of the parent for the year net of directors' fees by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares:

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

9 BASIC AND DILUTED PROFIT PER SHARE (continued)

	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Restated)</i>
Total earnings:		
Profit / (loss) for the year attributable to ordinary shareholders of the parent net of Directors' fee AED 1,400 (2024: AED 1,400) and PIK AED 712 (2024:3,999) (AED'000)	1,468,241	7,089
Weighted average number of shares for basic EPS (shares in thousands)	1,500,000	1,500,000
Effect of dilution:		
Mudaraba Instrument (shares in thousands)	102,357	579,852
Weighted average number of ordinary shares adjusted for the effect of dilution	1,602,357	2,079,852
Attributable to ordinary shareholders of the parent:		
	<i>2025</i>	<i>2024</i>
Basic profit / (loss) per share (AED)	0.9788	0.0047
Diluted profit / (loss) per share (AED)	0.9163	0.0034
	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
		<i>(Restated)</i>
Continuing operations:		
Profit / (loss) for the year attributable to ordinary shareholders of the parent net of Directors' fee AED 1,400 (2024: AED 1,400) and PIK AED 712 (2024:3,999) (AED'000)	1,946,499	(9,781)
Weighted average number of shares for basic EPS (shares in thousands)	1,500,000	1,500,000
Effect of dilution:		
Mudaraba Instrument (shares in thousands)	102,357	579,852
Weighted average number of ordinary shares adjusted for the effect of dilution	1,602,357	2,079,852
Attributable to ordinary shareholders of the parent:		
	<i>2025</i>	<i>2024</i>
Basic profit / (loss) per share (AED)	1.2977	(0.0065)
Diluted profit / (loss) per share (AED)	1.2148	(0.0065)

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

10 CASH AND BALANCES WITH BANKS

	2025 AED'000	2024 AED'000 (Restated)
Cash on hand	48	48
Balances with banks	160,353	173,563
Deposits with banks	35,000	35,000
	<u>195,401</u>	<u>208,611</u>
Cash and balances with banks	195,401	208,611
Less: Restricted cash and deposits		
Less: Regulatory deposit with no maturity (Note 10.1)	(35,000)	(35,000)
Add: Wakala deposits with original maturity of 90 days or less (Note 10.2)	868,344	69,609
	<u>1,028,745</u>	<u>243,220</u>
Cash and cash equivalents	<u>1,028,745</u>	<u>243,220</u>

10.1 Represents deposits with a local bank under lien to the Central Bank of UAE in accordance with Central Bank regulations for licensing.

10.2 Represents the Wakala deposits with local banks, with variable maturities and profit rates.

11 ISLAMIC FINANCING, OTHER AND INVESTING ASSETS

	2025 AED'000	2024 AED'000
<i>Financing assets:</i>		
Ijarah	-	696,548
Forward Ijarah	-	37,337
Shirkatul Milk	-	322
Others	-	14,255
	<u>-</u>	<u>748,462</u>
Allowance for impairment	-	(189,457)
	<u>-</u>	<u>559,005</u>
Total financing assets	-	559,005
<i>Other financial assets:</i>		
Real estate Musawamah	47,382	8,563
Allowance for impairment	(399)	-
	<u>46,983</u>	<u>8,563</u>
Total other financing assets	46,983	8,563
<i>Investing assets:</i>		
Wakala deposit*	2,653,344	69,609
	<u>2,653,344</u>	<u>69,609</u>
Total investing assets	2,653,344	69,609
	<u>2,700,327</u>	<u>637,177</u>

*This includes Wakala deposits with original maturity of 90 days or less for AED 868 million (31 December 2024: 69 million).

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

11 ISLAMIC FINANCING AND INVESTING ASSETS (continued)

Net Islamic financing and investing assets by geographical area are as follows:

	2025 AED'000	2024 AED'000
Within U.A.E.	2,700,327	434,173
Outside U.A.E.	-	203,004
	<u>2,700,327</u>	<u>637,177</u>

The movement in the allowance for impairment is as follows:

	2025 AED'000	2024 AED'000
Balance at 1 January	189,457	187,065
Charge for impairment made during the year	39,103	67,525
Reversal of impairment	(18,932)	(10,949)
Amounts written off during the year	(15,362)	(63,021)
Foreign exchange and write backs	1,706	8,837
	<u>195,972</u>	<u>189,457</u>
Reclassified to assets held for sale	(195,573)	-
Closing balance	<u>399</u>	<u>189,457</u>

11.1 Carrying value of exposure by stage

31 December 2025

	Stage 1 AED'000	Stage 2 AED'000	Stage 3 AED'000	Total AED'000
Gross Exposure	2,694,323	6,042	361	2,700,726
Expected Credit Losses	(375)	-	(24)	(399)
	<u>2,693,948</u>	<u>6,042</u>	<u>337</u>	<u>2,700,327</u>

12 INVESTMENT PROPERTIES

	2025 AED'000	2024 AED'000 (Restated)
At 1 January	376,463	441,656
Additions during the year - Repossessed properties	1,551	38,721
Disposals during the year	(315,020)	(116,470)
Transfer to asset held for sale – (Al Ttay properties note 19)	(33,160)	-
Transfer to asset held for sale – (Amlak finance Egypt note 20.1)	(1,080)	-
Fair value gain on investment properties	16,564	12,632
Foreign exchange fluctuation	22	(62)
Reversal / (charge) of provision on foreclosed properties	1,528	(14)
At 31 December	<u>46,868</u>	<u>376,463</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

12 INVESTMENT PROPERTIES (continued)

Investment properties consist of land and units in buildings held to earn rental income or for capital appreciation. In accordance with its accounting policy, the Group carries investment properties at fair value.

The fair values of the properties are based on valuations performed at quarter end by independent professionally qualified valuers who hold a recognised relevant professional qualification and have relevant experience in the locations and segments of the investment properties valued. The valuation model used is in accordance with that recommended by the Royal Institute of Chartered Surveyors.

All investment properties are located within the UAE. Investment properties are categorized as Level 3 in the fair value hierarchy, as their fair values are determined using the comparable price approach based on recent market transactions for similar properties. Key unobservable inputs include estimated price per square foot, adjusted for differences in location, size, and other relevant characteristics. Significant judgements include selection of

comparable properties, adjustments for key attributes, and assumptions regarding market conditions at the reporting date. The fair value of investment properties is sensitive to changes in the key unobservable input (price per square foot). Reasonable changes in this input could significantly affect the estimated fair value.

There were no transfers into or out of the Level 3 category during the year.

Valuation technique used for investment properties of units in building has been derived using the market approach method and for vacant land plots has been derived using the comparable price approach based on comparable transactions for similar properties. There has been no change to the valuation techniques used during the year.

Inputs used by valuator described in below table

Type of holding by Group	Valuation technique	Significant unobservable inputs
Units in building	Market approach method	Price per square foot (SQF) ranges from AED 332 per SQF to AED 2,095 per SQF(31 December 2024: AED 228 to AED 1,979).
Vacant plots (Al Ttay)	Market approach method	Price (SQF) ranges from AED 275 Per SQF to AED 300 Per SQF,(31 December 2024: AED 275 to AED 300)
Vacant plots (Warqa Gardens)	Market approach method	Price per square foot (SQF) range from AED 80 Per SQF to AED 125 Per SQF for residential and mis use plots,(31 December 2024: AED 80 to 110)

The estimated fair value would increase (decrease) if the expected market rent per square foot were higher (lower), the capitalization rate was lower (higher), and the price per square foot were higher (lower)

Type of property	Fair value at 31 December 2025	+ 5% change in market value per SQF	- 5% change in price per SQF
	AED'000	AED'000	AED'000
Units in building	4,560	228	(228)
Vacant plots (Al Ttay)	19,170	959	(959)
Vacant plots (Warqa Garden)	23,138	1,157	(1,157)

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

12 INVESTMENT PROPERTIES (continued)

As at 31 December 2025 investment properties having fair value of nil (31 December 2024: AED 1.108 million) were mortgaged.

	2025 AED'000	2024 AED'000
Rental income derived from investment properties	20,991	23,203
Direct operating expenses (including repairs and maintenance) generating rental income	(10,759)	(11,979)
Profit arising from rental on investment properties carried at fair value	10,232	11,224

13 DEVELOPMENT PROPERTIES

	2025 AED'000	2024 AED'000 (Restated)
At 1 January	826,227	892,396
Disposals during the year	(786,254)	(72,369)
Reversal of development properties written down	7,500	6,200
At 31 December	47,473	826,227

The Group acquired land plots in Ras Al Khor during 2021 at a total cost of AED 734 million, comprising AED 705 million purchase price and AED 29 million in acquisition-related costs. At the time of acquisition, the property was classified as Investment Property in accordance with IAS 40 – Investment Property and measured subsequently using the fair value model. Fair value gains of AED 52 million were recorded in the Group's financial statements for the year ended 31 December 2024. As of 31 December 2024, the aggregate appraised value of the plots (based on individual pricing mechanism by external valuator is AED 782 million.

In 2025, following further evaluation, management reassessed the classification of the Ras Al Khor property. Considering the Group's original intention to develop the plots before their eventual sale, it was concluded that the property should be classified as Development Property under IAS 2 – Inventories, rather than as investment property.

The property was sold in July 2025 for AED 2.9 billion. Based on the revised cost basis of AED 734 million plus associated selling expenses of AED 27 million, a gain on sale is recognized in the financial statements for the year ending 31 December 2025.

In 2025, following further evaluation, management reassessed the classification of the properties controlled by the Group and developed by the joint venture and concluded that the property should be classified as Development Property under IAS 2 – Inventories, rather than as investment property. The net realizable value as of 31 December 2025 is AED 47.47 million (31 December 2024: AED 91.684 million) and generated income during the year ended 31 December 2025 of AED 51.712 million (31 December 2024: AED 72.369 million) and cost of sale of AED 51.712 million (31 December 2024: AED 72.369 million).

This reclassification does not impact the Group's cash flows. Management believes the revised classification more accurately reflects the intended use and treatment of the property in accordance with IFRS.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

14 INVESTMENT IN JOINT VENTURE

On 1 October 2014, the Group entered into a joint venture agreement with another party to develop a jointly owned plot of land in Nad Al Hammar. Amlak Finance PJSC acquired a 50% interest in Al Warqa Gardens LLC, a jointly controlled entity to develop a jointly owned plot of land in Nad Al Hammar. Dubai, UAE. The Group has a 50% share in the net assets of the investee and accordingly under IFRS 11 it is deemed to be a joint venture.

The following items represent the Group's interest in the assets, liabilities, revenue and expenses of the joint venture:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i> <i>(Restated)</i>
Investment properties	30,176	13,898
Development properties	9,327	22,766
Cash and balances with banks	74,468	29,657
Other assets – receivables	131,693	110,792
Other liabilities	(135,021)	(102,666)
Net Assets	110,643	74,447
Adjustments for difference in accounting	(13,755)	(52,492)
Investment in joint venture	96,888	21,955
	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i> <i>(Restated)</i>
Revenue	110,931	157,558
Operating expenses	(65,150)	(92,100)
Other expenses	(6,024)	(8,126)
Corporate tax	(3,561)	(5,143)
Profit for the year	36,196	52,189
Adjustments for difference in accounting	38,737	(25,572)
Share of profit from joint venture, net of tax	74,933	26,617

15 INVESTMENT IN AN ASSOCIATE

Amlak International Finance Company Saudi Arabia is Saudi joint stock Company established to provide real estate finance under Saudi Central Bank (SAMA) regulations. The Group holds 0% (31 December 2024: 18.35%) ownership interest in the company.

As at 6 May 2025, the Group reclassified its investment in Amlak International Finance Co. (KSA), previously accounted for using the equity method, as a non-current asset held for sale under IFRS 5. This classification was made following the approval of a formal plan to dispose of the investment and the initiation of active marketing to locate a potential buyer.

The investment carrying amount before impairment and disposal was AED 218.8 m. A fair value adjustment loss of AED 21.98 million was recognised in the profit or loss statement under "Impairment on asset held for sale" for the year ended 31 December 2025.

As at 31 December 2025, the Group fully divested its investment for a gross consideration of AED 194 million. Upon disposal, a loss of AED 3 million was recognised in the consolidated statement of profit or loss.

The cumulative loss recognised in the consolidated statement of profit or loss in respect of this investment amounted

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

15 INVESTMENT IN AN ASSOCIATE (continued)

to AED 24.98 million, comprising:

- a. AED 21.4 million impairment loss (upon reclassification)
- b. AED 3 million disposal loss.

	Percentage holding		2025	2024
	2025	2024	AED'000	AED'000
Amlak International Finance Company, Saudi Arabia	nil	18.35%	-	218,804

The movement during the year ended 31 December 2025 as follows:

	2025	2024
	AED'000	AED'000
Carrying value at 1 January	218,804	216,617
Share of profit for the year	-	8,519
Share of profit till reclassification as held for sales assets	2,852	-
Share of other comprehensive income / (loss) during the year	540	(4,761)
Exchange gain	239	-
Impairment loss recognized	(21,979)	-
Foreign currency translation fluctuation	-	(1,558)
Book value	200,456	218,817
Disposal during the year	(200,456)	(13)
As at 31 December 2025	-	218,804

16 RECEIVABLES FROM DISPOSAL TRANSACTION

	2025	2024
	AED'000	AED'000
Receivable against mortgaged portfolio sale (Note 16.1)	70,473	-
Receivable against sale of subsidiary (Note 20.1)	30,864	-
	101,337	-

16.1 During the year the Group executed a transaction for the partial sale of its mortgage loan portfolio. The transaction was assessed in accordance with IFRS 9 Financial Instruments, and the transferred loans were derecognised, as the Group transferred substantially all the risks and rewards associated with the transferred assets and did not retain control over the contractual cash flows.

Under the terms of the sale agreement, the total consideration comprises (i) an amount payable on settlement and (ii) retention money equivalent to 5% of the total consideration, which is contractually withheld by the buyer pending the satisfactory fulfilment of specified representations and warranties and are recognised under other assets (Note 17).

The sale consideration excluding the retention amount was received after the reporting date in accordance with the contractual settlement terms.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

17 OTHER ASSETS

	2025 <i>AED'000</i>	2024 <i>AED'000</i> <i>(Restated)</i>
Financia assets:		
Receivable from joint venture	99,080	72,360
Profit receivable	8,588	293
Land registration and service fees	6,589	7,711
Retention receivable against mortgage portfolio sale	3,709	-
	<u>117,966</u>	<u>80,364</u>
Non-financial assets:		
Foreclosed accounts receivables (Note 17.1)	1,350	1,350
Advances	2,223	3,184
Prepayments	2,935	2,832
Others	2,986	3,703
	<u>9,494</u>	<u>11,069</u>
	<u><u>127,460</u></u>	<u><u>91,433</u></u>

17.1 This represents the fair values of the foreclosed units in relation to settlement of financing assets wherein units will be transferred to investment properties in subsequent period post completion of ownership transfer formalities with the Dubai Land Department.

18 FURNITURE, FIXTURES AND OFFICE EQUIPMENT

	2025 <i>AED'000</i>	2024 <i>AED'000</i>
Furniture, fixtures and office equipment (Note 18.1)	1,842	8,576
Capital work in progress (Note 18.2)	588	457
	<u>2,430</u>	<u>9,033</u>

18.1 Furniture, fixtures and office equipment are as follows:

2025:	<i>Head Office</i> <i>AED'000</i>	<i>Furniture</i> <i>and fixtures</i> <i>AED'000</i>	<i>Computers</i> <i>and office</i> <i>equipment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cost:				
At 1 January 2025	8,338	3,156	67,555	79,049
Additions during the year	-	29	142	171
Disposals during the year	(2,651)	(149)	(642)	(3,442)
Foreign currency movement	-	3	13	16
Reclassified to held for sale	(4,839)	-	-	(4,839)
At 31 December 2025	<u>848</u>	<u>3,039</u>	<u>67,068</u>	<u>70,955</u>
Accumulated depreciation:				
At 1 January 2025	1,503	2,553	66,417	70,473
Depreciation charge for the year	259	173	526	958
Disposals during the year	(556)	(146)	(615)	(1,317)
Foreign currency movement	-	3	12	15
Reclassified to held for sale	(1,016)	-	-	(1,016)
At 31 December 2025	<u>190</u>	<u>2,583</u>	<u>66,340</u>	<u>69,113</u>
Net book value:				
At 31 December 2025	<u><u>658</u></u>	<u><u>455</u></u>	<u><u>729</u></u>	<u><u>1,842</u></u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

18 FURNITURE, FIXTURES AND OFFICE EQUIPMENT (continued)

2024:	<i>Head Office</i> <i>AED'000</i>	<i>Furniture and fixtures</i> <i>AED'000</i>	<i>Computers and office equipment</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
Cost:				
At 1 January 2024	8,338	3,189	67,497	79,024
Additions during the year	-	60	452	512
Disposals during the year	-	-	(3)	(3)
Exchange adjustments	-	(93)	(391)	(484)
At 31 December 2024	8,338	3,156	67,555	79,049
Accumulated depreciation:				
At 1 January 2024	1,169	2,466	66,184	69,819
Depreciation charge for the year	334	179	579	1,092
Exchange adjustments	-	(92)	(346)	(438)
At 31 December 2024	1,503	2,553	66,417	70,473
Net book value:				
At 31 December 2024	6,835	603	1,138	8,576

18.2 The amount relates to ongoing IT projects.

19 NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	2025 AED'000	2024 AED'000
Investment property (Note 19.1)	33,160	-
Property Plant and Equipment (Note 19.2)	3,823	-
Financing assets at fair value through profit or loss (Note 20.3)	61,710	-
	98,693	-

19.1 Investment property

As at 31 December 2025, the Group has reclassified certain investment properties to held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. These assets are expected to be sold within 12 months from the reporting date and are being actively marketed.

The Al Ttay property (8 plots) has been approved by the Board for sale as of 31 December 2025. The company has engaged a broker to actively market the asset. Offers and letter of intent has been received from a potential buyer for some properties, and negotiations are ongoing. Management expects the sale to be completed within the next 6 months.

In accordance with IAS 40, these assets have been measured at fair value.

	31 December 2025 AED'000
Fair value	33,160

19.2 Property Plant and Equipment

As at 31 December 2025, the Group has classified five office units with carrying value of AED 3.8 million as held for sale. The classification follows the decision by management and the Board to dispose of the asset and aligns with The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

19 NON CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (continued)

IFRS 5. The Group has initiated an active program to locate a buyer. The sale is expected to be completed within 12 months of the classification date.

The asset was previously recognised under fixed assets (head office) and measured at cost less accumulated depreciation. Upon classification as held for sale, the building was remeasured at the lower of its carrying amount and fair value less costs to sell. As a result, no impairment loss was recognised in the consolidated statement of profit or loss for the.

The asset is now presented separately under “non-current assets classified as held for sale” in the statement of financial position. No further depreciation has been charged following the reclassification.

	<i>31 December 2025 AED'000</i>
Carrying value	3,823
Calculation of net realizable value	
Fair value	9,589
Less: cost to sell	(398)
	<u>9,191</u>

20 DISCONTINUED OPERATIONS

Results of Discontinued Operations

	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Amlak Finance Egypt (Note 20.1)	11,187	5,269
Amlak Nasr City Real Estate Investment LLC (Note 20.2)	2,174	19,081
Financial assets at fair value through profit or loss (Note 20.3)	(13,966)	(7,480)
Foreign exchange loss realized on divestment of subsidiary (net of tax) (Note 6)	(477,653)	-
Total results of discontinued operations	<u>(478,258)</u>	<u>16,870</u>

20.1 Amlak Finance Egypt

In line with the Group’s Corporate Strategy, shareholders approved the divestment of investments outside the UAE. The Board approved the sale of Amlak Finance Egypt S.A.E. (“AFE”), a 100 % subsidiary with share and paid-up capital of 125,500,000 shares. On 23 October 2025, the Group entered into a Sale and Purchase Agreement (“SPA”) with Al Baraka Bank Egypt for the disposal of its entire interest in AFE for a consideration of EGP 400 million, based on the financial statements as of 30 June 2025. The SPA was signed on 23 October 2025. The Group concluded that it lost control over AFE in accordance with IFRS 10 and, accordingly, deconsolidated AFE during the year ended 31 December 2025. The assets and liabilities of AFE were derecognised, and the resulting gain or loss on disposal was recognised in profit or loss. The cumulative foreign currency translation reserve relating to AFE amounting to AED 96 million was reclassified to profit or loss under discontinued operations.

AFE met the criteria to be classified as *held for sale* in the interim financial statements prior to deconsolidation. Completion of the transaction remains subject to regulatory approvals in Egypt, and the related share sale orders are currently with the transaction advisor pending receipt of these approvals. The regulatory approval is administrative in nature and does not affect the conclusion that control over AFE has been lost. The Group no longer has power over AFE, as the board of directors has been dissolved, and the Group is neither exposed to nor entitled to variable returns from its involvement with AFE.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

20 DISCONTINUED OPERATIONS (continued)

20.1 Amlak Finance Egypt (continued)

Results of Discontinued Operations

	2025 AED'000	2024 AED'000
Income from Islamic financing and investing assets	24,344	58,913
Fee and commission income	886	2,735
Income on deposits	42	542
Other income	562	140
	<u>25,834</u>	<u>62,330</u>
(Charge) / reversal of impairments, net	(98)	182
Operating expenses	(2,403)	(7,281)
Distribution to financiers*	(20,223)	(48,355)
	<u>3,110</u>	<u>6,876</u>
Profit before tax	3,110	6,876
Income tax expenses	(651)	(1,607)
	<u>2,459</u>	<u>5,269</u>
Total profit from discontinued operations, net of tax	2,459	5,269
Gain on sale of investment	8,728	-
	<u>11,187</u>	<u>5,269</u>
Total profit from discontinued operations, net of tax	11,187	5,269

*Distribution to financiers include contractual profit accrued against the term islamic financing.

Assets and Liabilities

	2025 AED'000
Assets	
Cash and balances with banks	3,070
Islamic financing assets	208,602
Investment properties	1,080
Other assets	2,652
Furniture, fixtures and office equipment	30
	<u>215,434</u>
Total assets classified as held for sale	215,434
Liabilities	
Term Islamic financing	(183,146)
Other liabilities	(10,152)
	<u>(193,298)</u>
Total liabilities classified as held for sale	(193,298)
Net assets	22,136
Sales price	30,864
	<u>8,728</u>
Gain on sale of subsidiary	8,728

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

20 DISCONTINUED OPERATIONS (continued)

20.2 Amlak Nasr City Real Estate Investment LLC

The results of the discontinued operation are presented in the statement of profit or loss and other comprehensive income.

Results of Discontinued Operations

	2025 AED'000	2024 AED'000
Income from investing assets	1,336	16,853
Income on deposits with banks	1,815	7,913
Operating expenses	(345)	(145)
	<hr/>	<hr/>
Profit before tax	2,806	24,621
Income tax expenses	(632)	(5,540)
	<hr/>	<hr/>
Total profit from discontinued operations	2,174	19,081

The Group committed to a plan to cease the operations of its subsidiary, Amlak Nasr City Real Estate Investment LLC. The subsidiary represents a separate major line of geographical area of operations together with Amlak Finance Egypt.

20.3 Financial assets at fair value through profit or loss

The assets were reclassified as financial assets at fair value through profit or loss (FVTPL) in accordance with IFRS 9 – Financial instruments.

Valuation technique

The fair value of the debt instruments is determined using a market approach, primarily based on non-binding price indications and offers received from third-party investment entities that actively participate in the relevant markets. These non-binding offers represent indicative exit prices that market participants would be willing to transact at the measurement date and are assessed to be consistent with the definition of fair value under IFRS 13.

Key aspects of the valuation technique include:

Use of multiple non-binding offers, where available, to corroborate pricing, consideration of the credit quality of the issuer, remaining tenor, and seniority of the debt instruments.

Fair value hierarchy

The fair value measurement is classified as Level 3 in the IFRS 13 fair value hierarchy due to the use of significant unobservable inputs.

Significant unobservable inputs

Unobservable input	Description
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Indicative market price	Non-binding offers received from investment entities
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These inputs are based on management estimates supported by historical performance and available market data.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

20 DISCONTINUED OPERATIONS (continued)

20.3 Financial assets at fair value through profit or loss (continued)

Sensitivity analysis

Reasonably possible changes in key assumptions would have the following directional impact on fair value, with other variables held constant:

Description	Fair Value	+ 5% change	- 5% change
Indicative market price	61,710	3,086	(3,086)

Given the use of significant unobservable inputs, the valuation is subject to measurement uncertainty.

During the year, Company has sold a part of its financing portfolio to Central Bank of UAE regulated entity with a carrying value amounting to AED 92 million at sale price of AED 74 million which resulted in loss and impairment of AED 18 million.

The results of profit or loss have been reclassified as discontinued operations for the current and comparative year, as follows:

Results of Discontinued Operations

	2025 AED'000	2024 AED'000
Income from Islamic assets	23,024	38,648
Fee and commission income	543	548
Charge of impairment -net	(39,103)	(67,525)
Reversal of impairment and recoveries	23,936	20,110
Loss on disposal	(18,547)	-
Fair value loss	(5,200)	-
(Loss) / profit before tax	(15,347)	(8,219)
Income tax (benefit) / expenses	1,381	739
Total (loss) / profit from discontinued operations	(13,966)	(7,480)
		2025 AED'000
<i>Financing assets:</i>		
Ijarah		193,492
Others		10,101
		203,593
Impairment till date of classification to FVTPL		(136,683)
Fair value loss		(5,200)
Total financing assets		61,710

Net Islamic financing assets by geographical area are as follows:

Based on shareholders special resolution passed on 30 June 2025, the Group is in the process to dispose of a portfolio of Islamic financing assets comprising Ijara financing contracts with a gross carrying amount of AED 204 million as on 31 December 2025. The disposal forms part of the Group's strategic plan.

	2025 AED'000
Within UAE.	61,710

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

20 DISCONTINUED OPERATIONS (continued)

Basic and Diluted earnings per share from discontinued operations

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i> <i>(Restated)</i>
Discontinued operations:		
(Loss) / profit for the period attributable to ordinary shareholders (AED'000)	(478,258)	16,870
Weighted average number of shares for basic EPS (in thousands)	1,500,000	1,500,000
Effect of dilution:		
Mudaraba Instrument	102,357	579,852
Weighted average number of ordinary shares adjusted for the effect of dilution	1,602,357	2,079,852
Basic earnings per share (AED)	(0.3188)	0.0112
Diluted earnings per share (AED)	(0.3188)	0.0081

Cash flows from / (used in) discontinued operations

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Cash generated used in operating activities	(128,987)	234,709
Cash generated from financing activities	2,617	(8,346)

21 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING

	<i>Frequency of instalments</i>	<i>Final instalment date</i>	<i>Profit rate</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Purchase price payable	Monthly	25 October 2026	EIBOR + 2%	-	609,740
Unamortised fair value adjustment (Note 21.1)				-	609,740 (19,068)
				-	590,672

21.1 Unamortised fair value adjustment

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
At 1 January	19,068	76,213
Amortisation charged for the year - regular	(17,861)	(31,302)
Amortisation charged for the year – voluntary prepayment	(20,651)	(17,347)
Fair value adjustment on CCI deferred sale consideration	19,444	-
Amortisation charged for the year - debt settlement	-	(8,496)
	-	19,068

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

21 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING (continued)

Upon signing the restructured Common Terms Agreement with the financiers, effective 17 March 2025, the Mudaraba Instrument (Contingent Convertible Instrument (“CCI”)) AED 337 million was derecognised from equity and recorded as investment deposits at its fair value of AED 318 million.

Under the revised terms agreed, the Mudaraba Instrument was no longer convertible into shares and had a fixed payment schedule, with the final repayment due on 25 September 2026. The instrument bore a profit rate of 1%.

The accumulated profit in kind of AED 26 million was recorded under other liabilities, with a corresponding adjustment recognised in equity.

During the year ended 31 December 2025, the Group had fully settled the investment deposits and all the mortgages were released from financiers.

21.2 Debt Settlement

Based on the revised CTA, the Group initiated debt settlement auctions either through a cash swap or an asset swap during the year ended 31 December 2024.

For the debt settlement through cash, a cash consideration of AED nil (31 December 2024: AED 167 million) was offered to financiers against settlement of their exposures and two financiers settled their exposure of AED nil (31 December 2024: AED 238 million) which included investment deposits of AED nil (31 December 2024, AED 177 million), Mudaraba Instrument of AED nil (31 December 2024: AED 57 million) and profit in kind of AED nil (31 December 2024: AED 4 million). As a result of this settlement, the Group has recorded a gain of AED nil (31 December 2024: AED 45 million) in statement of profit or loss after netting of amortization of fair value adjustment on restructuring amounting to AED nil (31 December 2024: AED 8 million) and recorded a gain of AED nil (31 December 2024: AED 14 million) related to Mudaraba instrument, in statement of changes in equity.

22 TERM ISLAMIC FINANCING

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Egyptian Mortgage Refinance Company	-	60,105
National Bank of Egypt (NBE)	-	30,648
Bank Misr	-	25,408
Ahli United Bank	-	14,864
Egyption Gulf Bank	-	13,972
Arab African International Bank (AAIB)	-	8,859
Egyptian Arab Land Bank	-	6,194
Baraka bank	-	256
	<u>-</u>	<u>160,306</u>

The term Islamic financing pertains to Amalak finance Egypt which was reclassified to discontinued operations and disposed of during the year (Note 20).

23 EMPLOYEES' END OF SERVICE BENEFITS

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
At 1 January	5,688	4,845
Provided during the year	1,265	875
Paid during the year	(678)	(32)
At 31 December	<u>6,275</u>	<u>5,688</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

24 OTHER LIABILITIES

	2025 <i>AED'000</i>	2024 <i>AED'000</i> (Restated)
Accrued expenses	45,756	71,334
Provisions for expenses	39,697	35,790
Provision for litigation claims (Note 24.1)	-	450
Anticipated profits payable on investment deposits and other Islamic financing	-	380
Other payables	23,381	12,074
	<u>108,834</u>	<u>120,028</u>

24.1 This represents provision against certain litigation proceedings in the United Arab Emirates, involving claims by and against it, mainly in respect of certain sale and financing transactions.

25 TAXATION

On 9 December 2023, the United Arab Emirates (UAE) Ministry of Finance (“MOF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. The CT Law confirms the rate of 9% to be applied to taxable income exceeding a specified threshold.

The new CT Law provides certain transitional rules and gives choices for irrevocable elections regarding the treatment to be followed for calculation of taxable income

The Group's consolidated effective tax rate for the year ended 31 December 2025 is 11% (31 December 2024: 33%).

The Group's consolidated effective tax rate for the continuing operations for the year ended 31 December 2025 is 9% (31 December 2024: 8%).

25.1 Income tax expense

	2025 <i>AED'000</i>	2024 <i>AED'000</i> (Restated)
Current Tax (continued operations)	193,603	1,081
Current Tax benefit (discontinued operations)	(7,018)	6,407
Deferred Tax	(1,743)	(1,441)
Balance at 31 December	<u>184,842</u>	<u>6,047</u>

25.2 Provision for taxation

	2025 <i>AED'000</i>	2024 <i>AED'000</i> (Restated)
Balance at 1 January	5,747	20,335
Charged during the year	186,585	7,488
Paid during the year	(8,170)	(12,853)
Foreign exchange effect	(4,174)	(9,223)
Balance at 31 December	<u>179,988</u>	<u>5,747</u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

25 TAXATION (continued)

<i>Deferred tax asset / (liability)</i>	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Deferred tax liability on investment properties	(302)	(923)
Deferred tax asset on unrealised FCTR	-	2,364
Tax losses carried forward	-	60,869

Deferred tax asset / (liability movement)

Balance at 1 January	1,441	3
Movement during the year	1,743	1,438
Closing balance	(302)	1,441

Effective tax rate (ETR) reconciliation

	2025 AED '000	%	2024 AED '000 (Restated)	%
Profit before tax	1,655,196		18,535	
Tax at UAE statutory rate (9%)	148,986	9%	1,668	9.0%
Adjustments:				
Effect to tax rates in foreign jurisdictions	799	0%	4,252	71%
Tax Incentives	(34)	0%	(34)	(1%)
Deferred tax movements (net)	1,541	0.1%	(1,441)	(8%)
Non-deductible expenses	34,082	1.6%	3,043	16%
Utilisation / recognition of tax losses	(5,478)	(0.3%)	-	-
Total Income Tax Expense	179,896	10.9%	7,488	40.4%

Management is currently assessing the UAE Corporate Tax implications of these adjustments, including the potential positive impact on the Group's tax position, which is expected to be reflected in the relevant Corporate Tax returns once finalized. Because of the restatement of the 2024 financial statements, the Corporate Tax return filed for the year 2024 may be required to be revisited.

26 SHARE CAPITAL

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
<i>Authorised, Issued and fully paid</i>		
1,500,000,000 shares of AED 1 each		
(31 December 2023: 1,500,000,000 ordinary shares of AED 1 each)	<u>1,500,000</u>	<u>1,500,000</u>

Mudaraba Instrument

The Group had previously issued a Mudaraba Instrument that was convertible into ordinary shares upon the completion of certain conditions (note 28).

During the year, the Mudaraba Instrument was fully settled, and accordingly, no Mudaraba Instrument remains outstanding as at 31 December 2025.

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

27 STATUTORY RESERVE

As required by the UAE Federal Law No. (32) of 2021 and the Company's Articles of Association, 10% of the Company's profit for the year is to be transferred to statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve totals 50% of paid-up share capital. During the year, the Company transferred AED 150 million (31 December 2024: AED 5.2 million) to statutory reserve.

Shareholders in the general assembly meeting dated 30 June 2025 post regulatory approvals resolved to transfer balance of the Statutory Reserve amounting to AED 307 million to offset the accumulated losses partially, accordingly the Company has transferred the entire balance of AED 307 million to accumulated losses during the year ended 31 December 2025.

28 SPECIAL RESERVE

Shareholders in general assembly meeting dated 30 June 2025 post regulatory approvals resolved to transfer balance of the Special Reserve amounting to AED 99 million to offset the accumulated losses partially, accordingly the Company has transferred the entire balance of AED 99 million to accumulated losses during the year ended 31 December 2025.

29 MUDARABA INSTRUMENT

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Mudaraba Instrument (nominal value)	-	337,320
Mudaraba Instrument Reserve	-	(266,448)
	<hr/>	<hr/>
Mudaraba Instrument (carrying value)	-	70,872
	<hr/> <hr/>	<hr/> <hr/>

On 25 November 2014, a Mudaraba Instrument of AED 1,300 million with a maturity in November 2026 was issued through a special purpose vehicle owned by the Group. On maturity, the Mudaraba Instrument to the extent it is not redeemed, will mandatorily convert into ordinary shares of the Company with the face value of AED 1 each.

The Mudaraba Instrument at the time of issue comprised:

1. Face Value of AED 1,300 million.
2. An expected profit rate of 1% per annum on the outstanding balance each year, payable as profit in kind ("PIK") which the Company can elect to make distributions in cash or in the form of shares.
3. A contingent issuance of upto 500 million shares applicable only to the extent the Mudaraba Instrument remains outstanding at maturity. The number of contingent shares to be issued is prorated with the amount of Mudaraba Instrument remaining outstanding.

As the Mudaraba Instrument is redeemed, there will be a proportionate reduction in the contingent share issuance due.

During the year ended 31 December 2025 the Group redeemed Mudaraba instrument in the value of AED nil (31 December 2024: AED 57 million) through the debt settlement mechanism (Note 21).

Upon signing the restructured Common Terms Agreement with financiers effective from 17 March 2025, the Mudaraba Instrument (Contingent Convertible Instrument "CCI") has been derecognised from equity and recorded as investment deposits. The fair value impact arising from difference in profit rate was recognised in equity upto the date of reclassification to investment deposits. (Note 21).

30 FOREIGN CURRENCY TRANSLATION RESERVE (FCTR)

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i> <i>(Restated)</i>
Balance as at 01 January	(487,335)	(418,474)
Transferred through other comprehensive income	487,335	(68,861)
	<hr/>	<hr/>
Balance as at 31 December (refer to note 6)	-	(487,335)
	<hr/> <hr/>	<hr/> <hr/>

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

31 SEGMENTAL INFORMATION

For management purposes, the Group is organised into following three business segments:

Real Estate Financing:

This segment comprises financing activities, including property financing solutions to customers through Ijara and Murabaha arrangements. It also includes investing activities such as Wakala placements. All financing and investing activities under this segment are conducted in accordance with Islamic Sharia'a principles.

Real Estate Investments:

This segment comprises activities relating to real estate transactions and asset management, including:

- Investments in joint ventures
- Development properties
- Investment properties held for rental income and/or capital appreciation

Corporate Finance Investments:

This segment comprises corporate investments undertaken through subsidiaries and associates in the United Arab Emirates (UAE) and other countries such as Kingdom of Saudi Arabia (KSA), and Egypt as well as the corporate expenses.

Management monitors the operating results of its business units for the purpose of making decisions about resource allocation and assessment of performance."

Operating segments:

The Group's revenues and expenses for each segment for the year ended 31 December are as follows:

2025:

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investments AED'000</i>	<i>Total AED'000</i>
Operating income	58,063	3,058,947	2,852	3,119,862
Allowances for impairment	6,542	(67)	-	6,475
Amortization of fair value gain on investment deposits – voluntary	(20,651)	-	-	(20,651)
Amortization of initial fair value gain on investment deposits – regular	(7,031)	(8,282)	(2,548)	(17,861)
Impairment on assets held for sale	-	-	(21,979)	(21,979)
Loss on sale on investment in an associate	-	-	(3,147)	(3,147)
Cost of sales of development properties	-	(813,660)	-	(813,660)
Expenses (including allocated expenses)	(35,567)	(50,900)	(5,596)	(92,063)
Distribution to financiers / investors	(12,204)	(3,289)	(1,012)	(16,505)
Income tax expense	4,841	(196,494)	(207)	(191,860)
Segment results – continuing operation	(6,007)	1,986,255	(31,637)	1,948,611
(Loss) / profit from discontinued operations (net of tax)	(13,967)	2,176	11,186	(605)
Foreign exchange loss on divestments	-	(1,868)	(475,785)	(477,653)
(Loss) / profit for the year	(19,974)	1,986,563	(496,236)	1,470,353

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

31 SEGMENTAL INFORMATION (continued)

2024 (Restated)

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investments AED'000</i>	<i>Total AED'000</i>
Operating income	90,244	134,219	8,521	232,984
Allowances for impairment	10,090	-	-	10,090
Amortization of fair value gain on investment deposits – voluntary	(17,347)	-	-	(17,347)
Amortization of fair value gain on investment deposits	(7,204)	(15,561)	(8,537)	(31,302)
Cost of sales of development property	-	(72,369)	-	(72,369)
Expenses (including allocated expenses)	(37,036)	(63,385)	(823)	(101,244)
Distribution to financiers / investors	(11,493)	(10,244)	(3,818)	(25,555)
Income tax expense	360	-	-	360
Loss for the period – continuing operations	27,614	(27,340)	(4,657)	(4,383)
Profit from discontinued operations (net of tax)	(7,479)	19,081	5,269	16,871
Profit / (loss) for the year	20,135	(8,259)	612	12,488

Segment assets and liabilities:

The following table presents segment assets and liabilities of the Group as at 31 December:

2025:

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investments AED'000</i>	<i>Total AED'000</i>
Segment assets	3,018,040	367,556	31,281	3,416,877
Segment liabilities	83,933	210,562	904	295,399
Depreciation	914	-	43	957
Capital expenditure	588	-	-	588

2024 (Restated)

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investments AED'000</i>	<i>Total AED'000</i>
Segment assets	624,548	1,359,538	407,981	2,392,067
Segment liabilities	697,296	17,265	168,803	883,364
Depreciation	1,024	-	68	1,092
Capital expenditure	457	-	-	457

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

32 RELATED PARTY TRANSACTIONS

In the ordinary course of its activities, the Group enters into transactions with related parties, comprising major shareholders, directors, associates and joint ventures, key management and their related concerns. The pricing policies and terms of these transactions are approved by the Group's management. Transactions with such related parties are made on substantially the same terms as those prevailing at the same time for comparable transactions with external customers and parties.

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

31 December 2025:

	<i>Joint Venture</i>	<i>Other related parties</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Financing & investing assets	-	667	667
Receivable from joint venture	99,080	-	99,080
	<u> </u>	<u> </u>	<u> </u>

31 December 2024:

	<i>Major shareholders</i>	<i>Joint Venture</i>	<i>Other related parties</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Investment deposits	25,764	-	32,490	58,254
Financing & investing assets	-	-	828	828
Other liabilities	16	-	20	36
Mudaraba instrument	14,240	-	17,975	32,215
Receivable from joint venture	-	72,369	-	72,369
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Transactions with related parties included in the statement of profit or loss are as follows:

31 December 2025:

	<i>Major shareholders</i>	<i>Director's and senior management</i>	<i>Joint Venture</i>	<i>Other related parties</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Income from Islamic financing and investing assets	-	-	-	12	12
Distributions to financiers	697	-	-	880	1,577
Cash received from JV (net of payable)	-	-	24,722	-	24,722
Sales revenue from development properties***	2,900,000	-	-	-	2,900,000
Management fee	-	270	-	-	270
Cost of land charged to joint venture	-	-	51,712	-	51,712
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The attached notes 1 to 36 form part of these consolidated financial statements.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

32 RELATED PARTY TRANSACTIONS (continued)

31 December 2024:

	<i>Major shareholders AED'000</i>	<i>Director's and senior management AED'000</i>	<i>Joint Venture AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Income from Islamic financing and investing assets	-		-	13	13
Distributions to financiers / investors	926		-	1,167	2,093
Dividend received from JV	-		140,000	-	140,000
Management fee	-	270	-	-	270
Cost of land charged to joint venture	-	-	72,369	-	72,369
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

*The major shareholder is Emaar Properties PJSC which is an investor with significant influence. All the transactions are with the subsidiary of Emaar Properties PJSC.

**Other related parties include employees of the Group which do not meet the definition of key management personnel as per IAS 24, however, have been included in related parties as per regulatory requirements of Securities and Commodities Authority.

*** The sale of development properties pertains to Emaar Development PJSC, a subsidiary of the Company's major shareholder.

Compensation of key management personnel

The compensation paid to key management personnel of the Group is as follows:

	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Salaries and other benefits	15,419	15,688
Employee terminal benefits	133	-
	<u> </u>	<u> </u>
	<u>15,552</u>	<u>15,688</u>

33 COMMITMENTS AND CONTINGENCIES

Commitments

Credit-related commitments include commitments to extend facilities designed to meet the requirements of the Group's customers. Commitments generally have fixed expiration dates, or other termination clauses, and normally require the payment of a fee. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements. There are no commitments as at 31 December 2025 and 31 December 2024.

Contingencies

- a) The Group is engaged in certain litigation proceedings in the United Arab Emirates, involving claims by and against it, mainly in respect of certain sale and financing transactions. The Group is defending these cases and, based on legal counsel advice received, believes it is less than probable that such actions taken by counter parties would succeed, except for cases against which a provision of AED nil (202: AED 0.45 million) has been made.
- b) As at 31 December 2025, the Group had a contingent liability for proposed Directors' remuneration of AED 6 million (2024: AED 1.4 million). Directors' remuneration is governed by UAE Federal Law No (32) of 2021. AED 1.4 million was paid during the year.

The attached notes 1 to 36 form part of these consolidated financial statements.

34 RISK MANAGEMENT

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement, mitigation and monitoring subject to risk limits and other controls. This process of risk management is critical to the Group's sustainability. The Group is exposed to credit risk, liquidity risk, market risk and operational risks.

The major risks to which the Group is exposed in conducting its business and operations, and the means and organizational structure it employs in seeking to manage them strategically in its attempt to build stakeholder's value are outlined below.

The Board of Directors ("Board") is responsible for the continuous review and approval of the Group's Enterprise Risk Management Policies. The Board reviews the Group's Risk Profile to ensure that it is within the Group's Risk Policies and appetite parameters. It delegates authority to senior management to conduct day-to-day business within the prescribed policy and strategy parameters, whilst ensuring that processes and controls are adequate to manage the Group's Risk Policies and Strategy.

Executive Management is responsible for implementing the Group's Risk Strategy and Policy guidelines as set by the Board including the identification and evaluation on a continuous basis of all significant risks to the business and the design and implementation of appropriate internal controls to minimise them. This is done through the following senior management committees:

The Board Audit Committee is responsible to the Board for ensuring that the Group maintains an effective system of financial, accounting and risk management controls and for monitoring compliance with the requirements of the regulatory authorities.

The Group's Internal Sharia Supervision Committee is responsible to review the operational, financing and investing activities of the Group ensuring their alignment and compliance with the principles of Sharia. Being a supervisory

board they are also required to audit the business activities undertaken and present an independent report to the shareholders. Fatwas and ongoing pronouncements issued by Internal Sharia Supervision Committee are coordinated and implemented by the management of the Group. The management of the Group seeks guidance from the Internal Sharia Supervision Committee for the implementation of its Fatwas and pronouncements.

Credit department is responsible for portfolio management and evaluation, credit policy and procedure formulation, counterparty analysis, approval/review and exposure reporting, control and risk-related regulatory compliance, dealing with impaired assets and portfolio management.

The Asset and Liability Committee (ALCO) is chiefly responsible for defining long-term strategic plans and short-term tactical initiatives for directing asset and liability allocation prudently for the achievement of the Group's strategic goals. ALCO monitors the Group's liquidity and market risks and the Group's risk profile in the context of economic developments and market fluctuations, to ensure that the Group's ongoing activities are compatible with the risk/reward guidelines approved by the Board.

Enterprise Risk Management (ERM) is responsible for managing risks within the Group. The Group's risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss. The Group also runs worse case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur. It is also responsible for identifying market and operational risks arising from the Group's activities, recommending to the relevant committees appropriate policies and procedures for managing exposure to such risks and establishing the systems necessary to implement effective controls.

Monitoring and controlling risks are primarily performed based on limits established by the Group. These limits reflect the business strategy and market environment of the Group as well as the level of risk that the Group is willing to accept. In addition, the Group monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

34 RISK MANAGEMENT (continued)

For all levels throughout the Group, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information.

Excessive risk concentration

Concentration arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Group's performance to developments affecting a particular nationality, industry or geographical location. The Group's risk is mainly related to the property market in the UAE, in particular in Dubai.

In order to avoid further excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on counter party limits and maintaining a diversified portfolio. Identified concentration of credit risks are controlled and managed accordingly. ERM monitors the concentration risk on monthly basis and reports to Management Committee (MANCO) and Board Risk Committee (BRC) on quarterly basis.

Credit risk

Credit risk is the risk that a customer or counterparty will fail to meet a commitment, resulting in financial loss to the Group. Such risk stems mainly from day to day Islamic financing activities undertaken by the Group. Credit risk is actively monitored in accordance with the credit policies which clearly define delegated financing authorities, policies and procedures. For details of composition of Islamic financing assets refer note 11.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties. The Group has built and maintains a sound receivable portfolio in terms of a well-defined Credit Policy approved by the Board of Directors. Its credit evaluation system comprises of well-designed credit appraisal, sanctioning and review procedures for the purpose of emphasizing prudence in its financing activities and ensuring quality of asset portfolio. Special attention is paid to the management of non-performing financing assets. However, Group is not originating any new business as a result of restriction laid by CBUAE during 2021.

The Group constantly monitors overall credit exposure and categorizes the credit portfolio by industry, geography, and counterparty, and consequently, the portfolio is diversified. The credit portfolio is also diversified by industry and customer segment/geography to manage concentration risk. Geographically, the Group's customers are predominantly based in the United Arab Emirates, with exposure concentrated across various Emirates. Credit exposures are primarily denominated in AED. Top per-party exposures are monitored and reported to the Board Risk Committee to avoid excessive concentration.

The credit ratings as at 31 December 2025 of the Group's bank balances and wakala deposit are kept with rated reputable banks which range between credit rating of A+ and BBB+ in accordance with external rating agencies.

Credit risk measurement

The estimation of credit risk for risk management purpose is complex and requires use of models, as the exposure varies with changes in market condition, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring and of the associated loss

ratios. The Group measures credit risk using PD, EAD and LGD. This is similar to the approach used for the purpose of measuring ECL under IFRS 9.

ECL measurement

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit-quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition date is classified in stage 1 and has its credit risk continuously monitored by the Group.
- If a significant increase in credit risk ('SICR') since initial recognition is identified, the financial instrument is moved to 'stage 2' but is not yet deemed to be credit-impaired. If the financial instrument is credit-impaired, the financial instrument is then moved to stage 3.
- Financial instrument in stage 1 have their ECL measured at an amount equal to the portion of 12 month ECL that results from default events possible within the next 12 months.

The attached notes 1 to 36 form part of these consolidated financial statements.

34 RISK MANAGEMENT (continued)

- Instruments in stages 2 or 3 have their ECL measured based on a lifetime basis. ECL is measured after factoring forward-looking information.
- ECL on purchase or originated credit-impaired financial assets is measured on a lifetime basis.

Significant increase in credit risk

The Company uses many indicators to identify any significant increases in credit risk (SICR). The occurrence of any one of those indicators should be considered as an indicator of SICR and consequently the related financial instrument will be classified as Stage 2 and attract a lifetime ECL. Following are key indicators

- **Internally set scorecard:** The Company uses an internal credit risk rating system, which assesses customer financial strength, repayment history, sector, and other relevant factors.
- **Customer delinquency status:** Financial instruments are considered to have experienced SICR if payments are more than 30 days past due, in line with IFRS 9 rebuttable presumption.
- **Watch list status:** Customers identified for close monitoring due to potential credit deterioration.
- **Probability of default:** A material increase in PD relative to origination, as determined using the Company's internal credit models, indicates SICR.
- **Restructured status of the customers:** Restructuring of facilities that indicates increased credit risk.
- **Regulatory guidance:** Any SICR indicators identified by regulators are also considered.

Backward transition

Back ward transition from stage 2 to stage 1

The Group continues to monitor financial instruments classified as Stage 2 to determine whether the risk of default has decreased sufficiently to warrant reclassification to Stage 1 (12-month ECL). A backward transition occurs only when all of the following criteria are met:

- The customer has no overdue contractual payments for a specified period;
- The internal credit risk rating / scorecard has improved to above the significant increase in credit risk threshold;
- The customer is removed from the watch list and any restructured status has been resolved;
- The probability of default (PD) has decreased to a level consistent with Stage 1 assessment; and
- No regulatory guidance or other qualitative indicators suggest a continuing elevated credit risk.

Management believes that these criteria provide a robust basis for reclassifying exposures back to Stage 1 and are consistently applied across the portfolio.

Back ward transition from stage 3 to stage 2

The Group monitors that underlying facility have become regular, is current and no longer meets the definition of credit impaired or is in default before it is reclassified back from stage 3. Any upgrading of non-performing exposure to a performing status is subject to a cooling off period of 12 months from the date of becoming regular in repayment. Any facility classified in Stage 3 cannot be directly classified in Stage 1 and should meet the backward transition criteria for Stage 2 to Stage 1 as documented above.

The Group is observing a probationary period of a minimum of 3 instalments (for repayments which are on a quarterly

basis or shorter) and 12 months (in cases where instalments are on a longer frequency than quarterly) after the restructuring, before upgrading from Stage 3 to 2

34 RISK MANAGEMENT (continued)

Forward-looking information incorporated in the ECL model

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified key economic variables impacting credit risk and ECL for each portfolio.

These economic variables and their associated impact on PD, EAD and LGD vary by financial instrument. Expert judgement has also been applied in this process. Forecast of these economic variables (the “base economic scenario”) are provided by the Group’s ERM team on a quarterly basis.

The impact of these economic variables on the PD, EAD and LGD has been determined by performing statistical analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

QUANTITATIVE INFORMATION

Maximum exposure to credit risk without taking account of any collateral and other credit enhancements

The table below shows the maximum exposure to credit risk for the components of the statement of financial position. The maximum exposure is shown gross.

	<i>Gross maximum exposure 2025 AED’000</i>	<i>Gross maximum exposure 2024 AED’000</i>
Balances with banks (Note 10)	195,353	208,611
Islamic financing and investing assets (Note 11)	2,700,725	826,634
Receivable from disposal transaction (Note 16)	101,337	-
Other assets (excluding prepayments) (Note 17)	126,832	87,723
Net credit risk exposure	<u>3,124,247</u>	<u>1,122,968</u>

Collateral and other credit enhancements

The finance provided by the Group is completely asset backed in accordance with the principles of Shariah. Properties are funded based on the “Group’s Appraised Value”. In the case of new properties, the appraised value is similar to the developers’ per square footage rate further assessed by independent valuation and internal assessment. In the case of older properties the appraised value is based on the valuation report from independent third party valuers obtained on regular basis.

Property insurance is mandatory and the property is insured against all normal risks for the value stated in the sale agreement, or the valuation amount given by the surveyor, as the case maybe. The insured value is maintained at the original property value through the life of the finance.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Group has established risk management policies and limits within which exposure to market risk is monitored, measured and controlled with strategic oversight exercised by the Board and ALCO. These units are responsible for developing and implementing market risk policies and risk measuring/monitoring methodologies and for reviewing all new trading products and product limits.

At 31 December 2025

34 RISK MANAGEMENT (continued)

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As the UAE Dirham and Saudi Riyal are pegged to the US Dollar, these balances are not considered to represent significant currency risk.

	2025			2024		
	<i>currency rate in AED</i>	<i>% Change in Effect on profit AED '000</i>	<i>Effect on Equity AED'000</i>	<i>currency rate in AED</i>	<i>% Change in Effect on Profit AED '000</i>	<i>Effect on Equity AED '000</i>
Currency						
Egyptian Pound (LEY)	± 5%	229	23	± 5%	1,218	5,168
Egyptian Pound (LEY)	± 10%	459	46	± 10%	2,435	10,336

Profit rate risk

Profit rate risk arises from the possibility that changes in profit rates will affect future profitability or the fair values of financial instruments. In the Group's financial statements, mainly two line items can lead to such exposure i.e. Islamic financing assets and financing obligations, as shown on the assets and liabilities sides respectively. The profit rate risk for the Group is minimal in the short term period. The profit rate for investing assets is a composition of EIBOR and internal spread which can be expected to fluctuate frequently based on EIBOR movement. The Group reviews the profit rate on a regular basis during its ALCO meeting and, if required, recommends a rate change based on market conditions and competitiveness.

The following table demonstrates the sensitivity to a reasonable possible change in profit rates, with all other variables held constant, on the Group's statement of income.

The sensitivity of the statement of income is the effect of the assumed changes in profit rates on the results for one year, based on profit bearing financial assets and financial liabilities held at 31 December.

	2025 <i>AED '000</i>	2024 <i>AED '000</i>
Effect of a ± 50 bps change in EIBOR	8,498	±4,088
Effect of a ± 100 bps change in EIBOR	16,996	±8,177

At 31 December 2025

34 RISK MANAGEMENT (continued)

Early settlement risk

Early settlement risk is the risk that the Group will incur a financial loss because its counterparties settle earlier than expected.

Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities and off balance sheet commitments based on contractual undiscounted payment obligations. Payments, which are subjected to notice, are treated as if notice were to be given immediately.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

34 RISK MANAGEMENT (continued)

Liquidity risk (continued)

At 31 December 2025

	Expected Profit rate %	Up to 1 year			Total up to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Items with no maturity AED'000	Total AED'000
		Less than 3 months AED'000	3 months to 6 months AED'000	6 months to 1 year AED'000					
Investment deposits and other Islamic financing		-	-	-	-	-	-	-	-
Term Islamic financing		-	-	-	-	-	-	-	-
Other liabilities		34,698	41,320	25,359	101,377	7,457	-	-	108,834
		<u>34,698</u>	<u>41,320</u>	<u>25,359</u>	<u>101,377</u>	<u>7,457</u>	<u>-</u>	<u>-</u>	<u>108,834</u>

At 31 December 2024

	Expected Profit rate %	Up to 1 year			Total up to 1 year AED'000	1 year to 5 years AED'000	Over 5 years AED'000	Items with no maturity AED'000	Total AED'000
		Less than 3 months AED'000	3 months to 6 months AED'000	6 months to 1 year AED'000					
Investment deposits and other Islamic financing	2%	41,336	43,016	421,089	505,441	118,202	-	-	623,643
Term Islamic financing	22%-28%	20,117	29,902	58,845	108,864	91,206	8,536	-	208,606
Other liabilities		5,171	19,364	23,125	47,660	72,368	-	-	120,028
		<u>66,624</u>	<u>92,282</u>	<u>503,059</u>	<u>661,965</u>	<u>281,776</u>	<u>8,536</u>	<u>-</u>	<u>952,277</u>
OFF BALANCE SHEET ITEMS									
Commitments		-	-	-	-	-	-	-	-

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

34 RISK MANAGEMENT (continued)

Liquidity risk (continued)

Maturity analysis of assets and liabilities

The maturity analysis of assets, liabilities and off balance sheet items analysed according to when they are expected to be recovered, settled or sold. The values presented in this table include the impact of fair value adjustment as per the statement of financial position and excludes profit not yet due at year end.

31 December 2025

	<i>Up to 1 year</i>			<i>Total up to 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>Over 5 years AED'000</i>	<i>Items with no maturity AED'000</i>	<i>Total AED'000</i>
	<i>Less than 3 months AED'000</i>	<i>3 months to 6 months AED'000</i>	<i>6 months to 1 year AED'000</i>					
Assets								
Cash and balances with banks	160,401	-	-	160,401	-	-	35,000	195,401
Islamic financing and investing assets	2,657,349	8,601	8,793	2,674,743	25,584	-	-	2,700,327
Investment properties	-	-	-	-	-	-	46,868	46,868
Development properties	-	-	-	-	-	-	47,473	47,473
Investment in joint venture	-	-	-	-	-	-	96,888	96,888
Receivable from sale of investments	101,337	-	-	101,337	-	-	-	101,337
Other assets	22,927	5,598	2,125	30,650	96,810	-	-	127,460
Furniture, fixture and office equipment	-	-	-	-	-	-	2,430	2,430
Asset held for sale	35,192	8,124	55,377	98,693	-	-	-	98,693
Total assets	2,977,206	22,323	66,295	3,065,824	122,394	-	228,659	3,416,877
Liabilities								
Employees' end of service benefits	-	-	-	-	-	-	6,275	6,275
Deferred tax liability	302	-	-	302	-	-	-	302
Income tax payable	-	-	179,988	179,988	-	-	-	179,988
Other liabilities	34,698	41,320	25,359	101,377	7,457	-	-	108,834
Total liabilities	35,000	41,320	205,347	281,667	7,457	-	6,275	295,399
Commitments	-	-	-	-	-	-	-	-
Net liquidity gap	2,942,206	(18,997)	(139,052)	2,784,157	114,937	-	222,384	3,121,478
Cumulative net liquidity gap	2,942,206	2,923,209	2,784,157	2,784,157	2,899,094	2,899,094	3,121,478	3,121,478

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

At 31 December 2025

34 RISK MANAGEMENT (continued)

Liquidity risk (continued)

The liquidity risk table above

Maturity analysis of assets and liabilities (continued)

31 December 2024(restated)

	<i>Up to 1 year</i>			<i>Total up to 1 year AED'000</i>	<i>1 year to 5 years AED'000</i>	<i>Over 5 years AED'000</i>	<i>Items with no maturity AED'000</i>	<i>Total AED'000</i>
	<i>Less than 3 months AED'000</i>	<i>3 months to 6 months AED'000</i>	<i>6 months to 1 year AED'000</i>					
Assets								
Cash and balances with banks	173,611	-	-	173,611	-	-	35,000	208,611
Islamic financing and investing assets	82,258	41,757	62,914	186,929	187,516	262,732	-	637,177
Investment properties	-	-	-	-	-	-	376,463	376,463
Development properties	-	-	-	-	-	-	826,227	826,227
Investment in an associate	-	218,804	-	218,804	-	-	-	218,804
Investment in joint venture	-	-	-	-	-	-	21,955	21,955
Other assets	4,451	9,707	21,952	36,110	55,323	-	-	91,433
Deferred tax asset	2,364	-	-	2,364	-	-	-	2,364
Furniture, fixture and office equipment	-	-	-	-	-	-	9,033	9,033
Total assets	262,684	270,268	84,866	617,818	242,839	262,732	1,268,678	2,392,067
Liabilities								
Investment deposits and other Islamic financing	33,881	33,881	406,574	474,336	116,336	-	-	590,672
Term Islamic financing	8,027	17,812	34,725	60,564	91,206	8,536	-	160,306
Employees' end of service benefits	-	-	-	-	-	-	5,688	5,688
Deferred tax liabilities	923	-	-	923	-	-	-	923
Income tax payable	-	-	5,747	5,747	-	-	-	5,747
Other liabilities	5,171	19,364	23,125	47,660	72,368	-	-	120,028
Total liabilities	48,002	71,057	470,171	589,230	279,910	8,536	5,688	883,364
Commitments	-	-	-	-	-	-	-	-
Net liquidity gap	214,682	199,211	(385,305)	28,588	(37,071)	254,196	1,262,990	1,508,703
Cumulative net liquidity gap	214,682	413,893	28,588	28,588	(8,483)	245,713	1,508,703	1,508,703

34 RISK MANAGEMENT (continued)

Operational risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Group cannot expect to eliminate all operational risks, but through a control framework and by monitoring and responding to potential risks, the Group is able to manage the risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes.

Capital Management

The primary objective of the Group's capital management is to support its business and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

Fair value of financial assets and liabilities

The fair values of the Group's financial assets and liabilities at the reporting date approximate their carrying values as reflected in these financial statements. Detailed fair value disclosures are presented within the relevant notes to these financial statements.

35 SOCIAL CONTRIBUTIONS

The Company pursues a Corporate Social Responsibility strategy and during the year spend AED 0.10 million (31 December 2024: AED 0.10 million) on various social contributions purposes.

36 COMPARATIVE INFORMATION

During the current reporting year, the Group reassessed the classification of its interest in Warqa Gardens in accordance with IFRS 11 Joint Arrangements. Based on this reassessment, it was determined that the arrangement should be accounted for as a joint venture rather than a joint operation, as previously classified.

This correction in classification has been applied retrospectively, and the comparative figures for the prior years have been restated accordingly. As a result, the Group's share of assets, liabilities, income, and expenses previously recognized on a line-by-line basis has been derecognized, and instead, the investment in the joint venture is presented as a single line item in the consolidated statement of financial position and the share of profit or loss is presented in the consolidated statement of profit or loss statement. Further, the Group has also restated the consolidated statement of cash flows which was previously accounted for on proportionate consolidation basis and now is in line with the JV accounting adopted by the Group.

In 2025, management reassessed the accounting treatment of land sale transactions with one of the Group's joint ventures. The transaction had previously been recorded on a net basis in the Group's financial statements. Following this reassessment, the Group concluded that the sale should be accounted for on a gross basis, in line with the substance of the transactions and the applicable financial reporting standards. As a result, the prior figures have been restated to reflect the gross presentation of the transactions.

In 2021, the Group acquired land plots in Ras Al Khor for a total consideration of AED 734 million (comprising a purchase price of AED 705 million and acquisition-related costs of AED 29 million). These plots were initially classified as Investment Property under IAS 40 and measured at fair value. As at 31 December 2024 the plots were carried at AED 782 million. In 2025, management reassessed the nature and intended use of the land plots at initial recognition and determined that they were held for development and subsequent sale. As a result, the Group reclassified the plots from Investment Property to Development Property, in accordance with IAS 2 – Inventories. This also includes the plots owned by the Group and developed by the joint venture. Accordingly, fair value gains of AED 52 million for the year ended 31 December 2024 (31 December 2023: AED 4 million loss) have been reversed. This reclassification has been accounted for as a restatement of prior years figures to reflect the revised accounting treatment. Comparative figures have been adjusted accordingly.

In 2025, the Group reclassified the proceeds and placements from Wakala deposits, pertaining to financing operations of last year, from investing activities to operating activities in the statement of cash flows after reassessment. Comparative figures have been adjusted for AED 377 million in this regard. For the comparative, the Group also reclassified FCTR reserve of AED 25 million from cash and cash equivalents to operating activities and profit paid on term islamic financing for AED 48 million from operating activities to financing activities.

Amlak Finance PJSC and its Subsidiaries

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36 COMPARATIVE INFORMATION (continued)

Additionally, as at 31 December 2024, AED 69.609 million (1 January 2024: AED 383.639 million) was reclassified from investing activities to cash and cash equivalents, as these balances had original maturities of three months or less.

In 2025, the Group disaggregated rental income, fair value gains on investment properties, and gains on sale of investment properties, which were previously presented together as income from investment properties, net. In 2025,

the Group presented Loss on derecognition of investment deposits as a separate line item, which was previously included within Amortisation of fair value gain on investment deposits. Comparative figures have been adjusted accordingly.

In 2025, management reassessed the treatment of the foreign currency translation reserve (FCTR) related to a foreign subsidiary and determined that it was incorrectly adjusted with retained earning in prior year on partial repayment of loan. Comparative figures have been adjusted accordingly.

The EPS and DEPS has also been restated due to adjustment of profit in kind on Mudaraba instruments included in equity.

The impact of the restatement on the comparative financial statements is summarized below.

Consolidated statement of financial position	Previously reported 31 December 2024 AED, 000	Restatement AED, 000	Restated 31 December 2024 AED, 000
Cash and balances with banks	238,267	(29,656)	208,611
Islamic financing assets and investing assets	637,177	-	637,177
Investment properties	1,287,011	(910,548)	376,463
Development properties	-	826,227	826,227
Investments in an associate	218,804	-	218,804
Investment in joint venture	-	21,955	21,955
Other assets	146,902	(55,469)	91,433
Deferred tax asset	-	2,364	2,364
Furniture, fixtures and office equipment	9,033	-	9,033
Total Assets	2,537,194	(145,127)	2,392,067
Investment deposits and other Islamic financing	590,672	-	590,672
Term Islamic financing	160,306	-	160,306
Employees' end of service benefits	5,688	-	5,688
Deferred tax liabilities	-	923	923
Income tax payable	-	5,747	5,747
Other liabilities	222,328	(102,300)	120,028
Total Liabilities	978,994	(95,630)	883,364
Accumulated losses	(293,802)	46,403	(247,399)
Foreign currency translation reserve	(391,435)	(95,900)	(487,335)
Others	2,243,437	-	2,243,437
Total equity	1,558,200	(49,497)	1,508,703
Total liabilities and equity	2,537,194	(145,127)	2,392,067

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

36 COMPARATIVE INFORMATION (continued)

Consolidated statement of income for the year ended	Previously reported 31	Restatement	Reclassification*	Restated
	December 2024			31 December 2024
	AED, 000	AED, 000	AED, 000	AED, 000
Income from Islamic financing and investing assets	135,006	-	(114,414)	20,592
Fee and commission income	3,283	-	(3,283)	-
Income on deposits	13,063	(4,227)	(8,455)	381
Rental income	-	23,203	-	23,203
Income from investment properties	130,173	(130,173)	-	-
Fair value gains on investment properties	-	12,632	-	12,632
Gain on sale of investment properties	-	9,310	-	9,310
Share of profit of an associate, net of tax	8,519	-	-	8,519
Gain on debt settlement, net	44,536	-	-	44,536
Reversal of development properties written down	-	6,200	-	6,200
Share of profit from joint venture, net of tax	-	26,617	-	26,617
Revenue from development properties	-	72,369	-	72,369
Other income	12,298	(3,533)	(140)	8,625
	346,878	12,398	(126,292)	232,984
(Charge) / reversal of impairments, net	(37,143)	-	47,233	10,090
Amortisation of initial fair value gain on investment deposits	(48,649)	17,347	-	(31,302)
Loss on derecognition of investment deposits	-	(17,347)	-	(17,347)
Cost of sales of development properties	-	(72,369)	-	(72,369)
Operating expenses	(118,972)	10,302	7,426	(101,244)
Profit before distribution to financiers	142,114	(49,669)	(71,633)	20,812
Distribution to financiers	(73,910)	-	48,355	(25,555)
Profit / (loss) for the year before income tax – continuing operations	68,204	(49,669)	(23,278)	(4,743)
Income tax expense – continuing operation	(15,834)	9,787	6,407	361
Net profit / (loss) for the year– continuing operations	52,370	(39,882)	(16,871)	(4,382)
Profit from discontinued operations (net of tax)	-	-	16,871	16,870
Net profit for the year	52,370	(39,882)	-	12,488

*This reclassification pertains to Amlak Finance Egypt Company, Amlak Nasr City Real Estate Investment LLC and Islamic financing assets, which have been reclassified under discontinued operations.

Consolidated statement of cash flows	Previously reported (31	Restatement	Restated
	December 2024)		31 December 2024
	AED, 000	AED, 000	AED, 000
Net cash generated from operating activities	231,601	38,282	269,883
Net cash generated from investing activities	593,980	(328,472)	265,508
Net cash used in financing activities	(674,540)	(48,355)	(722,895)
Cash and cash equivalents at the beginning of the year	91,431	383,639	475,070
Foreign currency translation reserve	(68,861)	24,515	(44,346)
Cash and cash equivalents at the end of the year	173,611	69,609	243,220

There is an impact on the Group's total basic or diluted EPS and in the consolidated statement of changes in equity for the year ended 31 December 2024 due to the restatements.

Description	Previously reported	Restated
	(31 December 2024)	(31 December 2024)
Basic earnings per share (AED)	0.034	0.0047
Diluted earnings per share (AED)	0.025	0.0034

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2025

36 COMPARATIVE INFORMATION (continued)

Consolidated statement of financial position	Previously reported	Restatement	Restated
	31 December 2023		1 January 2024
	AED, 000	AED, 000	AED, 000
Cash and balances with banks	222,126	(95,695)	126,431
Islamic financing assets and investing assets	1,318,764	-	1,318,764
Investment properties	1,376,047	(935,603)	440,444
Development properties	-	892,396	892,396
Investment in joint venture	-	135,338	135,338
Investments in an associate	216,617	-	216,617
Other assets	100,714	(47,858)	52,856
Furniture, fixtures and office equipment	9,809	-	9,809
Total Assets	3,244,077	(51,422)	3,192,655
Investment deposits and other Islamic financing	1,229,168	-	1,229,168
Term Islamic financing	201,253	-	201,253
Employees' end of service benefits	4,845	-	4,845
Income tax payable	-	20,335	20,335
Other liabilities	185,102	(62,142)	122,961
Total Liabilities	1,620,368	(41,807)	1,578,562
Accumulated losses	(257,896)	(9,615)	(267,512)
Others	1,881,605	-	1,881,605
Total equity	1,623,709	(9,615)	1,614,093
Total liabilities and equity	3,244,077	(51,422)	3,192,655