

Amlak Finance PJSC and its Subsidiaries

**REVIEW REPORT AND CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2025
(UNAUDITED)**

Amlak Finance PJSC and its Subsidiaries

Table of contents	<u>Pages</u>
Report on review of condensed consolidated interim financial information	1 - 2
Condensed consolidated interim statement of income	3
Condensed consolidated interim statement of comprehensive income	4
Condensed consolidated interim statement of financial position	5
Condensed consolidated interim statement of cash flows	6
Condensed consolidated interim statement of changes in equity	7
Notes to the condensed consolidated interim financial information	8 - 25



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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of the Amlak Finance PJSC

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial information of Amlak Finance PJSC ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated interim statements of income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated interim statements of comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated interim statement of financial position as at 30 June 2025;
- the condensed consolidated interim statement of changes in equity for the six-month period ended 30 June 2025;
- the condensed consolidated interim statement of cash flows for the six-month period ended 30 June 2025; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.



Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other matter – Comparative Information

The condensed consolidated interim financial information of the Group for the three-month and six-month periods ended 30 June 2024, excluding the adjustments described in note 20 to the condensed consolidated interim financial information, was reviewed by another auditor who expressed an unmodified conclusion on those condensed consolidated interim financial information on 06 August 2024. The consolidated financial statements of the Group as at and for the year ended 31 December 2024, excluding the adjustments described in note 20 to the condensed consolidated interim financial information were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 10 March 2025.

KPMG Lower Gulf Limited

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

Date: **12 AUG 2025**

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

For the six month period ended 30 June 2025 (Unaudited)

	<i>Notes</i>	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
		<i>2025 AED'000</i>	<i>2024 AED'000 (Restated)</i>	<i>2025 AED'000</i>	<i>2024 AED'000 (Restated)</i>
Income from Islamic financing and investing assets		20,516	30,856	41,768	64,272
Fee and commission income		805	870	1,150	1,601
Income on deposits		330	2,578	1,948	3,347
Rental income	7	6,195	3,583	12,298	12,214
Fair value gain on investment properties	7	2,145	5,003	16,603	9,444
Gain on sale of investment properties	7	2,932	9,865	3,312	10,038
Reversal of development properties written down		1,800	950	4,600	2,750
Share of profit of an associate, net of tax	9	713	1,201	2,852	3,328
Share of profit from joint venture	8	35,694	2,799	54,460	5,253
Revenue from development properties	7.1	38,380	7,332	59,537	9,937
Other income	4	1,073	(553)	1,537	1,731
		110,583	64,484	200,065	123,915
Charge of impairments, net		(3,806)	(20,315)	(10,299)	(12,625)
Impairment loss on asset held for sale	9	(21,392)	-	(21,392)	-
Amortisation of fair value gain on investment deposits*	10	(7,310)	(7,946)	(15,536)	(16,024)
Cost of sales of development properties	7.1	(38,380)	(7,332)	(59,537)	(9,937)
Operating expenses		(21,643)	(19,427)	(39,753)	(41,190)
PROFIT BEFORE DISTRIBUTION TO FINANCIERS		18,052	9,464	53,548	44,139
Distribution to financiers*		(20,022)	(17,748)	(34,339)	(33,281)
(LOSS) / PROFIT FOR THE PERIOD BEFORE INCOME TAX		(1,970)	(8,284)	19,209	10,858
Income tax benefit / (expense)	11	1,046	(1,980)	(676)	(3,862)
NET (LOSS) / PROFIT FOR THE PERIOD		(924)	(10,264)	18,533	6,996
Earnings per share attributable to equity holders of the parent:					
Basic earnings per share (AED)	3	(0.002)	(0.008)	0.011	0.002
Diluted earnings per share (AED)	3	(0.002)	(0.008)	0.010	0.002

*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 and term Islamic financing.

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2025 (Unaudited)

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	2025 AED'000	2024 AED'000 <i>(Restated)</i>	2025 AED'000	2024 AED'000 <i>(Restated)</i>
Profit for the period	(924)	(10,264)	18,533	6,996
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translation of foreign operations	1,166	(2,745)	2,062	(58,845)
<i>Item that will not be reclassified to profit or loss:</i>				
Share of other comprehensive income in associates	(269)	686	540	(3,083)
Other comprehensive profit / (loss) for the period	897	(2,059)	2,602	(61,928)
Total comprehensive (loss) / profit for the period	(27)	(12,323)	21,135	(54,932)

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025	31 December 2024
	<i>Notes</i>	AED'000 (Unaudited)	AED'000 (Audited) (Restated)
ASSETS			
Cash and balances with banks	5	103,521	208,611
Islamic financing and investing assets	6	733,316	637,177
Investment properties	7	353,034	376,463
Development properties	7.1	818,119	826,227
Investment in an associate	9	-	218,804
Investment in joint venture	8	65,853	11,393
Other assets		123,609	108,478
Deferred tax asset	11	4,663	2,364
Furniture, fixtures and office equipment		8,725	9,033
Assets held for sale	9	144,659	-
TOTAL ASSETS		2,355,499	2,398,550
LIABILITIES AND EQUITY			
Liabilities			
Investment deposits and other Islamic financing	10	854,105	590,672
Term Islamic financing		181,295	160,306
Employees' end of service benefits		5,886	5,688
Deferred tax liability	11	7,262	5,567
Income tax payable	11	1,706	5,747
Other liabilities		117,872	120,027
Total liabilities		1,168,126	888,007
Equity			
Share capital		1,500,000	1,500,000
Statutory reserve	12	-	307,392
Special reserve	13	-	99,265
Mudaraba Instrument	14	-	70,872
Mudaraba Instrument reserve	14	-	266,448
Cumulative changes in fair value		-	(540)
Foreign currency translation reserve		(99,139)	(391,435)
Accumulated losses		(213,488)	(341,459)
Total equity		1,187,373	1,510,543
TOTAL LIABILITIES AND EQUITY		2,355,499	2,398,550

To the best of our knowledge, the condensed consolidated interim financial statements present fairly, in all material respects, the condensed consolidated interim financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors and signed on their behalf by;



Director



Chief Executive Officer

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2024 (Unaudited)

	<i>Six months ended 30 June</i>	
	2025 AED'000	2024 AED'000 <i>(Restated)</i>
OPERATING ACTIVITIES		
Profit for the period before income tax expense	19,209	10,858
Adjustments for:		
Depreciation	545	540
Share of results of an associate	(2,852)	(3,328)
Share of profit of joint venture	(54,460)	(5,253)
Allowance of impairment, net	10,299	12,625
Impairment on asset held for sale	21,392	-
Fair value gain on investment properties	(16,603)	(9,444)
Reversal of development properties written down	(4,600)	(2,750)
Amortisation of fair value gain on investment deposits	15,536	16,024
Distribution to financiers/investors	34,339	33,281
Other income	(1,538)	(1,731)
Income on deposits	(1,948)	(3,347)
Gain realised on sale of investment properties	(3,311)	(10,038)
Provision for employees' end of service benefit	487	425
Operating profit before changes in operating assets and liabilities:	16,495	37,862
Islamic financing and investing assets	(102,022)	221,969
Other assets	(10,175)	(107,042)
Other liabilities	(28,598)	30,374
Cash (used) / generated from operations	(124,300)	183,163
Employees' end of service benefit paid	(289)	(12)
Income tax paid	(5,405)	(12,853)
Net cash (used in) / generated from operating activities	(129,994)	170,298
INVESTING ACTIVITIES		
Sale proceeds from divestment of shares in associate	55,207	-
Proceeds from sale of available-for-sale investments	-	4,303
Sale proceeds from investment properties	32,564	95,013
Purchase of furniture, fixtures and office equipment	(138)	(206)
Income on deposits	1,837	3,347
Net cash generated from investing activities	89,470	102,457
FINANCING ACTIVITIES		
Receipt of term Islamic financing	37,364	47,189
Profit paid on term Islamic financing	(19,618)	(19,953)
Payment of Investment deposits and other Islamic financing	(69,979)	(46,151)
Profit paid on Investment deposits and other Islamic financing	(12,995)	(13,076)
Directors fee paid	(1,400)	(1,400)
Net cash used in financing activities	(66,628)	(33,391)
(DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(107,152)	239,364
Foreign currency translation reserve	2,062	(58,845)
Cash and cash equivalents at the beginning of the period	173,611	91,431
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	68,521	271,950
Non-cash transactions:		
Profit in kind on Mudaraba instrument	26,020	-

Amlak Finance PJSC and its Subsidiaries

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2024 (Unaudited)

	<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 AED'000</i>
At 1 January 2025	1,500,000	307,392	99,265	70,872	266,448	(540)	(391,435)	(341,460)	1,510,542
Profit for the period	-	-	-	-	-	-	-	18,533	18,533
Other comprehensive income/(loss) for the period	-	-	-	-	-	540	2,062	-	2,602
Total comprehensive income/(loss) for the period	-	-	-	-	-	540	2,062	18,533	21,135
Mudaraba instrument transferred to investment deposits	-	-	-	(70,872)	(266,448)	-	-	-	(337,320)
Adjustment on CCI through equity	-	-	-	-	-	-	-	(25,029)	(25,029)
Fair value adjustment on CCI (Note 11.1)	-	-	-	-	-	-	-	19,445	19,445
Transfer from statutory and special reserve (Note 13,14)	-	(307,392)	(99,265)	-	-	-	-	406,657	-
Director's fee paid (Note 16)	-	-	-	-	-	-	-	(1,400)	(1,400)
Impact of changes in net assets	-	-	-	-	-	-	290,234	(290,234)	-
At 30 June 2025	1,500,000	-	-	-	-	-	(99,139)	(213,488)	1,187,373
At 1 January 2024	1,500,000	302,155	99,265	82,872	311,565	4,222	(418,474)	(257,896)	1,623,709
Profit for the period (Restated)	-	-	-	-	-	-	-	6,996	6,996
Other comprehensive income/(loss) for the period	-	-	-	-	-	(3,083)	(58,845)	-	(61,928)
Total comprehensive income/(loss) for the period (Restated)	-	-	-	-	-	(3,083)	(58,845)	6,996	(54,932)
Director's fee paid (Note 16)	-	-	-	-	-	-	-	(1,400)	(1,400)
At 30 June 2024 (Restated)	1,500,000	302,155	99,265	82,872	311,565	1,139	(477,319)	(252,300)	1,567,777

The attached notes 1 to 20 form part of these condensed consolidated interim financial information.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

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 primarily 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.

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

The condensed consolidated interim financial information comprises of the financial information of Amlak Finance PJSC and its subsidiaries (the “Group”). 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:

Company	Basis for consolidation	Country of incorporation	Percentage of shareholding	
			30 June 2025	31 December 2024
Amlak Finance Egypt Company (S.A.E.)	Subsidiary	Egypt	100%	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	Subsidiary	Egypt	100%	100%

2 ACCOUNTING POLICIES

2.1 ASSESSMENT OF GOING CONCERN ASSUMPTION

For the period ended 30 June 2025, the Group has reported a profit of AED 19 million (30 June 2024: AED 7 million), continuing its positive financial performance. Subsequent to period ended 30 June 2025 the Group significantly improved its liquidity position through successful execution of its asset monetization strategy and settlement of all outstanding financing obligations. As disclosed in the financial statements for the period ended 31 March 2025, the Group faced material uncertainty regarding its ability to meet its future repayment obligations under the restructured Common Term Agreement (“CTA”) dated 17 March 2025. This uncertainty was primarily linked to the need to generate substantial cash flows from asset sales to settle outstanding liabilities to financiers, including amounts arising from the reclassification of the Mudaraba instrument to investment deposits.

These uncertainties have been resolved as follows:

- The Group signed a Sale and Purchase Agreement to divest its Ras Al Khor plots for a total consideration of AED 2.9 billion. The transaction was completed on 23 July 2025, with transfer of ownership and receipt of full proceeds on the same date.
- Using these proceeds, the Group fully settled all remaining obligations to financiers from investment deposits and other Islamic financing on 24 July 2025, amounting to AED 898 million, including accrued profit.
- In addition, the Group successfully executed a partial sale of its investment in an associate in June 2025 and subsequently sold the remaining investment in associate on 31 July 2025.

With the above developments, the Group has completely settled its liabilities under the CTA on 23 July 2025, it holds no remaining obligations under this agreement. The Group is now actively pursuing a new business plan. The Group’s management and Board of Directors have commenced work on a new strategic business plan, leveraging the Group’s strong asset base, capital structure, and market position.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

2 ACCOUNTING POLICIES (continued)

2.1 ASSESSMENT OF GOING CONCERN ASSUMPTION (continued)

Management and the Board of Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future.

These condensed consolidated financial statements for the period ended 30 June 2025 have therefore been prepared on a going concern basis.

2.2 BASIS OF PREPARATION

The condensed consolidated interim financial statements of Amlak Finance PJSC and its subsidiaries (the “Group”) is prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting. The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the financial statements for the year ended 31 December 2024 except for the Group's reassessment of classification of its interest in Warqa Gardens in accordance with IFRS 11 Joint Arrangements (Note 9) and development properties (Note 8.1).

The condensed consolidated interim financial information has been presented in UAE Dirhams (AED) and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

No income of seasonal nature was recorded in the condensed consolidated interim statement of income for six month periods ended 30 June 2025 and 30 June 2024.

2.3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

2.3.1 New and revised IFRS applied with no material effect on the condensed consolidated interim financial statements.

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in the condensed consolidated interim financial information. The application of these revised IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability.

2.3.2 New and revised IFRS in issue but not yet effective.

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements:

New and revised IFRSs	Effective for annual periods beginning on or after
Amendment to IFRS 9 and IFRS 7 relating to classification and measurement of financial instruments	01 January 2026
Annual Improvements to IFRS Accounting Standards – Amendments to: <ul style="list-style-type: none">• IFRS 1 First-time Adoption of International Financial Reporting Standards;• IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;• IFRS 9 Financial Instruments;• IFRS 10 Consolidated Financial Statements; and• IAS 7 Statement of Cash flows	01 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	01 January 2027
Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's financial statements for the period of initial application.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

2 ACCOUNTING POLICIES (continued)

2.4 RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2024.

3 BASIC AND DILUTED PROFIT PER SHARE

	<i>Three months ended 30 June</i>		<i>Six months ended 30 June</i>	
	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited) (Restated)</i>	<i>2025 (Unaudited)</i>	<i>2024 (Unaudited) (Restated)</i>
Profit for the period attributable to ordinary shareholders net of Director's fee and PIK (AED'000)	(2,324)	(12,650)	16,421	3,703
Weighted average number of shares for basic EPS (in thousands)	1,500,000	1,500,000	1,500,000	1,500,000
Effect of dilution: Mudaraba Instrument	-	581,467	207,195	581,467
Weighted average number of ordinary shares adjusted for the effect of dilution	1,500,000	2,081,467	1,707,195	2,081,467
Basic profit per share (AED)	(0.002)	(0.008)	0.011	0.002
Diluted profit per share (AED)	(0.002)	(0.008)	0.010	0.002

4 OTHER INCOME

	<i>Six months ended 30 June</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited) (Restated)</i>
Gain on initial recognition of repossessed properties	-	710
Reversal of liabilities no longer payable	299	414
Others	1,238	607
	1,537	1,731

5 CASH AND BALANCES WITH BANKS

	<i>30 June 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited) (Restated)</i>
Cash on hand	48	48
Balances with banks (Note 5.2)	68,473	173,563
Deposits with banks	35,000	35,000
Cash and balances with banks	103,521	208,611
Less: Restricted cash and deposits Regulatory deposit with no maturity (Note 5.1)	(35,000)	(35,000)
Cash and cash equivalents	68,521	173,611

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

5 CASH AND BALANCES WITH BANKS (continued)

- 5.1 Represents deposits with a local bank under lien to the Central Bank of UAE in accordance with Central Bank regulations for licensing.
5.2 Includes AED 5 million (31 December 2024, AED 69 million) balance with banks in subsidiaries outside UAE.

6 ISLAMIC FINANCING AND INVESTING ASSETS

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>Financing assets:</i>		
Ijarah	615,803	696,548
Forward Ijarah	37,659	37,337
Real estate Murabaha	26,294	8,563
Shirkatul Milk	-	322
Others	17,894	14,255
	697,650	757,025
Allowance for impairment	(195,972)	(189,457)
Total financing assets	501,678	567,568
<i>Investing assets:</i>		
Wakala	231,638	69,609
Total investing assets	231,638	69,609
	733,316	637,177

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

	2025 AED'000 (Unaudited)	2024 AED'000 (Audited)
Within U.A.E.	512,128	434,173
Outside U.A.E.	221,188	203,004
	733,316	637,177

The movement in the allowance for impairment is as follows:

	30 June 2025 AED'000 ECL (Unaudited)	31 December 2024 AED'000 ECL (Audited)
Balance at 1 January	189,457	187,065
Charge for the period / year	20,171	56,576
Recoveries of impairment during the period / year	(1,728)	(9,365)
	18,443	47,211
Amounts written off during the period / year	(13,634)	(53,656)
Exchange and other adjustments	1,706	8,837
Closing balance	195,972	189,457

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

6 ISLAMIC FINANCING AND INVESTING ASSETS (continued)

6.1 Carrying value of exposures by stage.

	<i>Stage 1</i> <i>AED'000</i>	<i>Stage 2</i> <i>AED'000</i>	<i>Stage 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
30 June 2025 (Unaudited)				
Gross Exposure	379,270	186,004	132,376	697,650
Expected Credit Losses	(3,800)	(68,138)	(124,033)	(195,972)
	<u>375,470</u>	<u>117,866</u>	<u>8,343</u>	<u>501,678</u>
31 December 2024 (Audited)				
Gross Exposure	379,882	249,306	127,837	757,025
Expected Credit Losses	(6,907)	(63,699)	(118,851)	(189,457)
	<u>372,975</u>	<u>185,607</u>	<u>8,986</u>	<u>567,568</u>

7 INVESTMENT PROPERTIES

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited) (Restated)
At 1 January	376,463	441,656
Additions during the period/year	525	38,721
Disposals during the period/year	(42,067)	(116,470)
Fair value gain on investment properties during the period / year	16,603	12,632
Foreign exchange fluctuation during period / year	22	(62)
Reversal / (Charge) of provision on foreclosed properties during the period / year	1,488	(14)
At period/year end	<u>353,034</u>	<u>376,463</u>

Investment properties consist of land, labour camps 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 and Egypt. Investment properties are categorized as Level 3 for fair value measurement as they have been derived using the comparable price approach based on comparable transactions for similar properties. Sale prices of comparable properties in proximity are adjusted for differences in the key attributes such as property size and location. The most significant input into this valuation approach is the estimated price per square foot for each given location. There were no transfers into or out of the Level 3 category during the year.

Valuation technique used for investment properties in the joint venture -Warqa Garden Project – has been derived using the comparable price approach based on comparable transactions for similar properties. Inputs used by valuator include sale price range from AED 80 to AED 115 per sq ft for GFA for mixed use plots, It have been adopted a rate of AED112 per sq ft of GFA for the mixed use and residential plots for Warqa Garden Project, For the School and Showroom plots, it have been adopted a premium rate of AED275 and AED 335 per sq ft, respectively.

During the six month period ended 30 June 2025 the Group acquired investment properties for AED 0.53 million (30 June 2024: AED 24 million) and disposed of investment properties for AED 42 million (30 June 2024: AED 83 million).

As at 30 June 2025, investment properties having fair value of AED 1,049 million (31 December 2024: AED 1,060 million) are mortgaged / assigned in favor of the security agent as part of the restructuring (Note 10).

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

7 INVESTMENT PROPERTIES (continued)

	<i>Six months ended 30 June</i>	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Rental income derived from investment properties	12,298	12,214
Direct operating expenses (including repairs and maintenance) generating rental income	(5,248)	(6,118)
Profit rising from investment properties carried at fair value	7,050	6,096

Previously, rental income, fair value gain on investment properties, and gain on sale of investment properties were presented under a single line item 'Income from Investment Properties, net'. However, these have now been presented separately on the face of the income statement

7.1 Reclassification of Investment Properties

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 23 million were recorded in the Group's interim financial statements for the half-year ended 30 June 2024 and AED 8 million during the period ended 31 March 2025. As of 31 December 2024, the aggregate appraised value of the plots (based on individual pricing mechanism by external valuator is AED 782 million.

During the interim period ended 30 June 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.

As a result of this change:

- The property is to measure at the lower of cost or net realizable value (NRV), consistent with IAS 2.
- The classification of the property has been changed from Investment Property to Development Property.
- The change has been applied retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.
- Fair value gains previously recognized (AED 48 million in total) have been reversed in the restated comparative figures.

The property was sold in July 2025 for AED 2.9 billion. Based on the revised cost basis of AED 734 million, a gain on sale will be recognized in the financial statements for the period ending 30 September 2025.

During the interim period ended 30 June 2025, following further evaluation, management reassessed the classification of the properties 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 30 June 2025 is AED 83.58 million (31 December 2024: AED 91.684 million) and generated income during the period ended 30 June 2025 of AED 59.537 million (30 June 2024: AED 9.937 million) and cost of sale of AED 59.537 million (30 June 2024: AED 9.937 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.

8 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. 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:

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six month period ended 30 June 2024 (Unaudited)

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited) (Restated)
Investment properties	21,726	13,898
Development properties	19,274	22,766
Cash and balances with banks	65,403	29,657
Other assets – receivables	96,743	110,792
Other liabilities	(113,717)	(102,666)
Net Assets	89,429	74,447
Adjustments for difference in accounting policies	(23,576)	(63,054)
Investment in joint venture	65,853	11,393

	Six months ended 30 June	
	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited) (Restated)
Revenue	34,187	113,417
Operating expenses	(16,200)	(61,450)
Other expenses	(1,541)	(5,646)
Corporate tax	(1,464)	-
Profit for the period	14,982	46,321
Adjustments for difference in accounting policies	39,478	(41,068)
Share of profit from joint venture	54,460	5,253

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Investment in associate	144,659	-
	<u>144,659</u>	<u>-</u>

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.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

9 ASSETS HELD FOR SALE (continued)

The investment is measured at lower of carrying amount and fair value less cost to sell. A fair value adjustment loss of AED 21.4 million was recognised in the income statement under "Impairment on asset held for sale" for the period ended 30 June 2025. Until the reclassification date, the Group's profit of share from associate was AED 2.9 million. The carrying amount of the investment at reclassification was AED 222 million.

	<i>Percentage holding</i>		<i>30 June 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
	<i>2025</i>	<i>2024</i>		
Amlak International Finance Company, Saudi Arabia	13.01%	18.35%	144,659	218,804
				<i>30 June 2025 AED'000 (Unaudited)</i>
Carrying value at 1 January				218,804
Share of profit till reclassification as held for sales assets				2,852
Other comprehensive loss till reclassification held for sales assets				(47)
Exchange gain				239
Sale of shares during the period				(55,797)
Impairment loss recognized				(21,392)
				144,659

10 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING

	<i>Frequency of instalments</i>	<i>Final instalment date</i>	<i>Profit rate</i>	<i>30 June 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
Purchase price payable	Monthly	25 March 2026	EIBOR + 2%	539,761	609,740
Deferred sale consideration (Note 13)		25 September 2026	1%	337,321	-
				877,082	609,740
				(22,977)	(19,068)
Unamortised fair value adjustment (Note 10.1)				854,105	590,672

Investments deposits and other Islamic financing are secured against assignment and mortgages over the Group's investment properties located in UAE (Note 8), assignment of insurance, pledge over bank accounts (Note 6), assignment of rights to receive payments in connection with the Islamic financing and investing assets portfolio and corporate guarantees of the Group's subsidiaries. Securities offered would be held by a security agent on behalf of financiers.

10.1 Unamortised fair value adjustment

	<i>30 June 2025 AED'000 (Unaudited)</i>	<i>31 December 2024 AED'000 (Audited)</i>
At 1 January	19,068	76,213
Amortisation charged for the period / year – regular	(15,536)	(31,302)
Amortisation charged for the period / year – voluntary prepayment		(17,347)
Amortisation charged for the period / year - debt settlement		(8,496)
Fair value adjustment on CCI deferred sale consideration	19,445	-
	22,977	19,068

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

10 INVESTMENT DEPOSITS AND OTHER ISLAMIC FINANCING (continued)

10.1 Unamortised fair value adjustment (continued)

The nature of the Company's deposits was significantly changed due to the restructuring undertaken in 2014, resulting in a fixed obligation to be paid to the Commercial Financiers and Liquidity Support Providers. In accordance with IFRS, due to the substantial changes in the terms of the investment deposits through the restructuring, a fair valuation assessment of the restructured obligations was performed based on the net present value of the contracted cash flows. As at 25 November 2014, the restructured obligations were initially recognised at fair value in the statement of financial position giving rise to AED 911 million of fair value gain which was recorded in the consolidated statement of income.

In September 2020, the Company again undertook restructuring of deposits of Commercial financiers; the face value of the restructured fixed obligations at period end is AED 4,219 million. Upon revised restructuring, repayment behavior was significantly changed resulting in scheduled and non-scheduled instalment payments linked to sale of certain investment properties.

The fair value adjustment is calculated using the original effective finance rate of 4.89%. The cumulative value of fair value gain amortised till 30 June 2020 was AED 627 million (31 December 2019: AED 584 million) giving a residual fair value gain of AED 284 million as at 30 June 2020 (31 December 2019: AED 328 million). However, upon restructuring in 2020, this residual fair value gain as at 30 June 2020 was increased to AED 497 million which will be fully reversed out over the repayment period till October 2026, with a resulting charge to the consolidated statement of income each year.

The obligations are subsequently to be measured at amortised cost using the effective finance rate method.

Restructured investment deposits and other Islamic financing are secured against assignment and mortgage over the Group's investment properties located in UAE (note 8), assignment of insurances, pledge over bank accounts (note 6), assignment of rights to receive payments in connection with the Islamic financing and investing assets portfolio and corporate guarantees of the Group's subsidiaries. Securities offered would be held by a security agent on behalf of the financiers.

Upon signing the restructured Common Terms Agreement with financiers effective from 17 March 2025, the Mudaraba Instrument (Contingent Convertible Instrument "CCT") has been derecognised from equity and recorded as investment deposits. As per the revised terms agreed, the Mudaraba Instrument is no longer convertible to shares and has a fixed payment schedule, with final repayment due by 25 September 2026. The instrument has a profit rate of 1%. The accumulated profit in kind of AED 26 million has been recorded under other liabilities as at 30 June 2025 and the corresponding adjustment has been made in equity.

11 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.

It is not currently foreseen that the Group's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in the financial year 2025.

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.

11.1 Income tax expense

	<i>Six months ended 30 June</i>	
	<i>2025 AED'000 (Unaudited)</i>	<i>2024 AED'000 (Unaudited) (Restated)</i>
Current Tax	1,280	3,179
Deferred Tax	(604)	683
Income tax expense	676	3,862

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

11 TAXATION (continued)

11.2 Provision for taxation

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Balance at 1 January	5,747	20,335
Addition during the period / year.	1,293	7,489
Paid during the period / year.	(5,405)	(12,853)
Foreign exchange effect	71	(9,224)
Closing Balance	1,706	5,747
Deferred tax liability on investment properties	7,262	5,567
Deferred tax asset on unrealised FCTR	-	(2,365)
Deferred tax asset on initial recognition of fair value	(1,436)	-
Deferred tax asset on losses for the period	(3,227)	-

The Group's consolidated effective tax rate in respect of continuing operations for the 6 months ended 30 June 2025 was (2.48) percent (6 months ended 30 June 2024: 9.7 percent).

12 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 period ended 30 June 2025.

13 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 period ended 30 June 2025.

14 MUDARABA INSTRUMENT

	30 June 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Mudaraba Instrument (nominal value)	-	337,320
Mudaraba Instrument Reserve	-	(266,448)
Mudaraba Instrument (carrying value)	-	70,872

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.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

14 MUDARABA INSTRUMENT (continued)

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

The Mudaraba Instrument was recorded at fair value at the time of issuance. The difference between the fair value of the Mudaraba Instrument and the carrying value of the deposits it replaced of AED 1,027 million was recorded as a gain in the 2014 income statement as required by IFRS. Subsequent to initial recognition, the carrying value of the Mudaraba Instrument will not be re-measured. The fair value gain of AED 1,027 million on initial recognition of the Mudaraba Instrument was transferred from accumulated losses to the Mudaraba Instrument reserve. This reserve will be utilized in the event of any repayment of the Mudaraba Instrument or on issue of shares in the Company on maturity of the Mudaraba Instrument. Any difference between the par value of shares issued on conversion and the carrying value of the Mudaraba Instrument and Mudaraba Instrument reserve will be posted to retained earnings / accumulated losses.

The fair value of the Mudaraba Instrument was determined based on management's best estimate of the expected cash flows that will arise, discounted at the Company's cost of equity. For this purpose, management assumed that the Mudaraba Instrument will be redeemed, in full, in year 12 and the PIK charge for the 12 year period will be settled on the same date.

The fair value of the Mudaraba Instrument was calculated using a cost of equity of 14.96% calculated under the Capital Assets Pricing Model wherein the risk free return was based on UAE Government's long term bond; levered beta was based on comparable company's beta within similar businesses and a market risk premium was based on current market conditions which reflects the additional expected return over a risk free investment.

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 (Note 10).

15 SEGMENTAL INFORMATION

For management purposes, the Group is organised into six business segments, real estate finance (comprising of financing and investing activities), real estate investment (comprising of property transactions), corporate finance investment (comprising of corporate finance investment).

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 six month period ended 30 June are as follows:

30 June 2025 (Unaudited):

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
Operating income	18,841	152,481	28,743	200,065
Allowances for impairment	(9,676)	-	(623)	(10,299)
Impairment on asset held for sale	-	-	(21,392)	(21,392)
Amortisation of initial fair value gain on deposits	(6,188)	(6,731)	(2,617)	(15,536)
Cost of sales of development property	-	(59,537)	-	(59,537)
Expenses (including allocated expenses)	(11,546)	(24,698)	(3,509)	(39,753)
Distribution to financiers	(6,215)	(5,681)	(22,443)	(34,339)
Income tax expense	603	(614)	(665)	(676)
(Loss) / Profit for the period	<u>(14,181)</u>	<u>55,220</u>	<u>(22,506)</u>	<u>18,533</u>

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

15 SEGMENTAL INFORMATION (continued)

Operating segments (continued):

30 June 2024 (Unaudited) (Restated):

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
Operating income	46,549	46,311	31,055	123,915
Allowances for impairment	(12,318)	-	(307)	(12,625)
Amortisation of initial fair value gain on deposits	(8,123)	(5,808)	(2,093)	(16,024)
Cost of sales of development property	-	(9,937)	-	(9,937)
Expenses (including allocated expenses)	(13,458)	(23,767)	(3,965)	(41,190)
Distribution to financiers	(6,584)	(4,708)	(21,989)	(33,281)
Income tax	(1,696)	(1,500)	(666)	(3,862)
Profit/ (loss) for the period	<u>4,370</u>	<u>591</u>	<u>2,035</u>	<u>6,996</u>

Segment assets and liabilities:

The following table presents segment assets and liabilities of the Group as at 30 June 2025 and 31 December 2024:

	<i>Real Estate Finance AED'000</i>	<i>Real Estate Investment AED'000</i>	<i>Corporate Finance Investment AED'000</i>	<i>Total AED'000</i>
30 June 2025 (Unaudited):				
Segment assets	<u>638,368</u>	<u>1,364,190</u>	<u>352,941</u>	<u>2,355,499</u>
Segment liabilities	<u>966,788</u>	<u>16,357</u>	<u>184,981</u>	<u>1,168,126</u>
31 December 2024 (Audited) (Restated):				
Segment assets	<u>624,548</u>	<u>1,366,021</u>	<u>407,981</u>	<u>2,398,550</u>
Segment liabilities	<u>697,296</u>	<u>21,908</u>	<u>168,803</u>	<u>888,007</u>

16 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. 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:

30 June 2025 (Unaudited):

	<i>Major* shareholders AED'000</i>	<i>Other related parties AED'000</i>	<i>Total AED'000</i>
Investment deposits	37,048	46,736	83,784
Financing and investing assets**	-	748	748
Other liabilities	<u>1,122</u>	<u>1,417</u>	<u>2,539</u>

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

16 RELATED PARTY TRANSACTIONS (continued)

31 December 2024 (Audited):

	Major shareholders AED '000	Other related parties AED '000	Total AED '000
Investment deposits	25,764	32,490	58,254
Financing & investing assets**	-	828	828
Other liabilities	18	20	38
Mudaraba instrument	14,240	17,975	32,215

Transactions with related parties included in the statement of income are as follows:

	Directors AED '000	Other Major shareholders AED '000	related parties AED '000	Total AED '000
30 June 2025 (Unaudited)				
Income from Islamic financing and investing assets**	-	-	6	6
Distribution to financiers	-	596	752	1,348
Sitting fee	150	-	-	150
30 June 2024 (Unaudited)				
Income from Islamic financing and investing assets**	-	-	7	7
Distribution to financiers / investors	-	469	592	1,061
Sitting fee	150	-	-	150

*The major shareholder is Emaar Properties PJSC.

**Other related parties include employees of the Group which donot 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.

Compensation of key management personnel

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

	30 June 2025 AED '000 (Unaudited)	30 June 2024 AED '000 (Unaudited)
Salaries and other benefits	8,428	8,680
	8,428	8,680

17 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.

Contingencies

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, a provision of AED nil (2024: AED 0.45 million) that has been made.

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

For the six month period ended 30 June 2024 (Unaudited)

18 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The maturity analysis of assets, liabilities and off balance sheet items is 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 the period end.

At 30 June 2025 (Unaudited)

	<i>Up to 1 year</i>			<i>Total up to 1 year</i>	<i>1 year to 5 years</i>	<i>Over 5 years</i>	<i>Items with no maturity</i>	<i>Total</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>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Assets								
Cash and balances with banks	68,521	-	-	68,521	-	-	35,000	103,521
Islamic financing and investing assets	217,941	82,786	56,872	357,599	180,565	195,152	-	733,316
Investment properties	-	-	-	-	-	-	353,034	353,034
Development properties	734,543	-	-	734,543	-	-	83,576	818,119
Investments in joint venture	-	-	-	-	-	-	65,853	65,853
Other assets	8,729	4,985	7,385	21,099	102,510	-	-	123,609
Deferred tax asset	4,663	-	-	4,663	-	-	-	4,663
Furniture, fixture, and office equipment	-	-	-	-	-	-	8,725	8,725
Asset held for sale	144,659	-	-	144,659	-	-	-	144,659
Total assets	1,179,056	87,771	64,257	1,331,084	283,075	195,152	546,188	2,355,499
Liabilities								
Investment deposits and other								
Islamic financing	68,117	340,588	231,599	640,304	213,801	-	-	854,105
Term Islamic financing	8,190	18,172	35,428	61,790	93,050	26,455	-	181,295
Employees' end of service benefits	-	-	-	-	-	-	5,886	5,886
Deferred tax liabilities	7,262	-	-	7,262	-	-	-	7,262
Income tax payable	342	-	1,364	1,706	-	-	-	1,706
Other liabilities	22,968	21,894	41,436	86,298	31,574	-	-	117,872
Total liabilities	106,879	380,654	309,827	797,360	338,425	26,455	5,886	1,168,126
Commitments	-	-	-	-	-	-	-	-
Net liquidity gap	1,072,177	(292,883)	(245,570)	533,724	(55,350)	168,697	540,302	1,187,373
Cumulative net liquidity gap	1,072,177	779,294	533,724	533,724	478,374	647,071	1,187,373	1,187,373

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION *(continued)*

For the six month period ended 30 June 2024 (Unaudited)

18 MATURITY ANALYSIS OF ASSETS AND LIABILITIES *(continued)*

31 December 2024 (Audited) (Restated)

	<i>Up to 1 year</i>			<i>Total up to 1 year</i>	<i>1 year to 5 years</i>	<i>Over 5 years</i>	<i>Items with no maturity</i>	<i>Total</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>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Assets								
Cash and balances with banks	106,618	-	-	106,618	66,993	-	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
Investment in joint venture	-	-	-	-	-	-	11,393	11,393
Other assets	4,451	9,707	21,952	36,110	72,368	-	-	108,478
Deferred tax asset	2,364	-	-	2,364	-	-	-	2,364
Furniture, fixture and office equipment	-	-	-	-	-	-	9,033	9,033
Total assets	195,691	51,464	84,866	332,021	326,877	262,732	1,476,920	2,398,550
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	5,567	-	-	5,567	-	-	-	5,567
Income tax payable	-	-	5,747	5,747	-	-	-	5,747
Other liabilities	5,171	19,364	23,125	47,660	72,367	-	-	120,027
Total liabilities	52,646	71,057	470,171	593,874	279,909	8,536	5,688	888,007
Commitments	-	-	-	-	-	-	-	-
Net liquidity gap	143,045	(19,593)	(385,305)	(261,853)	46,968	254,196	1,471,232	1,510,543
Cumulative net liquidity gap	143,045	123,452	(261,853)	(261,853)	(214,885)	39,311	1,510,543	1,510,543

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

19 SUBSEQUENT EVENT

Sale of Investment in Associate

After 30 June 2025, the Group sold its remaining 13.264 million shares in Amlak International Finance Company Saudi Arabia (Note 10) at AED 141 million. The transaction was completed in July 2025, and the financial impact will be reflected in the next reporting period.

Sales of Ras Al Khor Property and Settlement of Investment Deposits and Islamic Financing

Subsequent to period ended 30 June 2025, the Group completed the sale of the Ras Al Khor property for AED 2.9 billion in July 2025. Financial impact of the transaction will be recorded during the period ended 30 September 2025. Additionally, the Group fully settled its investment deposits and other Islamic financing subsequent to period ended 30 June 2025 on 24 July 2025.

20 COMPARATIVE INFORMATION

During the current reporting period, 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 period / year 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 condensed consolidated interim statement of financial position and the share of profit or loss is presented in the condensed consolidated interim statement of income statement and condensed consolidated interim statement of cash flows. Further, the Group has also restated the condensed consolidated interim statement of cash flows in respect of restricted cash balance which was previously accounted for on proportionate consolidation basis and has now been derecognised in line with the JV accounting adopted by the Group.

During the interim period ended 30 June 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 period 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. Accordingly, fair value gains of AED 23 million for the six month period ended 30 June 2024 and AED 13 million for three month period ended 30 June 2024 respectively. As at 31 December 2024 the plots were carried at AED 782 million.

During the interim period ended 30 June 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 reclassification has been accounted for as a restatement of prior period figures to reflect the revised accounting treatment. Comparative figures have been adjusted accordingly.

During the interim period ended 30 June 2025, the Group reclassified the Wakala placement in the statement of cash flows from investing activities to operating activities.

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

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

20 COMPARATIVE INFORMATION (continued)

Condensed consolidated interim statement of financial position	Previously reported 31 December 2024	Restatement	Restated 31 December 2024
	AED, 000	AED, 000	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	-	11,393	11,393
Other assets	146,902	(38,424)	108,478
Deferred tax asset	-	2,364	2,364
Furniture, fixtures and office equipment	9,033	-	9,033
Total Assets	2,537,194	(138,644)	2,398,550
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	3,203	2,364	5,567
Income tax payable	-	5,747	5,747
Other liabilities	219,125	(99,098)	120,027
Total Liabilities	978,994	(90,987)	888,007
Accumulated losses	(293,802)	(47,657)	(341,459)
Others	1,852,002	-	1,852,002
Total equity	1,558,200	(47,657)	1,510,543
Total liabilities and equity	2,537,194	(138,644)	2,398,550

Condensed consolidated interim statement of income for six month period ended	Previously reported 30 June 2024	Restatement (Unreviewed)	Restated 30 June 2024
	AED, 000	AED, 000	AED, 000
Income from Islamic financing and investing assets	64,272	-	64,272
Fee and commission income	1,601	-	1,601
Income on deposits	5,604	(2,257)	3,347
Rental income	12,214	-	12,214
Gain on sale of investment properties	19,075	(9,037)	10,038
Fair value gains on investment properties	35,194	(25,750)	9,444
Reversal of development properties written down	-	2,750	2,750
Share of profit of an associate	3,328	-	3,328
Share of profit from joint venture	-	5,253	5,253
Revenue from development properties	-	9,937	9,937
Other income	2,446	(715)	1,731
	143,734	(19,819)	123,915
(Charge) / reversal of impairments, net	(12,625)	-	(12,625)
Amortisation of initial fair value gain on investment deposits	(16,024)	-	(16,024)
Cost of sales of development properties	-	(9,937)	(9,937)
Operating expenses	(47,946)	6,756	(41,190)
Profit before distribution to financiers	67,139	(23,000)	44,139
Distribution to financiers	(33,281)	-	(33,281)
Profit for the period before income tax	33,858	(23,000)	10,858
Income tax expense	(3,862)	-	(3,862)
Net profit for the period	29,996	(23,000)	6,996

Amlak Finance PJSC and its Subsidiaries

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(continued)

For the six month period ended 30 June 2024 (Unaudited)

20 COMPARATIVE INFORMATION (continued)

Condensed consolidated interim statement of income for three month period ended	Previously reported 30 June 2024	Restatement (Unreviewed)	Restated 30 June 2024
	AED, 000	AED, 000	AED, 000
Income from Islamic financing and investing assets	30,856	-	30,856
Fee and commission income	870	-	870
Income on deposits	4,289	(1,711)	2,578
Rental income	3,583	-	3,583
Gain on sale of investment properties	15,235	(5,370)	9,865
Fair value gains on investment properties	19,453	(14,450)	5,003
Reversal of development properties written down	-	950	950
Share of profit of an associate	1,201	-	1,201
Share of profit from joint venture	-	2,799	2,799
Revenue from development properties	-	7,332	7,332
Other income	548	(1,101)	(553)
	76,035	(11,551)	64,484
(Charge) / reversal of impairments, net	(20,315)	-	(20,315)
Amortisation of initial fair value gain on investment deposits	(7,946)	-	(7,946)
Cost of sales of development properties	-	(7,332)	(7,332)
Operating expenses	(24,809)	5,382	(19,427)
Profit before distribution to financiers	22,965	(13,501)	9,464
Distribution to financiers	(17,748)	-	(17,748)
Profit / (loss) for the period before income tax	5,217	(13,501)	(8,284)
Income tax expense	(1,980)	-	(1,980)
Net profit / (loss) for the period	3,237	(13,501)	(10,264)

Statement of cash flows	Previously reported (30 June 2024)	Restatement (Unreviewed)	Restated 30 June 2024
	AED, 000	AED, 000	AED, 000
Net cash generated from operating activities	143,425	26,873	170,298
Net cash generated from investing activities	129,330	(26,873)	102,457
Net cash used in financing activities	(33,391)	-	(33,391)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	271,950	-	271,950

There is an impact on the Group's basic or diluted EPS and in the condensed consolidated interim statement of changes in equity for the period ended 30 June 2024 due to the restatements.

	Three months ended 30 June		Six months ended 30 June	
	2024 (Unaudited) (As previously reported)	2024 (Unaudited) (Restated)	2024 (Unaudited) (As previously reported)	2024 (Unaudited) (Restated)
Basic earnings per share (AED)	0.001	(0.008)	0.019	0.002
Diluted earnings per share (AED)	0.001	(0.008)	0.014	0.002