

**Emaar Development PJSC
and its Subsidiaries**

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

Emaar Development PJSC and its Subsidiaries

Consolidated Financial Statements For the year ended 31 December 2025

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DIRECTORS' REPORT

The Board of Directors of Emaar Development PJSC (the "Company") has the pleasure in submitting the consolidated statement of financial position of the Company and its subsidiaries (the "Group") as at 31 December 2025 and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended 31 December 2025.

Principal activities

The principal activities of the Group are property development and to provide development management services in the UAE.

Our performance in 2025

The Group has recorded its highest ever property sales of AED 71.1 billion (including joint ventures and development agreements) in 2025 led by 48 successful project launches across existing and new masterplans which is testament of customers' trust in the Emaar brand. The Group now has a significant revenue backlog of over AED 125.2 billion (including joint ventures and development agreements) to be recognised as revenue over the coming years and robust development pipeline which is the backbone for delivering sustainable future growth.

The Group has recorded a highest ever net profit (after tax) attributable to the owners of the Company of AED 11.3 billion for the year ended 31 December 2025.

In accordance with the Articles of Association of the Company and UAE Federal Decree Law No. (32) of 2021, as amended, the transfer to legal reserve from the distributable profit has been suspended as the reserve has reached 50% of the paid-up share capital.

The Board of Directors of the Company has proposed a cash dividend of AED 1 per share (100% of share capital), which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

The balance of the distributable profit after proposed dividend (subject to approval of the shareholders at the Annual General Meeting) will be transferred to retained earnings. Total equity attributable to the owners of the Company as at 31 December 2025 amount to AED 37.3 billion prior to proposed dividend.

Outlook for 2026

In 2026, the Group is positioned to leverage its sustained momentum and operational strength. Our robust revenue visibility, backed by a significant backlog, provides a resilient foundation for the year ahead. We remain disciplined in our focus on execution excellence, ensuring the timely delivery of our curated development pipeline. Our strategy continues to expand our portfolio by introducing innovative products and new masterplans setting the platform for future growth and long-term value creation for our shareholders, driving growth that aligns with Dubai's strategy and ambitions.

DIRECTORS' REPORT (continued)

Transactions with related parties

The consolidated financial statements disclose related party transactions and balances in note 27. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

Directors

Mr. Adnan Kazim	(Chairman)
Dr. Ayesha Binloutah	(Vice Chairman)
Mr. Mohamed Ali Alabbar	(Executive Board Director)
Mr. Jamal Majid Bin Theniyah	(Director)
Mr. Ahmed Jawa	(Director)
Mr. Mohammad Al Muallem	(Director)
Mr. Ali Ibrahim	(Director)

Auditors

Ernst & Young ("EY") were appointed as external auditors of the company for the year ended 31 December 2025. The Board of Directors has recommended EY as the auditors for 2026 for approval by the shareholders at the forthcoming Annual General Meeting.

On behalf of the Board



Adnan Kazim
Chairman
Dubai, United Arab Emirates

12 February 2026

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMAAR DEVELOPMENT PJSC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Emaar Development PJSC (the “Company”) and its Subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the “*Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements*” section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated 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 for the year ended 31 December 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EMAAR DEVELOPMENT PJSC (continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Revenue recognition on sale of development properties (“properties”)	
<i>See Note 2.2, 2.4 and 4 to the consolidated financial statements.</i>	
<p>The Group recognises revenue on sale of properties in accordance with IFRS 15 “Revenue from Contracts with Customers”.</p> <p>The Group recognises revenue on sale of properties either at a point in time or over time depending on the terms of contracts with its customers and the relevant laws and regulations of the jurisdiction in which it has entered into the contract with its customers.</p> <p>Revenue recognition on sale of properties was considered a key audit matter due to the following key elements of judgement and estimation involved that warrant additional audit focus:</p> <ul style="list-style-type: none"> • determining whether the performance obligations are satisfied over time or at a point in time; and • estimation of total costs required to meet the performance obligations under the contracts with customers and for performance obligations satisfied over time, recognise revenue in proportion to the extent of costs incurred to total estimated costs. 	<ul style="list-style-type: none"> • We assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with International Financial Reporting Standards (“IFRS”); • We obtained an understanding of the revenue process by performing walkthroughs with process owners; • We performed test of design and implementation of relevant controls; • On a sample basis, we inspected the contracts for sale of properties to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time based on the criteria specified under IFRS 15; • On a sample basis, we assessed the appropriateness of percentage of completion of the construction of properties by reference to costs incurred to date compared to the estimated total costs, where the performance obligation is satisfied over time; • On a sample basis, we tested the total estimated cost to complete through the management appointed external cost consultant’s report, supporting agreements, retrospective evaluation of budgets and other relevant information. We also evaluated, on a sample basis, the qualifications and competence of the management appointed external cost consultants; • For costs incurred to date, we tested, on a sample basis, significant items of cost components by comparing the costs to the relevant supporting documents including payment certificates; • We assessed the adequacy of the Group's disclosure in relation to the requirements of IFRS 15.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EMAAR DEVELOPMENT PJSC (continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
Assessment of net realisable value and recoverable amount (“the value”) of development properties (“properties”)	
<i>Refer to notes 2.2, 2.4, and 13 to the consolidated financial statements</i>	
<p>The Group owns development properties (including completed projects and those under construction)</p> <p>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>Valuing these properties involves significant judgment, based on various assumptions and prevailing market conditions.</p> <p>The Group engages professionally qualified management appointed valuers to assess the value for a substantial portion of its properties. This process of assessment of the value involves significant judgement in estimating the underlying assumptions to be applied.</p> <p>Considering the uncertainty surrounding the net realizable value of the Group's properties, management is required to carefully monitor the underlying assumptions, assess their impact on property values, and make significant estimates and judgments. This area warrants focused attention, due to the estimates and judgments involved.</p>	<ul style="list-style-type: none"> • We assessed the design and implementation of controls over the process involved in the determination of the valuation of the properties; • We assessed the identification of impairment indicators by the management and evaluated management's process of determination of net realisable values and recoverable amounts; • We involved our real estate valuation specialists, who on a sample basis, assessed the valuation methodologies used by the management specialists in the valuation process and evaluated the assumptions for key estimates of sales price, cost to complete used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors; • We performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the valuations provided by the management; • Evaluated the competence, independence and scope of external valuers; on a sample basis, tested the source data provided to the external valuers; and • Assessed the adequacy of disclosures in the consolidated financial statements in accordance with the requirement of IFRSs.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 14 February 2025.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMAAR DEVELOPMENT PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

Other information consists of the information included in the Integrated Annual Report (including Directors' Report), and does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Integrated Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action in accordance with ISAs.

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 in compliance with the applicable provisions of the Company's Memorandum of Association and UAE Federal Law No. 32 of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF EMAAR DEVELOPMENT PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
EMAAR DEVELOPMENT PJSC (continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- i. the Group has maintained proper books of account;.
- ii. we have obtained all the information we considered necessary for the purposes of our audit; the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021, as amended;
- iii. the financial information included in the Directors' report is consistent with the consolidated books of account of the Group;
- vi. investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 1 to the consolidated financial statements;
- v. note 27 to the consolidated financial statements reflects material related party transactions and the terms under which they were conducted;
- vi. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021, as amended, which would have a material impact on its activities or its consolidated financial position as at the date of issuance of this report; and
- vii. note 5 to the consolidated financial statements reflects the social contributions made during the year.

For Ernst & Young Middle East (Dubai Branch)



Ali Hasan
Registration No. 5864

12 February 2026

Dubai, United Arab Emirates

Emaar Development PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

		(US\$ 1.00 = AED 3.673)	
	Notes	2025 AED'000	2024 AED'000
Revenue	4	27,485,826	19,146,613
Cost of revenue	4	(11,948,347)	(8,490,029)
GROSS PROFIT		15,537,479	10,656,584
Selling, general and administrative expenses	5	(2,118,942)	(1,609,126)
Finance income	6	1,458,864	1,159,526
Finance costs	7	(284,189)	(401,789)
Other income	8	182,482	173,665
Share of results of joint ventures	15	716,850	194,167
PROFIT BEFORE TAX		15,492,544	10,173,027
Income tax expense	9	(1,885,262)	(486,367)
NET PROFIT FOR THE YEAR		13,607,282	9,686,660
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,607,282	9,686,660
ATTRIBUTABLE TO:			
Owners of the Company		11,316,189	7,633,219
Non-controlling interests	31	2,291,093	2,053,441
		13,607,282	9,686,660
Earnings per share attributable to the owners of the Company:			
- basic and diluted earnings per share (AED)	24	2.83	1.91

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Emaar Development PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

(US\$ 1.00 = AED 3.673)

		2025 AED'000	2024 AED'000
	Notes		
ASSETS			
Bank and cash balances	10	41,309,753	23,569,621
Trade and unbilled receivables	11	7,566,550	11,457,373
Other assets, receivables, deposits, and prepayments	12	7,995,675	6,091,832
Development properties	13	21,485,928	16,520,243
Loans to joint ventures	14	841,178	804,274
Investments in joint ventures	15	1,669,926	964,069
Property, plant and equipment	16	13,385	13,665
Right-of-use assets	17	11,883	-
TOTAL ASSETS		80,894,278	59,421,077
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	18	10,148,876	6,901,874
Advances from customers	19	25,583,078	19,210,472
Income tax payable	9	2,228,429	486,367
Retentions payable	20	1,616,260	1,176,424
Interest-bearing loans and borrowings	21	3,673	3,673
Provision for employees' end-of-service benefits		29,160	26,977
TOTAL LIABILITIES		39,609,476	27,805,787
EQUITY			
Equity attributable to owners of the Company			
Share capital	22	4,000,000	4,000,000
Reserves	23	2,293,215	2,000,150
Retained earnings		30,980,707	22,388,418
		37,273,922	28,388,568
Non-controlling interests	31	4,010,880	3,226,722
TOTAL EQUITY		41,284,802	31,615,290
TOTAL LIABILITIES AND EQUITY		80,894,278	59,421,077

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2025.

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



Director



Director

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Emaar Development PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

(US \$1.00 = AED 3.673)

	<i>Attributable to the owners of the Company</i>				<i>Non-</i>	
	<i>Share capital AED'000</i>	<i>Reserves AED'000</i>	<i>Retained earnings AED'000</i>	<i>Total AED'000</i>	<i>controlling interests AED'000</i>	<i>Total equity AED'000</i>
Balance as at 1 January 2025	4,000,000	2,000,150	22,388,418	28,388,568	3,226,722	31,615,290
Net profit for the year	-	-	11,316,189	11,316,189	2,291,093	13,607,282
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	11,316,189	11,316,189	2,291,093	13,607,282
Directors' bonus (note 27)	-	-	(3,900)	(3,900)	-	(3,900)
Dividend paid to shareholders (note 29)	-	-	(2,720,000)	(2,720,000)	-	(2,720,000)
Dividend paid by a subsidiary (note 31)	-	-	-	-	(1,800,000)	(1,800,000)
Incorporation of new subsidiary (note 2.1 (i) & 23)	-	293,065	-	293,065	293,065	586,130
Balance as at 31 December 2025	4,000,000	2,293,215	30,980,707	37,273,922	4,010,880	41,284,802

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Emaar Development PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the year ended 31 December 2025

(US \$1.00 = AED 3.673)

	<i>Attributable to the owners of the Company</i>				<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>Share capital</i> <i>AED'000</i>	<i>Reserves</i> <i>AED'000</i>	<i>Retained earnings</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Balance as at 1 January 2024	4,000,000	2,000,150	16,841,099	22,841,249	3,629,481	26,470,730
Net profit for the year	-	-	7,633,219	7,633,219	2,053,441	9,686,660
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	7,633,219	7,633,219	2,053,441	9,686,660
Directors' bonus (note 27)	-	-	(3,900)	(3,900)	-	(3,900)
Dividend paid to shareholders (note 29)	-	-	(2,082,000)	(2,082,000)	-	(2,082,000)
Dividend paid by a subsidiary (note 31)	-	-	-	-	(2,456,200)	(2,456,200)
Balance as at 31 December 2024	<u>4,000,000</u>	<u>2,000,150</u>	<u>22,388,418</u>	<u>28,388,568</u>	<u>3,226,722</u>	<u>31,615,290</u>

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Emaar Development PJSC and its Subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

		(US\$ 1.00 = AED 3.673)	
		2025	2024
	Notes	AED'000	AED'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		15,492,544	10,173,027
Adjustments for:			
Share of results of joint ventures	15	(716,850)	(194,167)
Depreciation (including right-of use assets)	5	13,684	8,459
Provision for employees' end-of-service benefits, net		2,183	2,659
Finance costs	7	284,189	401,789
Finance income	6	(1,458,864)	(1,159,526)
Cash from operations before working capital changes		13,616,886	9,232,241
Working capital changes:			
Trade and unbilled receivables		4,110,703	731,486
Other assets, receivables, deposits and prepayments		(1,912,458)	(1,628,987)
Development properties		(4,379,555)	(4,053,260)
Advances from customers		6,324,320	6,494,240
Trade and other payables		2,993,321	(95,061)
Retentions payable		439,836	270,623
Cash generated from operations		21,193,053	10,951,282
Income tax paid	9	(143,200)	-
Net cashflows generated from operating activities		21,049,853	10,951,282
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed deposits with original maturities of three months or more	10	(1,505,363)	-
Finance income received		1,198,058	1,008,105
Loans repaid by / (given to) joint ventures		102,218	(30,959)
Dividend received from joint ventures	15	10,993	12,929
Purchase of property, plant and equipment	16	(7,522)	(5,600)
Net cashflows (used)/generated in investing activities		(201,616)	984,475
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid		(89,568)	(335,706)
Borrowings from Parent	27	1,750,000	8,446,000
Repayment of loans to Parent	27	(1,750,000)	(10,356,000)
Dividends paid to shareholders	29	(2,720,000)	(2,082,000)
Dividends paid to non-controlling interest	31	(1,800,000)	(2,456,200)
Directors' bonus paid	27	(3,900)	(3,900)
Net cashflows used in financing activities		(4,613,468)	(6,787,806)
INCREASE IN CASH AND CASH EQUIVALENTS		16,234,769	5,147,951
Cash and cash equivalents at the beginning of the year		23,569,621	18,421,670
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	39,804,390	23,569,621

The accompanying notes 1 to 31 form an integral part of these consolidated financial statements.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1 DOMICILE AND ACTIVITIES

The incorporation of Emaar Development PJSC (the “Company”) as a Public Joint Stock Company was approved by the Securities and Commodities Authority according to Federal Law No.4 of 2000 on 20 November 2017 and the registration certificate was issued on 21 November 2017. The Company’s registered office is at P.O. Box 9440, Dubai, United Arab Emirates (“UAE”).

The Company is a subsidiary of Emaar Properties PJSC (the “Parent Company” or “Parent” or “Ultimate Parent”), a company incorporated in the UAE and listed on the Dubai Financial Market. The Company is also listed on the Dubai Financial Market. The Company and its subsidiaries constitute the Group (the “Group”).

The principal activities of the Group are property development and development management services in the UAE.

The Group has not invested in shares or stocks during 2025 and 2024.

The consolidated financial statements were authorised for issue on 12 February 2026.

2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (“IASB”) and applicable requirements of the UAE Federal Decree Law No. (32) of 2021, as amended.

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company’s functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Certain comparative amounts have been reclassified to conform to the presentation used in these consolidated financial statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities controlled by the Company as at 31 December 2025. Control is achieved where all the following criteria are met:

- (a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- (c) the Group has the ability to use its power over the entity to affect the amount of the Company’s returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements; and
- The Group’s voting rights and a potential voting rights

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed-off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control (irrespective of percentage of shareholding) and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. 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 the consolidated statement of comprehensive income; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated statement of comprehensive income or retained earnings, as appropriate.

Details of the Company's significant subsidiaries as at 31 December 2025 are as follows:

<i>Subsidiaries</i>	<i>Place of incorporation</i>	<i>Principal activities</i>	<i>Percentage of effective interest</i>	
			<i>2025</i>	<i>2024</i>
Dubai Hills Estate LLC	UAE	Property development	50%	50%
Emaar Mina Rashid Development Owned By Emaar Development L.L.C	UAE	Buying, selling and development of real estate and leasing and management of self-owned property	100%	100%
Mina Rashid Properties L.L.C (Refer note 26)	UAE	Buying, selling and development of real estate	70%	70%
Emaar Gardens L.L.C	UAE	Real Estate Development, Investment in Commercial Enterprises & Management	100%	100%
Rukn Mirage L.L.C *	UAE	Construction, Building contracting, Facilities Management, Design and Implementation	100%	-
Emaar Hills L.L.C (refer note (i) below*)	UAE	Buying, selling and development of real estate	50%	-

* Subsidiaries invested/acquired during the year ended 31 December 2025.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

- (i) The Group entered into a Joint Venture Agreement (“JVA”) and Development Service Agreement (“DSA”) with the other partner to incorporate a JV company, Emaar Hills L.L.C (“Emaar Estate”). As per the JVA and DSA, the Group is holding 50% of the share capital in Emaar Estate. The sole purpose of Emaar Hills L.L.C is to develop a mixed-used community in the Emirate of Dubai.

As per the contractual arrangement, the Group has the ability to direct activities of Emaar Estate and in accordance with the letter of authority provided by the JV partner, the Group has obtained control over Emaar Estate, and accordingly, the entity is consolidated as at year end in accordance with the requirements of IFRS 10 “Consolidated Financial Statements”. The Group invested AED 150 thousand for a 50% stake in Emaar Estate. As at 31 December 2025, the net asset of Emaar Estate amounted to AED 293,215 thousand, resulting in creation of a reserve of AED 293,065 thousand on account of in-kind capital contribution by the venture partner.

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities even if the shareholding is 50% or more.

The Group’s investment in joint ventures is accounted for using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group’s share of net assets of the joint venture companies, less any impairment in value.

The consolidated statement of comprehensive income reflects the Group’s share of results of its joint ventures. Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group’s interest in the joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

Judgments

The key judgments and estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customers, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognises revenue over time. Where this is not the case revenue is recognised at a point in time.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Judgments (continued)

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment, the Group assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration, the Group uses the “most-likely amount” method in IFRS 15 *Revenue from Contracts with Customers* whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets, this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer. The title will be transferred to the customer only upon 100% collection, resulting in a low risk of default and loss thereof.

Estimations and assumptions

Consolidation of subsidiaries

The Group has evaluated all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10: *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

Split of real estate components

The consolidated financial statements of the Group include certain assets, liabilities, income, expenses and cash flows which are allocated to the Group based on management assumptions and estimates. This mainly includes development properties, trade and other payables, retention payable, advance from customers and selling, general and administrative expenses. These are allocated based on evaluation by project consultant and management’s best estimate of use of corporate resources by the Group.

Recognition of forfeiture income from sales cancellation

Upon termination or cancellation of contracts with customers, amounts received from customers become refundable subject to forfeiture clauses contained in the original sale contract documents and as per local real estate regulations. Forfeited amounts are carried as liability on the consolidated statement of financial position upon cancellation/termination of the contract. Amounts forfeited on cancelled/terminated property units (net of customer refunds, where applicable) are subsequently recognised in the consolidated statement of comprehensive income based on management’s judgment on whether the Group expects any future association with the erstwhile customer whose amount are being forfeited.

Measurement of progress when revenue is recognised over time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. The Group considers that the use of the input method which requires revenue recognition on the basis of the Group’s efforts to the satisfaction of the performance obligation provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

Cost to complete the projects and Project cost accruals

The Group estimates the cost to complete of the projects and project cost accruals in order to determine the cost attributable to revenue being recognised. These estimates include the value attributable to work done till date, cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimations and assumptions (continued)

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

NRV was determined based on valuations performed by professionally qualified external valuers. The valuation was performed in accordance with the Royal Institution of Chartered Surveyors (RICS) valuation standards, adopting the IFRS basis of fair value and using established valuation techniques. The value of the development properties has been determined using market comparable and residual cost method. Key observable inputs include market prices of similar transactions, margins derived and discount rates, any movement in the assumptions would result in the lower / higher fair value of these assets.

The external valuer report on the valuation of the Group's development properties has drawn attention to the fact that a combination of global inflationary pressures, higher interest rates and recent geopolitical events have heightened the potential for greater volatility in property markets over the short-to-medium term, requiring management to closely monitor the valuation and track how market participants respond to current market volatility.

Management has critically assessed asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported. Management will continue to closely monitor the impact of this evolving situation to assess its impact to the Group, if any.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following new or amended standards that are adopted in annual periods beginning on 1 January 2025:

a) New standards, interpretations and amendments adopted by the Group	Effective date
Lack of exchangeability – Amendments to IAS 21	1 January 2025

These standards / improvements have no material impact on the consolidated financial statements of the Group.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES (continued)

b) Standards, amendments and interpretations in issue but not effective

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 – Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026

Other than IFRS 18, the Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future consolidated financial statements of the Group.

The Group does not expect the adoption of the above new standards, amendments and interpretations issued to have a material impact on the future consolidated financial statements of the Group.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

Revenue recognition

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 *Revenue from contracts with customers*:

- 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.
- 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.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

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 statement of comprehensive income 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.

Revenue from sale of land

The performance obligation with regards to sale of land is satisfied at a point in time when customer has access to the plot. Upon recognition of revenue against a certain plot, the infrastructure cost allocated to the plot of land is released to the statement of comprehensive income, as cost of revenue.

Development services

Revenue from rendering of development management services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered. Revenue is recognised overtime.

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in the consolidated Statement of comprehensive income in the year in which they are incurred.

Income tax

Taxation is provided in accordance with the relevant fiscal regulations of the jurisdiction in which the Group operates. Current tax is the expected tax on the taxable income for the year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior years.

Deferred income tax is recognised, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted or substantially enacted as at the reporting date.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

UAE Federal Decree-Law No (47) of 2022 on the Taxation of Corporations and Businesses:

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ('the CT Law') to enact a Federal corporate tax ('CT') regime in the UAE. The CT Law is effective for financial years beginning on or after 1 June 2023. Decision No. 116 of 2022 specifies the threshold of income (as AED 375,000) over which a corporate tax of 9% would apply. For the Group, current taxes are accounted for as appropriate in the financial statements for the period beginning 1 January 2024. In accordance with IAS 12 Income Taxes, the related deferred tax accounting impact for the UAE component has been considered for the consolidated financial statement for the year ended 31 December 2025.

Global Minimum Top-up Tax

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% on a jurisdiction basis (Pillar Two). Various countries have enacted or are in the process of enacting tax legislation to fully or partially comply with OECD Pillar Two rules. In the United Arab Emirates, where the Group's is situated, has substantively enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Domestic Minimum Top-up Tax (DMTT) on Multinational Enterprises. The Group falls within the scope of these rules based on prior year applicable revenue threshold. Accordingly, the Group has recognised the DMTT as of 31 December 2025.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Plant and Machinery	3 – 20 years
Sales centres (included in land and building)	1 - 10 years
Computers and office equipment	2 - 5 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 - 5 years

No depreciation is charged on land and capital work-in-progress. The useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately 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 item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term up to 3-5 years. Right-of-use assets are subject to impairment.

Development properties

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold rights for land;
- Amounts paid to contractors and project cost accrual for construction; and
- Borrowing cost, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other directly attributable costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Development properties (continued)

The cost of development properties recognised in the consolidated statement of comprehensive income on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

The management reviews the carrying values of the development properties on an annual basis and are classified as current in nature.

Investment in joint ventures

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of its joint ventures. Where there has been a change recognised directly in the other comprehensive income, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the interest in the joint venture.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture, and its carrying value and recognises the impairment losses in the consolidated statement of comprehensive income. Investment in joint ventures are non-current in nature.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of comprehensive income. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. Trade receivables are initially recognised when they are originated. Trade and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding facilities payable on demand.

Trade and unbilled receivables

Trade receivables are stated at original invoice amount (unless there is a significant financing component) less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of comprehensive income.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements as unbilled receivables.

Derecognition of financial assets

A financial asset (or, when 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; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - 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 right 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 the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments and contract assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

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

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial assets (continued)

Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

For trade and unbilled receivables and other receivables, the Group applies a simplified approach in calculating ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the consolidated statement of comprehensive income.

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

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at Fair Value through Other Comprehensive Income (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 observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses are recognised in the consolidated comprehensive statement of income in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

Trade and other payables

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

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The average rate applied is 4%.

Loans and borrowings

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated statement of comprehensive income.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Financial liabilities and equity instruments issued by the Group (continued)

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.

End-of-service benefits

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final 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.

With respect to its eligible UAE and GCC national employees, the Group makes contributions to a pension fund established by the UAE 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 expensed when due.

Advances from customers

Instalments received from buyers, for properties sold or services performed, prior to meeting the revenue recognition, criteria are recognised as advances from customers. If their settlement, through revenue recognition or refund, is expected in one year or less, they are considered as current and if not they are considered as non-current.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Fair value measurement

The Group measures financial instruments, such as investment in securities and hedges, at fair value at each reporting date.

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

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

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

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

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

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

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 SEGMENT INFORMATION

For management purposes, the Group is organised into one segment based on its products and services, which is the real estate development business. Accordingly, the Group only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

Business segments

Revenue, operating results, assets and liabilities presented in the consolidated financial statements relates to the real estate development business of the Group.

Geographic segment

The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented in the consolidated financial statements relates to its operation in the UAE.

Seasonality and cyclical nature of interim operations

There were no significant items of seasonal or cyclical nature in the interim operations during the year ended 31 December 2025 and 31 December 2024

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

4 REVENUE AND COST OF REVENUE

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Revenue:		
Sale of residential units	25,650,330	17,546,770
Sale of commercial units, plots of land and income from development services (note 27)	1,835,496	1,599,843
	<u>27,485,826</u>	<u>19,146,613</u>
Cost of revenue:		
Cost of residential units	11,881,769	8,388,408
Cost of commercial units and plots of land	66,578	101,621
	<u>11,948,347</u>	<u>8,490,029</u>

Trade and unbilled receivables are included in note 11.

Below is the split of revenue recognised over a period of time and single point in time:

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Revenue recorded over time	27,361,847	18,856,243
Revenue recorded at a point in time	123,979	290,370
	<u>27,485,826</u>	<u>19,146,613</u>

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Sales and marketing expenses	828,783	553,396
Payroll and related expenses	190,110	177,282
Property management expenses	93,270	111,972
Depreciation (including right-of-use assets) (note 16 & 17)	13,684	8,459
Other expenses (note 27)	993,095	758,017
	<u>2,118,942</u>	<u>1,609,126</u>

During the year ended 31 December 2025, no social contribution has been made by the Group (31 December 2024: Nil).

6 FINANCE INCOME

	<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
Finance income on fixed and call deposits with banks	1,238,984	991,040
Other finance income (i)	219,880	168,486
	<u>1,458,864</u>	<u>1,159,526</u>

(i) This relates to finance income on unwinding of long-term receivable.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

7 FINANCE COSTS

	2025 AED'000	2024 AED'000
Finance costs – bank and related party borrowings (note 27)	14,987	243,954
Other finance costs (i)	269,202	157,835
	<u>284,189</u>	<u>401,789</u>

- (i) During the year, the Group has recorded finance cost on unwinding of long-term payables amounting to AED 146,016 thousand (31 December 2024: AED 72,157 thousand).

8 OTHER INCOME

	2025 AED'000	2024 AED'000
Other income *	182,482	164,494
Forfeiture income from sales cancellations (note 19)	-	9,171
	<u>182,482</u>	<u>173,665</u>

*Primarily comprises administrative fees charged to customers and other miscellaneous income.

9 INCOME TAX

	2025 AED'000	2024 AED'000
Consolidated statement of comprehensive income		
Income tax expenses, net	357,429	486,367
Domestic minimum top-up tax (note 2.4)	1,527,833	-
	<u>1,885,262</u>	<u>486,367</u>

	2025 AED'000	2024 AED'000
Consolidated statement of financial position		
Income tax payable balance at the beginning of the year	486,367	-
Income tax expense for the year, net	1,885,262	486,367
Paid during the year	(143,200)	-
	<u>2,228,429</u>	<u>486,367</u>

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

9 INCOME TAX (continued)

Income tax expense relates to the tax payable on the results of the Group, as adjusted in accordance with the taxation laws and regulations of UAE. The relationship between the tax expenses and the accounting profit can be explained as follows:

	2025 AED'000	2024 AED'000
Profit before tax	15,492,544	10,173,027
Accounting profit subject to income tax	15,492,544	10,173,027
Adjustments in determining taxable profit;		
Exempt income (Share of results of joint ventures) (note 15)	(716,850)	(194,167)
Non-deductible expenses	652	35,256
Benefit from transition exemption specified in Ministerial Decision No.120	(7,084,420)	(4,608,911)
Taxable profit	7,691,926	5,405,205
	2025 AED'000	2024 AED'000
Net income tax charged for the year	1,885,262	486,367
Effective tax rate	12.2%	4.8%

The Group has recognised UAE corporate income tax expense based on the estimates made by the management. The Group applied the Ministerial Decision 120 of 2023 on the Adjustment Under Transitional Rules for the Purpose of Federal Decree-Law No. 47 of 2022 on Taxation of Corporation and Businesses ('MD 120') on immovable properties in the UAE. To ensure compliance and obtain further clarity on the appropriate method for calculating the impact of MD 120, a formal clarification request was submitted to the Federal Tax Authority (FTA) of the UAE. Based on the received response, management had recognized the tax relief, aligning with the principles of IFRIC 23 'Uncertainty Over Income Tax Treatments'.

10 BANK AND CASH BALANCES

	2025 AED'000	2024 AED'000
Cash in hand	1,064	1,346
Current and call bank deposit accounts	35,751,483	23,568,275
Fixed deposits with original maturities within three months	4,051,843	-
	39,804,390	23,569,621
Fixed deposits with original maturities of three months or more	1,505,363	-
	41,309,753	23,569,621

As at 31 December 2025, cash and cash equivalent amounts to AED 39,804,390 thousand (2024: AED 23,569,621 thousand).

Cash at banks earns interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are placed for varying periods between one day and four months, depending on the cash requirements of the Group, and earn interest at the respective short-term deposit rates.

As at 31 December 2025, bank and cash balances include AED 32,995,144 thousand (2024: AED 22,885,896 thousand) representing advances received from customers against sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

11 TRADE AND UNBILLED RECEIVABLES

	2025 AED'000	2024 AED'000
Trade receivables		
Amounts receivable within 12 months, net	1,206,649	541,593
Unbilled receivables		
Unbilled receivables within 12 months	4,213,904	7,537,731
Unbilled receivables after 12 months, net	2,145,997	3,378,049
	6,359,901	10,915,780
Total trade and unbilled receivables	7,566,550	11,457,373

Movement in the provision for doubtful debts during the year is as follows:

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	20,977	20,977
Written off during the year	-	-
Balance at the end of the year	20,977	20,977

At 31 December, the ageing analysis of net trade and unbilled receivables is as follows:

			<i>Past due</i>			
	<i>Total</i> AED'000	<i>Unbilled</i> <i>receivables</i> AED'000	<i>Less than</i> <i>30 days</i> AED'000	<i>Between</i> <i>31 to 60 days</i> AED'000	<i>Between</i> <i>61 to 90 days</i> AED'000	<i>More than</i> <i>90 days</i> AED'000
2025	7,566,550	6,359,901	472,198	173,575	100,570	460,306
2024	11,457,373	10,915,780	230,038	29,174	29,041	253,340

The above receivables are net of AED 20,977 thousand (2024: AED 20,977 thousand) relating to provision for doubtful debts representing management's best estimate of expected loss on trade receivables which are past due for more than 90 days. All other receivables are considered recoverable in full.

Refer note 30(a) on credit risks of trade and unbilled receivables, which discusses how the Group manages and measures credit quality of trade and unbilled receivables that are neither past due nor impaired.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

12 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 AED'000	2024 AED'000
Deferred sales commission (i)	3,437,118	1,940,493
Due from related parties (note 27)	2,507,097	2,361,972
Advances to contractors and others (ii)	1,704,203	1,401,327
Value added tax recoverable (net)	255,418	304,694
Prepayments	6,097	4,543
Other receivables and deposits	85,742	78,803
	<u>7,995,675</u>	<u>6,091,832</u>

Other assets, receivables, deposits and prepayments are realisable within 12 months from the reporting date.

- (i) The deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations, where applicable.
- (ii) Advances paid to contractors at the commencement of works are adjusted against progress billings issued by the contractors throughout the project construction period.

13 DEVELOPMENT PROPERTIES

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	16,520,243	12,466,983
Add: Costs incurred during the year*	16,914,032	12,543,289
Less: Costs transferred to cost of revenue during the year	(11,948,347)	(8,490,029)
Balance at the end of the year	<u>21,485,928</u>	<u>16,520,243</u>

* Includes cost of acquisition of land.

During the year 31 December 2025, an amount of AED 8,804 thousand (31 December 2024: AED 4,482 thousand) was capitalised as cost of borrowings for the construction of development properties.

14 LOANS TO JOINT VENTURES

	2025 AED'000	2024 AED'000
Emaar Dubai South DWC LLC*	705,359	671,331
Zabeel Square LLC*	134,545	131,775
Old Town Views LLC	1,274	1,168
	<u>841,178</u>	<u>804,274</u>

Loans to joint ventures are unsecured and are repayable as per the terms of the agreement and do not carry any interest.

*This includes AED 380,618 thousand (2024: AED 675,137 thousand) which is expected to be recovered after 12 months from the reporting date.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

15 INVESTMENTS IN JOINT VENTURES

	2025 AED'000	2024 AED'000
Carrying value of investments in associates and joint ventures:		
Emaar Dubai South DWC LLC (i)	1,363,713	677,811
Zabeel Square LLC (ii)	297,980	272,901
Old Town Views LLC (iii)	8,233	13,357
Net investment in joint ventures as at year end	1,669,926	964,069

- (i) During 2015, the Parent Company entered into a joint venture agreement with Dubai Aviation City Corporation for the development of the Emaar South project. The joint venture was incorporated in the UAE on 9 May 2016 and operates under the name of Emaar Dubai South DWC LLC ("Emaar South"), in which the Parent has a 50% interest. The entity is primarily involved in property development activities. As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred its share in the joint venture relating to the BTS development (including all the rights and obligation) to the Group.
- (ii) On 9 January 2017, the Parent Company entered into a joint venture agreement with Meraas Zabeel Owned by Meraas Venture One Person Company LLC for the purpose of mix-use development in the UAE. The Parent has 50% equity interest in the joint venture company, Zabeel Square LLC ("Zabeel Square"). As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred its share in the joint venture relating to the Build-to-sell (BTS) development (including all the rights and obligation) to the Group.
- (iii) On 15 May 2018, the Group entered into a joint venture agreement with certain land-owners of Burj Khalifa Master Community with the objective of developing and selling properties in the UAE. The Group has 61.25% equity interest in the joint venture company, Old Town Views LLC ("Old Town").

The Group has the following effective ownership interest in its joint ventures:

	Country of incorporation	2025 Ownership	2024 Ownership
Emaar Dubai South DWC LLC	UAE	50.00%	50.00%
Zabeel Square LLC	UAE	50.00%	50.00%
Old Town Views LLC	UAE	61.25%	61.25%

The following tables summarize the statement of comprehensive income of the Group's joint ventures for the year ended 31 December 2025 and 31 December 2024, based on the amounts reported in Group's consolidated financial statement:

	<i>Emaar Dubai South DWC LLC</i> AED'000	<i>Zabeel Square LLC</i> AED'000	<i>Old Town Views LLC</i> AED'000	<i>Total</i> AED'000
Revenue	2,787,710	-	13,343	2,801,053
Total comprehensive income for the year	1,371,805	50,158	9,580	1,431,543
Profit attributable to owners of the company	1,371,805	50,158	9,580	1,431,543
Group's share of profit for the year	685,902	25,079	5,869	716,850

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

15 INVESTMENTS IN JOINT VENTURES (continued)

	<i>Emaar Dubai South DWC LLC AED'000</i>	<i>Zabeel Square LLC AED'000</i>	<i>Old Town Views LLC AED'000</i>	<i>Total AED'000</i>
Revenue	769,932	-	1,987	771,919
Total comprehensive income for the year	350,308	34,473	2,899	387,680
Profit attributable to owners of the company	350,308	34,473	2,899	387,680
Group's share of profit for the year	175,154	17,237	1,776	194,167

During the year, the Group has recognised AED 716,850 thousand (31 December 2024: AED 194,167 thousand) towards its share of profit from joint ventures and AED 10,993 thousand (31 December 2024: AED 12,929 thousand) towards dividend received from joint ventures.

The following tables summarize the statements of financial position of the Group's joint ventures as at 31 December 2025 and 31 December 2024, which represent amount shown in the joint ventures financials statements:

	<i>Emaar Dubai South DWC LLC AED'000</i>	<i>Zabeel Square LLC AED'000</i>	<i>Old Town Views LLC AED'000</i>	<i>Total AED'000</i>
Total assets (including cash and cash equivalents of AED 7,528,483 thousand)	7,423,149	3,553,545	27,610	11,004,304
Total liabilities	4,695,723	2,957,585	14,168	7,667,476
Net assets	2,727,426	595,960	13,442	3,336,828
Group's share of net assets	1,363,713	297,980	8,233	1,669,926

	<i>Emaar Dubai South DWC LLC AED'000</i>	<i>Zabeel Square LLC AED'000</i>	<i>Old Town Views LLC AED'000</i>	<i>Total AED'000</i>
Total assets (including cash and cash equivalents of AED 4,537,234 thousand)	4,729,034	2,554,590	53,165	7,336,789
Total liabilities	3,373,413	2,008,788	31,357	5,413,558
Net assets	1,355,621	545,802	21,808	1,923,231
Group's share of net assets	677,811	272,901	13,357	964,069

As at 31 December 2025, the Group's share of commitments in relation to its joint ventures amount to AED 3,979,660 thousand (2024: AED 2,104,868 thousand).

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

16 PROPERTY, PLANT AND EQUIPMENT

2025:

	<i>Land and building AED'000</i>	<i>Computers and office equipment AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Plant and Machinery AED'000</i>	<i>Total AED'000</i>
Cost:						
At 1 January 2025	58,955	18,258	32,351	488	-	110,052
Additions	-	864	599	85	5,974	7,522
At 31 December 2025	58,955	19,122	32,950	573	5,974	117,574
Accumulated depreciation:						
At 1 January 2025	52,036	17,420	26,908	23	-	96,387
Depreciation charge for the year – SG&A (note 5)	5,835	304	1,332	-	-	7,471
Depreciation charge for the year – Cost of revenue	-	-	13	-	318	331
At 31 December 2025	57,871	17,724	28,253	23	318	104,189
Net carrying amount:	1,084	1,398	4,697	550	5,656	13,385

2024:

	<i>Land and building AED'000</i>	<i>Computers and office equipment AED'000</i>	<i>Furniture and fixtures AED'000</i>	<i>Motor vehicles AED'000</i>	<i>Plant and Machinery AED'000</i>	<i>Total AED'000</i>
Cost:						
At 1 January 2024	58,357	17,746	28,957	485	-	105,545
Additions	598	512	3,394	3	-	4,507
At 31 December 2024	58,955	18,258	32,351	488	-	110,052
Accumulated depreciation:						
At 1 January 2024	46,200	17,252	25,546	23	-	89,021
Depreciation charge for the year (note 5)	5,836	168	1,362	-	-	7,366
At 31 December 2024	52,036	17,420	26,908	23	-	96,387
Net carrying amount:	6,919	838	5,443	465	-	13,665

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets

	<i>2025 AED'000</i>	<i>2024 AED'000</i>
As at 1 January	-	-
Additions	18,096	-
Depreciation (note 5)	(6,213)	-
As at 31 December	11,883	-

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Lease liabilities

	2025 AED'000	2024 AED'000
As at 1 January	-	-
Additions	18,096	-
Interest expense (note 27)	657	-
Payments	(6,603)	-
	<u>12,150</u>	<u>-</u>
As at 31 December (note 18)	<u>12,150</u>	<u>-</u>

All the lease contracts are primarily for the buildings used for business purpose. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at the start of lease. The average rate applied is 4% per annum.

18 TRADE AND OTHER PAYABLES

	2025 AED'000	2024 AED'000
Project contract cost accruals (note 2.2)	3,846,680	2,919,610
Creditors for land purchase	2,498,288	1,065,242
Payable to related parties (note 27)	1,802,927	1,489,890
Trade payables (i)	768,693	655,979
Sales commission payable	535,160	377,868
Payable to authorities	222,983	87,960
Lease liabilities (note 17 & 27)	12,150	-
Other payables and accruals	461,995	305,325
	<u>10,148,876</u>	<u>6,901,874</u>

(i) Trade and other payables other than payable to the parent company (refer note 27 (iii)) are non-interest bearing and for explanations on the Group's liquidity risk management process and maturity profile of financial liabilities, refer note 30(d).

19 ADVANCES FROM CUSTOMERS

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	19,210,472	12,716,232
Add: Additions during the year	32,254,833	24,428,037
Less: Revenue recognised during the year	(25,882,227)	(17,924,626)
Less: Other Income recognised during the year (forfeiture income) (note 8)	-	(9,171)
Balance at the end of the year	<u>25,583,078</u>	<u>19,210,472</u>

The aggregate amount of the sale price allocated to the performance obligations of the Group that are fully or partially unsatisfied as at 31 December 2025 is AED 95,826,711 thousand (2024: AED 63,775,130 thousand). The Group expects to recognise these unsatisfied performance obligations as revenue over a period of 5 years.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

20 RETENTIONS PAYABLE

	2025 AED'000	2024 AED'000
Retentions payable within 12 months	661,400	651,738
Retentions payable after 12 months	954,860	524,686
	<u>1,616,260</u>	<u>1,176,424</u>

21 INTEREST-BEARING LOANS AND BORROWINGS

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	3,673	3,673
Add: Borrowings drawn down during the year	-	-
Less: Repaid during the year	-	-
	<u>3,673</u>	<u>3,673</u>
Net interest-bearing loans and borrowings at the end of the year	<u>3,673</u>	<u>3,673</u>
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	-	-
After 12 months	3,673	3,673
	<u>3,673</u>	<u>3,673</u>

During 2022, the Group had obtained two new facilities aggregating to AED 3,673,000 thousand. The tenure of these new facilities is for a period of three years from the date of the agreements and carry profit rates of 1 or 3-month EIBOR plus a margin of 1%. These facilities are guaranteed by the Parent Company. The outstanding amount from these facilities as at 31 December 2025 is AED 3,673 thousand (31 December 2024: AED 3,673 thousand). Facility is renewed for 5 years in September 2025 and carry profit rates of 1 or 3-month EIBOR plus a margin of 0.95%.

During 2022, the Group also executed short term facility of AED 600,000 thousand. This facility carries interest of EIBOR plus 1% per annum and is secured by a corporate guarantee from the Parent Company. As at 31 December 2025 and as at 31 December 2024, the Group has neither drawn down nor availed any amount from the facility.

22 SHARE CAPITAL

	2025 AED'000	2024 AED'000
Authorised capital: 8,000,000,000 shares of AED 1 each (2024: 8,000,000,000 shares of AED 1 each)	<u>8,000,000</u>	<u>8,000,000</u>
Issued and fully paid-up: 4,000,000,000 shares of AED 1 each (2024: 4,000,000,000 shares of AED 1 each)	<u>4,000,000</u>	<u>4,000,000</u>

23 RESERVES

(i) According to Article 61 of the Articles of Association of the Company and Article 241 of the UAE Federal Decree Law No. (32) of 2021, as amended, 10% of the annual net profit shall be allocated to legal reserve until it reaches 50% of the paid-up share capital. The Legal Reserve as at 31 December 2025 is AED 2,000,000 thousand (2024: AED 2,000,000 thousand).

(ii) The General Reserve as at 31 December 2025 is AED 150 thousand (2024: AED 150 thousand).

(iii) The Other Reserve as at 31 December 2025 is AED 293,065 thousand (2024: AED Nil), refer note 2.1(i).

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

24 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit or loss attributable to the owners of the Company 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 information necessary to calculate basic and diluted earnings per share is as follows:

	2025 AED'000	2024 AED'000
Earnings:		
Profit attributable to the owners of the Company	<u>11,316,189</u>	<u>7,633,219</u>
Number of shares in thousands		
Weighted-average number of ordinary shares for basic earnings per share	<u>4,000,000</u>	<u>4,000,000</u>
Earnings per share:		
Basic and diluted earnings per share (AED)	<u>2.83</u>	<u>1.91</u>

25 GUARANTEES AND CONTINGENCIES

The Group has provided a performance guarantee of AED 5,788,145 thousand (2024: AED 4,841,207 thousand) to the Real Estate Regulatory Authority (RERA), Dubai for its projects as per RERA regulations.

26 COMMITMENTS

As at 31 December 2025, the Group has commitments of AED 20,815,401 thousand (2024: AED 13,374,020 thousand). This represents the value of contracts entered into by the Group including contracts entered for purchase of plots of land at year end, net of invoices received, and accruals made at that date.

Furthermore, in accordance with the Joint Development Agreement entered by the Group relating to Mina Rashid Properties LLC, the Group has a commitment to pay 30% of future profits over the project life cycle of Mina Rashid Properties LLC to the non-controlling shareholder.

There are certain claims submitted by contractors relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

27 RELATED PARTY DISCLOSURES

For the purpose of these consolidated financial statements, parties are related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control (Affiliated entities). Related parties may be individuals or other entities.

The Group in the normal course of business enters into transactions with individuals and other entities that falls within the definition of related party. The Group's related parties include key management personnel, entities held under common control, joint ventures and others.

The Group's parent company is partly owned by Investment Corporate of Dubai ("ICD"), an entity owned by the Government of Dubai ("Government"). The Group enters into transactions, in the normal course of business, with Government-owned entities and entities wherein ICD has control, joint control or significant influence. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing and operational (power, utilities, land purchases, contracting and infrastructure service) related activities and entered in the normal course of business at commercial terms.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

27 RELATED PARTY DISCLOSURES (continued)

Related party transactions

During the year, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties presented below, or disclosed in the financial statements otherwise:

	2025 AED'000	2024 AED'000
Parent:		
Revenue (refer (ii) below)	163,706	24,734
Selling, general and administrative expenses (refer (i) below)	849,932	597,556
Borrowing (refer (iii) below)	1,750,000	8,446,000
Repayment of borrowing (refer (iii) below)	(1,750,000)	(10,356,000)
Repayment of lease liability (note 17)	4,910	-
Finance cost (refer (iii) below)	2,689	228,706
	<u> </u>	<u> </u>
Affiliated entities:		
Revenue (refer (ii) below)	1,370,103	1,168,753
Property development expenses	242,316	248,329
Selling, general and administrative expenses	21,485	70,304
Repayment of lease liability (note 17)	1,693	-
Finance cost	309	-
	<u> </u>	<u> </u>
Joint Ventures:		
Revenue	64,751	17,695
	<u> </u>	<u> </u>
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	-	782
	<u> </u>	<u> </u>

Significant related party balances (and the consolidated statement of financial position captions within which these are included) are as follows:

	2025 AED'000	2024 AED'000
Parent:		
Other assets, receivables, deposits and prepayments (refer (ii) below)	250,605	51,749
Trade and other payables (refer (i) and (iii) below)	1,760,297	1,455,085
	<u> </u>	<u> </u>
Affiliated entities:		
Other assets, receivables, deposits and prepayments	2,256,492	2,310,223
Trade and other payables	54,780	34,805
	<u> </u>	<u> </u>

(i) Allocation of corporate expenses:

The Parent Company has provided certain corporate services to the Group and costs associated with these services were allocated to the Group. These services included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. As per Relationship Agreement, corporate expenses are allocated by the Parent on the basis of 3% of revenue of the Group. This net balance is recoverable on demand.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

27 RELATED PARTY DISCLOSURES (continued)

(ii) Recoverable from the Parent:

This mainly represents balances recoverable from the Parent Company with respect to the development costs incurred for the BTS developments in Dubai Creek Harbour project (DCH project). As agreed in the Master Transfer Agreement (MTA), the Parent Company has transferred the development services and profit relating to the BTS development in DCH project to the Company, for which the development costs including infrastructure costs are incurred by the Company prior to acquisition.

Subsequent to the Parent Company's acquisition of 100% shareholding in Dubai Creek Harbour LLC in 2022, the aforesaid arrangement was amended during the year 2023 wherein the transactions for development services and entitlement of profits are now directly between the Company and Dubai Creek Harbour LLC, a wholly owned subsidiary of the Parent Company and a related party of the Company.

(iii) Payable to the Parent Company:

Amount due to the Parent Company was unsecured and repayable on demand. The Group has a total credit facility of AED 7,000,000 thousand (31 December 2024: AED 7,000,000 thousand) and this carries an interest rate at 3 months EIBOR plus 1% per annum.

Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	2025 AED'000	2024 AED'000
Short-term benefits	15,263	14,720
Employees' end-of-service benefits	617	522
	<u>15,880</u>	<u>15,242</u>

During the year, the number of key management personnel is 8 (2024:9).

During the year, the Company has paid a bonus of AED 3,900 thousand to the non-executive members of the Board of Directors for the year 2024 as approved by the shareholders at the Annual General Meeting of the Company held on 26 March 2025 (2024: AED 3,900 thousand).

28 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade receivables, loans to joint ventures, other receivables, deposits and due from related parties. Financial liabilities of the Group include interest-bearing loans and borrowings, trade payable, retentions payable, payable to related parties and other payables.

Fair value of the financial instruments is included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of financial instruments are not materially different from their carrying values largely due to the short-term maturities of these instruments.

29 DIVIDEND

A cash dividend of AED 4,000,000 thousand (AED 1 per share) for the year ended 31 December 2025 is proposed by the Board of Directors of the Company subject to the approval of shareholders in the forthcoming Annual General Meeting.

The Company has paid a cash dividend of AED 2,720,000 thousand (AED 0.68 per share) for 2024 as approved by the shareholders of the Company at the Annual General Meeting held on 26 March 2025 and it was paid on 16 April 2025 (31 December 2024: cash dividend of AED 2,082,000 thousand at AED 0.52025 per share).

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Overview

The Group has exposure to the following risks from its use of financial instruments:

- a) Credit risk;
- b) Market risk;
- c) Foreign exchange risk; and
- d) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities comprise interest-bearing loans and borrowings, retentions payable, amount due to related parties and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as bank balances and cash, trade and unbilled receivables, loan to joint ventures, amount due from related parties and other receivables and deposits, which arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, related parties including joint ventures, other receivables and from its financing activities, including deposits with banks and financial institutions.

Trade, unbilled and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, has less influence on credit risk.

The Group has entered into contracts for the sale of residential and commercial units and plots of land on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, the legal ownership of residential, commercial units and plots of land is transferred to the buyer only after all the instalments are recovered. In addition, instalment dues are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of expected credit losses in respect of trade, unbilled and other receivables. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk.

Other financial assets and cash deposits

With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, loans to joint ventures, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail in meeting its obligations.

Total financial assets at amortized cost amounted to AED 52,304,996 thousand (2024: AED 38,270,885 thousand).

Guarantees

The Group's policy is to provide financial guarantees to its subsidiaries and certain joint ventures. For details of guarantees outstanding as at the reporting date refer note 25 to the consolidated financial statements.

Excessive risk of concentration

Concentration arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentration of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**b) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Group's income or the value of its holdings of financial instruments. Financial instruments affected by market risk include interest-bearing loans and borrowings and deposits. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Exposure to interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest on financial instruments having floating rates is re-priced at intervals of less than one year. Other than commercial and overall business conditions, the Group's exposure to market risk for changes in interest rate environment relates mainly to its borrowing from financial institutions.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	2025		2024	
	<i>Change in basis points</i>	<i>Sensitivity of interest income/ expense AED'000</i>	<i>Change in basis points</i>	<i>Sensitivity of interest income/ expense AED'000</i>
Interest on current and call deposits	± 100	413,087	± 100	235,683
Interest-bearing loans and borrowings	± 100	36	± 100	36

The interest rate sensitivity set out above relates primarily to the AED denominated financial assets and financial liabilities as the Group does not have any significant net exposure for financial assets and financial liabilities denominated in currencies other than the AED.

c) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group does not have any significant exposure to foreign currency risk since the majority of the transactions are in AED.

d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations.

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and borrowing facilities from Parent, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

d) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

As at 31 December 2025

Financial liabilities	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
Interest-bearing loans and borrowings	170	4,821	-	4,991
Retentions payable	661,400	954,860	-	1,616,260
Trade and other payables	7,356,651	1,744,320	1,125,840	10,226,811
Total undiscounted financial liabilities	<u>8,018,221</u>	<u>2,704,001</u>	<u>1,125,840</u>	<u>11,848,062</u>

As at 31 December 2024

Financial liabilities	Less than 1 year AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
Interest-bearing loans and borrowings	217	3,673	-	3,890
Retentions payable	651,737	524,687	-	1,176,424
Trade and other payables	4,690,937	1,343,544	976,110	7,010,591
Total undiscounted financial liabilities	<u>5,342,891</u>	<u>1,871,904</u>	<u>976,110</u>	<u>8,190,905</u>

e) Capital management

Capital includes equity attributable to the equity holders of the Parent. The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 50%. The Group includes within net debt interest bearing loans and borrowings less cash and cash equivalents. Capital includes equity attributable to the owners of the Parent less the net unrealised gains/ (losses) reserve. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to shareholders, the return on capital to shareholders or issuance of new shares to maintain or adjust the capital structure.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Company or Group entities are incorporated.

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

31 SUBSIDIARY WITH MATERIAL NCI

The following table summarises the income statement of this subsidiary for the year ended 31 December 2025. This information is based on the amounts before inter-company elimination.

	<i>Country of incorporation</i>	<i>NCI holding 2025</i>	<i>NCI holding 2024</i>
Dubai Hills Estate LLC	UAE	<u>50%</u>	<u>50%</u>

The following table summarises the statement of financial position of a partially owned material subsidiary as at 31 December. This information is based on the amounts before inter-company elimination.

	<i>Dubai Hills Estate LLC</i>	
	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Total assets	12,988,560	12,415,194
Total liabilities	5,977,614	6,203,089
Total equity	7,010,946	6,212,105
Attributable to:		
Owners of the Company	3,505,473	3,106,053
Non-controlling interest	3,505,473	3,106,053
Other non-material Non-Controlling Interests (note 26)	505,407	120,669
Total	<u>4,010,880</u>	<u>3,226,722</u>

The following table summarises the income statement of this subsidiary as at 31 December. This information is based on the amounts before inter-company elimination.

	<i>Dubai Hills Estate LLC</i>	
	<i>2025 AED'000</i>	<i>2024 AED'000</i>
Revenue	8,794,931	6,407,984
Profit for the year	4,398,844	3,926,828
Total comprehensive income for the year	4,398,844	3,926,828
Attributable to:		
Owners of the Company	2,199,422	1,963,414
Non-controlling interest	2,199,422	1,963,414
Other non-material Non-Controlling Interests (note 26)	91,671	90,027
Total	<u>2,291,093</u>	<u>2,053,441</u>

AED 1,800,000 thousand dividend paid to non-controlling interest in the current year (31 December 2024: AED 2,456,200 thousand).

Emaar Development PJSC and its Subsidiaries

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2025

31 SUBSIDIARY WITH MATERIAL NCI (continued)

The following table summarises the cash flow statement of this subsidiary as at 31 December. This information is based on the amounts before inter-company elimination.

	<i>Dubai Hills Estate LLC</i>	
	<i>2025</i>	<i>2024</i>
	<i>AED'000</i>	<i>AED'000</i>
Cash from operating activities	4,618,181	4,380,581
Cash from investing activities	326,461	485,193
Cash used in financing activities	(3,619,366)	(4,926,431)
Net increase / (decrease) in cash and cash equivalents	<u>1,325,276</u>	<u>(60,657)</u>