



TECOM GROUP PJSC AND ITS SUBSIDIARIES

Consolidated financial statements

For the year ended 31 December 2025

Consolidated financial statements

For the year ended 31 December 2025

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BOARD OF DIRECTORS' REPORT

Dear Shareholders and Readers

The Board of Directors of TECOM Group PJSC (the "Company") has the pleasure in submitting their report and the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2025.

Board of Directors

The Board of Directors comprised of:

Chairman	Mr. Malek Sultan Rashed Almalek
Vice Chairman	Mr. Ahmed Al Qassim
Members	Mr. Amit Kaushal
	Mr. Omar Karim
	Ms. Fatma Hussain
	Ms. Aisha Abdulla Miran
	Mr. Aref Abdulrahman Ahli

Principal activities

The principal activities of the Group are property leasing, development, facilities management and services.

Financial highlights

2025 marked another successful year for TECOM Group, underpinned by strong, sustainable performance and notable improvement in key financial and operational indicators versus 2024. Our specialised business districts delivered resilient results, supported by high occupancy and improved rental rates, alongside fully leased landmark developments and contributions from strategic acquisitions, reinforcing our focus on long term value creation.

Revenue in 2025 rose 19% to AED 2,858 million (2024: AED 2,402 million), reflecting disciplined execution of our growth priorities across the portfolio. Net profit increased to AED 2,086 million, up 70% from AED 1,228 million in 2024, driven by robust operating performance and the reversal of impairments recognised in prior years. Notably, recurring net profit grew by 20% versus 2024.

In line with the Articles of Association and applicable UAE Federal Law, AED 57 million has been appropriated to the statutory reserve from the profits of the Group's subsidiaries.

As at 31 December 2025, the Group's financial position remained strong:

- Total equity attributable to owners increased to AED 7,883 million (2024: AED 6,708 million)
- Total assets rose to AED 17,163 million (2024: AED 16,291 million)
- Total liabilities stood at AED 9,281 million (2024: AED 9,583 million)
- Cash and cash equivalents and bank deposits amounted to AED 441 million (2024: AED 1,017 million)

In addition, the Group's investment properties were revalued at AED 34,496 million, reflecting a significant increase from AED 27,874 million in 2024, driven by market appreciation, improved rental rates and enhancements (including new buildings built / acquired) to the portfolio.

On 2 February 2026, the Board of Directors has recommended cash dividend of AED 440 million (AED 0.09 per share), 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 considering appropriation to statutory reserve and proposed dividend will be transferred to retained earnings.

Transactions with related parties

Details of related party transactions and balances are disclosed in note 10 of the audited consolidated financial statements. All transactions were conducted in accordance with applicable laws and regulations and reflect standard commercial terms.

Outlook 2026

Dubai enters 2026 from a position of strength. Continued non-oil economic expansion, resilient tourism flows, and sustained business confidence are driving robust demand for commercial and industrial assets. Economic fundamentals remain solid, with real GDP, population growth, and visitor numbers set to rise. Government initiatives and industrial development programs are supporting high occupancy and healthy rental performance.

In 2026, TECOM Group will maintain its focus on operational excellence and disciplined portfolio management, enhancing customer experience through digital integration, service innovation, and continued progress on ESG commitments. With a proven track record, a healthy balance sheet, and strong cash generation, the Group is well positioned to deliver consistent value to customers, communities, and shareholders through 2026 and beyond.

Auditors

The consolidated financial statements for the year ended 31 December 2025 have been audited by PricewaterhouseCoopers Limited Partnership Dubai Branch.

For the Board of Directors


Malek Sultan Rashed Almalek
Chairman
Dubai, United Arab Emirates
2 February 2026



Independent auditor's report

To the Shareholders of TECOM Group PJSC

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of TECOM Group PJSC (the "Company") and its subsidiaries (together the "Group") as at 31 December 2025 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of income for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

PricewaterhouseCoopers Limited Partnership Dubai Branch
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Independent auditor's report (continued)

To the Shareholders of TECOM Group PJSC

Our audit approach

Overview

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

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

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of investment property portfolio	
<p>The Group's investment property portfolio comprises commercial offices and retail assets, industrial facilities including warehouses and worker accommodation, and plots of land within its business districts that is leased to tenants or held to support future development activities. The Group's accounting policy is to carry its investment property portfolio at cost less accumulated depreciation and impairment losses, if any.</p> <p>The total carrying amount of investment property portfolio as at 31 December 2025 is AED 15,166,782 thousand, with AED 652,060 thousand recorded as a net impairment reversal during the year ended 31 December 2025.</p> <p>In accordance with IAS 36 'Impairment of assets', the Group assessed whether there are any indicators of impairment or indicators that an impairment loss recognised in prior periods may no longer exist or may have decreased ("impairment reversal") in its investment property portfolio. If indicators of impairment or impairment reversal are identified, an assessment is carried out by management to estimate the recoverable amount, which is the higher of value in use or fair value less cost to sell.</p>	<ul style="list-style-type: none">• We obtained and reviewed management's impairment assessment.• We obtained the valuation report from the Valuer used for the determination of the fair value less cost to sell in management's impairment assessment and assessed whether the valuation approach used and methodology adopted by the Valuer is appropriate for the purpose of the consolidated financial statements of the Group.• We assessed the objectivity and competence of the Valuer.

Independent auditor's report (continued)

To the Shareholders of TECOM Group PJSC

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of investment property portfolio</p> <p>The recoverable amount of an individual investment property is then compared to its corresponding carrying value. The determination of the fair value less cost to sell for the purpose of calculating the recoverable value of the Group's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future market rentals and associated yield rates for the investment property valued under the "investment method" (the "income approach"). The fair value less cost to sell of all of the investment property portfolio as at 31 December 2025 were determined by independent registered valuer (the "Valuer"). The Valuer was engaged by management, and performed their work in accordance with the Royal Institution of Chartered Surveyors ("RICS") Valuation – Global Standards taking into account the requirements of IFRS 13 – 'Fair Value Measurements'.</p> <p>The significance of the estimates and judgements involved in the determination of the fair value less cost to sell of the investment property portfolio warranted specific audit focus in this area, as any significant variation in determination of the valuation assumptions could have a material impact on the recoverable amount of the Group's investment property portfolio and resultant impairment or impairment reversal.</p> <p>Refer to Notes 2, 4 and 6 to the consolidated financial statements which includes the disclosures regarding the accounting policy and use of estimates and judgements by management in determining the fair value less cost to sell of the investment property portfolio.</p>	<ul style="list-style-type: none"> • Further, we determined, based on our judgement, the key valuation assumptions used for selected property valuations and reviewed those for reasonableness. • We performed audit procedures to assess whether the property specific information used for the valuation is reasonable by comparing it, on a sample basis, to underlying supporting records such as the current contracted tenancy agreements. • We utilised our internal valuation experts to review the reasonableness and appropriateness of key underlying assumptions for selected properties, including the valuation approach and methodology applied. • We reviewed the sensitivity analysis performed by the Group's management of certain significant assumptions to assess reasonableness of its potential impact on the determination of the recoverable amount. • We assessed whether the related disclosures in the notes to the consolidated financial statements are consistent with the requirements of IFRS Accounting Standards.



Independent auditor's report (continued)

To the Shareholders of TECOM Group PJSC

Other information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree-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 (continued)

To the Shareholders of TECOM Group PJSC

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 (continued)

To the Shareholders of TECOM Group PJSC

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

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Decree-Law No. (32) of 2021, as amended, we report that:

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 1 to the consolidated financial statements the Group has not purchased or invested in any shares during the year ended 31 December 2025;
- vi) note 10 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association and Memorandum of Association which would materially affect its activities or its financial position as at 31 December 2025; and
- viii) note 26 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2025.

PricewaterhouseCoopers Limited Partnership Dubai Branch
2 February 2026

Rashid Muhammad Khursheed
Registered Auditor Number 5823
Dubai, United Arab Emirates

Consolidated statement of financial position

As at 31 December 2025

	Note	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	85,736	90,893
Intangible assets		16,634	16,688
Investment property	6	15,166,782	13,819,597
Derivative financial instruments	7	61,952	165,440
Other receivables	8	8,139	11,347
Trade and unbilled receivables	9	947,983	821,126
Deferred tax assets		-	4,922
		16,287,226	14,930,013
Current assets			
Other receivables	8	219,121	106,814
Trade and unbilled receivables	9	185,499	181,757
Due from related parties	10	30,593	54,990
Bank deposits	11,36*	217,463	378,678
Cash and cash equivalents	11,36*	223,595	638,361
		876,271	1,360,600
Total assets		17,163,497	16,290,613

*Refer to Note 36 for changes in comparatives.

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

Consolidated statement of financial position

As at 31 December 2025 (continued)

	Note	2025 AED'000	2024 AED'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	500,000	500,000
Statutory reserve	13	539,555	482,696
Hedge reserve		58,257	169,231
Retained earnings		6,784,987	5,555,767
Total equity		7,882,799	6,707,694
LIABILITIES			
Non-current liabilities			
Trade and other payables	14	1,843	2,728
Borrowings	15	4,923,996	5,213,253
Advances from customers	16	561,664	606,757
Project liabilities	17	734,487	786,913
Due to related parties	10	133,902	92,766
Derivative financial instruments	7	3,695	1,131
Employees' end-of-service benefits	18	46,798	46,733
Provision for other liabilities and charges	19	748,788	902,807
		7,155,173	7,653,088
Current liabilities			
Trade and other payables	14	277,510	330,330
Borrowings	15	4,867	-
Advances from customers	16	1,036,237	969,223
Current tax liabilities	28	88,707	38,222
Project liabilities	17	453,615	473,596
Due to related parties	10	182,427	90,604
Provisions for other liabilities and charges	19	82,162	27,856
		2,125,525	1,929,831
Total liabilities		9,280,698	9,582,919
Total equity and liabilities		17,163,497	16,290,613

To the best of our knowledge, the consolidated financial statements are prepared, in all material aspects, in accordance with IFRS Accounting Standards. The consolidated financial statements were approved by the Board of Directors on 2 February 2026 and were signed on its behalf by:


Malek Sultan Rashed Almalek
Chairman


Abdulla Belhoul
Chief Executive Officer


Dr. Christoph Berentzen
Chief Financial Officer

Consolidated statement of income

For the year ended 31 December 2025

	Note	2025 AED'000	2024 AED'000
Revenue	21	2,857,895	2,402,002
Direct costs	22	(963,399)	(849,540)
Gross profit		1,894,496	1,552,462
Other operating income	23	90,870	137,503
		1,985,366	1,689,965
Expenses			
General and administrative	24	(184,305)	(204,942)
Marketing and selling	26	(56,395)	(54,478)
Other operating		-	(6,193)
Impairment reversals on investment property - net	6	652,060	-
		411,360	(265,613)
Operating profit		2,396,726	1,424,352
Finance income		31,354	65,980
Finance costs		(253,294)	(223,659)
Finance costs - net	27	(221,940)	(157,679)
Profit before tax for the year		2,174,786	1,266,673
Income tax expense	28	(88,707)	(38,222)
Profit for the year	29	2,086,079	1,228,451
Earnings per share attributable to the owners of the company			
Basic and diluted (AED)	30	0.42	0.25

Consolidated statement of comprehensive income

For the year ended 31 December 2025

	Note	2025 AED'000	2024 AED'000
Profit for the year		2,086,079	1,228,451
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Unrealized (loss)/gain on cash flow hedge	7	(37,319)	67,098
Amounts reclassified to profit or loss	7,27	(68,733)	(116,862)
Reversal of deferred tax assets		(4,922)	-
Other comprehensive income for the year		(110,974)	(49,764)
Total comprehensive income for the year		1,975,105	1,178,687

Consolidated statement of changes in equity

For the year ended 31 December 2025

	Note	Share capital AED'000	Attributable to owners of the Company Statutory reserve AED'000	Hedge reserve AED'000	Retained earnings AED'000	Total equity AED'000
At 1 January 2024		500,000	458,410	218,995	5,151,602	6,329,007
Profit for the year		-	-	-	1,228,451	1,228,451
Other comprehensive income for the year		-	-	(49,764)	-	(49,764)
Total comprehensive income for the year		-	-	(49,764)	1,228,451	1,178,687
Transactions with owners:						
Dividends declared	20	-	-	-	(800,000)	(800,000)
Transfer to statutory reserve	13	-	24,286	-	(24,286)	-
At 31 December 2024		500,000	482,696	169,231	5,555,767	6,707,694
At 1 January 2025		500,000	482,696	169,231	5,555,767	6,707,694
Profit for the year		-	-	-	2,086,079	2,086,079
Other comprehensive income for the year		-	-	(110,974)	-	(110,974)
Total comprehensive income for the year		-	-	(110,974)	2,086,079	1,975,105
Transactions with owners:						
Dividends declared	20	-	-	-	(800,000)	(800,000)
Transfer to statutory reserve	13	-	56,859	-	(56,859)	-
At 31 December 2025		500,000	539,555	58,257	6,784,987	7,882,799

Consolidated statement of cash flows

For the year ended 31 December 2025

	Note	2025 AED'000	2024 AED'000
Cash flows from operating activities			
Cash generated from operations	31	2,089,052	1,823,174
Payment of income tax	28	(38,222)	-
Payment of employees' end of service benefits	18	(3,687)	(1,280)
Net cash generated from operating activities		2,047,143	1,821,894
Cash flows from investing activities			
Purchase of property and equipment	5	(8,639)	(6,323)
Payments for investment property, net of advances to contractors and project liabilities		(1,327,882)	(2,273,995)
Purchase of intangible assets		(9,371)	(7,215)
Movement in bank deposits with maturities greater than three months	11	161,215	486,623
Interest received		34,587	76,540
Net cash used in investing activities		(1,150,090)	(1,724,370)
Cash flows from financing activities			
Payment for dividends	20	(800,000)	(800,000)
Repayment of borrowings	15	(300,000)	-
Interest paid		(211,819)	(179,045)
Proceeds from borrowings		-	850,000
Net cash used in financing activities		(1,311,819)	(129,045)
Net decrease in cash and cash equivalents		(414,766)	(31,521)
Cash and cash equivalents, beginning of the year		638,361	669,882
Cash and cash equivalents, end of the year	11	223,595	638,361
Significant non-cash transactions:			
Additions to investment property arising from lease terminations	6	-	65,670

Notes to the consolidated financial statements

For the year ended 31 December 2025

1 Legal status and activities

TECOM Group PJSC (the “Company”) is a public joint stock with trade license number 577858 issued by the Department of Economy and Tourism in Dubai.

The Company was initially established as a limited liability company on 14 February 2006. The legal status of the Company was converted to a public joint stock company on 30 June 2022 by virtue of Company’s shareholders resolution. On 5 July 2022, the Company listed its 12.5% ordinary shares on the Dubai Financial Market (“DFM” or the “Exchange”) through an Initial Public Offering (“IPO”).

The Company is domiciled in the United Arab Emirates (UAE) and its registered head office address is Commercial Building No. 1, Dubai Studio City, Dubai, P.O. Box 73000, Dubai, United Arab Emirates.

The principal activities of the Group are property leasing, development, facilities management and services.

The parent company is DHAM LLC (the “Parent Company”), which is a fully owned subsidiary of Dubai Holding Commercial Operations Group LLC (the “Intermediate Parent Company”). The Intermediate Parent Company is a fully owned subsidiary of Dubai Holding LLC (the “Ultimate Parent Company”). The “Ultimate Shareholder” of the Company was His Highness Sheikh Mohammed Bin Rashid Al Maktoum till 8 January 2023. On 8 January 2023, the Ultimate Shareholder and Ruler of Dubai issued Law No. 1 of 2023, transferring his direct ownership in the Ultimate Parent Company to the Government of Dubai. The Company and its subsidiaries are collectively referred to as the Group (the “Group”).

The Group consolidates investments in the following principal subsidiaries:

Name of the entity	Nature of business	Ownership %	
		2025	2024
TECOM Investments FZ-LLC	Develop and lease properties	100	100
Dubai Industrial City LLC	Develop and lease properties	100	100
Dubai Design District FZ-LLC	Develop and lease properties	100	100
Dubai Design District Hospitality FZ-LLC	Develop and lease properties and real estate services	100	100
DIC 1 FZ-LLC	Develop properties and real estate services	100	100
DIC 2 FZ-LLC	Develop properties and real estate services	100	100
DKV 1 FZ-LLC	Develop properties and real estate services	100	100
AXS FZ-LLC	Incorporation and visa related services	100	100
DMC Butterfly Building FZ-LLC	Real estate services	100	100
Innovation Hub FZ-LLC	Real estate services	100	100
Innovation Hub Phase 1 FZ-LLC	Real estate services	100	100
IN5 FZ-LLC	Regional headquarters for real estate services	100	100
Dquarters FZ-LLC	Regional headquarters for real estate services	100	100
Tamdeen LLC	Project management engineering and feasibility studies	100	100

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

1 Legal status and activities (continued)

The Group only operates in the UAE and has no subsidiaries in foreign jurisdictions.

The Group has not purchased or invested in any shares during the financial year ended 31 December 2025.

2 Material accounting policy information

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and comply with the applicable requirements of the laws in the UAE.

2.2 Basis of preparation

The consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is the Company's functional currency and the Group's presentation currency. All amounts have been rounded to the nearest AED thousands ('000s), unless stated otherwise.

The consolidated financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB). The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given/received in exchange for goods and services.

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

As at 31 December 2025, the Group's current liabilities exceeded its current assets. A significant portion of these current liabilities comprises non-financial liabilities, including operating lease and contract advances. The Group had access to undrawn committed credit facilities at the reporting date, which provide sufficient liquidity to meet obligations for at least twelve months. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

Certain comparative amounts have been reclassified in the notes to the consolidated financial statements for the year ended 31 December 2025 to conform to the presentation used in these consolidated financial statements (Note 36).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.3 Application of new and revised IFRS Accounting Standards

(a) New and revised IFRS Accounting Standards applied with no material effect on the consolidated financial statements

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

Lack of Exchangeability – Amendments to IAS 21, ‘The Effects of Changes in Foreign Exchange Rates’

In August 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use where it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary. These new requirements apply for annual reporting periods beginning on or after 1 January 2025. Early application is permitted (subject to any endorsement process).

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

(b) New and revised IFRS Accounting Standards in issue but not yet effective

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

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.3 Application of new and revised IFRS Accounting Standards (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 18 will have no material impact on the consolidated financial statements of Group in the period of initial application.

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure of Financial Statements* ("IFRS 18"). IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The new standard is effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted.

The Group plans to adopt IFRS 18 on its effective date and is currently in the process of assessing the impact of the adoption.

2.4 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.4 Principles of consolidation (continued)

(a) Subsidiaries (continued)

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of income.

Business combinations involving entities under common control do not fall under the scope of IFRS 3 “Business Combinations”. Transfer of businesses under common control is accounted for under the uniting of interest method. Under the uniting of interest method, there is no requirement to fair value the assets and liabilities of the transferred entities and hence no goodwill is created as the balances remain at book value. The results and cash flows of the entities/businesses under common control are consolidated prospectively from the date of transfer without restatement of the consolidated income statement and the consolidated statement of financial position comparatives.

Where settlement of any part of the net identifiable assets acquired is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which similar borrowings could be obtained from independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value with changes in fair value recognised in the consolidated statement of income.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in the consolidated statement of income.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.4 Principles of consolidation (continued)

(b) Eliminations on consolidation

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(c) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to consolidated statement of income.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional and Group's presentation currency.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.5 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income, except when deferred in other comprehensive income and accumulated in equity as qualifying cash flow hedges and qualifying net investment hedges.

Balances and transactions denominated in US dollars ("USD") have been translated into the presentation currency at a fixed rate as the exchange rate of AED to USD has been pegged since 1981.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of income within 'Finance income/costs'. All other foreign exchange gains and losses are presented in the consolidated statement of income within 'Other operating income'. Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in the consolidated statement of income, and other changes in carrying amount are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated statement of income as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are included in other comprehensive income.

2.6 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic earnings per share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment, if any. The cost of property and equipment is its purchase cost together with any incidental costs of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives, as follows:

Type of assets	Years
Buildings	20 - 50
Building interior improvements, furniture and fixtures	3 - 10
Computer hardware	3 - 5
Motor vehicles	5
Other assets (signages and media assets)	3 - 5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'Other operating income' in the consolidated statement of income.

2.8 Investment property

Investment property comprises property held for capital appreciation, rental yields or both, and is carried at cost less accumulated depreciation and impairment losses, if any. Investment property also includes related infrastructure and property that is being constructed or developed for future use as investment property. In addition, land is classified as investment property and is not depreciated. The Group engages professionally qualified external valuers at least once every three years to determine the fair values for disclosure purposes. The fair values for all other years are updated by management by using models and bases similar to the external valuers.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.8 Investment property (continued)

When the development of investment property commences, it is classified under capital work-in-progress until development is complete, at which time it is transferred to the respective category, and depreciated on the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Type of assets	Years
Buildings	20 – 50
Building improvements	3 – 10
Infrastructure	50

Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale or becomes owner-occupied, the property is transferred to property held for development sale or property and equipment respectively.

When investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are recognised in the consolidated statement of income.

Capital work in progress are properties or assets in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the acquisition of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate investment property category and is accounted in accordance with the Group's policies.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.9 Intangible assets

(a) Computer software

The Group's computer software comprises software acquired or software developed by the Group entities. Acquired computer software licenses are capitalised on the basis of the costs incurred to bring to use the specific software. Costs associated with maintaining computer software programs are recognised as an expense as incurred.

Computer software are carried at cost less accumulated amortisation and impairment losses, if any.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

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

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. These costs are amortised over their estimated useful lives of 3 years. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intangible assets which are in the course of development, are carried at cost, less any recognised impairment losses, if any. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate intangible asset category and is accounted in accordance with the Group's policies.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.9 Intangible assets (continued)

(b) Licenses

Separately acquired software licenses are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses, if any.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.10).

2.10 Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its property and equipment, investment property and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

For impaired non-financial assets, an assessment is made at each reporting date to ascertain whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If any such indication exists, the Group estimates the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the consolidated statement of income.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.11 Investments and other financial assets

2.11.1 Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of income or other comprehensive income. The Group reclassifies debt instruments only when its business model for managing those assets changes.

2.11.2 Recognition and derecognition

Purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of income.

2.11.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of income.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.11 Investments and other financial assets (continued)

2.11.3 Measurement (continued)

Debt instruments (continued)

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated statement of income and presented in 'Other operating income'.

Impairment losses are presented under 'General and administrative expenses' in the consolidated statement of income.

Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the consolidated statement of income.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of income and recognised in 'Other operating income'. Interest income from these financial assets is included in 'Finance income' using the effective interest rate method. Exchange gains and losses are presented in 'Other operating income' and impairment losses are presented under 'General and administrative expenses' in the consolidated statement of income.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the consolidated statement of income within 'Other operating income' in the year they arise.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.11 Investments and other financial assets (continued)

2.11.4 Impairment of financial assets

IFRS 9 requires the Group to record an allowance for expected credit losses (ECLs) for all trade and unbilled receivables, due from related parties, other receivables (excluding prepayments) and cash and cash equivalents. 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.

For trade and unbilled receivables and other receivables, the Group has applied the standard's simplified approach and has calculated 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 debtor's general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting day, including time value of money where appropriate.

(i) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower
- A breach of contract, such as a default or past due event (see (ii) above)

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.11 Investments and other financial assets (continued)

2.11.4 Impairment of financial assets (continued)

(ii) Credit-impaired financial assets (continued)

- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

(iii) Write-off policy

The Group writes off a financial asset considering various factors which includes but not limited to the information indicating debtor's severe financial difficulty and no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of income.

(iv) Measurement and recognition of expected credit losses

The measurement of ECLs is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

The Group recognises an impairment gain or loss in the consolidated statement of income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.12 Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of income to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy).

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for- trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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 (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of income.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.13 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.14 Trade receivables

Trade receivables are amounts due from customers for properties leased or services performed in the ordinary course of business. Trade receivables arise when the Group recognises revenue in accordance with IFRS 15 and IFRS 16.

Trade receivables are measured at amortised cost and are subject to impairment using the simplified approach under IFRS 9, whereby a loss allowance is recognised based on lifetime expected credit losses.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances in current accounts, call accounts and term deposits with original maturity of three months or less with no withdrawal restrictions and which are subject to an insignificant risk of changes in value and cash pledged against guarantees.

2.16 Trade payables

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

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

Contract advances include instalments received from customers for lease and services. These are subsequently released to the consolidated statement of income once the revenue recognition criteria are met (Note 2.21).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of income.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed. Borrowings are classified as payable within 12 months unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expense. Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.19 Employee benefits

(a) End of service benefits to non-UAE nationals

Provision is made for the end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the balance sheet date.

(b) Pension and social security policy within the UAE

The Group is a member of the pension scheme operated by the Federal Pension General and Social Security Authority. Contributions for eligible UAE National employees are made and charged to the consolidated statement of income, in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. The Group has no further payment obligations once the contributions have been paid.

2.20 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions. Derivatives are only used by the Group for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria under IFRS Accounting Standards, they are classified as 'held for trading' for accounting purposes only. The fair values of various derivative instruments used for hedging are disclosed in Note 3.3. Movements in the hedging reserve is disclosed in the consolidated statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability when expected to be settled within 12 months; otherwise, they are classified as non-current.

The Group uses interest rate swaps for hedging, which are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of interest rates (for example, fixed rate for floating rate). No exchange of principal takes place. The Group's credit risk represents the potential cost to replace the interest rate swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.20 Derivative financial instruments and hedging activities (continued)

(a) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in the consolidated statement of income within 'Finance income/costs'.

Amounts accumulated in equity are recycled in the consolidated statement of income in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss and deferred costs of hedging existing in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset (such as inventory) and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is transferred to the consolidated statement of income within 'Finance income/costs'.

2.21 Revenue recognition

The Group recognises revenue from contracts with customer based on five step model as outlined under IFRS 15:

- Step 1 Identify the contract 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 each of those rights and obligations.
- Step 2 Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.
- Step 3 Determine the transaction price: Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and 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 consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5 Recognise revenue as and when the Group satisfies a performance obligation.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.21 Revenue recognition (continued)

The Group recognises revenue over time if any one of the following criteria is met:

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

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied. When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract-based asset on the amount of consideration earned by the performance - unbilled receivables. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability – advances from customers.

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

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

(a) Service charges

For investment property held primarily to earn operating lease income, the Group enters as a lessor into lease agreements that fall within the scope of IFRS 16. Certain lease agreements include certain services offered to tenants (i.e., customers) including common area services (such as security, cleaning, maintenance, utilities) as well as other support services (e.g., customer service and management). The consideration charged to tenants for these services includes fees charged based on a percentage of the operating lease income and reimbursement of certain expenses incurred. These services are specified in the lease agreements and separately invoiced.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.21 Revenue recognition (continued)

(a) Service charges (continued)

The Group has determined that these services constitute distinct non-lease components (transferred separately from the right to use the underlying asset) and are within the scope of IFRS 15. The contracts of the Group specifically highlight stand-alone price for the services. In respect of the revenue component, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Group. The Group applies the time elapsed method to measure progress.

Income arising from cost recharged to tenants is recognised in the period in which the cost can be contractually recovered. The Group arranges for third parties to provide some of these services to its tenants. The Group concluded that it acts as a principal in relation to these services as it controls the specified services before transferring them to the customer. Therefore, the Group records revenue on a gross basis.

(b) Service income

Services revenue relates to outsourcing services provided to a government authority in relation to incorporation, government and other related services. The revenue is recognised at a point in time when the services are rendered.

Management has assessed all revenue-generating arrangements to determine whether the Group acts as principal or agent under IFRS 15. The Group acts as principal when it controls the service before it is transferred to the customer, is responsible for delivering the service, and bears related risks. In these cases, revenue is recognised on a gross basis. When the Group does not control the service and only facilitates a third party in providing it, it acts as agent and recognises revenue on a net basis, limited to the commission earned.

Management has concluded that, for all arrangements except those with Dubai Development Authority, the Group acts as principal and recognises gross revenue. For arrangements with Dubai Development Authority, the Group acts as agent and recognises only its net commission.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.22 Leases

(a) The Group as Lessee

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

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.22 Leases (continued)

(a) The Group as Lessee (continued)

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

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

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of income if the carrying amount of the right-of-use asset has been reduced to zero.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). For calculation of IBR, the Group has taken appropriate benchmarks after adjusting for Group's specific risk, term risk and underlying asset risk.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.22 Leases (continued)

(b) The Group as a Lessor

The Group enters into lease arrangements as a lessor with respect to its investment property. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Operating lease income

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Group's subleases are classified as operating leases.

Operating lease income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the consolidated statement of income when the right to receive them arises.

Finance leases

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying assets. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.22 Leases (continued)

(b) The Group as a Lessor (continued)

Finance leases (continued)

Lease payments are payments made by a lessee to a lessor relating to the right to use an underlying asset during the lease term, comprising the fixed payments, less any lease incentives; variable lease payments; the exercise price for a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. When the Group is an intermediate lessor, it accounts for its interest in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right of use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

Amounts from leases under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.23 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholder.

2.24 Segment reporting

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the Group's Chief Executive Officer that makes strategic decisions.

2.25 Interest income

Interest income is recognised in the consolidated statement of income using the effective interest method. It arises solely from interest on bank balances and bank deposits with financial institutions. Interest is recorded as it accrues, based on the applicable interest rates agreed with the banks.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

2 Material accounting policy information (continued)

2.26 Dividend income

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

2.27 Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxable entity and tax authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

3 Financial risk management

3.1 Financial risk factors

The Group's operations and borrowings potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and interest rate risk), credit risk and liquidity risk.

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating to fixed rates.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the functional currency of the particular Group entity. The Group has no significant exposure to foreign exchange risk as majority of its transactions are in the respective functional currencies of the Group companies.

(ii) Cash flow and interest rate risk

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities. Borrowings at variable rates expose the Group to cash flow interest rate risk.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating to fixed rates. In the case of long-term borrowings from banks and financial institutions, the Group generally borrows funds at floating rates and swaps them into fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At 31 December 2025, if interest rates on interest bearing financial assets had been 100 basis points (2024: 100 basis points) higher/lower with all other variables held constant, post-tax profit for the year would have been AED 2,175 thousand (2024: AED 5,787 thousand) higher/lower, mainly as a result of higher/lower interest income. In addition, at 31 December 2025 had the Group not entered in any interest rate swap agreements, if interest rates on borrowings had been 100 basis points (2024: 100 basis points) higher/lower with all other variables held constant, post-tax profit for the year would have been AED 49,289 thousand (2024: AED 52,133 thousand) lower/higher, mainly as a result of higher/lower interest expense.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The Group is exposed to credit risk in relation to its monetary assets, mainly trade receivables, lease receivables, derivatives, due from related parties, unbilled receivables and cash and cash equivalents and bank deposits.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. When such an event happens, it is considered as a default event. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established policies under which each new customer is analysed for creditworthiness before Group's standard payment and service delivery terms and conditions are offered.

The credit review can include customer reputation, customer segmentation, business plans, bank references and external credit worthiness databases when available.

Derivative financial instruments and bank deposits are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

The credit quality of cash and cash equivalents and bank deposits at the reporting date can be assessed by reference to external credit ratings as illustrated in the table below:

	2025 AED'000	2024 AED'000
A1	165,901	232,183
A2	50,347	226,151
A3	53,047	214,404
Aa3	68	20
Baa1	171,130	243,687
Baa3	-	100,000
	440,493	1,016,445

The rest of the consolidated statement of financial position, 'cash and cash equivalents and bank deposits' is cash on hand.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The credit quality of Group's other financial assets are illustrated in the table below:

	Notes	Gross carrying amount AED'000	Credit loss allowance AED'000	Net carrying amount AED'000
31 December 2025				
Derivative financial instruments	7	61,952	-	61,952
Trade and unbilled receivables	9	1,244,653	(111,171)	1,133,482
Other receivables	8	40,078	-	40,078
Due from related parties	10	30,593	-	30,593
		1,377,276	(111,171)	1,266,105
31 December 2024				
Derivative financial instruments	7	165,440	-	165,440
Trade and unbilled receivables	9	1,135,847	(132,964)	1,002,883
Other receivables	8	28,415	-	28,415
Due from related parties	10	54,990	-	54,990
		1,384,692	(132,964)	1,251,728

Other receivables exclude advances to contractors and suppliers and prepayments.

The Group's exposure to credit risk arising from trade and unbilled receivables is disclosed in Note 9.

With respect to the credit risk arising from other financial assets of the Group, which comprise due from related parties, other receivables and deposits and financial assets at fair value through other comprehensive income, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these assets.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available. Management reviews cash flows at regular intervals.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant:

	Notes	Less than 3 months AED'000	Between 3 months and 1 year AED'000	Between 1 and 5 years AED'000	More than 5 years AED'000
31 December 2025					
Borrowings		48,405	149,833	5,283,864	-
Trade payables and other liabilities		-	1,002,723	423,075	616,339
Derivative financial instruments	7	-	-	3,695	-
Due to related parties	10	182,427	-	137,794	-
		230,832	1,152,556	5,848,428	616,339
31 December 2024					
Borrowings		58,778	155,814	5,737,883	-
Trade payables and other liabilities		-	1,062,792	425,235	719,062
Derivative financial instruments	7	-	-	1,131	-
Due to related parties	10	90,604	-	101,873	-
		149,382	1,218,606	6,266,122	719,062

Trade payables and other liabilities exclude operating lease advances and contract advances.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of gross debt (borrowings of the Group disclosed in Note 15) and total equity of the Group.

The Group has a target to keep its gearing ratio below 65%, which is determined as a proportion of gross debt to total capital (equity plus gross debt).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

3 Financial risk management (continued)

3.2 Capital risk management (continued)

The gearing ratios at 31 December 2025 and 2024 were as follows:

	Notes	2025 AED'000	2024 AED'000
Total borrowings	15	4,928,863	5,213,253
Total equity		7,882,799	6,707,694
Total capital		12,811,662	11,920,947
Debt to total capital/ gearing ratio		38.47%	43.73%

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments that are not traded in an active market is based on valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, these instruments are included in level 2. All derivative financial instruments held by the Group have been categorised as level 2 as shown below, where the fair valuation of such instruments has been determined based on discounting future cash flows using observable discount factors. Future cash flows are estimated based on forward interest rates. There is no change in the valuation technique in comparison to prior years.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

3 Financial risk management (continued)

3.3 Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, these instruments are included in level 3.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025 and 2024:

	Level 2 AED'000
2025	
Assets	
Derivatives designated as cash flow hedges	61,952
Liabilities	
Derivatives designated as cash flow hedges	3,695
	Level 2 AED'000
2024	
Assets	
Derivatives designated as cash flow hedges	165,440
Liabilities	
Derivatives designated as cash flow hedges	1,131

There were no transfers between the levels for recurring fair value measured during the year.

The carrying value of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Other receivables and payables approximate their fair values.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Provision for infrastructure costs

The Group recognises provisions for infrastructure based on assessments by third party specialists. This requires the use of significant estimates and judgements to determine the quantum of infrastructure required, the costs and time related to the construction, and the expected share of costs that may be recharged to the master developer. Infrastructure developed or under development by third parties or government authorities will be recharged to the master developer and subsequently to the Group based on its share of such costs. The significant components of infrastructure include construction of roadworks and power stations to service the master planned communities.

The provision for infrastructure costs are based on management's best estimate of the future costs of construction of the related infrastructure facilities and the total costs to be actually incurred will be determined based on inputs from the relevant authorities and cost structures prevalent at each such future date. Hence, the Group's actual cost of infrastructure may be materially different to the current estimates as advised by third party specialists.

Change in accounting estimate

During the year, the Group performed a reassessment of its infrastructure cost estimates. This reassessment resulted in an increase in the carrying amount of investment property and the related provision for infrastructure costs by AED 68,000 thousand (Note 19).

The revision was primarily driven by updated assumptions regarding the historical cost of construction. An increase in the cost of constructing comparable infrastructure assets in recent periods was a key factor for the revised estimates.

For roadworks related infrastructure estimates, management determined that current year expectations do not differ from previous estimates based on its review.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

4 Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty (continued)

(b) Calculation of loss allowance

The calculation of ECLs under IFRS 9 requires the use of significant management judgement. The Group estimates ECLs on trade and unbilled receivables, due from related parties, other receivables (excluding prepayments and advances from contractors and suppliers) and cash and cash equivalents. ECLs represent the difference between the contractual cash flows due and the cash flows the Group expects to receive, discounted using the asset's original effective interest rate.

For trade, unbilled and other receivables, the Group applies the simplified approach and recognises lifetime ECLs using a provision matrix derived from historical loss experience. These rates are adjusted for current and forward-looking information related to the debtor's economic environment. The assessment requires estimating the probability of default and the loss expected if default occurs, both of which involve management judgement and are sensitive to changes in economic conditions.

In measuring ECLs, the Group uses reasonable and supportable forward-looking assumptions about future economic drivers and their possible effects on credit risk. There were no changes to the estimation techniques or significant assumptions used during the year.

(c) Useful lives of investment property

Management reviews the residual values and estimated useful lives of investment property at the end of each annual reporting period in accordance with IAS 40. Management determined that current year expectations do not differ from previous estimates based on its review.

(d) Valuation of investment property

The fair value of the Group's investment property is determined either by an independent registered valuer or through internal valuations performed by the Group's finance department.

Determining the fair value less costs to sell for the purpose of assessing the recoverable amount for the purpose of impairment assessment or disclosure of the fair value involves significant judgement. This is due to several factors, including the unique characteristics and locations of individual properties, expected future market rental levels, yield rates used in valuations applying the investment method (the "income approach"), and comparable selling prices when applying the comparable method.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

4 Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty (continued)

(d) Valuation of investment property (continued)

The fair value less costs to sell for the portfolio was determined using either the income approach or the sales comparison approach, depending on the nature and characteristics of each property.

The key assumptions that have most significant impact on these valuations are:

- Estimated Rental Value (ERV), representing the market rent achievable for the property based on current leasing evidence for comparable assets;
- Equivalent yield, representing the market-based rate of return required by investors for properties with similar characteristics and risk profiles.
- Sales rate per Gross Floor Area ("GFA") for properties with similar characteristics and risk profiles.

Valuation of all properties by the independent registered valuer is based on future net cash flows, an adjustment has been made for rent received in advance. Management reviews the inputs and methodologies used by valuers, comparing them to external market benchmarks, leasing activity and independent research. Management considers the assumptions used in determining the fair values to be reasonable at the reporting date, taking into account the prevailing economic and real estate conditions in the UAE.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately above), that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

(a) Identification of a cash generating unit

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The Group determines the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs (the asset's cash-generating unit). Where a reasonable and consistent basis of allocation can be identified, corporate assets (infrastructure costs) are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In identifying whether cash inflows from an asset (or group of assets) are largely independent of the cash inflows from other assets (or groups of assets), the Group considers various factors including how management monitors the Group's operations or how management makes decisions about continuing or disposing of the Group's assets and operations.

Notes to the consolidated financial statements
For the year ended 31 December 2025 (continued)

5 Property and equipment

	Note	Buildings AED'000	Building interior improvements, furniture and fixtures AED'000	Computer hardware AED'000	Motor vehicles AED'000	Other assets AED'000	Capital work in progress AED'000	Total AED'000
Cost								
At 1 January 2024		137,840	128,315	46,181	1,364	19,077	154	332,931
Additions		-	4,425	534	-	1,364	-	6,323
Transfers from/(to) investment property	6	-	395	-	-	-	(154)	241
Disposals		-	-	(20)	-	-	-	(20)
Reclassifications		(2,783)	2,783	-	-	-	-	-
Write-off		-	-	-	-	(1,167)	-	(1,167)
At 31 December 2024		135,057	135,918	46,695	1,364	19,274	-	338,308
Additions		-	7,470	688	479	2	-	8,639
Disposals		-	-	-	(948)	(426)	-	(1,374)
Transfers to investment property	6	-	(32,759)	(30)	-	(3,011)	-	(35,800)
At 31 December 2025		135,057	110,629	47,353	895	15,839	-	309,773
Accumulated depreciation								
At 1 January 2024		55,611	123,195	44,775	986	14,905	-	239,472
Depreciation charge for the year		3,496	2,056	865	378	2,153	-	8,948
Transfers from investment property	6	-	182	-	-	-	-	182
Disposals		-	-	(20)	-	-	-	(20)
Write-off		-	-	-	-	(1,167)	-	(1,167)
At 31 December 2024		59,107	125,433	45,620	1,364	15,891	-	247,415
Depreciation charge for the year		4,055	1,574	718	72	684	-	7,103
Disposals		-	-	-	(948)	(426)	-	(1,374)
Transfers to investment property	6	-	(28,048)	-	-	(1,059)	-	(29,107)
At 31 December 2025		63,162	98,959	46,338	488	15,090	-	224,037
Net book value at 31 December 2025		71,895	11,670	1,015	407	749	-	85,736
Net book value at 31 December 2024		75,950	10,485	1,075	-	3,383	-	90,893

The depreciation charge for the year ended 31 December 2025 is recognised under general and administrative expenses amounting to AED 7,103 thousand (2024: AED 8,948 thousand) (Note 24).

Notes to the consolidated financial statements
For the year ended 31 December 2025 (continued)

6 Investment property

	Notes	Land AED'000	Buildings and improvements AED'000	Infrastructure AED'000	Right of use - land AED'000	Capital work in progress AED'000	Total AED'000
Cost							
At 1 January 2024		3,687,468	10,521,991	3,244,663	-	3,599,897	21,054,019
Additions		414,162	1,353,806	-	-	619,901	2,387,869
Transfers to related parties	10	-	-	-	-	(23,335)	(23,335)
Transfers (to)/from property and equipment	5	-	(395)	-	-	154	(241)
Transfers within other captions of investment property		-	60,188	54,718	-	(114,906)	-
At 31 December 2024		4,101,630	11,935,590	3,299,381	-	4,081,711	23,418,312
Additions		413,416	305,501	-	-	437,853	1,156,770
Disposals		-	(535)	-	-	-	(535)
Transfers from property and equipment	5	-	32,789	-	3,011	-	35,800
Transfers within other captions of investment property		-	517,925	138,952	-	(656,877)	-
Reclassifications within other captions of investment property		(445,127)	548,133	106,742	-	(209,748)	-
Other movements		(1,850,718)	437,306	(26,399)	-	(1,063,352)	(2,503,163)
At 31 December 2025		2,219,201	13,776,709	3,518,676	3,011	2,589,587	22,107,184
Accumulated depreciation and impairment							
At 1 January 2024		1,946,344	4,614,437	1,102,968	-	1,525,728	9,189,477
Depreciation charge for the year		-	357,229	52,191	-	-	409,420
Transfers to property and equipment	5	-	(182)	-	-	-	(182)
At 31 December 2024		1,946,344	4,971,484	1,155,159	-	1,525,728	9,598,715
Depreciation charge for the year		-	405,882	62,121	335	-	468,338
Impairment reversals		(65,580)	(407,178)	(1,464)	-	(177,838)	(652,060)
Disposals		-	(535)	-	-	-	(535)
Transfers from property and equipment	5	-	28,048	-	1,059	-	29,107
Other movements		(1,850,718)	437,306	(26,399)	-	(1,063,352)	(2,503,163)
At 31 December 2025		30,046	5,435,007	1,189,417	1,394	284,538	6,940,402
Net book value at 31 December 2025		2,189,155	8,341,702	2,329,259	1,617	2,305,049	15,166,782
Net book value at 31 December 2024		2,155,286	6,964,106	2,144,222	-	2,555,983	13,819,597

The capital work-in-progress includes land, buildings and improvements and infrastructure under construction.

During the year ended 31 December 2025, the Group acquired investment property from a related party for a total consideration of AED 410,921 thousand (2024: AED 958,231 thousand), recorded in accordance with the Group's accounting policy (Note 10).

Additions to investment property included roadworks and infrastructure costs recharged by a related party, amounting to AED 122,907 thousand (2024: AED Nil) (Note 10).

Other movements include the derecognition of AED 2,940,469 thousand relating to investment properties previously transferred to the Parent Company, together with the associated accumulated impairment. The amount also includes AED 437,306 thousand of historic impairments reclassified from the cost of investment properties to accumulated impairment.

The depreciation charge for the year ended 31 December 2025 is recognised under direct costs amounting to AED 468,338 thousand (2024: AED 409,420 thousand).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

6 Investment property (continued)

In 2024, the Group repossessed certain capital work-in-progress upon court settlements, which were recorded at fair value in accordance with the Group's accounting policy. This transaction resulted in a gain of AED 65,670 thousand, which is included in other operating income [Note 23(a)].

As at 31 December 2025 and 2024, no investment property have been pledged as security against loan facilities obtained by the Group (Note 15).

The following amounts have been recognised in the consolidated statement of income in respect of investment property:

	2025 AED'000	2024 AED'000
Operating lease income (Note 21)	2,486,262	2,106,792
Direct costs (including depreciation) arising from investment property that generated operating lease income	845,670	749,759

The fair value of investment property as at 31 December 2025 amounted to AED 34,496,232 thousand (2024: AED 27,874,364 thousand).

Fair values were determined using valuation techniques appropriate to the properties and supported by available data. The current use of all investment properties is considered to represent their highest and best use. No changes were made to the valuation techniques during the years presented.

The valuations incorporate significant unobservable inputs, including expected future rental income, operating costs, growth assumptions, equivalent yields and sales rate per GFA. As these inputs are not derived from observable market data, the valuations are classified within Level 3 of the fair value hierarchy.

Impairment review

An impairment review was carried out by management during the year, resulting in a net impairment reversal of AED 652,060 thousand (2024: AED Nil) on certain investment properties. The reversal was primarily driven by improved market conditions and higher rental estimates. A segment-wise breakdown of the impairment reversals is presented in Note 35.

The impact on the impairment reversals of a reasonable shift in key assumptions is as follows:

- The equivalent yield ranges from 6.5% to 13.5%. If the equivalent yield was 25 basis points higher/lower, the valuation would have been AED 38,825 thousand lower/ AED 40,704 thousand higher, respectively, with all other variables remaining constant.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

6 Investment property (continued)

Impairment review (continued)

- The ERV is based on the actual location, type and quality of the properties and supported by the terms of any existing leases, such as market rental growth and rent-free period. If future rental rates were 10% higher/lower, the valuation would have been AED 57,153 thousand higher/lower respectively, with all other variables remaining constant.
- The fair value of the land is more sensitive to the prevailing comparable market selling prices which if reduced by 5%, will not result in any material impairment or reversal for the year ended 31 December 2025.

Valuation techniques underlying management's estimation of fair value

The 'Income capitalisation' have been applied for the fair valuation of income generating properties.

The sales comparison and income capitalisation methods have been applied for the valuation of land held by the Group.

'Income capitalisation method' is a growth implicit valuation technique. The term (current/passing) income is based on the gross income generated from the contracted lease agreement(s) in place (including any anticipated changes at future rent reviews) and the reversionary income stream is based on the estimated market rent of the property at the valuation date. The hypothetical purchaser's operating costs associated with ownership of the property (including current and future anticipated void periods) are deducted to arrive at the term and reversionary net operating income streams ("NOI"). The NOI streams are then capitalised over the term of the lease agreement(s) in place or in perpetuity respectively using a market related yield. The significant unobservable inputs used in the fair value measurement categorised within level 3 of the fair value hierarchy using income capitalisation method are stabilised average monthly market rent and capitalisation rate.

'Sales comparison method' involves determination of the value of the investment property with reference to comparable market transactions for properties in close proximity. These values are adjusted for differences in key attributes such as size, gross floor area and location. The valuation method adopted for these properties fall under level 3. The significant unobservable input used in the fair value measurement categorised within level 3 of the fair value hierarchy using sales comparison method is sales rate per GFA.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

7 Derivative financial instruments

	Notional amount AED'000	Asset AED'000	Liabilities AED'000
At 31 December 2025			
Designated as cash flow hedges			
Interest rate swap contracts	2,907,823	61,952	3,695
At 31 December 2024			
Designated as cash flow hedges			
Interest rate swap contracts	3,531,268	165,440	1,131

At 31 December 2025, the fixed interest rates vary from 1.52% to 4.37% per annum (2024: 1.52% to 4.37% per annum). The floating rates are linked to Emirates Interbank Offered Rate ("EIBOR").

Changes in the fair market values of interest rate swaps that are considered effective and designated as cash flow hedges are recognised in the hedge reserve in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss. There was no significant ineffectiveness arising from cash flow hedges; any amounts were immaterial.

As at 31 December 2025, derivative financial instruments include interest rate swaps entered into with a related party financial institution, with a fair value of AED 22,678 thousand (2024: AED 64,689 thousand).

8 Other receivables

	2025 AED'000	2024 AED'000
Advances to contractors and suppliers	141,710	53,035
Prepayments	45,472	36,711
Finance lease receivables	12,260	15,468
Other receivables	27,818	12,947
	227,260	118,161
Less: non-current	(8,139)	(11,347)
Current	219,121	106,814

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

8 Other receivables (continued)

Finance lease receivables relate to property leases with a lease term of up to 50 years. The lease term generally provides an option to lessees to buy the properties after initial period (usually 10 years). The leases carry interest rate linked to EIBOR. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

A summary of the gross repayment schedule for the finance lease receivable is presented below:

	2025 AED'000	2024 AED'000
Within one year	4,121	4,121
After one year but not more than five years	8,287	11,541
	12,408	15,662
Unearned future finance income on finance leases	(148)	(194)
Net investment in finance leases	12,260	15,468

The fair value of long-term finance receivables has been estimated by discounting the gross value of finance lease receivables using a borrowing rate of 6% (2024: 6%).

9 Trade and unbilled receivables

	2025 AED'000	2024 AED'000
Trade receivables	124,163	172,516
Less: loss allowance	(68,748)	(77,939)
Trade receivables (Current)	55,415	94,577
Unbilled receivables - operating leases	1,129,454	963,331
Less: loss allowance	(51,387)	(55,025)
	1,078,067	908,306
Less: non-current	(947,983)	(821,126)
Current	130,084	87,180
Trade and unbilled receivables		
Current	185,499	181,757
Non-current	947,983	821,126
	1,133,482	1,002,883

The fair values of trade and unbilled receivables approximate their carrying amounts.

Unbilled receivables arise on revenue recognition based on straight lining which is mainly driven by rent free periods and rent escalation as per the contracts.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

9 Trade and unbilled receivables (continued)

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 31 December 2025 and 2024. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

	2025 AED'000	2024 AED'000
Trade receivables and unbilled receivables		
Not past due	1,129,753	979,404
Up to 3 months	35,100	66,591
3 to 6 months	5,781	7,449
Over 6 months	82,983	82,403
	1,253,617	1,135,847

Loss allowance against trade receivables and unbilled receivables

Not past due	51,431	55,351
Up to 3 months	5,364	5,464
3 to 6 months	3,800	6,333
Over 6 months	59,540	65,816
	120,135	132,964

The provision against not past due receivables reflects the expected credit loss for specific customers identified as having increased credit risk, where collection is considered doubtful, based on forward-looking information and in accordance with the Group's expected credit loss policy. The creation and release of the loss allowance on receivables have been included in the consolidated statement of income under general and administrative expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The majority of the Group's trade and unbilled receivables are denominated in AED.

The movement in the Group's loss allowance on trade receivables is as follows:

	2025 AED'000	2024 AED'000
At 1 January	77,939	91,655
(Reversal of)/provision for loss allowance - net	(9,191)	7,074
Write-off	-	(20,790)
At 31 December	68,748	77,939

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

9 Trade and unbilled receivables (continued)

The movement in the Group's loss allowance on unbilled receivables is as follows:

	2025 AED'000	2024 AED'000
At 1 January	55,025	156,930
Reversal of loss allowance - net	(3,638)	(4,598)
Write-off	-	(97,307)
At 31 December	51,387	55,025

There has been no change in the estimation techniques or significant assumptions made in assessing the ECL during the current year.

10 Balances and transactions with related parties

Related parties comprise ultimate parent company, intermediate parent company, parent company and key management personnel and businesses which are controlled directly by the major shareholders or key management personnel. Related parties also include entities over which the ultimate parent company has control or significant influence. The terms of the related party transactions are approved by the management.

(a) Due from related parties

	2025 AED'000	2024 AED'000
Parent Company	1,413	1,413
Other subsidiaries of the Parent Company	14,066	26,370
Other related parties	15,114	27,207
	30,593	54,990

The fair values of due from related parties approximate their carrying amounts and are fully performing at 31 December 2025 and 2024.

Due from and due to related party balances are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the due from and due to balances simultaneously.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

10 Balances and transactions with related parties (continued)

(b) Due to related parties

	2025 AED'000	2024 AED'000
Ultimate Parent Company	13,463	16,042
Other subsidiaries of the Parent Company	42,628	130,381
Other related parties (Note 6)	260,238	36,947
	316,329	183,370
Less: non-current	(133,902)	(92,766)
Current	182,427	90,604

The payables to related parties primarily arise from services rendered by those parties in the normal course of business. These balances are non-interest bearing and are settled under standard commercial terms.

As at 31 December 2025, the amount due to related parties includes AED 97,981 thousand (2024: AED 113,141 thousand), which pertains to obligations arising from the acquisition of investment property from a related party in 2024 (Note 6). Of this amount, AED 50,441 thousand (2024: AED 92,766 thousand) is classified as a non-current liability, representing the net present value of obligations with a three-year repayment term, discounted at a rate of 5.39% (2024: 5.39%). This classification reflects the long-term nature of the liability, consistent with the terms of the underlying agreements, as repayment extends beyond one year.

(c) Related party transactions

Details of other significant transactions with related parties in the normal course of the business are as follows:

	2025 AED'000	2024 AED'000
Transactions between related parties:		
Dividends declared to Parent Company	700,000	700,000
Acquisition of investment property from fellow subsidiaries (Note 6)	410,921	958,231
Addition of investment property from recharged roadworks and infrastructure costs from other related party (Note 6)	122,907	-
Transfer of investment property to fellow subsidiaries (Note 6)	-	23,335

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

10 Balances and transactions with related parties (continued)

(c) Related party transactions (continued)

	2025 AED'000	2024 AED'000
Services provided to related parties included in revenue:		
Operating lease income from fellow subsidiaries and other related parties	45,862	49,462
Services income from fellow subsidiaries and other related parties	5,182	6,687
Services provided by related parties included in expenses:		
Direct costs - operation and maintenance costs		
- Fellow subsidiaries	13,724	19,630
- Entities under common control	122,521	109,984
- Other related parties	68,088	63,115
<i>General and administrative expenses - cost recharged</i>		
- Ultimate Parent Company	1,630	1,672
- Fellow subsidiaries	51,724	49,422
- Other related parties	2,595	2,884
Transactions with related party financial institution		
Finance income	7,359	21,895
Finance costs and other bank charges	84,083	72,383

(d) The Group enters into transactions with entities related to the government other than those already disclosed in these consolidated financial statements. These transactions primarily comprise utility supply, regulatory services, and banking activities, as well as arrangements relating to the Group's share of infrastructure and roadwork costs benefiting its developments.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

10 Balances and transactions with related parties (continued)

(e) Remuneration of key management personnel

The compensation to key management personnel of the Group is shown below:

	2025 AED'000	2024 AED'000
Salaries and other short-term employee benefits	21,028	22,205
End of service, termination and other post-employment benefits	937	1,060
Board of Directors' remuneration	6,190	7,990
	28,155	31,255

(f) During the year, the Group entered into a land acquisition agreement with a related party for a total consideration of AED 1,556,799 thousand. The first instalment of AED 410,921 thousand was paid and recorded as additions to investment property (Note 6). The remaining commitment of AED 1,145,878 thousand is disclosed under capital commitments (Note 34.a), and a related bank guarantee of AED 1,167,600 thousand has been issued in connection with this transaction (Note 34.d).

11 Cash and cash equivalents and bank deposits

	2025 AED'000	2024 AED'000
Cash on hand	565	594
Cash at banks		
- Current account	223,030	437,767
- Bank deposits	217,463	578,678
	441,058	1,017,039

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	2025 AED'000	2024 AED'000
Cash and cash equivalents and bank deposits	441,058	1,017,039
Bank deposits with maturities greater than three months	(217,463)	(378,678)
	223,595	638,361

Bank accounts are held with locally incorporated banks. Bank deposits carry interest in the range of 3.80% to 4.40% (2024: 3.85% to 5.05%) per annum.

As at 31 December 2025, cash and cash equivalents and bank deposits include AED 107,117 thousand (2024: AED 222,192 thousand) held with a related party financial institution.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

12 Share capital

The total authorised and issued share capital of the Company comprises 5,000,000,000 shares (2024: 5,000,000,000 shares) of AED 0.10 each. All shares were fully paid-up.

13 Statutory reserve

In accordance with UAE Federal Decree Law No. (32) of 2021, as amended and the Articles of Association, public joint stock companies are required to transfer 10% of their annual profit, and UAE limited liability companies 5% of their annual profit, to a statutory reserve until such reserve reaches 50% of the paid-up share capital. During the year ended 31 December 2025, the Group transferred AED 56,859 thousand (2024: AED 24,286 thousand) to the statutory reserve in line with this requirement.

As at 31 December 2025 and 2024, the statutory reserve of the Company amounted to AED 250,000 thousand. The remaining statutory reserve balance pertains to the subsidiaries of the Group.

14 Trade and other payables

	2025 AED'000	2024 AED'000
Trade payables	92,548	89,494
Accrued expenses	171,033	216,218
Other payables	15,772	27,346
	279,353	333,058
Less: non-current	(1,843)	(2,728)
Current	277,510	330,330

15 Borrowings

	2025 AED'000	2024 AED'000
Bank borrowings	4,950,000	5,250,000
Accrued interest payable	4,867	-
Unamortised transaction costs	(26,004)	(36,747)
Carrying amount	4,928,863	5,213,253
Less: non-current	(4,923,996)	(5,213,253)
Current	4,867	-

The purpose of the loan facility is to repay existing facilities and for general corporate purposes of the Group. The facility is repayable in a single bullet payment in 2028.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

15 Borrowings (continued)

During the year, the Group made prepayments amounting to AED 300,000 thousand (2024: AED Nil).

As at 31 December 2025, the Group has undrawn floating rate borrowing amounting to AED 2,650,000 thousand from the above facility (2024: AED 2,350,000 thousand).

The Group has sufficient headroom to enable it to conform to covenants on its existing borrowings and sufficient working capital and undrawn financing facilities to service its operating activities and ongoing investments as at 31 December 2025 and 2024.

Below are major financial covenants as required by the terms of the facility:

- (i) Leverage for each period not to exceed certain ratios as specified in the facility agreement.
- (ii) Debt Service Cover Ratio not to be less than 1.20:1.
- (iii) Minimum Net Worth in respect of any relevant period not to be less than AED 3,673,000 thousand (or its equivalent in any other currency).

The Group has complied with all covenants in line with the borrowing facility agreements at each reporting period. The Group has not had any defaults of principal, interest or redemption amounts during the periods on its borrowed funds.

The Group's borrowings are denominated in AED and bear interest at a fixed margin of 1% plus the prevailing three-month EIBOR, with the floating component subject to re-pricing every three months from the reporting date. Interest rates on these borrowings ranged from 4.68% to 5.38% per annum (2024: ranged from 5.38% to 6.35% per annum).

As at 31 December 2025, borrowings include AED 1,980,000 thousand (2024: AED 2,100,000 thousand) obtained from a related party financial institution.

16 Advances from customers

	2025 AED'000	2024 AED'000
Operating lease advances	1,279,845	1,269,066
Refundable deposits	269,755	262,760
Contract advances	48,301	44,154
	1,597,901	1,575,980
Less: non-current	(561,664)	(606,757)
Current	1,036,237	969,223

Operating lease advances and contract advances represents amounts collected from customers in advance which are subsequently released to the consolidated statement of income once the revenue recognition criteria are met.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

16 Advances from customers (continued)

The movement of contract advances is as follows:

	2025 AED'000	2024 AED'000
At 1 January	44,154	42,144
Amount billed	196,935	157,421
Revenue recognised	(192,788)	(155,411)
At 31 December	48,301	44,154

17 Project liabilities

	2025 AED'000	2024 AED'000
Project payables	1,055,300	1,133,821
Retentions payable	132,802	126,688
	1,188,102	1,260,509
Less: non-current	(734,487)	(786,913)
Current	453,615	473,596

Project payables include amounts contracted with a government authority to cover the Group's share of costs for roadworks serving the Group's developments. The present value of these payables is AED 826,116 thousand (2024: AED 876,502 thousand). These costs are settled through agreed annual fixed installments of AED 102,723 thousand and are recognised at the present value of the expected cash outflows, discounted at a rate of 6.49% (2024: 6.49%).

During the year, the Group made payments amounting to AED 78,206 thousand (2024: AED 23,100 thousand) to a government-related entity towards the construction of substations serving the Group's developments.

18 Employees' end of service benefits

The movement in provisions for employees' end of service benefits is as follows:

	2025 AED'000	2024 AED'000
At 1 January	46,733	43,912
Charge for the year	3,752	4,101
Payments	(3,687)	(1,280)
At 31 December	46,798	46,733

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

18 Employees' end of service benefits (continued)

In accordance with the provisions of International Accounting Standards 19 *Employee Benefits (revised)*, management has carried out an exercise to assess the present value of its obligations as at 31 December 2025. Under this method, an assessment has been made of an employee salary at the date of leaving the service. Management has assumed average increment of 5.7% (2024: 5.7%). The expected liability at the date of leaving the service has been discounted to its net present value using a discount rate of 3.6% (2024: 3.6%).

19 Provisions for other liabilities and charges

	2025 AED'000	2024 AED'000
Provision for infrastructure cost	798,499	902,807
Provision for terminations and legal claims	32,451	27,856
	830,950	930,663
Less: non-current	(748,788)	(902,807)
Current	82,162	27,856

During the year, the provision for infrastructure costs decreased due to actual work performed, partially offset by a change in estimate of AED 68,000 thousand related to the substation construction (Note 4).

20 Dividends

At the Annual General Meeting held on 4 March 2024, shareholders approved the distribution of final cash dividends of AED 400,000 thousand (AED 0.08 per share).

On 1 August 2024, the Board of Directors approved the distribution of interim cash dividends of AED 400,000 thousand (AED 0.08 per share).

At the Annual General Meeting held on 10 March 2025, shareholders approved the distribution of dividends amounting to AED 400,000 thousand (AED 0.08 per share).

On 31 July 2025, the Board of Directors approved the distribution of interim cash dividends of AED 400,000 thousand (AED 0.08 per share).

On 2 February 2026, the Board of Directors has recommended cash dividend of AED 440,000 thousand (AED 0.09 per share), which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

21 Revenue

	Notes	2025 AED'000	2024 AED'000
Operating lease income	6	2,486,262	2,106,792
Service income		371,633	295,210
		2,857,895	2,402,002

The payments for service income are received in advance and have no significant financing component.

The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods was Nil (2024: Nil).

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was AED 44,154 thousand (2024: AED 42,144 thousand).

The aggregate amount of sale price allocated to performance obligations that are unsatisfied or partially satisfied as at 31 December 2025 amounted to AED 48,301 thousand (2024: AED 44,154 thousand; 1 January 2024: AED 42,144 thousand). The Group expects to recognise revenue from these unsatisfied performance obligations over a period of 1 to 2 years.

22 Direct costs

	Notes	2025 AED'000	2024 AED'000
Depreciation	6	468,338	409,420
Operation and maintenance costs		440,595	390,624
Payroll and related costs	25	54,466	49,496
		963,399	849,540

23 Other operating income

	Notes	2025 AED'000	2024 AED'000
Lease termination and other penalties	23(a)	13,369	85,676
Cost recovery		35,517	30,188
Liabilities written back		38,115	16,587
Others		3,869	5,052
		90,870	137,503

(a) In 2024, a gain of AED 65,670 thousand was recognised from the repossession of capital work-in-progress (Note 6).

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

24 General and administrative expenses

	Notes	2025 AED'000	2024 AED'000
Payroll and related costs	25	83,290	82,531
Management fees and consultancy		44,996	47,303
Information technology charges		18,961	17,197
Depreciation and amortisation	5	16,528	19,902
Professional memberships		9,893	11,197
Administration fees		8,536	6,098
Communication		4,267	4,054
(Reversal of)/provisions for loss allowance on receivables - net	9	(12,829)	2,476
Others		10,663	14,184
		184,305	204,942

25 Payroll and related costs

	2025 AED'000	2024 AED'000
Salaries and allowances	135,363	130,412
End of service benefits and pension	7,269	7,009
	142,632	137,421

Payroll and related costs are split as follows:

	Notes	2025 AED'000	2024 AED'000
Direct costs	22	54,466	49,496
General and administrative expenses	24	83,290	82,531
Marketing and selling expenses	26	4,876	5,394
		142,632	137,421

26 Marketing and selling expenses

	Notes	2025 AED'000	2024 AED'000
Promotions		45,070	39,514
Advertising		6,449	9,570
Payroll and related costs	25	4,876	5,394
		56,395	54,478

Promotions include social contributions amounting to AED 180 thousand (2024: AED 180 thousand) were made to Dubai Charity Association towards Iftar Sayem 2025 campaign.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

27 Finance costs - net

	2025 AED'000	2024 AED'000
Interest (expense)/income on:		
Bank borrowings	(278,555)	(297,435)
Derivative financial instruments	68,733	116,862
Amortisation of transaction costs	(10,839)	(10,839)
Unwinding of discount on non-current liabilities	(32,481)	(32,044)
Other finance costs	(152)	(203)
	(253,294)	(223,659)
Interest earned on:		
Bank deposits	5,027	22,438
Islamic deposits	12,015	9,811
Current accounts	13,147	32,441
Other finance income	1,165	1,290
	31,354	65,980
	(221,940)	(157,679)

28 Current income tax and deferred income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law"), introducing a federal corporate tax regime effective for accounting periods beginning on or after 1 June 2023.

The Group's first tax period was from 1 January 2024 to 31 December 2024. The taxable income of the entities that are in scope for UAE Corporate Tax Law purposes is subject to corporate tax at the rate of 9% for mainland entities and, where conditions are met, 0% for freezone entities.

During the year, the Group filed its corporate tax return for the year ended 31 December 2024 and paid corporate tax of AED 38,222 thousand to the Federal Tax Authority.

The tax charge for year ended 31 December 2025 is AED 88,707 thousand (2024: AED 38,222 thousand), representing an Effective Tax Rate (ETR) of 4.08% (2024: 3.02%). The deviation from the UAE statutory tax rate of 9% is primarily driven by subsidiaries operating in free zones that are subject to 0% corporate tax.

The component of income tax expense in the consolidated statement of income follows:

	2025 AED'000	2024 AED'000
Current income tax expense	(88,707)	(38,222)

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

28 Current income tax and deferred income tax (continued)

Following is the reconciliation of current income tax expense and accounting profit:

	2025 AED'000	2024 AED'000
Accounting profit for the year before tax	2,174,786	1,266,673
Income tax at UAE statutory rate of 9%	195,731	114,001
Tax effect of amounts which are taxable at 0%:		
Income from qualifying free zone entities	(106,956)	(75,745)
Adjustments for income up to AED 375,000	(68)	(34)
Total corporate income tax charge for the year	88,707	38,222
Effective tax rate	4.08%	3.02%

As at 31 December 2025, current tax liabilities amounted to AED 88,707 thousand (2024: AED 38,222 thousand).

29 Recurring net profit

Management presents recurring net profit as a supplementary measure to provide insight into the Group's underlying operating performance, thereby supporting users of the consolidated financial statements in evaluating results that are expected to be sustainable over time. It is calculated by adjusting profit for the year to exclude non-recurring items such as impairments, reversal of impairments and other isolated events and related tax impacts, which may not recur in future periods.

As this measure is not defined under IFRS Accounting Standards, it is presented in addition to, and not as a substitute for, profit for the year. A reconciliation of profit for the year to recurring net profit is presented below.

	2025 AED'000	2024 AED'000
Profit for the year	2,086,079	1,228,451
Adjustments for non-recurring items:		
Net reversal of prior year's impairment losses on investment property, net of tax	(608,045)	-
Recurring net profit for the year	1,478,034	1,228,451

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

30 Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2025	2024
Earnings		
Earnings for the purpose of basic and diluted earnings per share (consolidated profit for the year attributable to owners of the Company) rounded to the nearest AED'000	2,086,079	1,228,451
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,000,000,000	5,000,000,000
Basic and diluted earnings per share attributable to owners of the Company rounded to the nearest Fil	0.42	0.25
Basic and diluted earnings per share attributable to owners of the Company based on the recurring net profit for the year rounded to the nearest Fil	0.30	0.25

Notes to the consolidated financial statements
For the year ended 31 December 2025 (continued)

31 Cash generated from operations

	2025 AED'000	2024 AED'000
Profit for the year	2,086,079	1,228,451
Adjustments for:		
Depreciation and amortisation	484,866	429,322
Impairment reversals on investment property, net	(652,060)	-
(Reversal of)/provisions for loss allowance on receivables - net	(12,829)	2,476
Provisions for end of service benefits and other liabilities	3,752	10,294
Liabilities written back	(38,115)	(16,587)
Lease terminations (Note 23)	-	(65,670)
Finance income	(31,354)	(65,980)
Finance costs	253,294	223,659
Income tax expense	88,707	38,222
	2,182,340	1,784,187
Changes in operating assets and liabilities:		
Trade, unbilled, and other receivables, before provision and write-offs, and excluding advances to contractors	(147,923)	(141,469)
Trade and other payables and advances from customers, excluding project liabilities	5,026	146,326
Due from related parties	24,397	3,770
Due to related parties	25,212	30,360
Cash generated from operations	2,089,052	1,823,174

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

32 Financial instruments by category

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

	Notes	Financial assets at amortised cost AED'000	Derivatives used for hedging AED'000	Total AED'000
Assets				
31 December 2025				
Derivative financial instruments	7	-	61,952	61,952
Trade and other receivables	8,9	1,173,560	-	1,173,560
Due from related parties	10	30,593	-	30,593
Bank deposits	11	217,463	-	217,463
Cash and cash equivalents	11	223,595	-	223,595
		1,645,211	61,952	1,707,163
31 December 2024				
Derivative financial instruments	7	-	165,440	165,440
Trade and other receivables	8,9	1,031,298	-	1,031,298
Due from related parties	10	54,990	-	54,990
Bank deposits	11	378,678	-	378,678
Cash and cash equivalents	11	638,361	-	638,361
		2,103,327	165,440	2,268,767

Trade and other receivables exclude advances to contractors and suppliers and prepayments.

	Notes	Derivatives used for hedging AED'000	Other financial liabilities AED'000	Total AED'000
Liabilities				
31 December 2025				
Trade payables and other liabilities	14,16,17	-	1,737,210	1,737,210
Derivative financial instruments	7	3,695	-	3,695
Due to related parties	10	-	316,329	316,329
Borrowings	15	-	4,928,863	4,928,863
		3,695	6,982,402	6,986,097

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

32 Financial instruments by category (continued)

	Notes	Derivatives used for hedging AED'000	Other financial liabilities AED'000	Total AED'000
Liabilities				
31 December 2024				
Trade payables and other liabilities	14,16,17	-	1,856,327	1,856,327
Derivative financial instruments	7	1,131	-	1,131
Due to related parties	10	-	183,370	183,370
Borrowings	15	-	5,213,253	5,213,253
		1,131	7,252,950	7,254,081

Trade payables and other liabilities exclude operating lease advances and contract advances.

33 Net debt reconciliation

	Notes	2025 AED'000	2024 AED'000
Cash and cash equivalents and bank deposits	11	441,058	1,017,039
Borrowings - repayable after one year	15	(4,928,863)	(5,213,253)
		(4,487,805)	(4,196,214)

	Cash and cash equivalents and bank deposits AED'000	Borrowing due within 1 year AED'000	Borrowing due after 1 year AED'000	Total AED'000
Net debt at 1 January 2025	1,017,039	-	(5,213,253)	(4,196,214)
Cash flows	(575,981)	-	300,000	(275,981)
Other non-cash movement	-	-	(15,610)	(15,610)
Net debt at 31 December 2025	441,058	-	(4,928,863)	(4,487,805)
Net debt at 1 January 2024	1,535,183	-	(4,351,767)	(2,816,584)
Cash flows	(518,144)	-	(850,000)	(1,368,144)
Other non-cash movement	-	-	(11,486)	(11,486)
Net debt at 31 December 2024	1,017,039	-	(5,213,253)	(4,196,214)

The presentation of cash and cash equivalents and bank deposits within the net debt reconciliation is an inclusion in addition to the reconciliation of liabilities arising from financing activities as disclosed in the consolidated statement of cashflows.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

34 Commitments

(a) Capital commitments

	2025 AED'000	2024 AED'000
Investment properties	2,436,889	496,655
Property and equipment	4,695	9,804
Intangible assets	8,453	10,332

(b) Operating lease arrangements - the Group as lessor

Operating non-cancellable leases relate to the investment property owned by the Group with lease terms of between 1 to 5 years for building leases and between 20 to 50 years for land leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2025 AED'000	2024 AED'000
Later than 5 years	15,031,195	13,953,659
Later than 1 year and not later than 5 years	3,223,355	2,727,581
Not later than 1 year	936,080	762,767
	19,190,630	17,444,007

(c) Operating lease arrangements - the Group as lessee

	2025 AED'000	2024 AED'000
Later than 1 year and not later than 5 years	2,028	3,043
Not later than 1 year	1,120	1,265
	3,148	4,308

(d) Contingencies

	2025 AED'000	2024 AED'000
Bank guarantees (i)	1,300,448	358,222
Letter of credits (ii)	297	43,164

(i) This represents bank guarantees provided to a related party for investment property acquired on deferred payment plan.

(ii) This pertains to letters of credit issued for construction of certain infrastructure costs of the Group.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

35 Segment reporting

Information regarding the Group's reportable segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Chief Executive Officer, as the chief operating decision maker, in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segment only. No information that includes the segments' assets and liabilities is reported to the Group's Chief Executive Officer.

The Group is organised into four reportable segments: (i) commercial leasing, (ii) industrial leasing, (iii) land leasing and (iv) services and others. The following describes the types of properties, products or services that fall within each of our financial segments:

- Commercial leasing consists of built to lease and built to suit properties. Built to lease properties are our commercial properties which are typically developed for multiple tenants and are leased out to customers, and include office, retail space and business centres (built to lease). Built to suit properties typically represent our commercial properties where we were able to identify customers in advance of developing the property in order to build a single-tenant customised property that meet a customer's specifications, which are then leased out to them upon completion or similar properties (built to suit).
- Industrial leasing consists of warehouses and staff accommodation (housing for businesses to accommodate their workers).
- Land leasing consists of land leases. Our land leases represent land available within our business districts that already has or is expected to develop the necessary infrastructure (such as connecting roads, water, electricity and sewage) that allows us to lease the land. We have intentionally retained such land in order to be able to lease it to customers to suit their specific needs, such as manufacturing, commercial, retail, residential or academic purposes.
- Services consist of fees from the services that we provide, including those generated from our AXS platform, venue management services, property management and leasing agreements and our in5 platform.
- Other segments include businesses that individually do not meet the criteria of a reportable segment. These segments include operations and support functions.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenue and profit are given. Segment revenue reported represents revenue generated from customers and there were no intersegment sales.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment before impairment and impairment reversals, interest, depreciation and amortisation. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

35 Segment reporting (continued)

Information regarding these segments are as follows:

	Commercial leasing AED'000	Land leasing AED'000	Industrial leasing AED'000	Services and others AED'000	Total AED'000
31 December 2025					
Revenue	1,442,795	605,157	438,310	371,633	2,857,895
Direct costs*	(263,634)	(14,871)	(98,827)	(63,263)	(440,595)
Other operating income	40,685	12,986	382	36,817	90,870
Other expenses	(168,627)	(25,389)	(27,793)	(56,829)	(278,638)
Segment results before interest and depreciation and amortisation	1,051,219	577,883	312,072	288,358	2,229,532
Impairment reversals	301,060	58,000	293,000	-	652,060
Depreciation and amortisation	(334,205)	(25,671)	(97,665)	(27,325)	(484,866)
Income tax expense	(40,492)	(36,001)	(11,787)	(427)	(88,707)
	977,582	574,211	495,620	260,606	2,308,019
Unallocated net finance cost					(221,940)
Profit for the year					2,086,079
31 December 2024					
Revenue	1,217,658	532,224	356,902	295,218	2,402,002
Direct costs*	(227,618)	(27,429)	(85,292)	(50,285)	(390,624)
Other operating income	15,918	87,787	-	33,798	137,503
Other expenses	(179,931)	(34,316)	(30,927)	(50,033)	(295,207)
Segment results before interest and depreciation and amortisation	826,027	558,266	240,683	228,698	1,853,674
Depreciation and amortisation	(302,945)	(25,239)	(96,778)	(4,360)	(429,322)
Income tax expense	(20,819)	(11,217)	(6,186)	-	(38,222)
	502,263	521,810	137,719	224,338	1,386,130
Unallocated net finance cost					(157,679)
Profit for the year					1,228,451

*Payroll and related costs are excluded from direct costs and are separately disclosed within other expenses.

Net finance costs are not allocated to operating segments and are therefore presented as unallocated in the segment disclosures.

No single customer contributed 10% or more to the Group's revenue.

Notes to the consolidated financial statements

For the year ended 31 December 2025 (continued)

36 Comparative information

Cash and bank balances are disaggregated in accordance with the requirements of IAS 1 'Presentation of Financial Statements' with respect to presentation of cash and cash equivalent separately on the face of consolidated statement of financial position. These adjustments had no impact on the total equity as at 31 December 2024 nor profit for the year ended 31 December 2024 and they mainly relate to the following:

	Notes	Previously reported AED'000	Adjustments AED'000	Reclassified balances AED'000
<i>Consolidated statement of financial position</i>				
Cash and bank balances	11	1,017,039	(1,017,039)	-
Cash and cash equivalents		-	638,361	638,361
Bank deposits	11	-	378,678	378,678

The Group has not presented a third balance sheet. These adjustments had no impact on the total equity as at 31 December 2023 nor profit for the year ended 31 December 2023 and they mainly relate to the following:

		Previously reported AED'000	Adjustments AED'000	Reclassified balances AED'000
<i>Consolidated statement of financial position</i>				
Cash and bank balances		1,535,183	(1,535,183)	-
Cash and cash equivalents		-	669,882	669,882
Bank deposits		-	865,301	865,301