Union Properties (P.J.S.C) and its subsidiaries

Consolidated financial statements

December 31,2025

Union Properties (P.J.S.C) and its subsidiaries

Consolidated financial statements

For the year ended December 31,2025

Contents *Page(s)*

Directors' report

The Directors have the pleasure of presenting their report together with the audited consolidated financial statements of Union Properties P.J.S.C (the "Company") and its subsidiaries ("the Group") for the year ended December 31, 2025. The Directors confirm their responsibility for the preparation of the consolidated financial statements of the Group.

To the best of our knowledge, the financial information included in the report fairly present in all material aspects the financial condition, results of operations and cash flows of the Group for the year ended December 31,2025.

Financial position

The Group revenue for 2025 reached to AED 736.9 million *(2024: AED 528.8 million)*, gain on valuation of investment properties amounted to AED 275.5 million *(2024: AED 166.3 million)* resulting in a total profit before taxes of AED 508.4 million *(2024: AED 304.1 million)*, and total comprehensive income amounted to AED 462.5 million *(2024: AED 395.8 million)*.

Financial performance review

The Group has achieved an operating profit of AED 240.7 million (2024: AED 161.8 million) which marks an annual growth of 49% in operating profits. The Group's subsidiaries also posted an impressive performance, which steered its revenue to AED 736.9 million, 39% increase from AED 528.8 million in 2024. The subsidiary performance was enhanced by the value accretive acquisition of the House Keeping (LLC) and House Keeping Domestic Workers (LLC), including their subsidiary.

This demonstrates the Group's capability in reaching to sustainable and consistent profits in three consecutive Financial Years: from a net loss of AED 30.0 million in year 2022 to a profit of AED 837.6 million in year 2023, a profit of AED 275.6 million in year 2024 and a net profit after tax of AED 462.5 million in year 2025.

This remarkable achievement highlights the outstanding performance of Union Properties and its subsidiaries in attaining sustainable growth despite the ever-changing market dynamics. This success not only strengthens its market position but also positively impacts the community by fostering economic development and creating new growth opportunities. The performance reflects a notable shift compared to 2024, with 'the Group' registering a net profit after tax of AED 462.5 million in 2025. This is attributed to several key factors, including the efficiency of the Group's approach in enhancing its market position and a marked increase in real estate demand.

The Group's success is also credited to the wise management of its diverse business portfolio, dedication to innovative and sustainable development strategies, a focus on operational efficiency, and a commitment to steering the business in alignment with evolving investor and real estate occupant needs.

The debt restructuring process, successfully initiated during FY 2022-2023 and renegotiated in 2024, has strategically positioned Union Properties (UPP) on a solid foundation to deliver long-term and sustainable value for its shareholders. Through efficient debt management, UPP repaid AED 367.3 million towards bank debt, significantly reducing the total debt from AED 575.0 million in year 2024, to AED 297.7 million in year 2025.

This strategic approach has not only improved profitability but also enhanced cash flow generation by effectively reducing the Group's financing costs by AED 1.9 million from AED 31.7 million in 2024 to AED 29.8 million in 2025.

Since December 2021, an emergency business restructuring program has been successfully implemented by the Chief Executive Officer and Executive Committee. This initiative has significantly transformed several of the entity's business models and management team, effectively addressing challenges and enhancing shareholder value.
The Group has since focused on:

- Growth: Driving growth to achieve scale efficiencies, improve competitive positioning, and increase shareholder value.
- Financial Performance: Enhancing the financial performance of business units to surpass sector benchmarks.
- Cost Efficiency: Reducing costs and raising operational efficiency.
- Liquidity of Outstanding Receivables: Improving the liquidity of outstanding receivables.

As part of a wider recovery plan to ensure Union Properties' business continuity as a Property Developer, the company has sold "non-core" assets at good valuations which generated AED 1.1 billion and granted the necessary funds to service the debt settlement agreements, funding the preliminary costs related to the new real estate projects – TAKAYA Project was launched in October 2024, Mirdad; launched in October 2025 along with other projects that are under various stages of development - honouring the agreement reached with "Dubai land" in 2023 – this last one unlocked all full potential of the Company's landbank adjusted to the market demand along with all the potential from developing it within the next 5 years.

These strategic priorities have positioned the Group for sustained success and long-term value creation for shareholders.

Union Properties' transformation program is built on three pillars: governance, organizational, and business transformation

Fiscal discipline was the primary focus in 2024 and 2025. Combined with growing annual revenues, this improved financial performance and delivered positive EBITDA. The goal was to halt the decline in profitability and transform the Group into a sustainably profitable organization, ensuring stable performance and solid shareholder returns.

Conclusion

The Directors' assessment has been made with reference to the Group's current position and prospects, its strategy and availability of funding, the Board's risk appetite, and the Group's principal risks and how these are managed.

In December 2021, shareholders elected new board members who subsequently appointed a new Managing Director who was elevated as CEO and Board Member. Following this, the CEO and Board Member established a new senior executive management team with a focus on strengthening the supervisory function of internal audit and controls, restructuring operations to achieve a leaner organization, and recovering misappropriated funds through legal procedures. Simultaneously, they developed a new growth strategy to generate shareholder value.

With a diverse portfolio encompassing residential, commercial, and mixed-use developments, Union Properties is strategically positioned to capitalize on the increasing opportunities within Dubai's dynamic real estate market. The Group remains committed to delivering premium products and services to its clients and partners, driven by a noticeable increase in contracts and the wide adoption of the latest technological innovations.

The present rise in operating profit is a testament to Union Properties' unwavering dedication to upholding transparency with both the market and its clients.

As Dubai's real estate market continues its robust growth, the Group aims to strengthen its expansion and growth plans, ensuring solid progression into the future.

With its robust foundation and strategic vision, the Group is well-positioned to seize new opportunities and play a significant role in Dubai's flourishing real estate sector, further contributing valuable advancements to the industry.

The Group also continues to reform its corporate culture, renewing corporate ethics, appropriately disclosing corporate information, and enhancing compliance-focused management.

Critical lawsuits and claims

While the Group has faced various claims or lawsuits with counterparties and third parties due to past business practices, it has actively addressed these challenges. The new management team has shown commitment in resolving any potential legal issues efficiently and transparently. By taking proactive measures and implementing robust legal strategies, the Group has ensured that it minimized any impact on its business performance and continued its path towards sustainable growth and shareholder value.

Compliance and reputation

The Group is actively enhancing governance by reforming corporate culture, renewing corporate ethics, ensuring appropriate disclosure of corporate information, and strengthening compliance-focused management.

Risk and Control

The Board of Directors has established robust standards and principles of internal control within the Group, aimed at providing objective, independent, and reliable advice. These standards create an ideal environment for internal control that meets the Board's requirements and enhances the roles of the Board of Directors, the Audit, Risk & Compliance Committee, and the Executive Committee, ensuring the proper performance of their duties, functions, and responsibilities. Additionally, the responsibilities of the Internal Audit Department are governed by the Charter approved by the Audit Committee and the Board of Directors.

We extend our heartfelt gratitude to the UAE leadership for their visionary guidance, which provides a solid platform for all participants and economic agents to excel and contribute to the growth of the UAE. We also express our sincere thanks to the regulators, government bodies, our shareholders, debtholders, customers, partners, and employees, who have been the pillars of our journey

Directors

The Board of Directors comprised of:

Mr. Mohamed Fardan Ali Al Fardan	Chairman
Mr. Abdul Wahab Al Halabi	Vice Chairman
Mr. Amer Abdulaziz Hussain Khansaheb	CEO and Board Member
Mrs. Arwa Mohamed Al-Owais	Board Member
Mr. Abdulrahman Hussamuddin Sharaf	Board Member
Mr. Saif Bin Abdulaziz Bin Yagub Alserkal	Board Member
Mr. Ahmed Salem Abdulla Salem Alhosani	Board Member

On behalf of the Board

Mohamed Fardan Ali Al Fardan
Chairman

Grant Thornton

Grant Thornton Audit and Accounting Limited (Dubai Branch)

The Offices 5
Level 3
Office 302, 303, 308
One Central, DWTC
Dubai, UAE

P.O. Box 1620
T +971 4 388 9925
F +971 4 388 9915
www.grantthornton.ae

Independent Auditor's Report

To the Shareholders of Union Properties PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Union Properties PJSC (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including material accounting policies information.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants' (including International Independence Standards) ("IESBA Code")*, together with other ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Grant Thornton

Independent Auditor's Report
To the Shareholders of Union Properties PJSC

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

Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
i) Valuation of investment properties The Group's investment properties portfolio is carried at AED 2,004 million (2024: AED 2,220 million) (as disclosed in note 14 to these consolidated financial statements) under the fair value model including a net fair value gain recorded amounting to AED 275 million (2024: gain of AED 166 million). The Group engaged external valuers to fair value its investment properties. The valuation of the portfolio is a significant judgement area and is underpinned by a number of assumptions. The existence of significant estimation uncertainty warrants specific audit focus in this area as any error in determining the fair value could have a material impact on the value of the Group's investment properties and the fair value gain or loss recognised in respect of these investment properties. Refer to note 36 to the consolidated financial statements which includes disclosures regarding the use of estimates and judgements by management in determining the fair valuation of investment properties.	We performed the following audit procedures: • We evaluated and have obtained an understanding of the valuation process implemented by the Group. • We have performed test of design and implementation of relevant controls identified above. • We assessed the competence, independence and capability of the external valuers, read their terms of engagement to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations on their work; • On a sample basis, we performed audit procedures to assess whether the source data used for determining the value are reasonable by comparing it to the underlying supporting information; • We involved our real estate valuation specialist, who, on a sample basis, reviewed valuation methodologies used in the valuation process and challenged the assumptions for key estimates of market rent, future rental income, discount rates, capitalisation and terminal yield rates used in the valuation by comparing them against historical rates and available industry data, taking into consideration comparability and market factors. Alongside our valuation specialist, we also held discussions with the Group's management to assess the appropriateness of methodology adopted and reasonableness of the key valuation assumption used; • We performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by the management; and • We assessed the adequacy and sufficiency of the associated disclosures in the consolidated financial statements, which are in accordance with the requirements of IFRS Accounting Standard.

Independent Auditor's Report
To the Shareholders of Union Properties PJSC

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

Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
ii) Revenue recognition The Group recognised revenues amounting to AED 736.9 million (2024: AED 528.8 million) on sale of properties, income earned from manufacturing, contracting, trading and services business in accordance with IFRS 15 and lease income in accordance with IFRS 16 (as disclosed in note 6 to these consolidated financial statements). The Group generates revenue from multiple streams, the majority of which include sale of properties, fit-out contracts, manpower services and racing facility services. Revenue from these activities is recognised in accordance with IFRS 15 "Revenue from Contracts with Customers". Depending on the contractual terms and the relevant legal and regulatory requirements of the jurisdiction in which the contracts are executed, the Group recognises revenue either at a point in time or over time. Revenue recognition was considered a key audit matter that warrant additional audit focus as it includes key elements of judgements which include analysing whether the contracts comprise one or more performance obligations and determination of whether the performance obligations are satisfied over time or at a point in time and carries the presumed risk of fraud.	We performed the following audit procedures: • We obtained an understanding of the revenue process implemented by the Group; • We assessed the appropriateness of the revenue recognition accounting policies adopted by the Group and its compliance with International Financial Reporting Standards ("IFRS"); • We performed test of design and implementation of relevant controls for those components where in there is significant reliance on controls; • On a sample basis, we reviewed the contracts to identify the performance obligations of the Group under these contracts and assessed whether these performance obligations are satisfied over time or at a point in time in accordance with the requirements of IFRS 15; • On a sample basis, we have tested significant items of computation by comparing these to the relevant supporting documents including payment certificates to ascertain the existence and accuracy of the revenue recognised during the year and it's compliance with IFRS; • We evaluated management's computation of revenue recognised over time, including assessing the methodology applied in determining the percentage of completion. This involved testing the key inputs used in the calculation, such as costs incurred to date, estimated total costs to complete, and project budgets, and agreeing these to underlying supporting documentation; and • We assessed the disclosures made in the consolidated financial statements in relation to IFRS 15 and IFRS 16.

Grant Thornton

Independent Auditor's Report
To the Shareholders of Union Properties PJSC

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

Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
iii) Business combination within the scope of IFRS 3: During the year, the Group obtained control over several entities as disclosed in Note 11. These transactions were assessed by management to meet the definition of business combinations in accordance with IFRS 3., "Business Combination". As part of the purchase price allocation process, management engaged external valuation specialists to assist in identifying and measuring the fair value of the acquired assets and liabilities, including any separately identifiable intangible assets and goodwill. Accounting for business combinations was a key audit matter due to the significance of the acquisitions to the Group's financial statements and the high level of judgement involved. Management's assessment requires significant estimation in determining the fair values of identifiable assets and liabilities, selecting appropriate valuation methodologies and assumptions, and evaluating whether the accounting policies of the acquired businesses are aligned with those of the Group. These judgements have a material impact on the amounts recognised for goodwill, intangible assets, and other acquired balances.	We performed, or involved component auditors to perform, the following procedures: • We evaluated management's assessment of whether the acquisition met the definition of a business combination under IFRS 3, including reviewing the underlying transaction agreements and considering the substance of the arrangements; • We assessed the competence, capabilities, and objectivity of the external valuation specialists engaged by the Group and evaluated the nature and extent of their involvement; • We obtained and reviewed the valuation reports prepared by management's specialists to understand the methodologies applied in determining the fair values of identifiable assets and liabilities acquired; • We involved our internal valuation specialists in reviewing the reports. The review included discussions with management and consideration of the reasonableness of the assumptions and valuations in line with our expectations. These key assumptions included cash flow projections based on revenues and earnings before interest and tax ('EBIT'), growth rates and discount rates; • We evaluated the identification of intangible assets acquired, including assessing whether all relevant assets meeting the recognition criteria under IFRS 3 and IAS 38 had been appropriately identified and valued; and • We assessed the allocation of the purchase consideration, including the resulting goodwill recognised, and evaluated whether the allocation was consistent with the requirements of IFRS 3.

Grant Thornton

Independent Auditor's Report
To the Shareholders of Union Properties PJSC

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

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law no. 32 of 2021 (as amended) and Articles of Association, 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Grant Thornton

Independent Auditor's Report
To the Shareholders of Union Properties PJSC

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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.

Grant Thornton

Independent Auditor's Report
To the Shareholders of Union Properties PJSC

Report on Other Legal and Regulatory Requirements

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

i) We have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law no. 32 of 2021 (as amended);

iii) The Group has maintained proper books of accounts;

iv) The financial information included in the Directors' Report, in so far as it relates to these consolidated financial statements, is consistent with the books of accounts of the Group;

v) As disclosed in note 2, the Group has purchased and invested in shares during the year ended December 31, 2025;

vi) Note 21 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 Company has contravened during the financial year ended December 31, 2025, any of the applicable provisions of the UAE Federal Decree Law no. 32 of 2021 (as amended) or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at December 31, 2025; and

viii) As disclosed in note 1 the Group did not have any material social contributions made during the year ended December 31, 2025.

GRANT THORNTON UAE

S. Anand Prabhu

Grant Thornton P.O. Box: 1620 DUBAI-U.A.E. Public Accountants

Anand Prabhu
Registration No: 5567
Dubai, United Arab Emirates

February 13, 2026

Union Properties (P.J.S.C) and its subsidiaries

Consolidated statement of profit or loss and other comprehensive income

For the year ended December 31, 2025

	Notes	2025 AED'000	2024 AED'000
Revenue	6.1	736,882	528,752
Direct costs	6.2	(622,851)	(426,118)
Gross profit		114,031	102,634
Administrative and general expenses	7	(195,843)	(145,894)
Other operating income	8.2	33,643	46,634
Gain on sale of investment property held for sale	14.5	144,375	-
Gain on sale of investment properties	14.3	144,479	158,472
Operating profit		240,685	161,846
Gain on valuation of investment properties, net	14.2	275,487	166,350
Share of results of equity accounted investees	16	(2,306)	(10,771)
Other income	8.1	21,389	18,109
Finance costs	9	(29,789)	(31,659)
Finance income		2,943	275
Profit before tax for the year		508,409	304,150
Income tax for the year	35	(45,952)	(28,511)
Profit for the year		462,457	275,639
Other Comprehensive Income:			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land-net of tax	24	-	120,174
Total comprehensive income for the year		462,457	395,813
Basic and diluted earnings per share (AED)	26	0.1078	0.0643

The notes from 1 to 38 form an integral part of these consolidated financial statements.

The independent auditor's report is set out on the pages 4 to 10.

Union Properties (P.J.S.C) and its subsidiaries

Consolidated statement of financial position

As at December 31,2025

	Notes	December 31,2025 AED'000	December 31,2024 AED'000
ASSETS			
Non-current assets			
Goodwill	11	66,836	-
Intangible assets	12	37,757	-
Property, plant and equipment	10	473,915	455,791
Right-of-use assets	13	15,699	14,224
Development properties	15.2	551,049	230,528
Investment properties	14	2,004,670	2,220,143
Investments in an associate	16	6,883	9,143
Non-current receivables	18	8,069	28,347
Deferred tax assets	35	5,389	-
Total non-current assets		3,170,267	2,958,176
Current assets			
Investment property held for sale	14.5	-	540,960
Investments at fair value through profit or loss	17	460	965
Inventories	15.1	6,178	4,758
Contract assets	19	28,509	17,829
Trade and other receivables	20	1,100,084	711,696
Cash and cash equivalents	22	494,249	181,213
Total current assets		1,629,480	1,457,421
Total assets		4,799,747	4,415,597
EQUITY AND LIABILITIES			
Equity			
Share capital	23	2,857,926	4,289,540
Statutory reserve	24	56,266	437,953
Asset revaluation surplus	24	332,863	332,863
Retained earnings/(accumulated losses)		406,191	(1,869,567)
Total equity		3,653,246	3,190,789
Non-current liabilities			
Non-current portion of bank loans	27	231,680	176,360
Non-current payables		-	84,000
Lease liabilities	13	13,013	12,669
Provision for staff terminal benefits	29	52,680	32,128
Deferred tax liabilities	35	50,631	28,073
Total non-current liabilities		348,004	333,230
Current liabilities			
Trade and other payables	30	461,816	410,091
Contract liabilities	28	209,119	42,321
Lease liabilities	13	3,853	2,070
Bank overdrafts	31	27,539	26,101
Current tax liability	35	30,117	12,323
Current portion of bank loans	27	66,053	398,672
Total current liabilities		798,497	891,578
Total liabilities		1,146,501	1,224,808
Total equity and liabilities		4,799,747	4,415,597

These consolidated financial statements were authorised for issue by the Board of Directors on 13 February 2026

Chairman

Board Member & CEO

The notes from 1 to 38 form an integral part of these consolidated financial statements.
The independent auditor's report is set out on the pages 4 to 10.

Union Properties (P.J.S.C) and its subsidiaries

Consolidated statement of cash flows

For the year ended December 31,2025

	Notes	2025 AED'000	2024 AED'000
Operating activities			
Profit before tax for the year		508,409	304,150
Adjustments for:			
Depreciation of property, plant and equipement	10	20,327	11,411
Depreciation of right of use assets	13	4,015	2,189
Amortisation of intangibles	12	3,694	-
Gain on sale of investment properties	14.3	(144,479)	(158,472)
Gain on fair valuation of investment properties held for sale	14.5	(144,375)	-
Gain on fair valuation of investment properties	14.2	(275,487)	(166,350)
Share of results of equity accounted investees	16	2,306	10,771
Allowance for expected credit losses	34	1,292	16,150
Loss/(gain) on financial instruments at FVTPL	17	505	(266)
Write back of liabilities no longer required	8	(9,838)	(18,109)
Finance income		(2,943)	(275)
Finance cost	9	29,789	31,659
Operating cash flows before working capital changes		(6,785)	32,858
Change in inventories		(1,420)	1,094
Change in contract assets		(10,680)	11,746
Change in contract liabilities		166,798	29,869
Change in non current receivables		20,638	(16,772)
Change in trade and other receivables		193,287	61
Change in non current payable		(84,000)	(160,000)
Change in trade and other payables		(21,415)	(26,755)
Change in staff terminal benefits - net		1,887	1,528
Net cash generated from/used in operating activities		258,310	(126,371)
Investing activities			
Additions to property, plant and equipment	10	(53,081)	(25,459)
Additions to investment properties	14	(949)	(559)
Additions to development properties(net)	15.2	(45,461)	(4,905)
Proceeds from the sale of investment properties held for sale	14.5	367,500	206,134
Proceeds from sale of investment properties	14.3	192,500	678,337
Interest received		2,943	275
Change in deposit with banks and escrow accounts	22	(102,914)	25,235
Acquisition of subsidiary net of cash acquired		(100,637)	-
Net cash generated from investing activities		259,901	879,058
Financing activities			
Bank loans availed	27	90,000	90,410
Repayment of bank loans	27	(367,299)	(723,243)
Payment of lease liabilities	13	(3,741)	(2,763)
Interest paid		(28,487)	(23,930)
Net cash used in financing activities		(309,527)	(659,526)
Net increase in cash and cash equivalents		208,684	93,161
Cash and cash equivalents at the beginning of the year		122,973	29,812
Cash and cash equivalents at the end of the year	22	331,657	122,973

The notes from 1 to 38 form an integral part of these consolidated financial statements.

The independent auditor's report is set out on the pages 4 to 10.

Union Properties (P.J.S.C) and its subsidiaries

Consolidated statement of changes in equity

For the year ended December 31,2025

	Share capital AED'000	Statutory reserve AED'000	Asset revaluation surplus AED'000	(Accumulated losses)/retained earnings AED'000	Total equity AED'000
At January 1,2024	4,289,540	397,857	212,689	(2,105,110)	2,794,976
Total comprehensive income for the year	-	-	120,174	275,639	395,813
Other equity movements					
Transfer to statutory reserve (note 24)	-	40,096	-	(40,096)	-
At December 31,2024	4,289,540	437,953	332,863	(1,869,567)	3,190,789
At January 1,2025	4,289,540	437,953	332,863	(1,869,567)	3,190,789
Total comprehensive income for the year	-	-		462,457	462,457
Share capital reduction (note 23.1)	(1,431,614)	(424,069)	-	1,855,683	-
Other equity movements					
Transfer to statutory reserve (note 24)		42,382	-	(42,382)	-
At December 31,2025	2,857,926	56,266	332,863	406,191	3,653,246

The notes from 1 to 38 form an integral part of these consolidated financial statements.

The independent auditor's report is set out on the pages 4 to 10.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Union Properties (P.J.S.C) ("the Company") was incorporated on 28 October 1993 as a (P.J.S.C) by a United Arab Emirates Ministerial decree. The Group's registered office address is P.O. Box 24649, Dubai, United Arab Emirates ("UAE").

The principal activities of the Company are investment in and development of properties, the management and maintenance of owned properties including the operation of cold stores, the undertaking of property related services on behalf of other parties (including related parties) and acting as the holding Company of its subsidiaries and investing in other entities as set out in note 2.5.

The Company and its subsidiaries as set out in note 2.5 are collectively referred to as ("the Group").

The Group has made no material monetary social contributions during the year ended December 31, 2025.

2 BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the requirements of the UAE Federal Decree Law No. (32) of 2021 (as amended) and Articles of Association of the Company. The Company is in the process of assessing the impact of amendment the Company law.

These consolidated financial statements have been prepared under the going concern basis.

2.2 Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties and land, revaluation of the financial assets at fair value through profit or loss at the end of each reporting period, as explained in the accounting polices given below.

2.3 Comparative information

The consolidated financial statements provide comparative information in respect of the previous period.

2.4 Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate. Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.
Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

2.5 Basis of consolidation

These consolidated financial statements comprise the financial statements of the Group and its subsidiaries on December 31, 2025, as set out in the following pages.

2 BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation (continued)

Subsidiaries	Incorporated in	Effective ownership 2025	2024	Principal activities
Gulf Mechanical A/C Acoustic Manufacturing (GMAMCO) LLC	UAE	100%	100%	Central air-conditioning, requisites manufacturing, fire fighting equipment assembling.
Al Etihad Cold Storage LLC	UAE	100%	100%	Cold storage and warehousing
ServeU LLC	UAE	100%	100%	Facilities management, security, mechanical, electrical and plumbing works and energy management services.
Dubai Autodrome LLC	UAE	100%	100%	Building, management and consultancy for all types of race tracks and related developments for all types of motor racing.
The Fitout LLC	UAE	100%	100%	Manufacturing and interior decoration.
The Fitout Industries LLC (b)	UAE	100%	100%	Manufacturing and interior decoration.
EDACOM Owners Association Management LLC	UAE	100%	100%	Owners Association Management
Al Etihad Real Estate Development LLC SOC	UAE	100%	100%	Real estate development
Union Holding LLC	UAE	100%	100%	Investment in equities.
UPP Capital Investment LLC	UAE	100%	100%	Investment in equities.
Motor city LLC	UAE	100%	100%	Facilities management services.
UPP Investments LLC	UAE	100%	100%	Investment in equities.
Takaya Real Estate Development LLC	UAE	100%	100%	Real estate development
Golden Premier Trading LLC	UAE	100%	100%	Trading Activities
Mercury Investment LLC	UAE	100%	100%	Investment and management of companies
Aydacom Realestate Management LLC	UAE	100%	100%	Owners Association Management
Serveu Life Lifeguard Services LLC (a)	UAE	100%	100%	Lifeguard services
Ehkam Altatwir Technical Services LLC	UAE	100%	100%	Facilities management and security Services
Serveu Maintenance - Sole Proprietorship LLC (a)	UAE	100%	100%	Facilities management, security, mechanical, electrical and plumbing works and energy management services.
Housekeeping Company LLC (a)	UAE	100%	0%	Cleaning Services
Housekeeping Domestics workers Services LLC (a)	UAE	100%	0%	Domestic workers Mediation and Temporary Employment Services
Fairhire Solution LLC (a)	UAE	100%	0%	Computer systems and communication Equipment software design and internet content provided
Tetra Edge Contracting LLC	UAE	100%	0%	Electromechanical works contracting and Building Contracting and Electric power lines contracting
Union Real Estate Brokerage LLC S.O.C	UAE	100%	0%	Real Estate buying and selling brokerage and leasing property brokerage agents
Al Etihad Jointly Owned Property Management Services LLC	UAE	100%	0%	Jointly owned property management services
Mirad Real Estate Development LLC	UAE	100%	100%	Real estate development
Associates				
Properties Investment LLC	UAE	30%	30%	Investment in and development of properties and property related activities.
PID Owners Association Management LLC	UAE	30%	30%	Jointly owned property management services

(a) Subsidiary of ServeU LLC

(b) Subsidiary of The Fitout LLC

2 BASIS OF PREPARATION (CONTINUED)

2.5 Basis of consolidation (continued)

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in full in preparing these consolidated financial statements.

2.6 Functional and presentation currency

The consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the functional currency of the Company and its subsidiaries. All amounts have been rounded to the nearest thousand ("AED'000"), except when otherwise indicated.

2.7 Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described in note 36.

2.8 Fair value measurement

The Group measures certain financial instruments such as financial assets at FVTPL, and certain non-financial assets such as investment properties and land under property, plant, and equipment, at fair value at each reporting date.

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

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

2 BASIS OF PREPARATION (CONTINUED)

2.8 Fair Value Measurement (continued)

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

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

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

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

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

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

The Group has an established control framework with respect to the measurement of fair values.

This includes a management team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The management team regularly reviews significant unobservable inputs and valuation adjustments.

External valuers are involved for valuation of significant assets, such as properties. If third party is used to measure fair values, the management team discusses with the valuer the valuation techniques and inputs to use and assesses the evidence obtained from the third party to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

2 BASIS OF PREPARATION (CONTINUED)

2.8 Fair Value Measurement (continued)

The Group measures its investment properties at fair value and engages an external valuer to determine the fair value of all its properties.

The determination of the fair value of most of these investment properties is performed using the income approach of valuation, while a residual valuation methodology has been used for investment properties under development.
The Group's determination of fair value for the investment properties requires management to make significant estimates and assumptions related to future rental rates, capitalisation rates and discount rates.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 Standards, interpretations and amendments to existing standards that are effective in 2025

Standards, interpretations and amendments that are effective for the first time in 2025 (for entities with a December 31, 2025, year-end) are:

- Lack of Exchangeability (Amendments to IAS 21)

These standards, amendments and interpretations do not have a significant impact on the consolidated financial statements and therefore further disclosures have not been made.

3.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group

Other Standards and amendments that are not yet effective and have not been adopted early by the Group include:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)
- Annual Improvements to IFRS Accounting Standards – Volume 11
- IFRS 19 'Subsidiaries without Public Accountability: Disclosure'
- Amendments to IFRS 19 'Subsidiaries without Public Accountability: Disclosure'

These amendments are not expected to have a significant impact on the consolidated financial statements in the period of initial application and therefore no disclosures have been made.

3 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS (CONTINUED)

3.2 Standards, interpretations and amendments to existing standards that are not yet effective and have not been adopted early by the Group (continued)

The adoption of IFRS 18 'Presentation and Disclosure in Financial Statements', effective for periods commencing on or after January 1, 2027, is expected to have a material impact and therefore relevant disclosures have been made below.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 'Presentation of Financial Statements'. Although IFRS 18 includes many of the requirements of IAS 1, it introduces new requirements to better structure consolidated financial statements and to provide more detailed and useful information to investors, including:

- Two new subtotals defined in the consolidated statement of profit or loss, namely (1) operating profit and (2) profit or loss before financing and income taxes.
- The classification of all income and expenses within the consolidated statement of profit or loss in one of five categories.
- A new requirement to disclose performance measures defined by management.
- An improvement in the principles related to the aggregation and disaggregation of information in the consolidated financial statements and accompanying notes.

Some of the disclosure requirements previously contained in IAS 1 have been transferred to IAS 8 without any material changes. This applies in particular to disclosures on accounting policies and sources of estimation uncertainty. As a result of these changes, IAS 8 will be renamed 'Basis of Preparation of Financial Statements'.

The publication of IFRS 18 also results in consequential amendments to other IFRS Accounting Standards, including IAS 7.

IFRS 18 is effective for annual periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 will be applied retrospectively with specific transitional provisions.
The Group is currently assessing the impact that IFRS 18 will have on the consolidated financial statements

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

- IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 Climate-related Disclosures

- IFRS S2 sets out the requirements for identifying, measuring, and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.
- The Group is currently assessing the impact of the IFRS S1 and IFRS S2 on the consolidated financial statements.

4 MATERIAL ACCOUNTING POLICIES

4.1 Summary of material accounting policies

Associates

Associates are those entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associates is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the associates. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

The aggregate of the Group's share of profit or loss of an associate and is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

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

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate, and it's carrying value and then recognises the loss within 'Share of profit of associates in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Revenue from contracts with customers

The Group is in the business of development, sale and leasing of properties as well as involved in manufacturing, contracting, trading and service activities.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations, and then
5. Recognising revenue when/as performance obligation(s) are satisfied.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 36.

Trading activities

Revenue from sale of goods is recognised at the point in time when the performance obligation is satisfied i.e., the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Contracting activities

Revenue from contracts for mechanical, electrical and plumbing works is recognised over time using input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from contracts for interior architecture is recognised over time using output method which directly measures the value of goods or services transferred to the customer relative to remaining performance obligations. Acceptable measures include milestones achieved or surveys of work completed, where appropriate.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., delivery, installation, warranties etc.). In determining the transaction price, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Contracts with customers specify that the Group is liable to pay penalty or for liquidated damages if certain conditions specified in the contract are not met for reasons not attributable to the customer.

This penalty amount may vary for different contracts and/or customers. When the Group identifies the existence of variable consideration, it will estimate the amount of the consideration at contract inception by using the expected value approach and recognise a liability for the expected future losses.

Contract modifications

Variation orders or modifications to original contracts are common to the Group considering the long-term contracting nature of business. The terms for variation orders are defined in each contract. Generally, variations are priced by reference to the per unit rates agreed in the contract and the revised quantities required for the completion of the contract. In accordance with IFRS 15, the Group will account for a modification through a cumulative catch-up adjustment if the goods or services in the modification are not distinct and are part of a single performance obligation that is only partially satisfied when the contract is modified. Alternatively, the Group will account for a contract modification as a separate contract if the scope of contract increases due to addition of distinct goods or services and price of the contract increases by an amount that reflects the Group's standalone selling prices.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Contracting activities (continued)

Warranty obligations

The Group provides its customers warranty against defects arising from normal and/or expected usage and maintenance for a period of 1 year from the date of taking over certificates. Management assessed that 1-year warranty for defects are considered as an assurance type warranty as this warranty is necessary to ensure that the delivered products/services are as specified in the contract for a minimum period. There is no separate performance obligation for this warranty.

The extended warranty which is given by the Group for a period longer than required by the normal practice, is usually for the purpose of detecting errors or defects in the work performed and is necessary to provide assurance that the goods or services comply with the agreed upon specifications, and accordingly, such warranties are treated as assurance type warranty. Otherwise, and in rare cases, such warranty will be treated as a service type warranty and thus will be considered as a separate performance obligation.

Where warranty is considered as an assurance type warranty, the Group accrues for the cost of satisfying the warranty liability on the basis of historical experiences in accordance with the provisions of IAS 37.

Facility management, maintenance and motor racing services

Revenue from services is satisfied over time, because the customer simultaneously receives and consumes the benefits provided by the Group, on a fixed contract basis or using an output method to measure progress towards complete satisfaction of the service. Sponsorship fees related to motor racing events are recognised in the period in which the related event is held.

Revenue from sale of development properties

The Group satisfies a performance obligation and recognises revenue from sale of properties over time, if 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 entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue from the sale of properties is recognised at the point in time at which the performance obligation is satisfied.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before billing or invoicing milestones or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Contract balances (continued)

Trade receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets under the section Financial Instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group complete performance obligation under the contract.

Cost to obtain a contract

The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense such costs (included in cost of sales) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

Contract costs

Contract costs comprise direct contract costs and other costs relating to the contracting activity in general and which can be allocated to contracts. In addition, contract costs include other costs that are specifically chargeable to the customer under the terms of the contracts.

Value added tax

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated financial statements.

Income tax

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current and deferred tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method. The carrying amounts of deferred tax are reviewed at the end of each reporting period on the basis of its most likely amount and adjusted if needed. Assessing the most likely amount of current and deferred tax in case of uncertainties (e.g. as a result of the need to interpreting the requirements of the applicable tax law), requires the group to apply judgments in considering whether it is probable that the taxation authority will accept the tax treatment retained.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- Deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.
In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Tax benefits acquired as part of a business combination but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change.

The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

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

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Foreign currencies

Transactions and balances

Transactions denominated in foreign currencies are initially recorded in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency using the closing rate. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. All foreign currency differences are recognised in the profit or loss.

Investments in other entities
The assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Finance income and expense

Finance income comprises interest income on loan to associate. Interest income is recognised as it accrues in the profit or loss using the effective interest method.

Finance expense comprises interest expense on bank borrowings as well as interest expense on lease liabilities. All borrowing costs, except to the extent that they are capitalised in accordance with the paragraph below, are recognised in the profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Property, plant and equipment and depreciation

Recognition and measurement

Other than land, items of property, plant and equipment are measured at cost less accumulated depreciation (refer below) and accumulated impairment losses (refer accounting policy on impairment), if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

At December 31,2024, land is measured at fair value less accumulated impairment losses recognised after the date of revaluation. Valuation is performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Property, plant and equipment and depreciation (continued)

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the consolidated statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful life of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives for the current and comparative periods are as follows:

Assets	*Number of years*
Buildings and leasehold improvements	2 to 20
Plant and machinery	5 to 10
Furniture, fixtures and office equipment	2 to 4
Motor vehicles	4
Equipment and tools	2 to 3

The depreciation method, useful lives and residual values are reassessed at the reporting date.

Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses (refer accounting policy on impairment), if any, until the construction is complete. Upon completion of construction, the cost of such asset together with the cost directly attributable to construction (including borrowing costs and land rent capitalised) are transferred to the respective class of assets. No depreciation is charged on capital work-in-progress.

Intangible assets and Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the consolidated statement of profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Intangible assets and goodwill (continued)

Amortisation is charged on a straight-line basis over the estimated useful lives as follows:

Intangible Assets	*Number of years*
Software	6
Customer contracts	4.4
Customer relationships	3
Trade name	10

Customer contracts

Customer contracts have a finite useful life and are carried at cost less accumulated amortisation and mainly represent long term non-cancellable contracts with customers for the supply of services which were acquired in business combinations. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 4.4 years (2024: Nil).

Customer relationships

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationships acquired in a business combination that does not arise from a contract, may nevertheless be identifiable because the relationships are separable. These mainly represent non-contractual relationships acquired in business combinations and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 years (2024: Nil).

Trade name

Trade names comprise words, names or other identifiers used in the course of business to indicate the commercial identity of an entity and to distinguish its operations from those of others. Trade names represent future economic benefits in the form of ongoing business and market recognition associated with subsidiaries acquired through business combinations.

Trade names identified and recognised as part of acquisitions may have either indefinite or finite useful lives. Trade names assessed as having a finite useful life are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method over the estimated useful life of 10 years (2024: Nil)

Software

Acquired computer software licences are capitalised at cost, being the expenditure incurred to acquire and bring the specific software to its intended use. Subsequently, such software is carried at cost less accumulated amortisation and accumulated impairment losses. Computer software is amortised on a straight-line basis over its estimated useful life, which is assessed as six (6) years.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Investment properties

Recognition

Land and buildings owned by the Group for the purposes of generating rental income or capital appreciation or both are classified as investment properties. Properties that are being constructed or developed for future use as investment properties are also classified as investment properties. Where the Group provides ancillary services to the occupants of a property, it treats such a property as an investment property if the services are a relatively insignificant component of the arrangement as a whole.

When the Group begins to redevelop an existing investment property for continued future use as an investment property, the property remains as an investment property, which is measured based on fair value model and is not reclassified as development property during the redevelopment with respect to as an investment property.

Measurement

Investment properties are initially measured at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Any gain or loss arising from a change in fair value is recognised in the profit or loss. Fair values are determined based on annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee Where the fair value of an investment property under development is not reliably determinable, such property is measured at cost until the earlier of the date construction is completed and the date at which fair value becomes reliably measurable.

Transfer from investment properties to development properties

Certain properties are transferred from investment properties to development properties when those properties are either released from rental or for capital appreciation or both. The properties under investment properties are transferred to development properties at fair value. Subsequent to initial recognition, such properties are valued at the lower of carrying value and net realizable value.

Derecognition

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Development properties

Development properties consists of property being developed principally for sale and is stated at the lower of cost or net realisable value. Cost comprises all direct costs attributable to the design and construction of the property including direct staff costs, and for qualifying assets (if any), borrowing costs capitalised in accordance with the Group's accounting policy. Net realisable value is the estimated selling price in the ordinary course of the business less estimated costs to complete and applicable variable selling expenses.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section *Revenue from contracts with customers.*

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

The Group's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, retentions receivable and due from related parties.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

i) Financial assets (continued)

Financial instruments – initial recognition and subsequent measurement *(continued)*

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade and retentions receivable and contract assets, including receivables from sale of real estate properties that contain a significant financing component, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities, and loans and borrowings including bank overdrafts.

Subsequent measurement

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

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method(EIR).

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Subsequent measurement

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings and lease liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

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

iii) Offsetting of financial instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank in current and deposit accounts (having a maturity of three months or less and excluding deposits held under lien). Bank overdrafts that are repayable on demand and bills discounted having a maturity of three months or less, if any, form an integral part of the Group's cash management and are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

Cash held in escrow represents cash received from customers which is held in escrow bank accounts managed by authorised escrow agents. Use of cash held in escrow is restricted to the specific development properties to which the cash receipts relate and can be used for payments related to specific development projects and, hence, considered as cash and cash equivalents.

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGUs fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Impairment of non-financial assets (continued)

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. In determining fair value less costs to sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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. These budgets and forecast calculations generally cover a period of one to five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the consolidated statement of other comprehensive income in expense categories consistent with the function of the impaired asset.

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

Inventories

Inventories are valued at the lower of cost and net realisable value.

The cost of other inventories is based on the weight average method and includes expenditure incurred in acquiring inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

Property held for sale

The Group classifies certain assets as held for sale in accordance with the requirements of International Financial Reporting Standard IFRS 5, Non-current Assets Held for Sale and Discontinued Operations. Assets classified as held for sale are measured at the lower of carrying value and fair value less cost to sell. The estimates of net realisable values are based on the most reliable evidence available at the reporting date of the amount that the Group is expected to realise from the sale of these properties in its ordinary course of business.

Assets held for sale as of December 31,2024 primarily consist of investment properties. The reclassification of these assets as held for sale signifies the Group's intention to dispose of them within the near term, typically within one year.

The Group discloses the major classes of assets held for sale and the asset's carrying amounts are presented separately from other assets in the consolidated statement of financial position.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Property held for sale (continued)

Any liabilities directly associated with the assets held for sale are presented separately from other liabilities in the consolidated statement of financial position. Liabilities directly associated with assets held for sale are recognized at their carrying amount, except for liabilities that will be settled after the expected sale date, which are recognized at their present value (if any).

The Group recognizes any gain or loss arising from the derecognition of assets classified as held for sale in profit or loss in the period in which the criteria for classification as held for sale are met. At each reporting period the criteria for measurement under IFRS 5 is reassessed to confirm classification.

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. When the Group expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for contract maintenance

Provision for contract maintenance is recognised when the underlying contract enters the maintenance period. The provision is made on a case-by-case basis for each job where the maintenance period has commenced and is based on historical maintenance cost data and an assessment of all possible outcomes against their associated probabilities.

Business combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

If the Group acquires a controlling interest in a business in which it previously held an equity interest, that equity interest is remeasured to fair value at the acquisition date with any resulting gain or loss recognised in profit or loss or other comprehensive income, as appropriate.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets between 2 to 25 years.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section *Impairment of non-financial assets.*

Lease liabilities

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

4 MATERIAL ACCOUNTING POLICIES (CONTINUED)

4.1 Summary of material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the consolidated statement of profit or loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Rental income

Rental income from investment properties is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease

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 profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is determined by adjusting the 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.

Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The results of the operating segments are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, costs incurred for purchase of investment properties or redevelopment of existing investment properties and costs incurred towards development of properties which are either intended to be sold or transferred to investment properties.

5 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

Overview

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

- Financial Risk
- Credit risk
- Liquidity risk
- Market risk Capital Management

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies, and processes for measuring and managing risk, and the Group's management of capital. Furthermore, quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the products offered.

Financial risk

The Group's Corporate Finance and Treasury function provides services to the business, coordinates access to domestic and international financial markets. It monitors and manages financial risks relating to operations of the Group based on internally developed models, benchmarks and forecasts which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Group does not enter or trade financial instruments, including derivative financial instruments, for speculative purposes.

Credit risk

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. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, financial institutions and other financial instruments.

5 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (CONTINUED)

Credit risk (continued)

Trade receivables and contract assets

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. At December 31,2025 and 2024, the Group had receivables from a large number of customers.

The Group is exposed to credit risk on receivables from real estate property sales as the Group allows its customers to make payments in instalments over a period of 2 to 5 years. In order to mitigate the credit risk, the Group receives advances from its customers at the time of the sale and post-dated cheques for the remaining balance at the time of hand over.. Furthermore, the risk of financial loss to the Group on account of customer default is low as the property title acts as collateral.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 34. The Group does not hold collateral as security.

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as the balances are due from a large number of customers operating in various industries.

Exposure to credit risk from trade receivables is discussed in details in Note 34.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group considers the credit risk on bank balances to be minimal given that the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Group invests only on quoted equity and debt securities with low credit risk.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position on December 31,2025 and 2024 is the carrying amounts as illustrated in Note 34.

5 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (CONTINUED)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk relates to trade and other payables (including non-current payables), security deposits, amounts due to related parties, lease liabilities, short-term bank borrowings, and long-term bank loans. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The maturity profile of the Group's financial liabilities is disclosed in Note 34.
The responsibility for liquidity risk management rests with the management of the Group, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and committed borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Market risk

Market risk is the risk resulting from changes in market prices, such as interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Equity risk

The Group buys and sells certain marketable securities. The Group's management monitor the mix of securities in the investment portfolio based on market expectations and these dealings in marketable securities are approved by the Board of Directors.

Interest rate risk

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

Interest rate sensitivity analysis is disclosed in Note 34.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's financing activities in relation to debt obligations denominated in Egyptian Pounds.

Foreign currency risk sensitivity analysis is disclosed in Note 34.

Capital management

The primary objective of the Group's capital management is to maintain an optimal capital structure to support its business thereby increasing shareholder's value and benefits for other stakeholders.

6 REVENUE AND DIRECT COSTS

6.1 Disaggregated revenue and cost information

	For the year ended December 31,2025				
Segments	Real estate	Contracting	Goods and services	Housekeeping	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Type of goods or service					
Facility management and maintenance services	-	-	386,229	95,609	481,838
Interior architecture	-	69,124	-	-	69,124
Motor racing services	-	-	82,084	-	82,084
Sale of goods	-	-	22,815	-	22,815
Property development and sales	29,673	-	0	-	29,673
Total revenue from contracts with customers	29,673	69,124	491,128	95,609	685,534
Other operating income					
Property rentals	51,348	-	-	-	51,348
Total revenue	81,021	69,124	491,128	95,609	736,882
Timing of revenue recognition					
Goods and services transferred at a point in time	-	-	104,899	-	104,899
Goods and services transferred over time	29,673	69,124	386,229	95,609	580,635
Total revenue from contracts with customers	29,673	69,124	491,128	95,609	685,534
Property rentals	51,348	-	-	-	51,348
Total revenue	81,021	69,124	491,128	95,609	736,882
Direct costs	(64,719)	(71,351)	(409,378)	(77,403)	(622,851)
Gross profit/(loss)	16,302	(2,227)	81,750	18,206	114,031

	For the year ended December 31,2024				
Segments	Real estate	Contracting	Goods and services	Housekeeping	Total
	AED'000	AED'000	AED'000	AED'000	AED'000
Type of goods or service					
Facility management and maintenance services	-	-	375,043	-	375,043
Interior architecture	-	25,606	-	-	25,606
Motor racing services	-	-	64,221	-	64,221
Sale of goods	-	-	16,570	-	16,570
Property development and sales	-	-	-	-	-
Total revenue from contracts with customers	-	25,606	455,834	-	481,440
Other operating income					
Property rentals	47,312	-	-	-	47,312
Total revenue	47,312	25,606	455,834	-	528,752
Timing of revenue recognition					
Goods and services transferred at a point in time	-	-	80,791	-	80,791
Goods and services transferred over time	-	25,606	375,043	-	400,649
Total revenue from contracts with customers	-	25,606	455,834	-	481,440
Property rentals	47,312	-	-	-	47,312
Total revenue	47,312	25,606	455,834	-	528,752
Direct costs	(17,420)	(31,355)	(377,343)	-	(426,118)
Gross profit/(loss)	29,892	(5,749)	78,491	-	102,634

All the revenues are generated within United Arab Emirates.

6 REVENUE AND DIRECT COSTS (CONTINUED)

6.2 Direct costs information

Direct cost includes the following.

	2025 AED'000	2024 AED'000
Staff costs	316,299	205,805
Project cost	249,796	194,111
Utilities	14,294	13,496
Depreciation (note 10.2)	9,696	7,594
Others	32,766	5,112
	622,851	426,118

6.3 Contract balances

Trade receivables

Current portion of trade receivables are non-interest bearing and are generally on terms of 30 to 90 days from the date of sale.

Retention receivable

Retention receivable is non-interest bearing and represent payments withheld by customers over a certain period and according to contractual agreements between the Group and the customers. These retentions are calculated based on a certain percentage of the total work billed. Retention receivables serve as guarantees to customers for the proper execution of the contract during and after completion of the projects.

Contract assets

Amounts relating to contract assets are balances due from customers under contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. These contracts have remaining performance obligations which is expected to be recognised as revenue over the remaining tenor of these contracts. In 2025, allowance for expected credit losses on contract assets was recognised at AED 11.0 million (2024: 11.4 million) (note 19).

Contract liabilities

Contract liabilities represent advances received from customers to deliver projects, goods, and services, advances for rental of properties and excess billings (note 28).

6.4 Performance obligations

Information about the Group's performance obligations are summarised below:

Sales of goods
The performance obligation is satisfied upon collection/delivery of the goods and payment is generally due within 30 to 90 days from the date of sale.

The Group receives short-term advances against the satisfaction of the related performance obligations, which do not contain any financing component.

6 REVENUE AND DIRECT COSTS (CONTINUED)

6.4 Performance obligations (continued)

Contracting

The performance obligation for mechanical, electrical, and plumbing works and interior decorations are satisfied over time, because the customer simultaneously receives and consumes the benefits provided by the Group or the Group's performance creates or enhances an asset that the customer controls as it's created or creates an asset with no alternative use and the entity has an enforceable right to payment for performance completed to date.Payment is generally due upon submission of payment certificates and acceptance of the same by customers.

Rental income from properties

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight line basis, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

Services

The performance obligations for facility management, maintenance and motor racing services are satisfied over time, because the customer simultaneously receives and consumes the benefits provided by the Group.

7 ADMINISTRATIVE AND GENERAL EXPENSES

	2025 AED'000	2024 AED'000
Staff costs	81,562	64,846
Professional fees and licenses	39,186	29,399
Expected credit loss expense on receivables and contract assets	11,493	16,351
Marketing and advertising expenses	25,311	6,907
Depreciation of property, plant and equipment (note 10.2)	10,631	3,817
Depreciation of right of use assets (note 13)	3,024	1,238
Other expenses	24,636	23,336
	195,843	145,894

8 OTHER INCOME AND OTHER OPERATING INCOME

8.1 Other Income

	2025 AED'000	2024 AED'000
Settlement amount from customers (note a)	11,551	-
Write back of liabilities / reversal of provision (note b)	9,838	3,714
Foreign exchange gain (note c)	-	14,395
	21,389	18,109

8 OTHER INCOME AND OTHER OPERATING INCOME (CONTINUED)

8.1 Other Income (continued)

a Settlement amount from customers

The total amount of AED 11.5 million includes AED 3.2 million arising from proceeds recovered following a customer default on a previously disposed unit, and AED 3.0 million representing compensation for legal costs awarded by the court pursuant to a judgment against another customer.

b Write back of liabilities/reversal of provision

For the current year, the write back of liabilities pertain to reversal of provision no longer required. In the prior year, the write back of liabilities mainly related to payables and accruals in relation to completed projects and cancellation of contracts for which management assessed that no settlement will be required against.

c Foreign exchange loss

During the year, foreign exchange loss amounting to AED 1.4 million (2024: gain of 14.3 million) on account of overdraft balance held in Egyptian pound was recorded under general and administrative expense (note 7 and 8.1).

8.2 Other operating income

	2025 AED'000	2024 AED'000
NOC Fee	12,289	11,294
Rental Income	11,495	9,466
Administrative Fee	2,284	369
Scrap Sale	522	5,408
Utilities	878	497
Miscellaneous Income	6,175	19,600
	33,643	46,634

9 FINANCE COSTS

	2025 AED'000	2024 AED'000
Interest on bank loans	26,174	28,496
Interest expense on lease liabilities (note 13)	1,303	833
Others	2,312	2,330
	29,789	31,659

10 PROPERTY, PLANT AND EQUIPMENT

	Land AED'000	Buildings and leasehold improvements AED'000	Plant and machinery AED'000	Furniture, fixtures and office equipment AED'000	Motor vehicles AED'000	Equipment and tools AED'000	Capital work-in-progress AED'000	Total AED'000
Cost and revaluation:								
At January 1,2024	241,841	103,006	26,982	77,889	46,152	12,650	3,129	511,649
Additions		11,915	1,956	7,061	3,388	535	604	25,459
Revaluations (note 24)	132,059	-	-	-	-	-	-	132,059
Disposals	-	-	-	-	(966)	-	-	(966)
Write off during the year	-	(13,535)	(6,365)	(5,040)	(18,507)	(5,193)	(456)	(49,096)
At December 31,2024	373,900	101,386	22,573	79,910	30,067	7,992	3,277	619,105
Additions	-	787	1,476	7,832	917	479	41,590	53,081
Acquisition during the year	-	758	-	435	7	13	-	1,213
Disposals	-	-	(138)	-	(1,751)	-	-	(1,889)
Transfer to Investment properties	-	-	-	-	-	-	(15,843)	(15,843)
At December 31,2025	**373,900**	**102,931**	**23,911**	**88,177**	**29,240**	**8,484**	**29,024**	**655,667**
Depreciation:								
At January 1,2024	-	53,274	25,897	69,553	41,105	12,136	-	201,965
Charge for the year	-	4,996	544	4,080	1,222	569	-	11,411
Disposals	-	-	-	-	(966)	-	-	(966)
Write off during the year	-	(15,784)	(6,295)	(6,115)	(15,567)	(5,335)	-	(49,096)
At December 31,2024	-	42,486	20,146	67,518	25,794	7,370	-	163,314
Charge for the year	-	11,081	649	6,308	1,527	762	-	20,327
Disposals	-	-	(138)	-	(1,751)	-	-	(1,889)
At December 31,2025	-	**53,567**	**20,657**	**73,826**	**25,570**	**8,132**	-	**181,752**
Net carrying amount:								
At December 31,2025	373,900	49,364	3,254	14,351	3,670	352	29,024	473,915
At December 31,2024	373,900	58,900	2,427	12,392	4,273	622	3,277	455,791

*During the year,capital work in progress relating to construction of warehouse in motoricty amounting to AED 15.8 million was transferred to investment properties

10 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

10.1 Capital work-in-progress

Capital work in progress mainly represents payments towards building, office renovation and equipment.

10.2 Depreciation

Depreciation is allocated in profit or loss as follows:

	2025 AED'000	2024 AED'000
Recognised as direct cost (note 6.2)	9,696	7,594
Recognised as general and administrative expenses (note 7)	10,631	3,817
	20,327	11,411

10.3 Transfer to investment properties

The transfer during the prior year represents a transfer due to change in use as this asset was now held for the purpose of earning rental income with the management intending to lease these out.

10.4 Valuation of land

As of December 31,2024, the fair value of land was based on valuations performed by an accredited independent registered valuer. A valuation model in accordance with that recommended by the International Valuation Standards Council has been applied. Valuation is performed every 3 to 5 years, as per the Group policy and therefore no valuation of land was performed in 2025.

The valuer carried out the valuation based on an open market valuation in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors, adopting the IFRS basis of fair value and using established valuation techniques.

Valuation is performed every 3 to 5 years, however if the land's fair value fluctuates significantly, more frequent revaluations may be needed, to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. In addition, the Group measures land at revalued amounts, with changes in fair value being recognised in OCI. The land was valued by reference to transactions involving properties of a similar nature, location, and condition.

11 BUSINESS COMBINATION

The Company through its subsidiary ServeU LLC has acquired House Keeping Company LLC, House Keeping Domestic Workers LLC, and Fair Hire Solutions LLC collectively referred as "House Keeping Group" at a purchase consideration of AED 100.6 million. The date of acquisition is August 1,2025.

The acquisition date fair values of the identifiable assets and liabilities of Housekeeping Group were determined and disclosed below.

11 BUSINESS COMBINATION (CONTINUED)

	Value as at the date of acquisition
	AED'000
Assets	
Right of use assets	5,941
Property,plant and equipment	1,213
Other receivables	17,428
Cash and cash equivalents	6,582
Account receivable	339
Total Assets	31,503
Liabilities	
Lease Liabilities	6,460
Accounts payable and other payables	12,264
Income tax payable	1,764
Employee end of service benefits	18,665
Total Liabilities	39,153
Total Identifiable net liabilities	(7,650)
Purchase consideration	100,637
Less:Fair value of net assets acquired	(7,650)
Excess purchase consideration	108,287
Allocation of excess consideration paid for acquisition	
Goodwill	66,836
Trade name	14,248
Customer relationships	14,864
Customer contracts	6,227
Software	6,112
Total	108,287

Revenue and profit contribution

Revenue included in the consolidated statement of profit or loss and other comprehensive income contributed by Housekeeping Group from August 1,2025 to December 31,2025, is AED 95.6 million. Housekeeping Group also contributed a net income of AED 12.0 million over the same period.

Had the acquisition occurred on January 1, 2025, management estimates the Group's consolidated revenue would have been AED 877.0 million and Group's consolidated income for the year would have been AED 463.2 million.

Acquisition related cost

Costs related to the acquisition of Housekeeping Group amounting to AED 2.7 million are included in legal and professional fees within general and administrative expenses in the consolidated statement of comprehensive income and in operating cash flows in the statement of cash flows for the period ended December 31,2025

Goodwill on business combination

The group measured the fair value of the separately recognizable identifiable assets acquired and the liabilities assumed as at the acquisition date. The cost of investment was higher than the fair value of the net assets acquired. This difference, or goodwill on business combination of AED 66.8 million, was recorded in the consolidated financial statement of financial position as at December 31,2025.

12 INTANGIBLE ASSETS

	Trade name AED'000	Customer relationships AED'000	Customer contracts AED'000	Software AED'000	Total AED'000
At January 1,2025	-	-	-	-	-
Addition on account of acquisition during the year	14,248	14,864	6,227	6,112	41,451
Amortisation during the year	(597)	(2,077)	(593)	(427)	(3,694)
At December 31,2025	13,651	12,787	5,634	5,685	37,757

Amortisation charge for the year has been allocated in the consolidated statement of profit or loss as follows:

	2025 AED'000	2024 AED'000
Recoginsed as direct cost	3,267	-
Recognised as general and administrative expenses	427	-
	3,694	-

13 LEASES

13.1 Group as lessee

The Group has lease contracts for plots of lands located in Al Quoz and Dubai Investment Park and a factory located in Jebel Ali, UAE used for its operations. Generally, the Group is not restricted from assigning and subleasing the leased lands. There are several lease contracts that include extension and termination options, which are further discussed below.

The Group also has certain leases of buildings and vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Right of use assets	AED'000
Cost:	
As at January 1, 2024	24,403
Lease modification	1,216
As at December 31, 2024	25,619
Acquisition during the year	5,941
Lease modification	1,705
As at December 31, 2025	33,265
Depreciation:	
At January 1,2024	16,313
Charge for the year	2,189
Lease modification	(7,107)
At December 31,2024	11,395
Charge for the year	4,015
Lease modification	2,156
As at December 31, 2025	17,566
Net book value	
As at December 31, 2025	15,699
As at December 31, 2024	14,224

13 LEASES (CONTINUED)

13.1 Group as lessee (continued)

Depreciation on right of use asset has been charged to direct cost AED 1.0 million (2024: AED 0.9 million) and to administrative expenses of AED 3.0 million (2024: AED 1.2 million).

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025 AED'000	2024 AED'000
Opening balance	14,739	11,224
Interest charge for the year (Note 9)	1,303	833
Payment during the year	(3,741)	(2,763)
Lease modification	4,565	5,445
	16,866	14,739
Current	3,853	2,070
Non-current	13,013	12,669

The Group does not have lease contracts that contain variable payments

	Minimum lease payments due			
	Less than one year AED'000	1 to 5 years AED'000	More than five year AED'000	Total AED'000
As at December 31, 2025				
Lease payments	4,818	12,606	3,330	20,754
Finance charges	(965)	(2,570)	(353)	(3,888)
Net present value	3,853	10,036	2,977	16,866
As at December 31, 2024				
Lease payments	2,957	10,857	5,460	19,274
Finance charges	(887)	(2,995)	(653)	(4,535)
Net present value	2,070	7,862	4,807	14,739

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (note 36).

13 LEASES (CONTINUED)

13.2 Group as lessor

The Group has entered operating leases on its investment property portfolio consisting of commercial and residential properties (see Note 13.1). These leases have terms of between one and five years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The lessee is also required to provide a residual value guarantee on the properties.

Rental income recognised by the Group during the year is AED 51.3 million (2024: AED 47.0 million).

14 INVESTMENT PROPERTIES

The Group's investment properties consist of commercial and residential properties as well as land in Dubai Motor City, which are carried at fair value.

The movement in investment properties during the year was as follows:

	2025 AED'000	2024 AED'000
At 1 January	2,220,143	2,957,379
Additions during the year	949	559
Transfer to development properties (note 15.2)	(275,060)	(213,711)
Transfer from property plant and equipment (note 10)	15,843	-
Gain on fair valuation (note 14.2)	275,487	166,350
Sale of investment properties (note 14.3)	(232,692)	(690,434)
At 31 December	2,004,670	2,220,143

14.1 Transfer from property, plant, and equipment

The transfer amounting to AED 15.8 million represent change in use as this asset was now held for the purpose of earning rental income with the management intending to lease these out.

14.2 Valuation of investment properties

As of December 31,2025, the fair values of the properties are based on valuations performed by an accredited independent registered valuer. A valuation model in accordance with that recommended by the International Valuation Standards Council has been applied.

The independent valuer provides the fair value of the Group's investment property portfolio every year end. The valuer carried out the valuation based on an open market valuation in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors, adopting the IFRS basis of fair value and using established valuation techniques. The independent valuer reviewed the updated master community development plan for the MotorCity project in forming its view of the fair value of the portfolio as at December 31,2025 and 2024.

The fair values have been determined by taking into consideration the discounted cash flows where the Group has ongoing lease arrangements. In this regard, the Group's current lease arrangements, which are entered into on an arm's length basis, and which are comparable to those for similar properties in the same location, have been taken into account.

14 INVESTMENT PROPERTIES (CONTINUED)

14.2 Valuation of investment properties (continued)

In cases where the Group does not have any on-going lease arrangements, fair values have been determined, where relevant, having regard to recent market transactions for similar properties as well as considering the expected changes in the supply of properties in and around the same location as the Group's investment properties. These values are adjusted for differences in key attributes such as property size.

For property under construction, the valuation was determined using residual value approach incorporating a combination of both the income and cost approaches. The market value estimate of these properties is on the assumption that the properties are complete as at the date of valuation, and from which appropriate deductions are made for the costs to complete the project in order to estimate the value of the property in its present condition.

Accordingly, based on the above valuation, gross fair value gains of AED 275.5 million has been recognised in the consolidated statement of profit or loss for the year ended December 31,2025 *(2024: Gross gain of AED 166.3 million (note 14).* The Group's Board of Directors have reviewed the assumptions and methodology used by the independent registered valuer, and in its opinion, these assumptions and valuation methodology are appropriate and prudent as at the reporting date.

Any significant movement in the assumptions used for the fair valuation of investment properties would result in significantly lower/higher fair values of those assets

14.3 Sale of investment properties

During the year, investment properties with a carrying value of AED 232.6 million *(2024:* AED 690.4 million*)* were disposed of for a total consideration of AED 385.0 million(*2024*: 859.9 million) less cost to sell AED 8.4 million *(2024: AED* 11.0 *million)* resulting in a gain of AED 144.5 million *(2024:* AED 158.5 million*)*.

14.4 Description of valuation techniques used and key inputs to valuation of investment properties.

The valuations were determined mainly using the income valuation approach or the market (sale comparable) valuation approach based on significant unobservable inputs such that the fair value measurement was classified as level 3.

Income valuation approach

In determining the fair value of properties using the income valuation approach, the valuer took into account property specific information such as the current contracted tenancies agreement and forecasted operating expenses.

The valuer applied assumptions for capitalization yield rates and estimated market rent, which are influenced by specific characteristics, such as property location, income return and occupancy of each property in the portfolio, to arrive at the final valuation. The significant unobservable inputs include estimated rental value per square foot., forecasted operating expenses, long-term vacancy rate and discount rate.

For properties that are under development, the valuer used a residual approach, which takes into account the expectations of perceived market participants of the Gross Development Value for an asset assuming development is complete, less Gross Development Cost (which is the expected cost to complete development) in order to arrive at the property value in its current incomplete state. In this type of approach, additional unobservable inputs are used including comparable rent rates, expected future use of the asset, and expected time and cost to complete development.

14 INVESTMENT PROPERTIES (CONTINUED)

14.4 Description of valuation techniques used and key inputs to valuation of investment properties (continued).

Market valuation approach

In determining the fair value of properties using the market valuation approach, the valuer took into consideration the price per square foot for recent market transactions for comparable properties in and around the same location of the respective property and/or having the same quality and characteristics of the valued property. The significant unobservable input for this type of valuation mainly represents the price per square foot applied on the property area in determining the value of the respective property.

Other information

Significant increases (decreases) in the significant unobservable inputs would result in a significantly higher (lower) fair value.

The valuation basis and assumptions used for the valuation of investment properties are consistent with those adopted in 2024. There were no changes to the valuation techniques during the year.

14.5 Investment property held for sale

During the year investment property held for sale having carrying value of AED 540.9 million (2024: 392.0 million) was sold for a total consideration of AED 700 million(2024:392.0 million) less cost to sell of AED 14.7 million (2024:Nil) resulting in a gain of AED 144.4 million (2024:Nil).

15 INVENTORIES AND DEVELOPMENT PROPERTIES

15.1 INVENTORY

Trading and project related inventories

	2025 AED'000	2024 AED'000
Project related material - gross	1,664	1,194
Stock-in-trade	3,614	2,736
Spares and consumables	1,489	1,417
Less : provision for slow moving materials	(589)	(589)
	6,178	4,758

15 INVENTORIES AND DEVELOPMENT PROPERTIES (CONTINUED)

15.2 Development properties

	2025 AED'000	2024 AED'000
At 1 January	230,528	11,912
Cost incurred during the period	64,458	4,905
Transfer to cost of revenue during the period	(18,997)	-
Transfer from investment properties (note 14)	275,060	213,711
At 31 December	551,049	230,528

During the year land included in investment property amounting to AED 275.0 million was transferred to development properties relating to Mirdad project.

16 INVESTMENTS IN AN ASSOCIATE

The Group has a 30% equity interest in Properties Investment LLC and PID Owners Association Management L.L.C ,involved in property investments. The companies are private entities that are not listed on any public exchange. The Group's interest in the entities is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in the entities:

	2025 AED'000	2024 AED'000
Movement for the year		
Opening balance	9,143	19,914
Addition during the year	46	-
Share of loss	(2,306)	(10,771)
Closing balance	6,883	9,143
Profit or loss:		
Share of loss in Properties Investment LLC	(468)	(10,771)
Adjustments during the year	(2,256)	-
Share of profit in PID Owners Association Management LLC	418	-

	Properties Investment LLC 2025 AED'000	P I D Owners Association Management L.L.C 2025 AED'000	Total 2025 AED'000
Financial position:			
Non-current assets	242,177	1,071	243,248
Current assets	372,247	7,775	380,022
Current liabilities	(290,386)	(2,109)	(292,495)
Non-current liabilities	(307,833)	-	(307,833)
Equity	16,205	6,737	22,942
Group's share of equity - 30%	4,862	2,021	6,883
Financial performance			
Revenue	37,500	6,427	43,927
Net loss/Profit	(1,560)	1,393	(167)
Total comprehensive loss/profit	(1,560)	1,393	(167)

16 INVESTMENTS IN AN ASSOCIATE (CONTINUED)

	Properties Investment LLC 2024 AED'000	P I D Owners Association Management L.L.C 2024 AED'000	Total 2024 AED'000
Financial position:			
Non-current assets	239,651	-	239,651
Current assets	317,345	-	317,345
Current liabilities	(526,518)	-	(526,518)
Non-current liabilities	-	-	-
Equity	30,478	-	30,478
Group's share of equity - 30%	9,143	-	9,143
Financial performance			
Revenue	14,923	-	14,923
Net loss	(35,902)	-	(35,902)
Total comprehensive loss	(35,902)	-	(35,902)

As at December 31,2025 the Group has extended a loan to Properties Investment LLC amounting to AED 10.9 million (2024: AED 3.4 million) which is included in the other receivable balance (note 20).

17 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Investments at fair value through profit or loss comprise the following:

	2025 AED'000	2024 AED'000
Unquoted equity	460	965

The movement in investments at fair value through profit or loss during the year was as follows:

	2025 AED'000	2024 AED'000
At January	965	699
(Loss)/gain on valuation	(505)	266
At 31 December	460	965

The Group held investment securities which were classified as investments at fair value through profit or loss in accordance with IFRS 9.

18 NON-CURRENT RECEIVABLES

	2025 AED'000	2024 AED'000
Retention receivables	7,765	2,360
Property sales receivables	-	25,866
Deposit receivable	304	121
	8,069	28,347

The Group's exposure to credit risk and impairment losses related to financial assets are disclosed in note 34.

19 CONTRACT ASSETS

	2025 AED'000	2024 AED'000
Contract work-in-progress	36,429	25,180
Unbilled revenue	3,120	4,018
Allowance for expected credit losses	(11,040)	(11,369)
	28,509	17,829

20 TRADE AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Financial assets		
Trade receivables	309,472	288,289
Retention receivables	18,121	19,541
	327,593	307,830
Less: provision for expected credit losses (note 20.2)	(105,766)	(111,776)
	221,827	196,054
Property sales receivables	608,970	392,163
	830,797	588,217
Other receivables	167,137	99,720
Less:provision for expected credit losses	(10,000)	-
Total (A)	987,934	687,937
Non-financial assets		
Advances to contractors (note 20.1)	6,808	5,614
Prepayments and advances	67,671	20,505
Prepaid commission	45,436	-
Total (B)	119,915	26,119
Total (A+B)	1,107,849	714,056
Less:non current portion of retention receivables	(7,765)	(2,360)
	1,100,084	711,696

As at December 31,2025 the Group has extended a loan to Properties Investment LLC amounting to AED 10.9 million (2024: AED 3.4 million) which is included in the other receivable balance.

Other receivable includes deferred expenses amounting to AED 58.9 million related to Thermo LLC against which provision of AED 10 million is recorded as at December 31,2025.

20 TRADE AND OTHER RECEIVABLES (CONTINUED)

20.1 Advances to contractors

	2025 AED'000	2024 AED'000
Advances to contractors	96,511	98,317
Less: provision for allowance for expected credit losses	(89,703)	(92,703)
	6,808	5,614

20.2 Provision for allowance for expected credit losses

	2025 AED'000	2024 AED'000
Provision against trade and retention receivables (note 20)	105,766	111,776
Provision against advances to contractors (note 20.1)	89,703	92,703
	195,469	204,479

21 TRANSACTIONS WITH RELATED PARTIES

The Group, in the normal course of business, enters transactions with other enterprises, and individuals which fall within the definition of a related party contained in IAS 24. Such transactions are on terms and conditions approved by the Group's management and are held at arm's length.

During the year the group has extended a loan of AED 7.5 million which is recognized in the consolidated financial statements carrying an interest of 2.75% + 3 months EIBOR (note 20).The total loan balance as at December 31, 2025, amounted to AED 10.9 million (2024:AED 3.4 million).

Compensation to directors and other members of key management are as follows:

	2025 AED'000	2024 AED'000
Interest income on loan extended to associate	185	193
Salaries,short term employee benefits and other remuneration	30,336	20,802
Directors' fee during the year	12,000	5,000
Provision towards employees terminal benefits	256	411

22 CASH AND CASH EQUIVALENTS

	2025 AED'000	2024 AED'000
Cash in hand	1,654	1,326
Cash at banks		
– in deposit accounts held under lien	3,045	973
– in escrow accounts	132,008	31,166
– in current accounts	132,442	147,748
– in fixed deposits	225,100	-
	494,249	181,213

Balance held in escrow account represents advance collections from customers that are held with banks authorised by the Real Estate Regulatory Authority ("RERA"), Dubai, United Arab Emirates. Use of cash held in escrow is restricted to the specific development properties to which the cash receipts relate and can be used for payments related to specific development projects and hence, considered as cash and cash equivalents

	2025 AED'000	2024 AED'000
Cash and cash equivalents comprise:		
Cash in hand and at banks (excluding deposits under lien and escrow accounts)	359,196	149,074
Bank overdrafts (note 31)	(27,539)	(26,101)
	331,657	122,973

Cash at banks in deposit accounts carry interest at commercial rates.

The Group's exposure to interest rate risk and sensitivity analysis of financial assets are disclosed in note 34.

23 SHARE CAPITAL

	2025 AED'000	2024 AED'000
Issued and fully paid up at December 31		
4,289,540,134 *(2024: 4,289,540,134)* shares of par value of AED 0.66 (2024: AED 1) each	2,857,926	4,289,540

On December 31,2025, the share capital comprised of ordinary equity shares. All issued shares are fully paid. The holders of ordinary equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the General Assembly of the Group. All shares rank equally with regard to the Group's residual assets.

On December 31,2025, the authorised share capital of the Group is 7 billion shares.

23.1 SHARE CAPITAL REDUCTION

On April 22,2025, the Company's General Assembly approved a capital restructuring plan, authorizing the Board of Directors to proceed with the necessary actions in accordance with applicable laws and subject to approval by the relevant authorities. On August 7,2025, Capital Markets Authority (formerly Securities & Commodities Authority ("SCA") approved the share capital reduction whereby the issued share capital of the Company was reduced to 2,857,926,134.

24 RESERVES

Statutory reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021 and Articles of Association, 10% of the profit for the year of the public joint stock company and 5% of the profit for the year of each UAE limited liability registered company are transferred to statutory reserve, which is not distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the respective companies. Accordingly, for the year ending December 31,2025, transfers to the statutory reserve are expected to be made by the individual entities within the Group at the end of the year in line with the aforementioned policy. During the current year, the Group transferred an amount of AED 42.4 million (2024: AED 40.1 million) to statutory reserve.

Asset revaluation surplus

Changes in the fair value of the Group's land under property, plant and equipment measured at fair value are recognised in OCI and credited to the asset revaluation surplus in equity.

	2025 AED'000	2024 AED'000
At 1 January	332,863	212,689
Gain on revaluation of land	-	132,059
Income tax expense	-	(11,885)
At 31 December	332,863	332,863

25 DIRECTORS' FEES

This represents professional fees to the Company's directors for serving on any committee, for devoting special time and attention to the business or affairs of the Group and for performing services outside the scope of their ordinary activities.

26 BASIC AND DILUTED EARNINGS PER SHARE

	2025	2024
Profit attributable to shareholders (AED'000)	**462,457**	275,639
Weighted average number of shares	**4,289,540,134**	4,289,540,134
Basic and diluted earnings per share (AED)	**0.1078**	0.0643

27 BANK LOANS

This note provides information about the contractual terms of the Group's interest-bearing bank loans, which are measured at amortised cost. For more information about the Group's exposure to liquidity risk and interest rate risk, refer note 34.

	2025 AED'000	2024 AED'000
At 31 December	297,733	575,032
Less: current portion	(66,053)	(398,672)
Non-current portion	231,680	176,360

The bank loans carry interest at commercial rates. Further details related to bank loans are shown below.

27 BANK LOANS (CONTINUED)

The movement in bank loans during the year was as follows:

	2025	2024
	AED'000	AED'000
At 1 January	575,032	1,207,865
Availed during the year	90,000	90,410
Repayments during the year	(367,299)	(723,243)
At December 31	297,733	575,032

(i) During the year ,the group repaid AED 314.0 million in relation to the legacy debt with the local bank.

(ii) Bills discounting facilities having a balance of AED 30.1 million at year-end (2024: AED 31.3 million).

Securities

The above-mentioned bank loans are secured by one or more of the following:

a. Registered mortgage of lands and investment properties with a fair value of AED 1,998.0 million on December 31,2025 (2024: AED 2,652.0 million).
b. Assignment of insurance policies of the mortgaged properties.
c. Assignment of lease proceeds of certain rental units.
d. Corporate guarantees of the Group and certain subsidiaries; and
e. Assignment of receivables.

28 CONTRACT LIABILITIES

	2025	2024
	AED'000	AED'000
Deferred Income	**209,119**	42,321
	209,119	42,321

Deferred income represents advances received from customers against the sale of properties in accordance with the payment schedules as stated in the respective sale and purchase agreements, whereby the revenue would be recognised upon the satisfaction of performance obligations whereas the excess billing over payments arises as a result of the Group's contracting activities undertaken during the year.

The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied/partially unsatisfied as at 31 December 2025 is AED 753.7 million (2024: AED 166.8 million). The Group estimates to recognise these unsatisfied performance obligations as revenue over a period of up to 3-5 years.

The Group bills and receives payments from customers based on the billing schedule and terms of payment agreed with the customers as mentioned in the contracts with the customers. Contract liabilities relates to payments received in advance of performance under the contract.

29 PROVISION FOR STAFF TERMINAL BENEFITS

The provision for staff terminal benefits, disclosed as a non-current liability, is calculated in accordance with the UAE Labour Law.

	2025 AED'000	2024 AED'000
At January 1	32,128	30,600
Acquired during the year	18,665	-
Provision made during the year	7,349	6,497
Payments made during the year	(5,462)	(4,969)
At December 31	52,680	32,128

30 TRADE AND OTHER PAYABLES

	2025 AED'000	2024 AED'000
Financial liabilities :		
Trade payables	165,872	208,730
Retention payables	6,036	2,080
Accruals and deposits payables	147,905	117,077
Other payables and accruals(a)	44,233	30,218
Total	364,046	358,105
Non financial liabilities:		
Advances received from customers	31,016	16,893
VAT payables and other accruals	66,754	35,093
	97,770	51,986
Total	461,816	410,091

Trade payable includes current portion of the amount payable to Dubai Land amounting to AED 88.0 million.

a)Other payables and accruals include:

	2025 AED'000	2024 AED'000
Provisions and accruals against contracting business	3,198	3,248
Provision for staff related payables	32,638	22,163
Provisions and accruals for payment to contractors cost	8,397	4,807
	44,233	30,218

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 34.

31 BANK OVERDRAFTS

	2025 AED'000	2024 AED'000
Bank overdrafts	27,539	26,101

Significant terms and conditions

Bank overdrafts have been obtained from local and foreign/banks to finance the working capital requirements of the Group, which carry interest at commercial rates.

Securities

Bank overdrafts are secured by:

- Joint and several guarantees of the Group
- Assignment of certain contract and retention receivables.

For more information about the Group's exposure to liquidity risk and interest rate risk, refer note 34.

32 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

Company and its subsidiaries	2025 AED'000	2024 AED'000
Commitments:		
Capital commitments	146,234	1,865
Contingent liabilities:		
Letters of guarantee	392,890	36,930

Contingent liabilities

There are certain claims and contingent liabilities that arise during the normal course of business. The Board of Directors reviews these on a regular basis as and when such complaints and/or claims are received, and each case is treated according to its merit and the terms of the relevant contract.

33 SEGMENT REPORTING

Business segments

The Group's activities include four main business segments, namely, real estate property management, contracting, housekeeping and sales of goods and services. The details of segment revenue, segment result, segment assets and segment liabilities are as follows:

33 SEGMENT REPORTING (CONTINUED)

	Real estate	Contracting	Goods and services	Housekeeping	Investments	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
2025						
Segment revenue	81,021	69,124	491,128	95,609	-	736,882
Direct costs	(64,719)	(69,089)	(414,737)	(74,306)	-	(622,851)
Gross profit	16,302	35	76,391	21,303	-	114,031
Administrative and general expenses	(136,803)	(7,909)	(40,234)	(9,341)	(1,556)	(195,843)
Other operating income	17,783	38	14,579	1,243	-	33,643
Gain on sale of investment properties held for sale	144,375	-	-	-	-	144,375
Gain on sale of investment properties	144,479	-	-	-	-	144,479
Operating profit/(loss)	186,136	(7,836)	50,736	13,205	(1,556)	240,685
Gain on valuation of properties, net	251,100	-	24,387	-	-	275,487
Share of results of equity accounted investees	(2,306)	-	-	-	-	(2,306)
Other income	17,202	1,772	2,415	-	-	21,389
Finance income	2,722	-	221	-	-	2,943
Finance costs	(16,351)	-	(13,145)	(293)	-	(29,789)
Corporate tax	(39,660)	2	(5,270)	(1,156)	132	(45,952)
Profit/(loss) for the year	398,843	(6,062)	59,344	11,756	(1,424)	462,457
Capital expenditure	26,750	1,234	25,076	21	-	53,081
Depreciation of property, plant and equipment	9,150	294	10,582	302	-	20,328
Depreciation of right of use assets	1,239	-	990	1,785	-	4,014
Segment assets	3,760,034	51,455	933,480	47,084	811	4,792,864
Investments in associates	-	-	-	-	6,883	6,883
Total assets	3,760,034	51,455	933,480	47,084	7,694	4,799,747
Segment liabilities	595,248	37,968	445,586	38,649	29,050	1,146,501
2024						
Segment revenue	47,312	25,606	455,834	-	-	528,752
Direct costs	(17,420)	(31,355)	(377,343)	-	-	(426,118)
Gross profit/(loss)	29,892	(5,749)	78,491	-	-	102,634
Administrative and general expenses	(96,894)	(6,412)	(42,588)	-	-	(145,894)
Other operating income	23,253	9,778	12,510	-	1,093	46,634
Gain on sale of investment properties held for sale	-	-	-	-	-	-
Gain on sale of investment properties	158,472	-	-	-	-	158,472
Operating profit/(loss)	114,723	(2,383)	48,413	-	1,093	161,846
Gain on valuation of properties, net	164,380	-	1,970	-	-	166,350
Share of results of equity accounted investees	-	-	-	-	(10,771)	(10,771)
Other income	3,714	-	-	-	14,395	18,109
Finance income	275	-	-	-	-	275
Finance costs	(18,858)	-	(12,801)	-	-	(31,659)
Corporate tax	(21,407)	(2)	(5,705)	-	(1,397)	(28,511)
Profit/(loss) for the year	242,827	(2,385)	31,877	-	3,320	275,639
Capital expenditure	14,530	564	10,365	-	-	25,459
Depreciation of property, plant and equipment	2,743	190	8,478	-	-	11,411
Depreciation of right of use assets	1,239	-	950	-	-	2,189
Segment assets	3,337,288	36,885	1,031,904	-	377	4,406,454
Investments in associates	-	-	-	-	9,143	9,143
Total assets	3,337,288	36,885	1,031,904	-	9,520	4,415,597
Segment liabilities	344,667	36,112	248,700	-	595,329	1,224,808

34 FINANCIAL INSTRUMENTS

Financial assets of the Group include non-current receivables, investments at fair value through profit or loss, trade and other receivables and cash at banks. Financial liabilities of the Group include trade and other payables, lease liabilities, short-term bank borrowings and long-term bank loans. Accounting policies of financial assets and financial liabilities are disclosed under note 3.

The table below sets out the Group's classification of each class of financial assets and financial liabilities and their fair values for the current and the comparative years:

	Notes	At fair value through profit or loss AED'000	At amorized cost AED'000	Total amount AED'000
December 31,2025				
Financial assets				
Non-current receivables	*18*	-	8,069	8,069
Investments at fair value through profit or loss	*17*	460	-	460
Trade and other receivables	*20*	-	987,934	987,934
Cash in hand and at banks	*22*	-	494,249	494,249
Total		460	1,490,252	1,490,712
Financial liabilities				
Trade and other payables	*30*	-	364,046	364,046
Bank overdrafts	*31*	-	27,539	27,539
Bank loans	*27*	-	297,733	297,733
Lease liabilities	*13*	-	16,866	16,866
Total		-	706,184	706,184

	Notes	At fair value through profit or loss AED'000	At amorized cost AED'000	Total amount AED'000
December 31,2024				
Financial assets				
Non-current receivables	*18*	-	28,347	28,347
Investments at fair value through profit or loss	*17*	965	-	965
Trade and other receivables	*20*	-	687,937	687,937
Cash in hand and at banks	*22*	-	181,213	181,213
Total		965	897,497	898,462
Financial liabilities				
Trade and other payables	*30*	-	358,105	358,105
Bank overdrafts	*31*	-	26,101	26,101
Bank loans	*27*	-	575,032	575,032
Lease liabilities	*13*	-	14,739	14,739
Total		-	973,977	973,977

34 FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency risk

The Group's exposure to foreign currency risk is mainly related to a banking facility denominated in Egyptian Pounds. A 5% strengthening in the Egyptian Pound against the AED will result in a negative impact of AED 1.3 million on profit or loss and equity. A 5% devaluation in the Egyptian Pound against the AED would have the opposite effect.

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

	Notes	2025 AED'000	2024 AED'000
Non-current receivables (refer note below)	*18*	8,069	28,347
Trade and other receivables (refer note below)	*20*	987,934	687,937
Cash at banks	*22*	135,487	148,721
		1,131,490	865,005

Impairment losses

Set out below is the information about the credit risk exposure on the Group's trade and retention receivables using a provision matrix:

				Trade receivables				
					Past due			
	Advances to contractors	*Retentions receivable*	*Property sales receivable*	*Current*	*1-90 days*	*91-365 days*	*>365 days*	*Total*
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
December 31,2025								
Expected credit loss rate	92.95%	83.38%	0.00%	0.00%	0.20%	4.53%	76.47%	19.06%
Gross amount	96,511	10,356	608,970	94,533	50,696	39,714	124,529	1,025,309
Expected credit loss	89,703	8,635	-	-	100	1,801	95,230	195,469
December 31,2024								
Expected credit loss rate	94.29%	36.21%	0.00%	0.02%	1.91%	6.34%	77.11%	25.69%
Gross amount	98,317	17,181	392,163	88,296	35,410	31,155	133,428	795,950
Expected credit loss	92,703	6,221	-	14	678	1,976	102,888	204,480

The movement in the allowance for expected credit losses in respect of trade and retention receivables and advances to contractors during the year is as follows:

	2025 AED'000	2024 AED'000
At January 1	204,479	200,594
Provision for the year	1,292	16,150
Amounts written off	(10,302)	(12,265)
At December 31 (note 20.2)	195,469	204,479

34 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments at the reporting date:

	Notes	Carrying amount AED'000	Contractual cash flows AED'000	On demand AED'000	Less than one year AED'000	1 to 5 years AED'000	More than five year AED'000
Financial liabilities							
December 31,2025							
Non-derivative financial instruments instruments							
Trade and other payables	30	364,046	364,046	-	364,046	-	-
Bank overdrafts	31	27,539	27,539	27,539	-	-	-
Bank loans	27	297,733	626,437	11,312	403,155	169,295	42,675
Lease liabilities	13	16,866	20,754	-	4,818	12,606	3,330
Total		**706,184**	**1,038,776**	**38,851**	**772,019**	**181,901**	**46,005**
December 31,2024							
Non-derivative financial instruments instruments							
Trade and other payables	30	358,105	358,105	-	358,105	-	-
Bank overdrafts	31	26,101	26,101	26,101	-	-	-
Bank loans	27	575,032	626,437	11,312	403,155	169,295	42,675
Lease liabilities	13	14,739	19,274	-	2,957	10,857	5,460
Total		973,977	1,029,917	37,413	764,217	180,152	48,135

34 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

The Group is exposed to interest rate risk on short-term bank borrowings and long-term bank loans (refer notes 27 and 31) which carry variable interest rates.

At the reporting date, the interest rate profile of the Group's variable interest-bearing financial liabilities were as follows:

	2025 AED'000	2024 AED'000
Bank overdrafts (note 31)	27,539	26,101
Bank loans (note 27)	297,733	575,032
	325,272	601,133

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. The analysis below excludes interest capitalised and assumes that all other variables remain constant.

	Effect on profit or loss and equity	
	100 bp increase AED'000	100 bp decrease AED'000
December 31,2025		
Variable rate instruments	(3,253)	3,253
December 31,2024		
Variable rate instruments	(6,011)	6,011

Fair value hierarchy

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

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

The Group has investments at fair value through profit or loss which are stated at fair value. Also refer to note 14.

	Level 1 AED'000	Level 3 AED'000
December 31,2025		
Investments at FVTPL	-	460
December 31,2024		
Investments at FVTPL	-	965

34 FINANCIAL INSTRUMENTS (CONTINUED)

There have been no reclassifications made between the valuation levels during the current year or the previous year.

35 INCOME TAX AND DEFERRED TAX EXPENSE

	2025
For the period from January 1,2025 to December 31,2025	AED'000
Current income tax:	
Current income tax charge	28,784
Deferred tax	
Relating to origination and reversal of temporary differences	17,168
Income tax expense reported in the consolidated statement of profit or loss	45,952

Reconciliation of effective tax rate:	2025
	AED'000
Accounting profit before income tax	508,409
Adjustments in respect of Taxable Income subject to 0%*	(1,500)
Unrealiazed gains	(190,756)
Share of results of equity accounted investees	2,306
Non-deductible expenses for tax purposes:	13,595
Others	2,604
Taxable profit	334,658
At the income tax rate of 9%	30,119
Effective income tax rate	6%

**As per the UAE CT Law, the portion of Taxable Income of the Taxable Person not exceeding AED 375,000 is subject to Corporate Tax at the rate of (0%) zero percent*

The deferred tax liabilities comprises of the following temporary differences:

	2025
Reconciliation of deferred tax liabilities, net:	AED'000
Forex gains - unrealised	1,438
Revaluation gains - unrealised	85,263
Interest disallowed	(277,457)
At December 31,2025	(190,756)
At the income tax rate of 9%	(17,168)

The gross movement on the net deferred income tax liabilities is as follows:	2025
	AED'000
At January 1,2025	28,073
Tax charge recognised during the year	17,168
At December 31,2025	45,241

36 SIGNIFICANT ESTIMATES AND JUDGEMENTS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. 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 following are the critical accounting estimates and judgements used by management in the preparation of these consolidated financial statements:

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Consideration of significant financing component in a contract
The Group's property sales include two alternative payment options for the customer, i.e., payment of the transaction price when the contract is signed and upon handing over of the property, or payment based on a deferred instalments plan. The Group concluded that there is a significant financing component for those contracts where the customer elects to pay in instalments considering the length of time between the customer's payment and the handing over date.

In determining the interest to be applied to the amount of consideration, the Group concluded that the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price of the property to the amount paid in advance or at the time of handing over) is appropriate because this is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception.

Determining the timing of satisfaction of revenue from contracting activities
The Group concluded that revenue from contracting activities is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group.The fact that another entity would not need to re-perform the services under the contract that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the output method is the best method in measuring progress of the contracting activities as it directly measures the value of goods and services transferred to the customer to date relative to the remaining goods or services promised under the contract. The Group recognises revenue on the basis of direct measurements of the value transferred to the customer (i.e., surveys of performance completed to date, units produced or delivered, or contract milestones) relative to the total value of goods and services promised under the contract.

36 SIGNIFICANT ESTIMATES AND JUDGEMENTS (CONTINUED)

Significant influence over an associate

The Group concluded that it has significant influence over Properties Investments LLC and PID Owners Association Management LLC, an associate. The Group holds 30% shareholding in the associate and is represented on its Board. Through its participation in the decision-making process on the Board of the associate, the Group assessed that significant influence is achieved.

Property lease classification – Group as lessor

The Group has entered commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for all leases of land with short non-cancellable period (i.e., one year). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on the operations if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Cost to complete the projects

The Group estimates the costs to complete the real estate development projects in order to determine the cost attributable to the revenue being recognised. The estimates include the cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

36 SIGNIFICANT ESTIMATES AND JUDGEMENTS (CONTINUED)

Provision for warranty expenses

Provision for warranty expenses is recognised when the contract is completed and handed over to the customer for the period of warranty. The provision is based on historical warranty data and an assessment of all possible outcomes against their associated probabilities.

Impairment losses on property, plant and equipment and intangible assets

The Group reviews its property, plant and equipment and intangible assets to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be recognised in the profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a reduction in the carrying value of property, plant and equipment or intangible assets. Accordingly, provision for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property, plant and equipment or intangible assets.

Estimated useful life and residual value of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charge for its property, plant and equipment on an annual basis. The Group has carried out a review of the residual values and useful lives of property, plant and equipment as at December 31, 2025, and management has not identified any requirement for an adjustment to the residual values and remaining useful lives of the assets for the current or future periods. This assessment is carried out at each reporting date.

Valuation of property, plant and equipment and investment properties and intangible assets

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. For investment properties, a valuation methodology based on a discounted cash flow (DCF),income approach and sale comparison model is used, whenever there is a lack of comparable market data because of the nature of certain properties. In addition, the Group measures land under property, plant, and equipment at revalued amounts, with changes in fair value being recognised in OCI. The land was valued by reference to transactions involving properties of a similar nature, location, and condition. The Group engaged an independent valuation specialist to assess fair values as of December 31, 2025, and 2024 for the investment properties and at December 31, 2025 for land under property, plant and equipment.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in the notes.

Provision for obsolete inventory

The Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recognised in the profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is any future saleability of the product and the net realisable value for such product. Accordingly, provision for impairment is made where the net realisable value is less than cost based on best estimates by the management. The provision for obsolete inventory is based on the aging and past movement of the inventory.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., product type, customer type and rating).

36 SIGNIFICANT ESTIMATES AND JUDGEMENTS (CONTINUED)

Provision for expected credit losses of trade receivables (continued)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 34.

Provision against claim and contingent liabilities

The Group's management carries out on a regular basis a detailed assessment of each claim and contingent liabilities that arise during the course of normal business and accordingly makes an assessment of the provision required to settle them. These detailed assessments are based on the past experience of the management in settling these claims and contingent liabilities on commercial terms, weighting of possible outcomes against their associated probabilities. Should the estimate significantly vary, the change will be accounted for as change in estimate and the consolidated financial statements would be significantly impacted in the future.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease.

The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Determining the timing of satisfaction of sale of real estate properties

The Group is required to assess each of its contracts with customers for the sale of real estate properties to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the current sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets to customer, the Group does not create or enhance an asset that the customer controls as the asset is created or enhanced and the customer receives and consumes the benefits provided by the Group's performance when the asset is transferred to the customer, and accordingly, revenue from such contracts is recognised over the period of time.

The Group also assessed that, in those contracts, the transfer of the legal title of the property is not a criteria in determining the timing of satisfaction of the sale.

37 COMPARATIVE FIGURES

Reclassifications

Certain comparative figures have been reclassified or regrouped, wherever necessary, to conform to the presentation adopted in these consolidated financial statements. Such reclassifications do not affect the previously reported profit, net assets, or equity of the Group.

38 SUBSEQUENT EVENTS

No significant adjusting or non-adjusting events occurred between the reporting date and the authorization date of the consolidated financial statements which required adjustments of or disclosure in these consolidated financial statements.