MDGH Sukuk Limited

Board of Directors' Report and
Financial Statements for the year
ended 31 December 2025

MDGH Sukuk Limited

Financial statements
for the year ended 31 December 2025

Contents ***Page***

MDGH Sukuk Limited

Directors' report
for the year ended 31 December 2025

The Directors are pleased to present the audited financial statements of the MDGH Sukuk Limited (the "Company") for the year ended 31 December 2025, covering the overall performance of the Company.

Principal Activity

The principal objective and activity of the Company is issuance of Shari'ah compliant asset-based trust certificates (Sukuk) under a Trust Certificate Issuance Programme.

Financial highlights

In June 2025, the Company issued a Sukuk of USD 1,000 million with a tenor of 10 years with Mamoura Diversified Global Holding PJSC ("MDGH") as an obligor.

No dividends have been paid during the year and no final dividend has been recommended by the Board of Directors for the year.

The current members of the Company's Board of Directors are:

- Kofi Aduku (Chairman)
- Jordan Jack Hebert
- Kathleen Kay Ramos (appointed on 14 March 2025); and
- Olga Cicatelli (appointed on 09 Sep 2025)

Disclosure of information to auditors

The Directors of Company certify that as far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

For and on behalf of the Directors,

// Signed //

Name: Kathleen Kay Ramos
Director

// Signed //

Name: Kofi Aduku
Director

Date: 29 June 2026

Independent auditor's report

To the shareholder of MDGH Sukuk Limited

Report on the audit of the financial statements

Our opinion

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

What we have audited

The Company's financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the applicable requirements of Abu Dhabi Accountability Authority ("ADAA") Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

PricewaterhouseCoopers Limited Partnership (ADGM Branch)
Al Khatem Tower, Abu Dhabi Global Market, 25 floor
PO Box: 45263, Abu Dhabi - United Arab Emirates
T: +971 2 694 6800

Independent auditor’s report (continued)

To the shareholder of MDGH Sukuk Limited

Basis for opinion (continued)

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the financial statements in the Abu Dhabi Global Market (“ADGM”), together with applicable ethical and independence requirements of United Arab Emirates that are relevant to our audit of the financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our audit approach

Overview

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

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

Independent auditor's report (continued)

To the shareholder of MDGH Sukuk Limited

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other information

Management is responsible for the other information. The other information comprises the Directors' report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the 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 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 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 financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of ADGM Companies Regulations 2020, as amended, the ADGM Companies Regulations (International Accounting Standards) Rules 2015, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Independent auditor's report (continued)

To the shareholder of MDGH Sukuk Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities 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 financial statements.

As part of an audit in accordance with ISAs and the applicable requirements of ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report (continued)

To the shareholder of MDGH Sukuk Limited

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Independent auditor's report (continued)

To the shareholder of MDGH Sukuk Limited

Report on other legal and regulatory requirements

As required by the Abu Dhabi Global Market ("ADGM") Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015, we report that:

i) the financial statements have been prepared, in all material respects, in accordance with the applicable requirements of the ADGM Companies Regulations 2020, as amended, and the ADGM Companies Regulations (International Accounting Standards) Rules 2015; and

ii) the information given in the Directors' report is consistent with the financial statements of the Company.

Further, as required by the ADAA Chairman's Resolution No. (88) of 2021 Regarding Financial Statements Audit Standards for the Subject Entities, we report, in connection with our audit of the financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Company has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the financial statements as at 31 December 2025:

i) the Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and

ii) applicable provisions of the relevant laws, resolutions and circulars that have an impact on the Subject Entity's financial statements.

For an on behalf of PricewaterhouseCoopers Limited Partnership (ADGM Branch)

Jigesh Ashokkumar Shah

// Signed //

....

29 June 2026

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

	Notes	***2025***	*20 February till 31 December 2024*
		USD'000	*USD'000*
Profit from Service Agent	4	**92,115**	38,982
Profit to Sukuk Holders	5	**(92,115)**	(38,982)
General and administrative expenses	6	**(49)**	(19)
Loss for the year / period before income tax		**(49)**	(19)
Income tax	7	**-**	-
Loss for the year / period		**(49)**	(19)
Other comprehensive income		**-**	-
Total comprehensive loss for the year / period		**(49)**	(19)

The attached notes 1 to 13 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Notes	*2025* *USD '000*	*2024* *USD '000*
ASSETS			
Non-current asset			
Due from Service Agent	8	**2,254,526**	1,266,250
Current assets			
Due from Service Agent	8	**17,712**	13,945
TOTAL ASSETS		**2,272,238**	1,280,195
LIABILITIES			
Non-current liability			
Sukuk liability	9	**2,254,526**	1,266,250
Current liabilities			
Profit and other liabilities	10	**17,780**	13,964
Total liabilities		**2,272,306**	1,280,214
EQUITY			
Equity			
Share capital		**-**	-
Accumulated losses		**(68)**	(19)
TOTAL EQUITY		**(68)**	(19)
TOTAL EQUITY AND LIABILITIES		**2,272,238**	1,280,195

// Signed //

Name: Kathleen Kay Ramos
Director

// Signed //

Name: Kofi Aduku
Director

The attached notes 1 to 13 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	*Share Capital **	*Accumulated losses*	*Total equity*
	USD ’000	*USD ’000*	*USD ’000*
At 20 February 2024 (date of incorporation)	-	-	-
Total comprehensive loss for the period	-	(19)	(19)
At 31 December 2024	-	(19)	(19)
At 1 January 2025	**-**	**(19)**	**(19)**
Total comprehensive loss for the year	**-**	**(49)**	**(49)**
At 31 December 2025	**-**	**(68)**	**(68)**

*The authorized, issued and fully paid-up share capital of the Company is 100 equity shares of a nominal amount of USD 1.

The attached notes 1 to 13 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	Notes	***2025***	*20 February till 31 December 2024*
		USD '000	*USD '000*
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year / period		**(49)**	(19)
Adjustments for:			
Income from Service Agent	4	**92,115**	38,982
Profit to Sukuk Holders	5	**(92,115)**	(38,982)
Change in working capital - Other liabilities		**49**	19
Net cash flows generated from operating activities		**-**	**-**
CASH FLOWS FROM INVESTING ACTIVITY			
Net cash flows from investing activity		**-**	**-**
CASH FLOWS FROM FINANCING ACTIVITY			
Net cash flows from financing activity	8	**-**	**-**
NET INCREASE IN BALANCE WITH BANKS		**-**	**-**
BALANCE WITH BANKS AT 01 JANUARY / 20 FEBRUARY		**-**	**-**
BALANCE WITH BANKS AT 31 DECEMBER		**-**	**-**

For significant non-cash transactions during the year / period, refer note 8

The attached notes 1 to 13 form an integral part of these financial statements.

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

MDGH Sukuk Limited ("Company") is registered as a Private Company limited by shares in the Abu Dhabi Global Market ("ADGM"). The Company was incorporated on 20 February 2024, and its shares are held by Walkers Fiduciary Limited in its capacity as a Share Trustee.

Mubadala Treasury Holding Company LLC (UAE) ("MTHC") is a defacto Parent of the Company as it receives substantially all returns and has the power to direct activities that most affect those returns. MTHC is a fully owned subsidiary of Mamoura Diversified Global Holding PJSC ("MDGH") and is ultimately owned by Mubadala Investment Company PJSC ("MIC" or the "Ultimate Parent"), a sovereign wealth fund of the Government of the Emirate of Abu Dhabi.

In March 2024, the Company entered into a Service Agency Agreement with Mamoura Treasury Holding Company (Restricted) Limited ("Service Agent"), a wholly owned subsidiary of MTHC. Under this agreement, the Service Agent is responsible for administrative and operational functions related to the issuance and management of trust certificates, including maintaining accounts for the receipt and disbursement in relation to Sukuk. As a result, all related party balances and transactions of the Company are with its Service Agent.

The principal objective and activity of the Company is issuance of Shari'ah compliant asset-based trust certificates (Sukuk) under a Trust Certificate Issuance Programme.

The accounting records of the Company are maintained in Abu Dhabi. The registered office of the Company is 2462ResCowork01, 24th Floor, Al Sila Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates.

The Company did not employ any personnel during the year.

These financial statements were authorized for issue by the Board of Directors on 29 June 2026.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"), the applicable provisions of the Abu Dhabi Global Market Companies Regulations 2020 (as amended) and Companies Regulations (International Accounting Standards) Rules 2015.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

The financial statements are presented in US Dollars, ("USD") which is the Company's functional and presentational currency. All financial information presented in USD has been rounded to the nearest thousands, unless otherwise stated.

2 BASIS OF PREPARATION *continued*

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Management has applied a judgement that the fair value of the due from Service Agent approximates fair value estimate of the Sukuks. Refer note 12(d) for further information.

2.1 STANDARDS ADOPTED IN THE FINANCIAL STATEMENTS

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2025.

Amendments to IAS 21 Lack of Exchangeability

The IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates that require companies to provide more useful information in their financial statements when a currency cannot be exchanged into another currency. These amendments had no significant impact on the financial statements of the Company.

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new standards / amendments to standards which were issued up to 31 December 2025 and are not yet effective for the year ended 31 December 2025 have not been applied while preparing these financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (applicable for reporting periods beginning on or after 1 January 2026)

On 18 July 2024, as part of its annual improvements process, the IASB issued amendments to IFRS 7, IFRS 9, IFRS 10, and IAS 7 to clarify wording, correct inconsistencies, and address minor unintended consequences. Key changes include refinements to derecognition guidance, transaction price definitions, and disclosure requirements. The Company does not expect these amendments to have a significant impact on the financial statements of the Company.

Amendments to IFRS 9 and IFRS 7: Nature-Dependent Electricity Contracts (applicable for reporting periods beginning on or after 1 January 2026)

On 18 December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to clarify the accounting for nature-dependent electricity contracts, such as Power Purchase Agreements (PPAs). The amendments refine the 'own-use' requirements, permit hedge accounting, and introduce new disclosure requirements. The Company does not expect the amendments to have any significant impact on the financial statements of the Company.

2 BASIS OF PREPARATION *continued*

2.2 STANDARDS ISSUED BUT NOT YET EFFECTIVE *continued*

IFRS 9 and IFRS 7 – Classification and measurement of Financial Instruments (applicable for reporting periods beginning on or after 1 January 2026)

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS *7 Financial Instruments: Disclosure*, providing clarifications on the classification of non-recourse loans and contractually linked instruments. The amendments also introduce additional disclosure requirements for financial instruments with contingent features and equity instruments classified at fair value through OCI. The Company is currently assessing the impact of the standard on the financial statements of the Company.

IFRS 18 – Presentation and Disclosure in Financial Statements (applicable for reporting periods beginning on or after 1 January 2027)

In April 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. The standard introduces new requirements to improve companies' reporting of financial performance and introduces three defined categories for income and expenses i.e. operating, investing and financing and two new defined subtotals i.e. operating profit and profit before financing and income taxes. Further, the new standard will enhance transparency of management-defined performance measures and will provide more useful grouping of information in the financial statements. The Company is currently assessing the impact of the standard on the financial statements of the Company.

IFRS 19 - Subsidiaries without Public Accountability: Disclosures (applicable for reporting periods beginning on or after 1 January 2027)

On 9 May 2024, the IASB issued IFRS 19 *Subsidiaries without Public Accountability: Disclosures*, which permits eligible subsidiaries to provide reduced disclosures while applying the recognition, measurement and presentation requirements in IFRS. This standard has no impact on the financial statements of the Company.

Amendments to IAS 21 - Translation to a Hyperinflationary Presentation Currency

On 13 November 2025 the IASB issued amendments to IAS 21 - *The Effects of Changes in Foreign Exchange Rates* that clarify how an entity translates financial statements when its presentation currency is the currency of a hyperinflationary economy. The amendments are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. This standard has no impact on the financial statements of the Company.

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies set out below have been applied consistently by the Company.

(a) Financial instruments

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. Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

3 MATERIAL ACCOUNTING POLICIES *continued*

(a) Financial instruments *continued*

i. Recognition and initial measurement

All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of comprehensive income.

ii. Classification and subsequent measurement

Financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. Financial assets includes amounts due from related parties which are measured at amortised cost.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. A financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

3 MATERIAL ACCOUNTING POLICIES *continued*

(a) Financial instruments *continued*

Financial assets *continued*

Financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Profit on sukuk, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on due from related party balances cash and cash equivalents. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses for these are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Financial liabilities

Sukuk liability

The sukuk are stated at amortised cost using the effective profit rate method. The profit attributable to the sukuk is calculated by applying the prevailing market profit rate, at the time of issue, for similar sukuk instruments and any difference with the profit distributed is added to the carrying amount of the sukuk.

Classification and subsequent measurement

When a financial liability measured at amortised cost is modified without resulting in derecognition, a gain or loss should be recognised immediately in profit or loss. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows, including only fees paid or received between the borrower and the lender, comprising also fees paid or received by either the borrower or lender on the other's behalf, discounted at the original EIR. This means that the difference cannot be spread over the remaining life of the instrument.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

3 MATERIAL ACCOUNTING POLICIES *continued*

(a) Financial instruments *continued*

Derecognition

Financial assets continued

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Fair value measurement

The determination of fair values of financial assets and liabilities is based on quoted market prices or dealer quotations for financial instruments traded in active markets. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. Quoted bid prices are used for financial assets and quoted ask prices are used for financial liabilities.

For financial instruments not traded on an active market, fair value is determined based on recent transactions, brokers' quotes or a widely recognised valuation technique. Valuation techniques include using recent arm's length transaction between knowledgeable, willing parties (if available), reference to the current fair value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Company, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 MATERIAL ACCOUNTING POLICIES *continued*

(b) Income tax

Current income tax

The charge for current taxation for the period is based on the result for the period, adjusted for disallowable items. The computation is based on the tax rates and tax laws that are fully or substantially enacted at the date of the statement of financial position.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or 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; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

Where 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; and

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to 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 directly in equity is recognised in equity and not in the statement of comprehensive income.

3 MATERIAL ACCOUNTING POLICIES *continued*

(b) Income tax *continued*

Deferred tax *continued*

The Company 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.

(c) Income and expenses

i. Income from related party

Income from related party is generated on the money provided to a related party. It is recognised in profit or loss as they accrue.

ii. Profit to Sukuk holders

The profit attributable to sukuk holders are recognised in profit or loss as they accrue using the effective profit method.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. The Company classifies an asset as current when:

a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
b) it holds the asset primarily for the purpose of trading and
c) it expects to realise the asset within twelve months after the reporting period.

All other assets are classified as non-current

4 PROFIT FROM SERVICE AGENT

	2025	*20 February till 31 December 2024*
	USD '000	*USD '000*
Income from Service Agent	**92,115**	38,982

This amount represents profit accrued from the Service Agent, recognised in accordance with the Sukuk structure and used to service periodic distributions to Sukuk holders. Refer note 8 for details of related transactions with the Service Agent.

5 PROFIT TO SUKUK HOLDERS

	2025	*20 February till 31 December 2024*
	USD '000	*USD '000*
Profit to Sukuk Holders	**(92,115)**	(38,982)

Represents accruals of periodic profit distributions to Sukuk holders, in line with the contractual terms governing the issuance and servicing of the Sukuk.

6 GENERAL AND ADMINISTRATIVE EXPENSES

	2025	*20 February till 31 December 2024*
	USD '000	*USD '000*
Other expenses	**31**	1
Audit of financial statements (i)	**18**	18
	49	19

(i) This includes the remuneration of Auditor in 2025 and 2024 line with the Abu Dhabi Accountability Authority's Chairman Resolution No. (27) of 2023 applicable to Subject Entities.

7 INCOME TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE, effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 specified that taxable income not exceeding AED 375,000 would be subject to 0% UAE CT rate. Considering the Company is subject to the provision of the UAE CT Law current and deferred taxes have been recognized and measured in the financial statements. The Company does not account for deferred tax assets as the tax rate applicable is 0%.

7 INCOME TAX *continued*

The major components of income tax expense for the year / period:

	2025	*20 February till 31 December 2024*
	USD '000	*USD '000*
Income tax recognised in statement of comprehensive income	**-**	-

Reconciliation of tax expense and the accounting profit:

	2025	*20 February till 31 December 2024*
	USD '000	*USD '000*
Accounting loss before income tax	**(49)**	(19)
Tax at applicable rate of 0%	**-**	-
Income tax expense reported in the statement of comprehensive income	**-**	-

8 RELATED PARTY AND TRANSACTIONS

Related party transactions:

The below transactions were entered into during the year / period:

	2025	*20 February till 31 December 2024*
	USD '000	*USD '000*
Proceeds from Issuance of Sukuk collected by Service Agent	**988,470**	1,267,751
Profit accrued to Sukuk holders to the Service Agent (refer note 4)	**92,115**	38,982

The expenses incurred by the Company are paid by MTHC or MDGH.

8 RELATED PARTY AND TRANSACTIONS *continued*

Related party balances:

The related party balances as at 31 December are as follows:

	2025	*2024*
	USD '000	*USD '000*
Due from Service Agent	**2,254,526**	1,266,250
Profit accrued to Sukuk	**17,712**	13,945

Due from Service Agent represents net receivables from Sukuk issuance proceeds including profit accrued to Sukuk holders, payable by Service Agent.

As at 31 December, a banking subsidiary of the Ultimate Parent invested in the sukuks issued by the Company amounting to USD 126,814 thousand (*2024: USD 68,380 thousand*).

Guarantees from MDGH

The payments of all amounts due in respect of the Sukuk is unconditionally and irrevocably guaranteed by MDGH in its capacity of Obligor.

Non-cash transactions

The Service Agent settled USD 87,112 thousand (*2024: USD 24,795 thousand*) in profit payable to Sukuk holders on behalf of the Company. These settlements were recorded as receipts against amounts due from the Service Agent.

Additionally, net proceeds from Sukuk issuances totaling USD 988,470 thousand (*2024: USD 1,267,751 thousand*), net of transaction costs, were received directly by the Service Agent on behalf of the Company.

9 SUKUK LIABILITY

	2025	*2024*
	USD '000	*USD '000*
Unsecured Sukuk	**2,254,526**	1,266,250

Summarised below are the key terms of the outstanding Sukuks as at 31 December:

				2025	2024
				USD '000	USD '000
Particulars	**Currency**	**Profit rate**	**Year of maturity**		
Unsecured Sukuk	USD	4.96 – 5%	2034-2035	**1,983,163**	994,802
Unsecured Sukuk	AED	4.60%	2029	**271,363**	271,448
				2,254,526	1,266,250

In June 2025, the Company issued an additional Sukuk of USD 1,000,000 thousand, net of transaction costs, with a tenor of 10 years. In April and November 2024, the Company issued its inaugural Sukuk of USD 1,000,000 thousand and USD 272,219 thousand, net of certain transaction costs, with a tenor of 10 years and 5 years respectively

Movement in sukuk liability during the year / period is as follows:

	2025	*2024*
	USD '000	*USD '000*
At 1 January / 20 February	**1,266,250**	-
Additions, net of transaction cost	**988,470**	1,267,751
Amortization and other movements	**(194)**	(1,501)
At 31 December	**2,254,526**	1,266,250

As at 31 December, the estimated fair value of the Sukuk liability is USD 2,340,374 thousand (2024: *USD 1,263,622 thousand*). Refer note 12(d).

10 OTHER LIABILITIES

	2025	*2024*
	USD '000	*USD '000*
Accrued profit on Sukuk	**17,712**	13,945
Other payables and accruals	**68**	19
	17,780	13,964

11 COMMITMENTS AND CONTINGENT LIABILITIES

The Company had no commitments and contingent liabilities in respect of any matters as at 31 December 2025. (2024: nil)

12 FINANCIAL RISK MANAGEMENT

Overview
The Company, in its normal course of business, is exposed to credit risk, liquidity risk and market risk.

This note presents information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing these risks.

Financial risk management framework
The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls in line with the Ultimate Parent's risk management policies, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how the Company monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company and arises principally from amounts due from Service Agent. This has been classified as stage 1 and low credit risk has been applied as MDGH being Parent of the Service Agent and Obligor of the sukuk certificates has a stable credit rating with Moody's (Aa2), S&P (AA) and Fitch (AA).

12 FINANCIAL RISK MANAGEMENT *continued*

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company'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 Company's reputation.

The liquidity risk is considered negligible since MDGH in its capacity as Obligor guarantees the repayments of the Company's Sukuk liabilities.

The following are the undiscounted contractual cash flows of sukuk, including estimated profit as at 31 December:

All amounts in USD '000	**Carrying Value**	**Cash Flows**	**1 year or less**	**1 to 5 years**	**More than 5 years**
2025					
Sukuk	**2,254,526**	**(3,218,823)**	**(112,112)**	**(758,146)**	**(2,348,565)**
Other liabilities	**68**	**(68)**	**(68)**	**-**	**-**
	2,254,594	**(3,218,891)**	**(112,180)**	**(758,146)**	**(2,348,565)**
All amounts in USD '000					
2024	Carrying Value	Cash Flows	1 year or less	1 to 5 years	More than 5 years
Sukuk	1,266,250	(1,805,935)	(62,112)	(520,668)	(1,223,155)
Other liabilities	19	(19)	(19)	-	-
	1,266,269	(1,805,954)	(62,131)	(520,668)	(1,223,155)

(c) Market risk

Market risk arises from fluctuations in currency rates and profit rates.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the currency risk as the financial assets and liabilities are denominated in USD and AED, which is pegged to the USD.

12 FINANCIAL RISK MANAGEMENT *continued*

(c) Market risk *(continued)*

Profit rate risk
Profit rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company does not have significant exposure to the risk as the Sukuks are issued at fixed profit rates.

(d) Fair value

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy, which analyses financial instruments carried at fair value by valuation method. The different levels are defined as follows:

Level 1: Quoted prices in active markets;
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).

Fair Value of financial assets and liabilities

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows as at 31 December:

As at 31 December 2025 *All amounts in USD '000*	**Carrying Amount**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Due from Service Agent	**2,272,238**	**2,358,086**	**-**	**2,358,086**	**-**
	2,272,238	**2,358,086**	**-**	**2,358,086**	**-**

As at 31 December 2024 *All amounts in USD '000*	**Carrying Amount**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Assets					
Due from Service Agent	1,280,195	1,277,567	-	1,277,567	-
	1,280,195	1,277,567	-	1,277,567	-

The comparative information as at 31 December 2024 has been reclassified from Level 1 to Level 2 to conform with the current year presentation. The reclassification affects disclosure only and has no impact on the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, or the statement of cash flows for the current or prior period.

12 FINANCIAL RISK MANAGEMENT *continued*

Fair value of financial assets and liabilities *continued*

As at 31 December 2025 *All amounts in USD '000*	**Carrying Amount**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Liabilities					
Sukuk	**2,254,526**	**2,340,374**	**2,340,374**	**-**	**-**
Other liabilities	**17,780**	**17,780**	**-**	**17,780**	**-**
	2,272,306	**2,358,154**	**2,340,374**	**17,780**	**-**

As at 31 December 2024 *All amounts in USD '000*					
Liabilities	**Carrying Amount**	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Sukuk	1,266,250	1,263,622	1,263,622	-	-
Other liabilities	13,964	13,964	-	13,694	-
	1,280,214	1,277,586	1,263,622	13,694	-

The fair value of the Sukuk is based upon the market prices as they are all listed at the London Exchange as at 31 December 2025 and 2024.

13 SUBSEQUENT EVENTS

Subsequent to the reporting date, on 28 February 2026, geopolitical tensions and military activities involving the United States of America, Iran, and Israel escalated across the broader Middle East region, resulting in increased airspace and maritime security risks impacting the UAE and other GCC States. Given the recency of these developments, it is currently not feasible to accurately estimate their financial impact. Nevertheless, management is confident that the Company has robust risk management policies and will continue to monitor the situation. The financial statements are prepared on a going concern basis.