Emirates Strategic Investments Company – Sole Proprietorship L.L.C

REPORT OF THE BOARD OF DIRECTORS AND
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS

30 JUNE 2026

Emirates Strategic Investments Company – Sole Proprietorship L.L.C

REPORT OF THE BOARD OF DIRECTORS

30 JUNE 2026

Emirates Strategic Investments Company – Sole Proprietorship L.L.C

Report of the Board of Directors

For the period ended 30 June 2026

The Directors are pleased to present their report and interim condensed consolidated financial statements for the period ended 30 June 2026.

Results

During the six month period ended 30 June 2026, Emirates Strategic Investments Company - Sole Proprietorship L.L.C earned revenues of AED 950,247 thousand (Six-month period ended 30 June 2025: AED 1,448,514 thousand). The Group reported a profit for the six-month period ended 30 June 2026 amounting to AED 558,504 thousand. (Six-month period ended 30 June 2025: AED 1,134,137 thousand).

On behalf of the Board of Directors

Group Chief Financial Officer

Group Chief Executive Officer

شركة الامارات للاستثمارات الاستراتيجية
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Emirates Strategic Investments Company – Sole Proprietorship L.L.C

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026

Shape the future with confidence

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C.L No. 1001276

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF

EMIRATES STRATEGIC INVESTMENTS COMPANY – SOLE PROPRIETORSHIP L.L.C

Introduction
We have reviewed the accompanying interim condensed consolidated financial statements of Emirates Strategic Investments Company – Sole Proprietorship L.L.C (the "Company") and its subsidiaries (together referred to as, the "Group") as at 30 June 2026, comprising the interim consolidated statement of financial position as at 30 June 2026, and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended, and the explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects in accordance with IAS 34, *"Interim Financial Reporting"*.

For Ernst & Young

Ahmad Al Dali
Registration No 5548

16 September 2026
Abu Dhabi, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six-month period ended 30 June 2026 (Unaudited)

	Notes	*2026* ***AED '000***	*2025* *AED '000*
INCOME			
Income from investment properties	7	**203,825**	191,280
Revenue from sale of development properties	8	**111,560**	39,236
Income from investments in financial assets	5	**411,260**	348,829
Share of profit from investment in joint ventures	6	**189,323**	701,137
Gain on sale of investment property		**20,277**	152,249
Finance income		**10,186**	12,169
Other income		**3,816**	3,614
		950,247	1,448,514
EXPENSES			
General and administrative expenses	3	**(79,320)**	(63,522)
Finance costs	3	**(93,397)**	(89,634)
Property management costs	3	**(51,147)**	(49,814)
Properties development cost	3	**(92,831)**	(28,807)
Depreciation	3	**(76,416)**	(73,363)
PROFIT BEFORE TAX		**557,136**	1,143,374
Income tax credit (expense)	14	**1,368**	(9,237)
PROFIT FOR THE PERIOD		**558,504**	1,134,137

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended 30 June 2026 (Unaudited)

	2026 ***AED '000***	*2025* *AED '000*
PROFIT FOR THE PERIOD	**558,504**	1,134,137
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods		
Changes in fair value of investments carried at fair value through other comprehensive income, net of tax	**279,845**	865,752
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**838,349**	1,999,889

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026 (Unaudited)

	Notes	*30 June 2026 (Unaudited) AED '000*	*31 December 2025 (Audited) AED '000*
ASSETS			
Bank balances and cash	4	**1,630,317**	1,231,841
Trade and other receivable	9	**260,846**	151,894
Investments in financial assets	5	**8,219,175**	7,915,876
Interest in joint ventures	6	**3,901,905**	4,398,157
Development work in progress	8	**601,350**	589,306
Investment properties	7	**3,392,707**	3,447,479
Property and equipment		**11,910**	12,503
Deferred tax asset	14	**4,600**	1,171
Right-of-use assets		**24,252**	24,901
TOTAL ASSETS		**18,047,062**	17,773,128
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	10	**207,319**	278,294
Contract liabilities	10	**746,554**	747,056
Income tax payable	14	**18,553**	15,322
Bank borrowings	11	**636,477**	629,972
Non - convertible Sukuk	12	**2,565,137**	2,563,878
Lease liabilities		**24,379**	25,677
Deferred income		**74,580**	77,394
Employees' end of service benefits		**2,264**	2,085
Total liabilities		**4,275,263**	4,339,678
EQUITY			
Share capital		**150**	150
Group restructuring reserve		**50**	50
Legal reserve		**100**	100
Merger reserve		**(454,283)**	(454,283)
Retained earnings		**5,311,075**	5,252,571
Shareholder's account		**5,910,998**	5,910,998
Fair value reserve		**3,003,709**	2,723,864
Total equity		**13,771,799**	13,433,450
TOTAL LIABILITIES AND EQUITY		**18,047,062**	17,773,128

Group Chief Financial Officer

Group Chief Executive Officer

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2026

	Share capital AED '000	*Group structuring reserve AED '000*	*Legal reserve AED '000*	*Retained earnings AED '000*	*Shareholder's account AED '000*	*Merger reserve AED '000*	*Fair value reserve AED '000*	*Total AED '000'*
At 1 January 2025 (Audited)	150	50	100	3,995,838	5,910,998	(454,283)	942,662	10,395,515
Profit for the period	-	-	-	1,134,137	-	-	-	1,134,137
Other comprehensive income for period	-	-	-	-	-	-	865,752	865,752
Total comprehensive income for period	-	-	-	1,134,137	-	-	865,752	1,999,889
At 30 June 2025 (Unaudited)	150	50	100	5,129,975	5,910,998	(454,283)	1,808,414	12,395,404
At 1 January 2026 (Audited)	150	50	100	5,252,571	5,910,998	(454,283)	2,723,864	13,433,450
Profit for the period	-	-	-	558,504	-	-	-	558,504
Other comprehensive income for period	-	-	-	-	-	-	279,845	279,845
Total comprehensive income for period	-	-	-	558,504	-	-	279,845	838,349
Dividends paid (note 15)	-	-	-	(500,000)	-	-	-	(500,000)
At 30 June 2026 (Unaudited)	**150**	**50**	**100**	**5,311,075**	**5,910,998**	**(454,283)**	**3,003,709**	**13,771,799**

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the six month period ended 30 June 2026 (Unaudited)

	Notes	2026 AED '000	2025 AED '000
OPERATING ACTIVITIES			
Profit before tax		**557,136**	1,143,374
Adjustments for:			
Depreciation	3	**76,416**	73,363
Dividend income	5	**(392,345)**	(340,512)
Share of profits from investments in joint ventures	6	**(189,323)**	(701,137)
Finance costs	3	**93,397**	89,634
Finance income		**(10,186)**	(12,169)
Gain on sale of investment property		**(20,277)**	(152,249)
Change in fair value of investments carried at fair value through profit or loss	5	**(18,915)**	(8,317)
Provision for employees' end of service benefits		**179**	192
		96,082	92,179
Working capital changes:			
Trade and other receivables		**(109,779)**	(149,356)
Development Work in Progress		**(12,044)**	(196,229)
Trade and other payables		**(71,436)**	381,688
Net movement in restricted cash		**59,194**	(225,485)
Deferred income		**(2,814)**	435
Cash used in operations		**(40,797)**	(96,768)
Employees' end of service benefits paid		**-**	(3)
Finance costs paid		**(91,514)**	(89,063)
Net cash used in operating activities		**(132,311)**	(185,834)
INVESTING ACTIVITIES			
Purchases of property and equipment		**(1,523)**	(3,116)
Distribution received from joint ventures	6	**872,575**	546,995
Cash contribution in joint ventures	6	**(187,000)**	(260,421)
Dividends received from investments in financial assets	5	**392,345**	340,512
Proceed from sale of investment property		**34,829**	184,174
Purchase of investments in financial assets		**(3,370)**	(904,179)
Proceeds from disposal of investments in financial assets		**-**	629
Purchase of investment properties	7	**(33,431)**	(39,221)
Finance income received		**11,014**	12,679
Net cash flows from (used in) investing activities		**1,085,439**	(121,948)
FINANCING ACTIVITIES			
Bank borrowings, net	11	**6,505**	358,346
Dividend paid	15	**(500,000)**	-
Lease payments		**(1,963)**	(1,431)
Net cash (used in) from financing activities		**(495,458)**	356,915
NET INCREASE IN CASH AND CASH EQUIVALENTS		**457,670**	49,133
Cash and cash equivalents at 1 January	4	**299,719**	446,362
CASH AND CASH EQUIVALENTS AT 30 JUNE	4	**757,389**	495,495

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements.

1 ACTIVITIES

Emirates Strategic Investments Company – Sole Proprietorship L.L.C (the "Company") is a limited liability company incorporated on 5 February 2019 and is registered in the Emirate of Abu Dhabi. The Company is owned by Liwa Holdings (the "Parent Company") which is ultimately owned by His Highness Sheikh Mansour Bin Zayed Al Nahyan (the "Ultimate Beneficial Owner"). The principal activities of the Company are real estate and commercial enterprise investment, development, institution and management.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company, its subsidiaries (together, the "Group") and the Group's interest in its joint ventures.

The registered office of the Company is at P O Box 161, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 16 September 2026.

2.1 BASIS OF PREPARATION

Statement of compliance
The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed consolidated financial statements have been presented in the United Arab Emirates Dirham ("AED"), which is the functional currency of the Company. Each entity in the Group determines its own functional currency based on a determination of the currency of primary economic environment in which the entities operate. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the six month period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

Basis of consolidation
The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries (together, the "Group"). Control is achieved when the Group is exposed, 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. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

2.1 BASIS OF PREPARATION continued

Basis of consolidation continued

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

The interim condensed consolidated financial statements comprise the financial statements of the Company and those of its following subsidiaries:

Name of subsidiaries	*Ownership*	*Country of incorporation*	*Principal activities*
East and West International Group – Sole Proprietorship L.L.C	100%	U.A.E	Real estate business including real estate management, land and real estate purchase and sale service
East and West Properties L.L.C	100%	U.A.E	Real estate business including real estate development, land and real estate purchase and sale service.
East and West Properties – Sole – Proprietorship L.L.C (ii)	100%	U.A.E	Real estate business including real estate enterprise investment, development, institution and management land.
Bond International Trading Investment L.L.C	100%	U.A.E	Commercial Enterprises Investment, Institution and Management.
East and West Properties 2 SPV Limited (ii)	100%	U.A.E	Special purpose vehicle for real estate investment.
East and West Properties 3 SPV Limited (ii)	100%	U.A.E	Special purpose vehicle for real estate investment.
East & West Property Development LTD	100%	U.A.E	Real estate development for real estate investment.
East & West Property Development 1 LTD (i)	100%	U.A.E	Special purpose vehicle for real estate investment.

(i) Subsidiary incorporated during the period.
(ii) Dormant subsidiaries with no operations during the period.

2.1 BASIS OF PREPARATION continued

Geopolitical events
During the reporting period, certain geopolitical tensions in parts of the Middle East have been noted. Management assessed the potential impact of these developments in accordance with IAS 36, Impairment of Assets, and considered whether they represented indicators of impairment for the Group's non-financial assets. In performing this assessment, management considered the most recent independent valuations as at 31 December 2025, which indicated significant headroom between the fair values and the related carrying values. Based on the assessment performed and the information available as at the reporting date, management concluded that no impairment indicators existed and, accordingly, no impairment loss has been recognised in the interim condensed consolidated financial statements.

The Group remains confident in the resilience of its operations and will continue to monitor the situation closely and reassess the implications in the future reporting period.

2.2 MATERIAL ACCOUNTING POLICY INFORMATION

New standards, interpretations and amendments adopted by the Group
The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those applied by the Group in the preparation of the consolidated financial statements as at and for the year ended 31 December 2025, except for the adoption of the following new standards and amendments effective as of 1 January 2026. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses, and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the consolidated financial statements as at and for the year ended 31 December 2025.

3 EXPENSES

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Property management costs:		
Water and electricity	**16,693**	16,519
Maintenance	**20,921**	20,167
Security charges	**3,165**	3,005
Facilities management cost	**5,503**	5,091
Others	**4,865**	5,032
	51,147	49,814
Properties development cost:		
Properties development cost (note 8)	**92,831**	28,807
General and administrative expenses:		
Management fees	**66,671**	52,489
Staff costs	**7,634**	7,799
Others	**5,015**	3,234
	79,320	63,522

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Finance costs:		
Profit charge on non-convertible Sukuk, net of amortisation	**74,960**	74,889
Interest charges on bank borrowings	**15,641**	12,717
Interest on leases	**665**	683
Others	**2,131**	1,345
	93,397	89,634

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Depreciation:		
on investment properties (note 7)	**73,652**	70,826
on property and equipment	**2,116**	1,890
on right-of-use assets	**648**	647
	76,416	73,363

4 BANK BALANCES AND CASH

Cash and cash equivalents in the interim consolidated statement of cash flows consist of the following balance sheet amounts:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*	*(Unaudited) 30 June 2025 AED '000*
Cash in hand	**28**	31	37
Bank balances	**1,584,319**	1,186,178	1,064,544
Margin deposit	**23,366**	23,366	23,000
Term deposits*	**22,604**	22,266	221,875
Bank balances and cash	**1,630,317**	1,231,841	1,309,456
Less: margin deposit	**(23,366)**	(23,366)	(23,000)
Less: restricted cash**	**(849,562)**	(908,756)	(790,961)
Cash and cash equivalents	**757,389**	299,719	495,495

* Term deposits are placed with local and international commercial banks at prevailing market rates.

** Restricted cash represents amounts deposited into escrow accounts for cash received as advances against the sale of residential units of 25 Hours Heimat Dubai, Rixos Financial Center Road Dubai Residences and Rixos Al Reem Residences.

Bank balances were assessed for expected credit losses (ECL) as per IFRS 9 and the impact of ECL has not be identified as material.

The following significant non-cash items have been excluded from the interim consolidated statement of cash flows:

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Changes in fair value of investments carried at fair value through other comprehensive income	**281,015**	862,600
Investment property contributed to a joint venture	**-**	84,379

5 INVESTMENTS IN FINANCIAL ASSETS

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Income from investments		
Dividend income	**392,345**	340,512
Change in fair value of investments carried at fair value through profit or loss	**18,915**	8,317
	411,260	348,829

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
Investments carried at fair value through profit or loss		
Quoted equities – Outside United Arab Emirates	**106,177**	83,093
Managed funds – United Arab Emirates	**42,807**	46,748
Managed funds – Cayman Islands	**63,458**	59,615
Unquoted equity investment	**142,908**	143,610
	355,350	333,066
Investments carried at fair value through other comprehensive income		
Quoted equities – United Arab Emirates	**7,711,275**	7,431,073
Unquoted equity investment	**152,550**	151,737
	7,863,825	7,582,810
	8,219,175	7,915,876

6 INVESTMENT IN JOINT VENTURES

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
Business Bay Capitol LLC	**1,371,679**	2,044,773
Palm Capitol Ltd	**916,795**	944,425
Business Bay One Capitol LLC	**622,143**	586,942
Burj District Development Ltd	**329,453**	325,710
PJA 1 Capitol SPV Limited	**282,807**	115,807
D3 Capitol SPV Limited	**218,086**	199,637
East and West Properties 1 SPV Limited	**74,244**	74,243
Planet Tax Free L.L.C	**66,041**	85,963
PJA 2 Capitol SPV Limited	**20,657**	20,657
Marina Capitol LLC	**-**	-
	3,901,905	4,398,157

6 INVESTMENT IN JOINT VENTURES continued

The movement in interest in joint ventures during the period/year is as follows:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
At the beginning of the period / year	**4,398,157**	3,622,252
Transfer of land to a new joint venture	**-**	84,519
Cash contribution to joint ventures	**187,000**	336,101
Share of results for the period/year*	**189,323**	1,239,882
Distribution received	**(872,575)**	(884,597)
At the end of the period/year	**3,901,905**	4,398,157

* Share of results for the six month period ended 30 June 2025 was AED 701,137.

7 INVESTMENT PROPERTIES

	Land and buildings AED '000	*Properties under construction AED '000*	*(Unaudited) Total AED '000*
30 June 2026			
Cost:			
At 1 January	4,491,019	160,878	4,651,897
Additions	-	33,431	33,431
Transfers	83,341	(83,341)	-
Disposals	(14,552)	-	(14,552)
At 30 June 2026	**4,559,808**	**110,968**	**4,670,776**
Depreciation and impairment:			
At 1 January	1,204,417	-	1,204,417
Depreciation charge for the period	73,652	-	73,652
At 30 June 2026	**1,278,069**	**-**	**1,278,069**
Net carrying amount:			
At 30 June 2026	**3,281,739**	**110,968**	**3,392,707**
31 December 2025			
Cost:			
At 1 January	4,572,777	154,471	4,727,248
Additions	371	78,793	79,164
Disposals	(154,515)	-	(154,515)
Transfers	72,386	(72,386)	-
At 31 December	4,491,019	160,878	4,651,897
Depreciation and impairment:			
At 1 January	1,063,059	-	1,063,059
Depreciation charge for the year	143,210	-	143,210
Impairment and depreciation related to disposal of properties	(4,044)	-	(4,044)
Provision of impairment	2,193	-	2,193
At 31 December	1,204,418	-	1,204,418
Net carrying amount:			
At 31 December	3,286,601	160,878	3,447,479

7 INVESTMENT PROPERTIES continued

(i) Legal formalities relating to the transfer of title to property amounting to AED 36,348 thousand (2025: AED 37,506 thousand) is in progress at the date of approval of these consolidated financial statements.

(ii) At 30 June 2026, investment properties amounting to AED 188,610 thousand (31 December 2025: AED 191,697 thousand) were held as security against term loans from a local commercial bank.

(iii) At 30 June 2026, investment properties amounting to AED 186,643 thousand (31 December 2025: AED 187,573) were held as security against term loan obtained by related parties under common ownership.

(iv) Gross profit arising from investment properties is as follows:

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Income from investment properties		
Rental income	**194,110**	181,553
Facilities management income *	**9,715**	9,727
	203,825	191,280
Property management costs		
Direct operating expenses (including repairs and maintenance) arising from investment properties that generated rental income (note 3)	**(51,147)**	(49,814)
Gross profit arising from investment properties, excluding provision for impairment	**152,678**	141,466

*Facilities management income comprises revenues earned by the Group on some of its leased properties for additional services provided such as food, laundry and other facilities services.

(v) The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements other than the properties. Fair value disclosures for investment properties are presented in note 17.

8 DEVELOPMENT WORK IN PROGRESS

Development work in progress represents development and construction-related costs incurred on properties being constructed by the Group for sale in the ordinary course of business.

The movement in development work in progress during the period / year is as follows:

	(Unaudited) 30 June June 2026 AED '000	*(Audited) 31 December December 2025 AED '000*
At beginning of the period / year	**589,306**	388,990
Additions during the period / year	**104,875**	254,319
Recognised in properties development cost during the period / year	**(92,831)**	(54,003)
At the end of the period / year	**601,350**	589,306

8 DEVELOPMENT WORK IN PROGRESS continued

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Revenue from sale of development properties	**111,560**	39,236

9 TRADE AND OTHER RECEIVABLES

	(Unaudited) 30 June June 2026 AED '000	*(Audited) 31 December December 2025 AED '000*
Advances to contractors	**127,549**	-
Amounts due from related parties (note 13)	**73,777**	47,565
Trade receivables, net	**14,445**	17,188
Prepayments	**2,016**	1,386
Other receivables	**43,059**	85,755
	260,846	151,894

The Group recognizes lifetime expected credit loss (ECL) for trade receivables using the simplified approach.

At 30 June 2026, trade receivables of AED 7,944 thousand (2025: AED 7,944 thousand) were impaired and provided for.

10 TRADE AND OTHER PAYABLES

	(Unaudited) 30 June June 2026 AED '000	*(Audited) 31 December December 2025 AED '000*
Trade and sub-contractor payables	**52,934**	138,250
Accrued profit on non–convertible Sukuk	**55,415**	56,715
Amounts due to related parties (note 13)	**27,438**	26,937
Maintenance deposits	**22,433**	22,486
Retentions payable	**21,621**	16,378
Accrued expenses and provisions	**24,735**	12,070
Advance from customers	**2,420**	5,228
Other payables	**323**	230
	207,319	278,294
Contract liabilities*	**746,554**	747,056

*This pertains to amounts received from customers towards sales of residential units relating to property under development.

11 BANK BORROWINGS

The movement in the bank borrowings during the period / year is as follows:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
At beginning of the period / year	**629,972**	269,260
Additions during the period / year	**11,505**	370,712
Loan repaid during the period / year	**(5,000)**	(10,000)
At the end of the period/year	**636,477**	629,972
Current	**367,810**	367,850
Non-current	**268,667**	262,122
	636,477	629,972

12 NON CONVERTIBLE SUKUK

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
Non – Convertible Sukuk (2024 -2029)	**2,565,137**	2,563,878

During 2024, the Group issued a 5-year non-convertible Sukuk of US$ 700 million which is listed on the London Stock Exchange. The Sukuk carries a profit rate of 5.831% per annum payable semi-annually. The Sukuk is repayable on 14 February 2029.

The Sukuks are stated net of discount and transaction costs amounting to AED 7.363 million (31 December 2025: AED 8.622 million), which are amortised using the effective interest method.

13 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties and entities that provide key management personnel services to the Group. Pricing policies and terms of these transactions are approved by the Group's management.

(i) Amounts due from related parties comprise:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
Amounts due from related parties:		
Entities under common directorship	**4,030**	385
Entities under common ownership	**69,747**	47,180
	73,777	47,565

13 RELATED PARTY BALANCES AND TRANSACTIONS continued

The expected credit losses (ECL) on balances due from related parties are not assessed as material because the Loss Given Default (LGD) on balances receivable from entities under common ownership / directorship is minimal as the balances are guaranteed by the Ultimate Beneficial Owner.

(ii) Amounts due to related parties comprise:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
Amounts due to related parties:		
Entities under common ownership	**27,438**	26,937

(iii) Shareholder's account representing amounts due to the shareholder is interest free and unsecured. No terms of repayment have been specified for the shareholder's account and it is subject to terms of repayments as resolved by the Board of Directors of the Company. During the period, there was no movement in the shareholder's account (31 December 2025: AED nil).

(iv) Transactions with related parties include property management cost amounting to AED 18,625 thousand (Six months period ended 30 June 2025: AED 22,832 thousand).

(v) Other transactions with related parties are disclosed in note 3 and 7 of the interim condensed consolidated financial statements.

Compensation of key management personnel:
The remuneration of directors and other key management personnel during the period were as follows:

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Short-term benefits	**420**	420
End of service benefits	**229**	194

14 INCOME TAX

The major components of income taxation disclosed in the interim condensed consolidated financial statements are:

	(Unaudited) Six months period ended 30 June 2026 AED '000	*(Unaudited) Six months period ended 30 June 2025 AED '000*
Interim consolidated statement of profit or loss		
Current Income tax:		
Current tax expense	**3,231**	9,652
Deferred tax:		
Relating to origination and reversal of temporary differences	**(4,599)**	(415)
	(1,368)	9,237
Interim consolidated statement of other comprehensive income		
Deferred tax related to items recognised in other comprehensive income:		
Fair value changes on investments in financial assets	**1,170**	(3,152)
	(198)	(3,152)

The movement in income tax payable is as follows:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
At beginning of the period/year	**15,322**	1,475
Income tax charge prior year	**-**	567
Tax loss utilized from related party	**-**	(1,556)
Charge for the period/year	**3,231**	15,322
Tax paid	**-**	(486)
At the end of the period/year	**18,553**	15,322

The movement in net deferred tax asset is as follows:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
At beginning of the period/year	**1,171**	945
Finance costs	**3,143**	2,270
Unrealised gain on investment through profit or loss	**1,456**	(6,100)
Unrealised gain on investment through other comprehensive income	**(1,170)**	4,056
At the end of the period/year	**4,600**	1,171

15 DIVIDEND

On 25 June 2026, the shareholder of the Group approved a cash dividend amounting to AED 500 million. The dividend represents 30% of the net profit for the financial year ended 31 December 2025.

16 MATURITY PROFILE

The maturity profile of assets and liabilities at 30 June 2026 was as follows:

		Amounts expected to be recovered or settled	
	Total AED '000 (Unaudited)	***Within 12 months of reporting date AED '000 (Unaudited)***	***After 12 months of reporting date AED '000 (Unaudited)***
ASSETS			
Bank balances and cash	**1,630,317**	**1,630,317**	**-**
Trade and other receivables	**260,846**	**260,846**	**-**
Investments in financial assets	**8,219,175**	**355,350**	**7,863,825**
Interest in joint ventures	**3,901,905**	**-**	**3,901,905**
Investment properties	**3,392,707**	**-**	**3,392,707**
Development work in progress	**601,350**	**601,350**	**-**
Property and equipment	**11,910**	**-**	**11,910**
Deferred tax asset	**4,600**	**-**	**4,600**
Right-of-use assets	**24,252**	**-**	**24,252**
TOTAL ASSETS	**18,047,062**	**2,847,863**	**15,199,199**
LIABILITIES			
Trade and other payables	**207,319**	**188,033**	**19,286**
Contract liabilities	**746,554**	**746,554**	**-**
Income tax payable	**18,553**	**18,553**	**-**
Bank borrowings	**636,477**	**367,810**	**268,667**
Lease liabilities	**24,379**	**2,942**	**21,437**
Non - convertible sukuk	**2,565,137**	**-**	**2,565,137**
Deferred income	**74,580**	**74,580**	**-**
Employees' end of service benefits	**2,264**	**-**	**2,264**
TOTAL LIABILITIES	**4,275,263**	**1,398,472**	**2,876,791**

The maturity profile of assets and liabilities at 31 December 2025 was as follows:

		Amounts expected to be recovered or settled	
	Total AED '000	*Within 12 months of reporting date AED '000*	*After 12 months of reporting date AED '000*
ASSETS			
Bank balances and cash	1,231,841	1,231,841	-
Trade and other receivables	151,894	151,894	-
Investments in financial assets	7,915,876	333,066	7,582,810
Interest in joint ventures	4,398,157	-	4,398,157
Investment properties	3,447,479	-	3,447,479
Development work in progress	589,306	589,306	-
Property and equipment	12,503	-	12,503
Deferred tax asset	1,171	-	1,171
Right-of-use assets	24,901	-	24,901
Total assets	17,773,128	2,306,107	15,467,021
LIABILITIES			
Trade and other payables	278,294	228,441	49,853
Contract liabilities	747,056	747,056	-
Income tax payable	15,322	15,322	-
Bank borrowings	629,972	367,850	262,122
Lease liabilities	25,677	2,116	23,561
Non - convertible sukuk	2,563,878	-	2,563,878
Deferred income	77,394	77,394	-
Employees' end of service benefits	2,085	-	2,085
Total liabilities	4,339,678	1,438,179	2,901,499

17 FAIR VALUE MEASUREMENT

The following table shows the analysis of assets measured and disclosed at fair value by level of the fair value hierarchy as at 30 June 2026:

	Date of valuation	*Level 1 AED '000*	*Level 2 AED '000*	*Level 3 AED '000*	*Total AED '000*
Assets for which fair value is disclosed (Unaudited)					
Investment properties	**31 December 2025**	**-**	**-**	**5,366,572**	**5,366,572**
Liabilities for which fair value is disclosed (Unaudited)					
Sukuk	**30 June 2026**	**2,580,467**	**-**	**-**	**2,580,467**
Assets measured at fair value (Unaudited)					
Investments carried at fair value through other comprehensive income	**30 June 2026**	**7,711,275**	**-**	**152,550**	**7,863,825**
Investments carried at fair value through profit or loss	**30 June 2026**	**106,177**	**-**	**249,173**	**355,350**

The following table shows the analysis of assets measured and disclosed at fair value by level of the fair value hierarchy as at 31 December 2025:

	Date of valuation	*Level 1 AED '000*	*Level 2 AED '000*	*Level 3 AED '000*	*Total AED '000*
Assets for which fair value is disclosed					
Investment properties	31 December 2025	-	-	5,395,872	5,395,872
Liabilities for which fair value is disclosed					
Sukuk	31 December 2025	2,631,221	-	-	2,631,221
Assets measured at fair value					
Investments carried at fair value through other comprehensive income	31 December 2025	7,431,073	-	151,737	7,582,810
Investments carried at fair value through profit or loss	31 December 2025	83,093	-	249,973	333,066

The following is a description of the determination of fair value for assets for which fair values are disclosed using valuation techniques. These incorporate the Group's estimate of assumptions that a market participant would make when valuing the assets.

Investment properties
Investment properties classified under Level 3 have been valued using income method and sales comparison method of valuation. The significant assumptions used for valuation include market rentals, yield rates, occupancy, operating costs and vacancy (void). Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

Investments carried at fair value through other comprehensive income
Investment classified under Level 1 have been valued using active market prices of the quoted equities on the reporting date.

Investments carried at fair value through profit or loss
Investments classified under Level 1 have been valued using active market prices of the quoted equities on the reporting date. Investment classified under Level 3 are measured using valuation techniques that incorporate significant inputs that are not based on observable market data. The key unobservable inputs used in determining fair value include net asset values, forecast cash flows, discount rates and earnings multiples.

Transfers between categories
During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements (Six months period ended 30 June 2025: None).

18 COMMITMENTS AND CONTINGENCIES

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*
Capital committed and contracted	**1,708,772**	1,238,092
Letters of guarantee	**20**	20