

Eshraq Investments PJSC

Review report and condensed
consolidated interim financial information
For the three-month period ended 31 March 2025

Eshraq Investments PJSC
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Report on review of the condensed consolidated interim financial information To the Board of Directors of Eshraq Investments PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Eshraq Investments PJSC (the “Company”) and its subsidiaries (collectively referred to as “the Group”) as at 31 March 2025 and the related condensed consolidated interim statement of profit or loss, condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and other related explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 (“IAS 34”) *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the 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.

Basis for Qualified Conclusion

The Group’s investments in financial assets at fair value through profit or loss, which are carried in the condensed consolidated interim statement of financial position at AED 695 million (31 December 2024: AED 671 million), include an investment in Goldilocks of AED 648 million (31 December 2024: AED 659 million). We were unable to obtain sufficient appropriate audit evidence of certain underlying investments approximating AED 490 million (31 December 2024: AED 497 million) of the carrying amount of the investment in Goldilocks because we were unable to determine if the valuation methodology and inputs into the determination of this portion of the fair value of Goldilocks were appropriate. Consequently, we were unable to determine the adjustments necessary to this amount. The predecessor auditor also qualified their opinion with respect to these investments of AED 497 million in the audit report on the consolidated financial statements of the Group for the year ended 31 December 2024.

**Report on review of the condensed consolidated interim financial information
(continued)****To the Board of Directors of Eshraq Investments PJSC****Qualified Conclusion**

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 “Interim Financial Reporting” as issued by the IASB.

Other Matter

The condensed consolidated interim financial information of the Group as at and for the three-month period ended 31 March 2024 was reviewed by another auditor, who expressed an unmodified review conclusion dated 14 May 2024.

The consolidated financial statements of the Group as at year ended 31 December 2024 were audited by another auditor, who expressed a qualified opinion on those consolidated financial statements on 24 March 2025.


GRANT THORNTON UAE

Dr. Osama El Bakry
Registration No: 935
Abu Dhabi, United Arab Emirates

Date: 15 May 2025



Eshraq Investments PJSC

Condensed consolidated interim statement of financial position As at 31 March 2025

		31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
	Notes		
Assets			
Non-current assets			
Property and equipment	5	3,211	3,363
Right of use assets	19	3,347	3,550
Investment properties	6	699,868	699,868
Financial assets at fair value through other comprehensive income ("FVOCI")	7	52,354	50,576
Financial assets at fair value through profit or loss ("FVTPL")	9	34,844	-
Wakala investments	12	12,312	12,312
Trade and other receivables – net of current portion	10	33,418	33,418
Total non-current assets		839,354	803,087
Current assets			
Inventories		-	25
Trade and other receivables	10	51,109	65,593
Financial assets at fair value through profit or loss	9	660,413	671,360
Debt investment at amortised cost	8	-	7,859
Due from related parties	18	622	624
Cash and bank balances	11	25,345	65,368
Total current assets		737,489	810,829
Total assets		1,576,843	1,613,916
Equity and liabilities			
Equity			
Share capital	13	2,685,286	2,685,286
Share discount		(623,283)	(623,283)
Statutory reserve	14	58,979	58,979
Accumulated losses		(667,560)	(640,528)
Investment revaluation reserve	15	(20,097)	(20,114)
Total equity		1,433,325	1,460,340

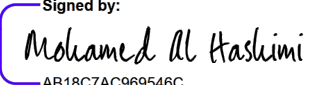
Eshraq Investments PJSC**Condensed consolidated interim statement of financial position (continued)
As at 31 March 2025**

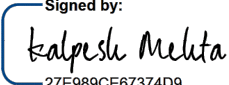
		31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
	Notes		
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits		692	921
Bank borrowings	16	116,448	117,232
Lease liability	19	2,667	2,612
Total non-current liabilities		119,807	120,765
Current liabilities			
Trade and other payables	17	14,953	24,123
Bank borrowings	16	4,911	4,804
Lease liability	19	775	762
Deferred tax liability		3,072	3,122
Total current liabilities		23,711	32,811
Total liabilities		143,518	153,576
Total equity and liabilities		1,576,843	1,613,916

To the best of our knowledge, the condensed consolidated interim financial information presents fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group as of, and for, the periods presented therein.

Signed by:

 31B46E03FD244C6...
Chairman

Signed by:

 AB18C7AC969546C...
Chief Executive Officer

Signed by:

 27E989CE67374D9...
Director, Finance

The accompanying notes form an integral part of the condensed consolidated interim financial information.

Eshraq Investments PJSC

Condensed consolidated interim statement of profit or loss For the three-month period ended 31 March 2025

		Three-month period ended 31 March	
		2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Revenue from commercial operations		3,930	4,050
Direct operating expenses		(1,165)	(1,132)
Gross profit from commercial operations		2,765	2,918
Finance income		1,871	1,796
Finance costs		(2,115)	(2,473)
Net finance loss		(244)	(677)
Dividend income		20	-
Net changes in fair value of financial assets at fair value through profit or loss	9	(26,103)	(305,394)
Net loss from investment activities		(26,083)	(305,394)
Total operating loss		(23,562)	(303,153)
General and administrative expenses		(3,527)	(2,909)
Other income		5	11
Loss before tax for the period		(27,084)	(306,051)
Tax expense		52	-
Loss for the period		(27,032)	(306,051)
Basic and diluted loss per share (AED)	20	(0.0101)	(0.1140)

The accompanying notes form an integral part of the condensed consolidated interim financial information.

Eshraq Investments PJSC

Condensed consolidated interim statement of comprehensive income For the three-month period ended 31 March 2025

	Note	Three-month period ended 31 March	
		2025	2024
		AED'000 (unaudited)	AED'000 (unaudited)
Loss for the period		<u>(27,032)</u>	<u>(306,051)</u>
Other comprehensive income:			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net changes in fair value of equity instruments designated at fair value through other comprehensive income	7	19	41
Income tax		<u>(2)</u>	<u>-</u>
Total other comprehensive income		<u>17</u>	<u>41</u>
Total comprehensive loss for the period		<u>(27,015)</u>	<u>(306,010)</u>

The accompanying notes form an integral part of the condensed consolidated interim financial information.

Eshraq Investments PJSC

Condensed consolidated interim statement of changes in equity For the three-month period ended 31 March 2025

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Accumulated losses AED'000	Investment revaluation reserve AED'000	Total equity AED'000
Balance at 1 January 2024 (audited)	2,820,433	(623,283)	(73,000)	58,979	(23,222)	(47,126)	2,112,781
Loss for the period	-	-	-	-	(306,051)	-	(306,051)
Other comprehensive income for the period	-	-	-	-	-	41	41
Total comprehensive (loss)/income for the period	-	-	-	-	(306,051)	41	(306,010)
Treasury shares purchased	-	-	(80)	-	-	-	(80)
Balance at 31 March 2024 (unaudited)	2,820,433	(623,283)	(73,080)	58,979	(329,273)	(47,085)	1,806,691
Balance at 1 January 2025 (audited)	2,685,286	(623,283)	-	58,979	(640,528)	(20,114)	1,460,340
Cancellation of Treasury shares	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	(27,032)	-	(27,032)
Other comprehensive income for the period	-	-	-	-	-	17	17
Total comprehensive loss for the period	-	-	-	-	(27,032)	17	(27,015)
Balance at 31 March 2025 (unaudited)	2,685,286	(623,283)	-	58,979	(667,560)	(20,097)	1,433,325

The accompanying notes form an integral part of the condensed consolidated interim financial information.

Eshraq Investments PJSC

Condensed consolidated interim statement of cash flows For the three-month period ended 31 March 2025

	Notes	Three-month period ended 31 March	
		2025	2024
		AED'000 (unaudited)	AED'000 (unaudited)
Cash flows from operating activities			
Loss before tax		(27,084)	(306,051)
<i>Adjustments for:</i>			
Depreciation of property and equipment	5	164	227
Depreciation of right of use assets	19	203	-
Net change in fair value of financial assets at fair value through profit or loss	9	26,103	305,394
Net fair value gain on investment properties			
Amortisation of borrowing cost	16	20	20
Provision for employees' end of service benefits		89	67
Dividend income		(20)	-
Finance income		(1,871)	(1,796)
Finance costs		2,135	2,453
Operating cash flows before changes in working capital		(261)	314
Decrease/(increase) in trade and other receivables		16,268	(907)
Decrease in due from a related party		2	2
Increase in inventories		25	(8)
(Decrease)/increase in trade and other payables		(9,169)	863
Cash generated from operations		6,865	264
Employees' end of service benefits paid		(318)	(54)
Net cash generated from operating activities		6,547	210
Cash flows from investing activities			
Proceeds from disposal of debt investments at amortised cost	8	7,859	-
Interest received		86	(202)
Dividend received		20	-
Proceeds from disposal of financial assets at fair value through other comprehensive income		191	115
Payments for purchase of financial assets at fair value through other comprehensive income		(1,950)	-
Payments for purchase of financial assets at fair value through profit or loss	9	(50,000)	(1,642)
Payments for purchase of property and equipment	5	(12)	-
Net cash used in investing activities		(43,806)	(1,729)

Eshraq Investments PJSC

Condensed consolidated interim statement of cash flows (continued) For the three-month period ended 31 March 2025

	Notes	Three-month period ended 31 March	
		2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Cash flows from financing activities			
Repayment of bank borrowings	16	(697)	(3,210)
Finance costs paid		(2,067)	(3,157)
Treasury shares purchased		-	(80)
Net cash flows used in financing activities		(2,764)	(6,447)
Net decrease in cash and cash equivalents		(40,023)	(7,966)
Cash and cash equivalents as at 1 January		65,368	55,542
Cash and cash equivalents as at 31 March	11	25,345	47,576
<u>Non-cash transactions:</u>			
Acquisition of Wakala investment on settlement of related party receivables		-	11,400

The accompanying notes form an integral part of the condensed consolidated interim financial information.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information For the three-month period ended 31 March 2025

1 General information

Eshraq Investments PJSC (the “Company”) was initially registered as a private joint stock company in the Emirate of Abu Dhabi on 24 December 2006. On 7 July 2011, the Company converted to a public joint stock company. The Company is listed on the Abu Dhabi Securities Exchange.

The Company is registered under commercial license No. 1005631 and Abu Dhabi Chamber of Commerce and Industry membership No. 223393. The registered head office of the Company is at P.O. Box 108737, Abu Dhabi, United Arab Emirates (“UAE”).

The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in commercial enterprise investment and real estate business which includes development, sale, investment, construction, management and associated services.

The details of principal activities, country of incorporation and operation, and ownership interest of the Company in its subsidiaries are set out below:

Name of the subsidiary	Country of incorporation	Legal % of holding		Principal Activities	Classification
		2025	2024		
Eshraq International Company LLC	Cayman Islands	100	100	Real estate	Subsidiary
Beans and Pages Café*	UAE	100	100	Library and café	Subsidiary
Goldilocks Investment Holding-Sole Proprietorship L.L.C.**	UAE	100	100	Investment, institution and management	Subsidiary
Qanat View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Bayfront Waves View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Garden Meadows View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Heights View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Paradise Empire View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Seascape Oasis View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary

* Entity ceased its operation and was undergoing liquidation during the period. The liquidation was completed in April 2025.

** Dormant entity acquired from a related party.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

1 General information (continued)

Subsidiary under Eshraq International Company LLC	Country of incorporation	Legal % of holding	Beneficial % of holding	Principal activities	Classification
Nuran Marina Serviced Residence LLC*	UAE	49%	100	Hotel apartments	Subsidiary

* Eshraq International Company LLC has a 49% ownership in Nuran Marina Serviced Residence LLC and the remaining 51% is held by the heirs of a former board member on behalf of the Company who had irrevocably assigned the beneficial ownership to Eshraq International Company LLC.

Social contribution

During the period ended 31 March 2025, the Group has not made any social contributions.

2 Application of new and revised IFRS Accounting Standards

2.1 New and amended standards adopted by the Group

The following new and revised IFRS Accounting Standards as issued by International Accounting Standards Board (IASB), which became effective for annual periods beginning on or after 1 January 2025, have been applied in these condensed consolidated interim financial information. The application of these revised IFRS Accounting Standards has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 Lack of Exchangeability

2.2 Standards and interpretations in issue but not yet effective and not early adopted

At the date of approval of these condensed consolidated interim financial information, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

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

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

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

2.2 Standards and interpretations in issue but not yet effective and not early adopted (continued)

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed consolidated financial information for the period of initial application. Management is in process of carrying out an impact assessment with respect to the adoption of these new standards, interpretations and amendments in the consolidated financial statements of the Group in the period of initial application.

3 Summary of material accounting policies

Statement of compliance

The condensed consolidated interim financial information are prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2024. In addition, results for three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

Basis of preparation

These condensed consolidated interim financial information is presented in UAE Dirhams (AED) which is the functional and presentational currency of the Group and all values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

These condensed consolidated interim financial information has been prepared on the historical cost basis, except for financial assets measured at fair value and investment properties which are carried at fair value.

4 Accounting policies, estimates and judgements

The accounting policies, significant judgements, estimates and assumptions applied by the Group in these condensed consolidated interim financial information is consistent with those in the audited annual consolidated financial statements of the Group as at and for the year ended 31 December 2024 except for the adoption of new standards and interpretations effective 1 January 2025 as stated in Note 2 above.

No income of seasonal nature was recorded in the condensed consolidated financial statements for the three months periods ended 31 March 2025 and 2024.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

5 Property and equipment

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Carrying amount at the beginning of the period/year	3,363	6,924
Additions during the period/year	12	2,000
Transfer to investment property (Note 6)	-	(4,284)
Impairment	-	(411)
Depreciation charge for the period/year	(164)	(866)
Carrying amount at the end of the period/year	3,211	3,363

All of the Group's property and equipment are located in the United Arab Emirates (UAE).

The depreciation charge has been allocated in the condensed consolidated interim statement of profit or loss as follows:

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Direct operating expenses	22	143
General and administrative expenses	142	84
	164	227

6 Investment properties

Investment properties represent certain plots of land located in the UAE, rented out properties in the UAE and a building in the United States of America ("USA").

Movement in investment properties is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	699,868	687,518
Transfer from property and equipment (b), (Note 5)	-	4,284
Net increase in fair value	-	8,066
Balance at the end of the period/year	699,868	699,868

As per internal assessment of the management, the fair values assessed of 31 December 2024 are approximates to the fair values as at 31 March 2025.

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

6 Investment properties (continued)

Investment properties are carried at fair value. As of 31 December 2024, the fair value of the investment properties was arrived at on the basis of valuations carried out by accredited independent valuers not related to the Group in accordance with RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors ("RICS"). The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the revalued amounts of the investment properties, the highest and best use of the properties was considered, and comparable and investment valuation approaches were used. Based on the internal assessment performed, management believes that there is no significant change in the fair value of investment properties during the three-month period ended 31 March 2025.

The inputs used in the valuation are not based on observable market data, and thus, the valuation techniques were considered to be Level 3 fair value measurement.

Included in investment properties, a building and a land with a fair value of AED 205,200 thousand (31 December 2024: AED 205,200 thousand) is mortgaged as a security for a loan obtained by the Group from a local bank (Note 16).

During the three-month period ended 31 March 2025, the Group recognised rental income from renting out investment properties of AED 3,865 thousand (31 March 2024: AED 3,758 thousand).

In September 2022, the Board of Directors approved the monetization of the Group's land bank in accordance with the Group's business plan. The following transactions demonstrate the Group's progress towards monetizing its land bank:

- a) The Group and a third party (Reportage Prime Properties LLC-Branch of Abu Dhabi 1) have finalised the performance of the terms and conditions, and legal procedures as stated in the sales and purchase agreement (SPA) and property development agreement dated November 2022 for handing over the plot of land in Abu Dhabi to the third party for a total consideration of AED 126,620 thousand.

The consideration is payable over the next 5 years in periodic cash payments (66% of consideration) and completed units (34% of consideration) by the third party.

Further, the Group discounted total consideration using three-month EIBOR+ spread of 2.25% to convert into present value of AED 100,065 thousand. In December 2024, the Group agreed with the third party for early buyout plan, and settling the full amount. The consideration finalised in cash payment only, and completed units removed from the settlement. As at 31 March 2025, the net receivable balance amounted to AED 14,721 thousand (31 December 2024: AED 29,721 thousand). No interest income was earned during the period (31 March 2024: AED 433 thousand).

- b) During 2024, the Group relocated its head office to Capital Plaza Office Tower, Corniche. The new office setup costs were capitalised as part of property, and equipment and will be depreciated over their useful lives. As a result of the relocation, the Group's previous head office space, which was classified under property, and equipment, has been reclassified as investment property. The carrying amount of the property at the date of reclassification was AED 4,284 thousand.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

7 Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI.

Financial assets at FVOCI breakdown as at the end of the reporting period comprises the following:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Unquoted funds (i)	51,926	50,113
Quoted equity securities	428	463
	52,354	50,576

Movement in the balance of financial assets at FVOCI is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	50,576	21,450
Additions	1,950	-
Disposals	(191)	(577)
Net change in fair value recognised in other comprehensive income	19	29,703
Balance at the end of the period/year	52,354	50,576

- (i) Comprised of an investment in an equity stake in a special-purpose vehicle established to develop a plot of land as a luxury branded residence in the UAE.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

8 Debt investment at amortised cost

Movement in the debt investment at amortised cost is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	7,859	7,859
Amounts received	(7,859)	-
Balance at the end of the period/year	-	7,859

Finance income on debt investment at amortised cost for the period ended 31 March 2025 amounted to AED 86 thousand (31 March 2024: AED 196 thousand).

9 Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss comprise financial assets that are held for trading. The financial assets at FVTPL breakdown at the end of the reporting period comprises the following:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Current portion:		
Quoted equity securities (i)	12,644	12,783
Unquoted funds (ii)	647,769	658,577
Non-current portion:		
Mandatory convertible bonds (iii)	34,844	-
	695,257	671,360

- (i) Comprised of Sharia compliant equity shares quoted in the UAE and denominated in UAE Dirhams (AED).
- (ii) Comprised of an investment in an open-ended fund (Goldilocks Investment Company Limited ("Goldilocks", or the "Fund")) incorporated in the UAE with the objective to generate return from Middle East region-based instruments.

In 2022, the Company completed the acquisition of the Fund. The acquisition was completed through a share swap transaction at an agreed swap ratio of 12.61 Company shares to 1 shares of the Fund by issuing 1,385,073 thousand new shares of the Company at par. The Group has 99.485% (31 December 2024: 99.485%) investment in the Fund and designated at financial assets at FVTPL. The Group does not control the Fund and as such, the Group is not involved in the investment decision-making process of the Fund. The Fund is independently managed by its Fund Manager SHUAA GMC Limited. The Fund Manager is not liable for any losses to the Fund. The Group will remain a Limited Partner in the Fund and has no power over the terms of the management agreement including the valuation of the Fund. In 2024, the Group initiated a redemption request to the Fund Manager to redeem its investment for which execution is expected to be commenced during July 2025.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

9 Financial assets at fair value through profit or loss (continued)

- (iii) During the period, the Group invested AED 50,000 thousand in Shuaa Capital PSC through a Mandatory Convertible Bond (MCB). As per the agreed terms, the MCB will be converted into shares as per SCA Certificate with a lock in period of 14 months from the conversion date, at a conversion price of 32 fils per share. As at the reporting date, the share price of Shuaa Capital PSC was 22.3 fils per share that resulted in a fair value loss of AED 15,156 thousand.

Subsequent to the period end, the MCB was converted into 156,250 thousand shares of Shuaa Capital PSC on 11 April 2025.

Movement in the balance of financial assets at FVTPL is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	671,360	1,350,889
Additions	50,000	1,642
Disposals	-	-
Net change in fair value recognised in profit or loss	(26,103)	(681,171)
Balance at the end of the period/year	695,257	671,360

Net change in fair value recognized in the statement of profit or loss includes AED 10,808 (31 December 2024: AED 678,118) thousand incurred as losses by the Company during the period arising mainly from the net change in fair value in Goldilocks Fund which continues to be managed by Fund Manager SHUAA GMC Limited.

10 Trade and other receivables

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade receivables (i) (ii)	47,994	63,262
Accrued interest	11,943	11,534
Prepayments	744	327
Other receivables (iii)	23,846	23,888
	84,527	99,011
Less: non-current portion (ii)	(33,418)	(33,418)
Current portion	51,109	65,593

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

10 Trade and other receivables (continued)

- (i) Net receivables from one customer (Reportage Prime Properties LLC-Branch of Abu Dhabi 1) amounting to AED 14,721 thousand (31 December 2024: AED 29,721 thousand) were discounted using three-month EIBOR+ spread of 2.25%. There was no interest income on receivable balance during the period. (31 March 2024: AED 433 thousand) (Note 6).
- (ii) In September 2022, the Group entered into a sale and purchase agreement (“SPA”) with a third party in the UAE for the sale of two plots of land located in JVC-Dubai, UAE for a total consideration of AED 33,134 thousand and an earnout amount upon completion of the project by the third party. The consideration is interest-bearing and was payable after 2 to 4 years after the date of SPA. Interest income during the period ended 31 March 2025 amounted to AED 828 thousand (31 March 2024: AED 828 thousand).
- (iii) Other receivables include Murabaha facility with principal amount of AED 23,000 thousand (31 December 2024: AED 23,000 thousand) entered into between the Group and the Fund (Goldilocks). The Fund is managed by a related party (Note 18). The Murabaha carries a profit rate of 12% per annum (31 December 2024: 10% per annum). The profit which is also accrued at the reporting date on Murabaha for the period ended 31 March 2025 amounted to AED 681 thousand (31 March 2024: AED 92 thousand).

11 Cash and bank balances

	31 March 2025 AED’000 (unaudited)	31 December 2024 AED’000 (audited)
Cash on hand	31	37
Cash at bank	21,964	61,981
Term deposits	3,350	3,350
	25,345	65,368
Less: short-term deposits with original maturity of more than three months	(3,350)	(3,350)
Less: restricted cash	(28)	(28)
	21,967	61,990

Term deposits represent deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest rate: 3.9% per annum (31 December 2024: 3.9% - 4.54% per annum).

Finance income on term deposits for the three-month period ended 31 March 2025 amounted to AED 33 thousand (31 March 2024: AED 37 thousand). Accrued interest on term deposits amounted to AED 45 thousand as at 31 March 2025 (31 December 2024: AED 13 thousand).

Restricted cash placed in a local bank amounted to AED 28 thousand (31 December 2024: AED 28 thousand).

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

12 Wakala investments

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	12,312	11,400
Additions	-	12,312
Matured	-	(11,400)
Balance at the end of the period/year	12,312	12,312

In 2023, the Group invested AED 11,400 thousand in Wakala deposits held with non-financial institutions in the UAE and denominated in AED. This investment carried a profit rate of 8% per annum with a maturity date of 25 March 2024. Upon maturity, the Group reinvested principal plus profit amounting to AED 12,312 thousand in Wakala deposits and which carry a profit rate of 8% per annum with a maturity date of 29 March 2026.

Finance income on Wakala investment for the three-month period ended 31 March 2025 amounted to AED 243 thousand (31 March 2024: AED 210 thousand). Accrued profit on Wakala investments amounted to AED 998 thousand as at 31 March 2025 (31 December 2024: AED 756 thousand).

13 Share capital

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<i>Authorised, issued and paid up capital</i>		
2,685,286 thousand (31 December 2024: 2,685,286 thousand)		
ordinary shares of AED 1 each (2024: AED 1 each)	2,685,286	2,685,286

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

14 Statutory reserve

In accordance with the Articles of Association of the Company and in line with the provisions of the UAE Federal Law No. 32 of 2021, the Company is required to transfer annually to a statutory reserve account an amount equal to 10% of its annual profit, until such reserve reaches 50% of the share capital of the Company. This reserve is not available for distribution.

15 Investments revaluation reserve

Investments revaluation reserve represents the net unrealised gains or losses that are recognised on the financial assets at fair value through other comprehensive income (Note 7).

16 Bank borrowings

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Term loan	121,359	122,036
Less: Amount due for settlement after 12 months from the end of reporting period/year (classified under non-current liabilities)	(116,448)	(117,232)
Amount due for settlement within 12 months from the end of reporting period/year (classified under current liabilities)	4,911	4,804

In 2021, the Group obtained a Sharia-compliant term loan facility from a local bank (First Abu Dhabi Bank PJSC) amounting to AED 140,000 thousand under the terms and conditions defined in the agreement to settle the existing debt exposure of its project loan and to finance general corporate purposes. The loan is repayable in quarterly instalments over a period of 10 years and carries a variable profit rate. The loan is secured by a mortgage over the land and building of the Group located in Al Reem Island (Note 6), Abu Dhabi, and a reserved account maintained in the name of the Group with an amount equal to at least one quarterly instalment of the term loan. The loan was fully drawn as of the reporting date.

As at 31 March 2025, the Group recognised finance costs of AED 2,027 thousand (31 March 2024: AED 2,453 thousand) in relation to this facility.

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

16 Bank borrowings (continued)

Reconciliation of term loans movements to the cash flows arising from financing activities is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	122,036	133,432
<i>Cash flows</i>		
Loan repaid	(697)	(11,425)
Payment of accrued interest	-	(52)
<i>Other non-cash items</i>		
Accrual of interest	20	81
Balance at the end of the period/year	121,359	122,036

17 Trade and other payables

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade payables	-	184
Advances from customers	5,992	6,496
Retention payables	2,236	7,041
Accruals	1,895	3,578
Other payables (i)	4,830	6,824
	14,953	24,123

(i) Includes provision for claims and Board of Directors' remuneration.

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

18 Related party balances and transactions

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise shareholders, directors, key management staff and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

Terms and conditions of transactions with related parties

Balances with these related parties generally arise from commercial transactions as per terms agreed between the parties. Balances with related parties reflected in the condensed consolidated interim statement of financial position at the reporting date comprised:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Financial assets at FVTPL:		
Shareholder – MCB	34,844	-
Due from a related party:		
Entity under common control	17	19
Advance to a director	605	605
	<u>622</u>	<u>624</u>

The following balances are related to the entities under common directorship or with common key management personnels:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Financial assets at FVTPL	<u>12,644</u>	<u>12,783</u>

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

18 Related party balances and transactions (continued)

The following balances are managed by a Fund Manager that is a related party to the Group:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Wakala investment	12,312	12,312
Financial assets at FVOCI	51,927	50,113
Financial assets at FVTPL	647,769	658,577
Debt investments at amortised cost	-	7,859
Interest receivables	3,532	3,984
Other receivables (Murabaha receivable)	23,000	23,000

Significant transactions with the entities under common shareholding/directorship are as follows:

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Purchase of financial assets at FVTPL (MCB) (Note 9)	50,000	-

Transactions with the Fund Manager that is a related party to the Group were as follows:

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Interest income	1,010	406

Significant transactions with related parties during the period were as follows:

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Broker fees paid to related parties:		
Shareholder	1	3

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

18 Related party balances and transactions (continued)

Key management compensation

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Short term benefits	905	871
Long term end of service benefits	147	96
	1,052	967

Aside from advances to director, there were no loans provided to directors as of 31 March 2025 and 31 December 2024.

19 Right-of use assets and lease liabilities

Right-of-use assets

In 2024, the Group relocated its head office, resulting in the recognition of right-of-use assets and corresponding lease liabilities. The new office space has been leased for a term of 5 years. The movements during the year were as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cost		
At 1 January	4,273	-
Additions during the period/year	-	4,273
At 31 March/31 December	4,273	4,273
Accumulated depreciation		
At 1 January	723	-
Charge for the period/year	203	723
At 31 March/31 December	926	723
Net carrying amount	3,347	3,550

Lease liabilities

Set below are the carrying amount of lease liability and movement during the period:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	3,374	-
Additions	-	4,273
Interest expense	68	111
Payment of lease liabilities	-	(1,010)
At 31 March/31 December	3,442	3,374

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

19 Right-of use assets and lease liabilities (continued)

Lease liabilities (continued)

Lease liabilities are presented in the consolidated statement of financial position as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Current liability	775	762
Non-current liability	2,667	2,612
	<u>3,442</u>	<u>3,374</u>

20 Basic and diluted loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period.

Diluted loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the losses and share data used in the loss per share calculation:

	Three-month period ended 31 March	
	2025 (unaudited)	2024 (unaudited)
Loss for the period (AED'000)	<u>(27,033)</u>	<u>(306,051)</u>
Weighted average number of ordinary shares outstanding (thousand)	<u>2,685,286</u>	<u>2,685,290</u>
Basic and diluted loss per share (AED)	<u>(0.0101)</u>	<u>(0.1140)</u>

In 2024, weighted average number of ordinary shares outstanding were adjusted for treasury shares, which were issued shares but not outstanding.

As of 31 March 2025, and 2024, the Group has not issued any instruments which would have a diluting impact on loss per share when converted or exercised.

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

21 Segment reporting

The Group's operating segments are established on the basis of those components that are evaluated regularly by Board of Directors (the chief operating decision-maker or "CODM"). They monitor the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

For management purposes, at 31 March 2025 and 2024, the Group is organised into five major segments, as follows:

- Property development
- Investment properties
- Hospitality and leisure
- Investment and asset management
- Holding

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit or loss earned by each segment without allocation of central administration, directors' salaries, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. The Group operated mainly in one geographical segment, i.e., United Arab Emirates.

Information regarding these segments is presented below.

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

21 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
31 March 2025							
Revenue							
<i>Timing of revenue recognition</i>							
Overt time	-	3,866	-	-	-	-	3,866
At a point in time	-	-	64	-	-	-	64
	-	3,866	64	-	-	-	3,930
Direct operating expenses	-	(1,144)	-	-	-	-	(1,144)
Depreciation	-	-	(21)	-	-	-	(21)
Gross profit	-	2,722	43	-	-	-	2,765
Net finance loss	-	-	-	-	(244)	-	(244)
Dividend Income	-	-	-	20	-	-	20
Net changes in fair value of financial assets at FVTPL	-	-	-	(26,103)	-	-	(26,103)
Total operating income/(loss)	-	2,722	43	(26,083)	(244)	-	(23,562)
General and administrative expenses	-	-	-	-	(3,182)	-	(3,182)
Depreciation	-	-	-	-	(345)	-	(345)
Selling and marketing expense	-	-	-	-	-	-	-
Change in fair value of assets held for sale	-	-	-	-	-	-	-
Other income	-	5	-	-	-	-	5
Profit/(loss) for the period	-	2,727	43	(26,083)	(3,771)	-	(27,084)
At 31 March 2025							
Total assets	-	699,868	1,123	759,924	116,941	(1,013)	1,576,843
Total liabilities	(2,236)	-	(1,234)	-	(140,611)	563	(143,518)

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

21 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and asset mgt AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
31 March 2024							
Revenue							
<i>Timing of revenue recognition</i>							
Overt time	-	3,759	-	-	-	-	3,759
At a point in time	-	-	291	-	-	-	291
	-	3,759	291	-	-	-	4,050
Direct operating expenses	-	(894)	(11)	-	-	-	(905)
Depreciation	-	-	(227)	-	-	-	(227)
Gross profit	-	2,865	53	-	-	-	2,918
Net finance loss	-	-	-	-	(677)	-	(677)
Net changes in fair value of financial assets at FVTPL	-	-	-	(305,394)	-	-	(305,394)
Total operating income	-	2,865	53	(305,394)	(677)	-	(303,153)
General and administrative expenses	-	-	(49)	-	(2,776)	-	(2,825)
Depreciation	-	-	-	-	(84)	-	(84)
Selling and marketing expense	-	-	-	-	-	-	-
Change in fair value of assets held for sale	-	-	-	-	-	-	-
Other income	-	11	-	-	-	-	11
Profit/(loss) for the period	-	2,876	4	(305,394)	(3,537)	-	(306,051)
At 31 March 2024							
Total assets	-	817,931	9,655	1,100,800	39,630	(450)	1,967,566
Total liabilities	7,826	139,289	3,636	1,056	9,068	-	160,875

Eshraq Investments PJSC

Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

22 Contingent liabilities and commitments

Contingencies

There were no contingent liabilities as at 31 March 2025 (31 December 2024: Nil).

Commitments

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Commitments for fixed assets	1,883	1,883

23 Fair value of financial instruments

The fair value hierarchy levels have been defined as follows:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- **Level 3** – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

23 Fair value of financial instruments (continued)

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
At 31 March 2025 (unaudited)					
Financial assets at FVTPL	695,257	12,644	34,844	647,769	695,257
Financial assets at FVOCI	52,354	428	-	51,926	52,354
	747,611	13,072	34,844	699,695	747,611
At 31 December 2024 (audited)					
Financial assets at FVTPL	671,360	12,783	-	658,577	671,360
Financial assets at FVOCI	50,576	463	-	50,113	50,576
	721,936	13,246	-	708,690	721,936

During the current and prior 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.

Movements in the fair value of investments categorised within Level 3 is as follows:

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	708,690	1,357,600
Additions	1,950	-
Disposals	(191)	(577)
Change in fair value	(10,754)	(648,333)
Balance at the end of the period/year	699,695	708,690

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of those financial assets and financial liabilities recognised in the condensed consolidated interim financial information approximate their fair values.

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Notes to the condensed consolidated interim financial information (continued) For the three-month period ended 31 March 2025

24 Fiduciary activities

The Group acts as a trustee and in other capacities that result in holding of assets listed below in a fiduciary capacity on behalf of other institutions where ownership is yet to be transferred by the Group to the beneficiary. Such assets and income arising thereon are not included in the Group's condensed consolidated interim financial information.

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Unquoted security	106	2,740

Pertains to an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services. The entity is currently under liquidation where the Group is receiving the recoveries in tranches as per the final settlement plan received from the investee.

25 Events after reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of this condensed consolidated interim financial information except for the change in Chairman of the Board of Directors subsequent to the period end in May 2025.

26 Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 15 May 2025.