

MANAZEL PJSC

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION AND
INDEPENDENT AUDITOR'S REVIEW REPORT (Unaudited)

For the six months period ended June 30, 2025

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
TO THE BOARD OF DIRECTORS OF MANAZEL PJSC**

Introduction

We have reviewed the accompanying interim condensed consolidated financial position of **Manazel PJSC** (the "Company") and its subsidiaries (together, the "Group") as at June 30 2025, the related interim consolidated statement of profit and loss and comprehensive income, the related interim statements of changes in equity, cash flows for the six months period then ended and explanatory notes. The management is responsible for the preparation and fair presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting (IAS 34)" of International Financial Reporting Standards (IFRS). Our responsibility is to express a conclusion on these interim financial information 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 financial information of Manazel PJSC has not been prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Emphasis of matters

- a) We draw attention to Note 9 to the interim condensed consolidated financial information; which includes a project under development but remained on hold for the past six years. The project was sold to customers in prior period through off-plan sales. During the previous year, management has reacquired the project from the customers and restructured its development plan. Management has assessed the project's carrying value as of June 30, 2025, and concluded that no impairment is required, as all costs incurred are considered recoverable.

Emphasis of matters (continued)

b) We also draw attention to Note 18 to the interim condensed consolidated financial information, which discloses that the Group has receivables amounting to AED 378 million from government-related entities. These receivables pertain to infrastructure costs totaling AED 585 million, incurred by the Group between 2007 and 2021 in connection with various development projects. Management has engaged in ongoing discussions with the relevant authorities and submitted the necessary documentation to substantiate the claim. However, the timing and certainty of reimbursement remain unclear at this stage.

Our conclusion is not modified in respect of these matters.



For HLB HAMT Chartered Accountants

Hisham Ali Mohamed Taher

Partner

[Reg. No. 5397]

[Firm Reg. No. LC0075-01]

Dubai
August 13, 2025

Ref: HAMT/MSH/2025/17000

MANAZEL PJSC**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND
COMPREHENSIVE INCOME**

Six months period ended June 30 2025 (unaudited)


	Notes	Six months ended June 30	
		2025	2024
		AED '000	AED '000
Revenue	5	47,732	48,243
Cost of revenue	5	<u>(29,566)</u>	<u>(32,874)</u>
GROSS PROFIT		18,166	15,369
Finance costs	6	(36,720)	(56,357)
Selling and marketing expenses		(206)	(139)
General and administrative expenses	7	(25,495)	(21,445)
Loss allowances under IFRS 9 written back	8	43,485	-
Other income		<u>423</u>	<u>2,681</u>
LOSS BEFORE TAX FOR THE PERIOD		(347)	(59,891)
Tax expense	13	<u>(390)</u>	-
LOSS AFTER TAX FOR THE PERIOD		<u>(737)</u>	<u>(59,891)</u>
Attributable to:			
Ordinary equity holders of the Parent		(737)	(59,891)
Non-controlling interest		-	-
		<u>(737)</u>	<u>(59,891)</u>
Other comprehensive income:			
Items not to be reclassified subsequently to profit or loss:			
Loss on revaluation of property, plant and equipment		-	-
Other comprehensive income/(loss) for the period		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u>(737)</u>	<u>(59,891)</u>
Attributable to:			
Ordinary equity holders of the Parent		(737)	(59,891)
Non-controlling interest		-	-
		<u>(737)</u>	<u>(59,891)</u>
(Loss)/Earnings per share			
Basic and diluted (loss)/earnings per share (In AED per share)	4	<u>(0.00028)</u>	<u>(0.02)</u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial information.

MANAZEL PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At June 30 2025

	<i>Notes</i>	<i>(Unaudited)</i> June 30, 2025 AED '000	<i>(Audited)</i> December 31, 2024 AED '000
ASSETS			
Bank balances and cash	11	22,471	11,372
Trade and other receivables		432,507	583,260
Right of use asset		1,105	1,474
Development work-in-progress	9	794,260	793,802
Recoverable infrastructure costs, net		378,350	378,350
Investment properties	10	2,722,764	2,482,872
Property, plant and equipment		982,724	984,892
Deferred tax assets	13	<u>6,501</u>	<u>6,543</u>
TOTAL ASSETS		<u>5,340,682</u>	<u>5,242,565</u>
EQUITY AND LIABILITIES			
Equity attributable to owners of the Parent Company			
Share capital	16	2,600,000	2,600,000
Retained earnings/(accumulated deficit)		(19,818)	(19,081)
Reserves		<u>354,709</u>	<u>354,709</u>
		2,934,891	2,935,628
Non - controlling interest		<u>-</u>	<u>-</u>
TOTAL EQUITY		<u>2,934,891</u>	<u>2,935,628</u>
LIABILITIES			
Trade and other payables		1,002,737	881,789
Corporate tax payable	13	4,870	4,522
Lease liabilities		1,130	1,499
Bank borrowings	12	1,375,621	1,396,503
Advances from customers		14,277	14,164
Employees' end of service benefits		<u>7,156</u>	<u>8,460</u>
TOTAL LIABILITIES		<u>2,405,791</u>	<u>2,306,937</u>
TOTAL EQUITY AND LIABILITIES		<u>5,340,682</u>	<u>5,242,565</u>



 CHAIRMAN



 CHIEF EXECUTIVE OFFICER

The attached notes 1 to 21 form part of these interim condensed consolidated financial information.

MANAZEL PJSC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Six months period ended June 30 2025 (unaudited)

	-----Reserves-----									
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Cumulative changes in fair value of investment</i>	<i>Valuation reserve for property, plant and equipment</i>	<i>Excess of cash consideration over net assets relating to acquisition of non-controlling interest</i>	<i>Retained earnings/ (accumulated deficit)</i>	<i>Total reserves</i>	<i>Total</i>	<i>Non-controlling interest</i>	<i>Total</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Balance as at December 31 2023 (audited)	2,600,000	290,641	(75,958)	293,369	(153,343)	(27,302)	354,709	2,927,407	-	2,927,407
Loss for the period	-	-	-	-	-	(59,891)	-	(59,891)	-	(59,891)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Balance as at June 30 2024 (Unaudited)	2,600,000	290,641	(75,958)	293,369	(153,343)	(87,193)	354,709	2,867,516	-	2,867,516
Profit for the period	-	-	-	-	-	68,112	-	68,112	-	68,112
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Balance as at December 31 2024 (audited)	2,600,000	290,641	(75,958)	293,369	(153,343)	(19,081)	354,709	2,935,628	-	2,935,628
Loss for the period	-	-	-	-	-	(737)	-	(737)	-	(737)
Other comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
Balance as at June 30 2025 (Unaudited)	<u>2,600,000</u>	<u>290,641</u>	<u>(75,958)</u>	<u>293,369</u>	<u>(153,343)</u>	<u>(19,818)</u>	<u>354,709</u>	<u>2,934,891</u>	<u>-</u>	<u>2,934,891</u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial information.

MANAZEL PJSC**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
Six months period ended June 30 2025 (unaudited)

	<i>Notes</i>	<i>Six months ended June 30</i>	
		<i>2025</i>	<i>2024</i>
		<i>AED '000</i>	<i>AED '000</i>
OPERATING ACTIVITIES			
Loss before tax for the period		(347)	(59,891)
Adjustments for:			
Depreciation		2,698	3,285
Provision for employees' end-of-service indemnity (net)		281	553
Provision for bad debts		(43,485)	-
Finance cost	6	<u>36,720</u>	<u>56,357</u>
		(4,133)	304
Working capital changes:			
Development work-in-progress	9	(458)	(625)
Trade and other receivables		194,238	(4,642)
Trade and other payables		120,948	40,964
Advance from customers		<u>113</u>	<u>-</u>
Cash generated from/(used in) operating activities		310,708	36,001
Employees' end-of-service benefits paid		<u>(1,585)</u>	<u>188</u>
Net cash generated from/(used in) operating activities		<u>309,123</u>	<u>36,189</u>
INVESTING ACTIVITIES			
Additions to property, plant and equipment		(161)	(167)
Additions/(disposals) of investment properties	10	<u>(239,892)</u>	<u>3,000</u>
Net cash generated from/(used in) investing activities		<u>(240,053)</u>	<u>2,833</u>
FINANCING ACTIVITIES			
Bank borrowings (Net)	12	(20,882)	(33,000)
Finance cost		(36,720)	-
Lease liability		<u>(369)</u>	<u>(794)</u>
Net cash generated from/(used in) financing activities		<u>(57,971)</u>	<u>(33,794)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS		11,099	5,228
Cash and cash equivalents at the beginning of the period		<u>11,372</u>	<u>8,591</u>
CASH AND CASH EQUIVALENTS AT JUNE 30	11	<u>22,471</u>	<u>13,819</u>

The attached notes 1 to 21 form part of these interim condensed consolidated financial information.

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025****1. CORPORATE INFORMATION**

Manazel PJSC (the "Company" or the "Parent") was established on April 12, 2006 as a private jointstock company and was registered on 13 May 2006 under license number CN - 1005008 with the Department of Economic Development, Abu Dhabi, United Arab Emirates.

The Company and its subsidiaries (together referred to as the "Group") are principally engaged in the Shari'a compliant real estate business including development, sales, investment, construction, management and associated services.

1.1. Operational subsidiaries;**Sl. Company****No.****Country of incorporation**

1.	Manazel International Capital – Jordan L.L.C.	Jordan
2.	Manazel International Capital Co. L.L.C	U.A.E
3.	Manazel International Capital – Saudi Arabia Ltd	K.S.A
4.	Tatweer Capital Co. L.L.C.*	U.A.E
5.	Dunes Village Real Estate	U.A.E
6.	Manazel Specialists Real Estate L.L.C.	U.A.E
7.	Census International Company L.L.C.	U.A.E
8.	Al Reef Cooling L.L.C.	U.A.E
9.	Capital Cooling L.L.C.	U.A.E
10.	The Outlet Capital Mall L.L.C.	U.A.E
11.	Al Reef Capital Real Estate L.L.C.	U.A.E
12.	Merzab Community Development Real Estate Sole Proprietorship L.L.C	U.A.E
13.	The Guard Public Security Guarding Services L.L.C.	U.A.E
14.	Tools Man General Maintenance L.L.C.	U.A.E

1.2 Non operational subsidiaries**Sl. Name of Subsidiaries****No.****Country of incorporation**

1.	Edara Company L.L.C.	U.A.E
2.	Manazel Capital Real Estate Owned by Manazel Real Estate – PJSC-Sole Proprietorship L.L.C.	U.A.E
3.	Manazel Malls L.L.C.	U.A.E
4.	Manazel International General Contracting L.L.C.	U.A.E
5.	Manazel Health Care L.L.C.	U.A.E
6.	Bayti Engineering Consultancy L.L.C.	U.A.E
7.	Manazel Cinema L.L.C.	U.A.E
8.	Karak Drive Cafe L.L.C.	U.A.E
9.	Manazel Sports Academy L.L.C.	U.A.E
10.	Al Manazel Real Estate Owned by Manazel Real Estate PJSC – Sole Proprietorship L L C	U.A.E
11.	Manazel Hospitality L.L.C.	U.A.E
12.	Portel Parcel Services L.L.C.	U.A.E

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

1. CORPORATE INFORMATION (continued)

1.2 Non operational subsidiaries (continued)

These companies remained dormant during the period.

*Tatweer Capital Co. L.L.C. shares are registered in the name of two key managerial persons. These persons have collateralised their share fully in favour of the Company and empowered the Company to act by proxy in respect of the total shares with an assignment of all rights and obligations relating to the shares of the Company. The proxy is irrevocable unless otherwise agreed in writing by the Company.

The interim condensed consolidated financial information of the Group for the period ended June 30 2025 were authorized for issuance by the Board of Directors on August 13, 2025.

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The interim condensed consolidated financial information have been prepared on a going concern basis and in accordance with and comply with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of the laws of the U.A.E.

The interim condensed consolidated financial information do not include all the statements and disclosures required in the annual financial information and should be read in conjunction with the Group's annual financial statements as of December 31, 2024. In addition, the results for the six months period ended June 30, 2025, are not necessarily indicative of the results that may be expressed for the financial year ending December 31, 2025.

The same accounting policies, presentation and methods of computation have been followed in this interim condensed consolidated financial information as were applied in preparing and presenting the annual financial statements for the year ended December 31, 2024. Specific disclosure notes/numbers have been reclassified and rearranged from the prior period condensed interim financial information to conform to the current period's presentation.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirham (AED), which is the presentation currency of the Group and the functional currency of the Company. All the values are rounded to the nearest thousand (AED'000) except when otherwise indicated.

2.2. BASIS OF CONSOLIDATION

These interim consolidated financial statements incorporate the financial statements of Manazel PJSC (the Parent) and the entities controlled by the Parent. Control is achieved when the Parent:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent obtains control, and continue to be consolidated until the date when such control ceases. The Parent reassesses 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 listed above.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION (continued)

When the Parent has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent considers all relevant facts and circumstances in assessing whether or not the Parent's voting rights in an investee are sufficient to give it power, including:

- The size of the Parent's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Parent, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Parent has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at the previous Shareholders' meeting.

When the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the consolidated statement of comprehensive income;
- Reclassifies the Parent's share of components previously recognized in other comprehensive income to profit and loss or retained earnings, as appropriate.

Where necessary, adjustments are made to the interim condensed consolidated financial information of subsidiaries to bring their accounting policies into line with those adopted at the Group level.

2.2.1. Eliminations on consolidation

Inter-entity transactions, balances, income and expenses from transactions between entities are eliminated. Profits and losses resulting from inter-entity transactions that are recognized in the assets are also eliminated. Interim condensed consolidated financial information are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.2. Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. After the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and non-controlling interests.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

2. BASIS OF PRESENTATION AND ACCOUNTING POLICIES (CONTINUED)

2.2 BASIS OF CONSOLIDATION (continued)

2.2.2 Non-controlling interest (continued)

Total comprehensive income of the subsidiaries is attributed to the owners of the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance. 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 amount 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 recognized directly in equity and attributed to the owners of the Group.

2.2.3. Loss of control

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income concerning that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable or the cost on initial recognition of an investment in an associate or a joint venture.

2.3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial information for the year ended December 31 2024, except for the adoption of new standards and amendments to standards effective for the annual periods beginning on or after January 1 2025.

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial information of the Group.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial information to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparation of these condensed financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis in preparing these condensed financial information, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied in the Group consolidated financial information as at and for the year ended December 2024, except for the effects of the adoption of new standards and interpretations effective from January 01, 2025.

4. BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

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

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	<i>(Unaudited)</i> June 30 2025 <i>AED '000</i>	<i>(Unaudited)</i> <i>June 30 2024</i> <i>AED '000</i>
Profit/(Loss) for the period attributable to equity holders	(737)	(59,891)
Weighted average number of ordinary shares at January 1 in issue	2,600,000	2,600,000
Weighted average number of ordinary shares at June 30 in issue	<u>2,600,000</u>	<u>2,600,000</u>
Basic and diluted earnings/(loss) per share	<u>(0.00028)</u>	<u>(0.02)</u>

The Group does not have any instruments which would have a dilutive impact on earnings per share when converted or exercised.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

5. REVENUE AND COST OF REVENUE	<i>(Unaudited)</i> June 30 2025 <i>AED '000</i>	<i>(Unaudited)</i> June 30 2024 <i>AED '000</i>
Revenue		
Property management fees	8,977	8,197
Rental income	26,698	24,239
Revenue from district cooling services	1,943	4,559
Facility management services and others	<u>10,114</u>	<u>11,248</u>
	<u>47,732</u>	<u>48,243</u>
Cost of revenue		
Operating cost of rental properties	14,239	14,076
Cost of property management	5,846	6,718
Cost of district cooling services	1,912	3,997
Cost of facility management services and others	<u>7,569</u>	<u>8,083</u>
	<u>29,566</u>	<u>32,874</u>
6. FINANCE COSTS	<i>(Unaudited)</i> June 30 2025 <i>AED '000</i>	<i>(Unaudited)</i> June 30 2024 <i>AED '000</i>
Finance costs incurred during the period	52,536	56,357
Unwinding of discount of receivable*	<u>(15,816)</u>	-
	<u>36,720</u>	<u>56,357</u>
*Unwinding of discounting on receivables majorly includes the unwinding during buyback of properties.		
7. GENERAL AND ADMINISTRATIVE EXPENSES	<i>(Unaudited)</i> June 30 2025 <i>AED '000</i>	<i>(Unaudited)</i> June 30 2024 <i>AED '000</i>
Payroll and employee-related expenses	14,404	11,421
Depreciation	483	849
Rent expense	212	317
Legal and professional charges	8,190	5,551
Transportation expense	123	214
Other expenses	<u>2,083</u>	<u>3,093</u>
	<u>25,495</u>	<u>21,445</u>
8. LOSS ALLOWANCE UNDER IFRS9 WRITTEN BACK		
This amount relates to the reversal of a previously recognized loss allowance under IFRS 9 on a specific receivable balance, which was settled during the period via a buy back of residential properties from the same customer.		

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

9. DEVELOPMENT WORK-IN-PROGRESS

Development work-in-progress represents development and construction costs incurred on properties being constructed, and the movement during the period/year is as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>June 30</i>	<i>December 31</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Balance at January 1	793,802	178,207
Additions during the period/year	458	617,668
Impairment during the period/year	-	(2,073)
Balance at June 30/December 31	<u>794,260</u>	<u>793,802</u>

Development work-in-progress includes a land situated in Amman, Jordan which is being held to develop a project.

10. INVESTMENT PROPERTIES

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>June 30</i>	<i>December 31</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Commercial properties	<u>2,722,764</u>	<u>2,482,872</u>

The fair valuation of the investment properties was performed for the financial year ending December 31, 2024, and the management is performing the fair valuation for the year ending December 31, 2025.

Movement in investment properties during the period/year is as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>June 30</i>	<i>December 31</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Balance at January 1	2,482,872	2,520,901
Additions during the period/year*	239,892	20,686
Disposal	-	(84,510)
Changes in fair value during the period/year net	-	25,795
Balance at June 30/December 31	<u>2,722,764</u>	<u>2,482,872</u>

*Additions during the period represents buyback of residential properties from one customer during the period.

11. CASH AND CASH EQUIVALENTS

	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Unaudited)</i>
	<i>June 30 2025</i>	<i>December 31 2024</i>	<i>June 30 2024</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Cash and bank balances	21,446	10,347	12,794
Restricted deposits	<u>1,025</u>	<u>1,025</u>	<u>1,025</u>
	<u>22,471</u>	11,372	13,819
Restricted deposits	<u>(1,025)</u>	<u>(1,025)</u>	<u>(1,025)</u>
	<u>21,446</u>	<u>10,347</u>	<u>12,794</u>

Also included in bank balances and cash is bank deposits of AED 1,025 thousand (December 31, 2024: AED 1,025 thousand) held with an Islamic bank in Abu Dhabi. These deposits can only be utilized for certain specific activities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025
12. BANK BORROWINGS

The following facilities represent financing from banks:

	<i>Expected profit</i>	<i>Maturity</i>	(Unaudited) June 30 2025 AED '000	(Audited) December 31 2024 AED '000
Term financing arrangement 1**	Variable rate	2013 to 2026	69,943	69,943
Term financing arrangement 3	Variable rate	2016 to 2025	149,999	149,999
Term financing arrangement 4	Variable rate	2016 to 2023	440,000	440,000
Term financing arrangement 5	Variable rate	2016 to 2023	327,000	327,000
Term financing arrangement 6	Variable rate	2018 to 2028	45,527	45,527
Term financing arrangement 7	Variable rate	2019 to 2025	177,762	177,762
Term financing arrangement 8	Variable rate	2019 to 2025	37,890	37,890
Term financing arrangement 9*	Variable rate	2021 to 2031	<u>127,500</u>	<u>148,382</u>
			<u>1,375,621</u>	<u>1,396,503</u>

Movements in bank borrowings during the period are as follows:

	(Unaudited) June 30 2025 AED '000	(Audited) December 31 2024 AED '000
As at January 1	1,396,503	1,444,122
Repayment of bank borrowings	<u>(20,882)</u>	<u>(47,619)</u>
Closing balance	<u>1,375,621</u>	<u>1,396,503</u>

*The original borrowing is AED 150 million, out of which the bank deducts AED 43 million as of June 30, 2025, based on the conditions as per the loan agreement.

**This loan is under litigation and changes in the repayment plan for the instalments occurred during the last year. As per the latest court verdict, the amount must be fully settled in 17 instalments.

The management is in the process of restructuring of bank financing amounting AED 944.762 million and no principal repayments have been made on those financing during the period.

Bank borrowings are secured by several security documents, including registered mortgages over various properties in Abu Dhabi and assignment of rental proceeds.

13. CORPORATE TAX

On December 09, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (UAE CT Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The Corporate Tax Law applies to Tax Periods commencing on or after June 01, 2023 (where the Tax Period generally aligns with the financial accounting period). The UAE CT Law is subject to further clarification by supplemental Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority are required to fully evaluate the impact of the UAE CT Law on the Group. Decision No. 116 of 2022 (published in December 2022 and considered to be effective from January 16, 2023) specifies that taxable income not exceeding AED 375,000/- would be subject to the 0% UAE CT rate, and taxable income exceeding AED 375,000/- would be subject to the 9% UAE CT rate. The Group recognised income tax expense based on management's estimate. Effective 1 January 2024, the Group operations in UAE are subject to income tax. The annual effective tax rate (ETR) used relating to UAE operations for the year ended 31 December 2024 is 9%. The major components of corporate tax expense in the consolidated Income statement is as follows:

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

13. CORPORATE TAX (CONTINUED)

	<i>(Unaudited)</i> <i>June 30 2025</i>	<i>(Audited)</i> <i>December 31</i> <i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Current income tax		
Current income tax charge	<u>(348)</u>	<u>(4,522)</u>
Deferred income tax		
Relating to finance cost carried forward	<u>(42)</u>	<u>6,543</u>
Tax (expense)/benefit recognized in consolidated income statement	<u>(390)</u>	<u>2,021</u>
	<i>(Unaudited)</i> <i>June 30 2025</i>	<i>(Audited)</i> <i>December 31</i> <i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Reconciliation of current tax expenses and accounting profit:		
Profit/(loss) before tax for the period/year	<u>(347)</u>	6,200
Add: tax adjustments	<u>5,430</u>	45,544
Less: exempt threshold	<u>(750)</u>	<u>(1,500)</u>
Tax base	<u>4,333</u>	<u>50,244</u>
Tax at the applicable rate of 9%	<u>390</u>	<u>4,522</u>
Tax charge during the period/year	<u>390</u>	<u>4,522</u>

Deferred tax asset on carried forward finance cost

A subsidiary entity has incurred a finance cost of AED 84.7 million (on account of related party balances) out of which AED 12 million was allowed as deduction in previous year and 0.466 million utilised in current period. In accordance with UAE Corporate Tax Law (Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses), tax losses can be carried forward and utilized against future taxable profits, subject to certain conditions. The deferred tax asset arising from the carried forward tax losses has been recognized as follows:

	<i>Temporary difference</i>	<i>Tax rate</i>	<i>Deferred tax asset</i>
Finance cost carried forward	<u>72,237</u>	<u>9%</u>	<u>6,501</u>

International Tax Reform - Pillar Two model rules: The Organisation for Economic Co operation and Development ("OECD") has published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules"), which includes a minimum 15% tax rate by jurisdiction ("Pillar Two"). Various countries have enacted or intend to enact tax legislation to comply with Pillar Two rules. Pillar Two Legislation has not been substantively enacted at the reporting date where the Parent company is incorporated, the UAE. The Group have conducted an assessment of the potential exposure to Pillar Two income taxes if the rules had been in effect in the current reporting period. Based on this assessment the Group does not expect the top up tax to be considered material. The Group is continuing to assess the impact of Pillar Two income taxes legislation on future financial performance for the remaining jurisdictions in which the Group operates. The Group will be conducting a comprehensive assessment to analyze the potential impact of the Pillar Two income tax. The assessment will be completed during the year 2025.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025
14. RELATED PARTIES TRANSACTIONS AND BALANCES

These represent transactions with related parties, i.e. associated companies, major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The management approves pricing policies and terms of these transactions.

Balances with related parties included in the interim condensed consolidated statement of financial position are as follows:

	<i>(Unaudited)</i> June 30 2025	<i>(Audited)</i> December 31 2024
	AED '000	AED '000
<i>Due from related parties:</i>		
Receivable from directors and key management personnel at the handover of units	<u>2,141</u>	<u>2,141</u>

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

	<i>(Unaudited)</i> June 30 2025	<i>(Unaudited)</i> June 30 2024
	AED '000	AED '000
Key management remuneration	6,007	5,904
Short-term employment benefits	1,093	816
Number of key management personnel	<u>8</u>	<u>9</u>

15. CONTINGENCIES AND COMMITMENTS
Commitments

Development expenditure and investments contracted for at the end of the reporting period but not provided for are as follows:

	<i>(Unaudited)</i> June 30 2025	<i>(Audited)</i> December 31 2024
	AED '000	AED '000
Development work-in-progress, investment properties under construction.	<u>250,000</u>	<u>250,000</u>

Contingent liabilities

There are certain claims under litigation against the Group. Although it is not possible at this time to predict the outcome of these claims, management does not expect these claims to have a material adverse effect on the Group's financial position.

16. SHARE CAPITAL

	<i>(Unaudited)</i> June 30 2025	<i>(Audited),</i> December 31 2024
	AED '000	AED '000
Authorized, issued and fully paid-up capital of AED 1/- each	<u>2,600,000</u>	<u>2,600,000</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

17. SEGMENT INFORMATION

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the management of the Group to allocate resources to the segment and assess its performance. Information is reported to the chief operating decision-makers for resource allocation, and performance assessment is based on the following strategic business units offering products and services to the different markets. Segment performance is evaluated based on gross profit and changes in fair values of investment properties, and reversal of impairments.

The Group is operating in the United Arab Emirates only.

The following table represents the revenue and profit information for the Group's operating segments for the six months ended June 30 2025 and June 30 2024.

Six months ended June 30 2025 (unaudited)

	<u><i>Investment properties portfolio</i></u>	<u><i>Property management fee and related activities</i></u>	<u><i>District cooling services</i></u>	<u><i>Facility management and others</i></u>	<u><i>Group AED</i></u>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Sales	26,698	8,977	1,943	10,114	47,732
Cost of revenue	<u>(14,239)</u>	<u>(5,846)</u>	<u>(1,912)</u>	<u>(7,569)</u>	<u>(29,566)</u>
Segment profit/(loss)	12,459	3,131	31	2,545	18,166
Selling and marketing expenses					(206)
General and administrative expenses					(25,495)
Loss allowances under IFRS 9 written back					43,485
Finance costs					(36,720)
Other income					<u>423</u>
Loss before tax for the period					(347)
CT tax expense					<u>(390)</u>
Net loss after tax					<u><u>(737)</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

17. **SEGMENT INFORMATION (continued)**
Six months ended June 30 2024 (unaudited)

	<u><i>Investment properties portfolio</i></u>	<u><i>Property management fee and related activities</i></u>	<u><i>District cooling services</i></u>	<u><i>Facility management and others</i></u>	<u><i>Group AED</i></u>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
Sales	24,239	8,197	4,559	11,248	48,243
Cost of revenue	<u>(14,076)</u>	<u>(6,718)</u>	<u>(3,997)</u>	<u>(8,083)</u>	<u>(32,874)</u>
Segment profit/(loss)	10,163	1,479	562	3,165	15,369
Selling and marketing expenses					(139)
General and administrative expenses					(21,445)
Finance costs					(56,357)
Other income					<u>2,681</u>
Loss for the period					<u>(59,891)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

17. SEGMENT INFORMATION (continued)

The following table represents the assets and liabilities for the Group's operating segments as at June 30 2025 and June 30 2024.

	<u>Property development and sales</u>	<u>Investment properties portfolio</u>	<u>Property management fee and related activities</u>	<u>District cooling services</u>	<u>Facility management and others</u>	<u>Total segments</u>	<u>Unallocated</u>	<u>Consolidated</u>
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<i>As at June 30 2025 (unaudited)</i>								
Assets	2,091,875	30,028	2,778,261	151,587	7,007	5,058,758	281,924	5,340,682
Liabilities	(1,570,839)	(25,759)	(157,253)	(7,895)	(7,012)	(1,768,758)	(637,033)	(2,405,791)
<i>As at June 30 2024 (Unaudited)</i>								
Assets	2,099,505	21,458	2,583,378	157,074	5,863	4,867,278	401,290	5,268,568
Liabilities	(1,555,640)	(21,387)	(175,066)	(8,723)	(5,013)	(1,765,829)	(635,223)	(2,401,052)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
June 30 2025

18. Recoverable infrastructure cost

In arriving at the cost of properties sold, the Group has considered that the Government entities will reimburse the infrastructure costs incurred by the Group on various developments amounting to AED 585 million. The management supported by the Board of Directors is in discussions with Abu Dhabi Water and Electricity Authority and other government related entities relating to recovery of infrastructure costs. The Group received an amount of AED 171 million up till the year end of December 31 2024. The remaining AED 414 million has been claimed and is in process.

19. Going concern

These financial information have been prepared under the going concern concept despite the fact that has no major development in the projects and non-recovery of receivables from a strategic client. The board of directors are considering the plans to restructure the bank facilities, repurpose some of its assets and to enter settlement terms with major customers to generate cash flows and to continue its operations in the foreseeable future. It is important to note that the ongoing financial restructuring involves forward-looking statements and assumptions, as the outcomes of certain actions are subject to market conditions, negotiations, and counterparty approvals.

20. DIVIDEND

No dividends were declared and paid during the six-month period ended June 30 2025.

21. Events after the reporting period

There were no significant events after the reporting period that could have material effects on the state of affairs of the Group.