

PALMS SPORTS PJSC

**Review report and interim condensed consolidated financial
statements for three-month period ended 31 March 2026**

PALMS SPORTS PJSC

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for the three-month period ended 31 March 2026**

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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF PALM SPORTS P.J.S.C.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Palms Sports P.J.S.C. ("the Company") and its subsidiaries ("the Group"), as at 31 March 2026 and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and selected explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated financial information in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this condensed consolidated 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matter

The Group's consolidated financial statements for the year ended 31 December 2025 and interim financial information for the three-month period ended 31 March 2025 were audited and reviewed respectively by another auditor who expressed an unmodified opinion on those statements and unmodified conclusion on that information on 20 January 2026 and 23 April 2025, respectively.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah

Registration No. 717

21 April 2026

Abu Dhabi

United Arab Emirates

**Interim condensed consolidated statement of financial position
as at 31 March 2026**

	Notes	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Assets			
Non-current assets			
Property and equipment	4	91,935,388	92,544,592
Prepayments	8	6,405,794	5,448,399
Intangible assets and goodwill	5	74,552,102	74,586,802
Investment in joint ventures	6	8,667,220	8,914,204
Right-of-use asset		9,177,200	10,478,704
Investments in financial assets	7	28,214,495	27,780,040
		<hr/>	<hr/>
		218,952,199	219,752,741
Current assets			
Inventories		6,844,761	5,422,489
Investments in financial assets	7	54,049,170	66,881,440
Trade and other receivables	8	503,882,674	511,209,001
Amounts due from related parties	12	35,175,248	53,099,802
Loans to related parties	12	32,597,251	34,197,251
Cash and bank balances	9	170,811,937	194,499,327
		<hr/>	<hr/>
		803,361,041	865,309,310
		<hr/>	<hr/>
Total assets		1,022,313,240	1,085,062,051
Equity and liabilities			
Equity			
Share capital	10	150,000,000	150,000,000
Legal reserve	11	64,052,002	64,052,002
Merger reserve		4,267,579	4,267,579
Cumulative changes on revaluation of investments		(6,675,134)	(6,675,134)
Retained earnings		360,494,473	426,906,822
		<hr/>	<hr/>
Equity attributable to the Owners of the Company		572,138,920	638,551,269
Non-controlling interest		(1,019,266)	(679,443)
		<hr/>	<hr/>
Total equity		571,119,654	637,871,826
		<hr/>	<hr/>

The accompanying notes form an integral part of these condensed financial statements.

**Interim condensed consolidated statement of financial position
as at 31 March 2026 (continued)**

	Notes	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Non-current liabilities			
Provision for employees' end of service benefits		143,550,052	139,769,702
Deferred tax liabilities	19	3,494,467	3,751,627
Lease liabilities		6,880,085	6,879,012
Bank borrowings	14	71,668,000	71,668,000
		<u>225,592,604</u>	<u>222,068,341</u>
Current liabilities			
Trade and other payables		150,506,235	147,396,528
Amounts due to related parties	12	10,312,336	14,729,953
Current tax liabilities	19	21,703,067	17,555,810
Bank borrowings	14	41,666,000	41,666,000
Lease liabilities		1,413,344	3,773,593
		<u>225,600,982</u>	<u>225,121,884</u>
Total liabilities		<u>451,193,586</u>	<u>447,190,225</u>
Total equity and liabilities		<u>1,022,313,240</u>	<u>1,085,062,051</u>



Chief Executive Officer



Director

Interim condensed consolidated statement of profit or loss and other comprehensive income for the three month-period ended 31 March 2026

	Notes	Three months ended 31 March	
		2026 (unaudited) AED	2025 (unaudited) AED
Revenue from contracts with customers	15	288,528,293	276,279,425
Cost of sales	16	(234,728,623)	(228,307,184)
		<hr/>	<hr/>
Gross profit		53,799,670	47,972,241
General and administrative expenses		(19,779,310)	(16,059,116)
Share of (loss) profit of joint ventures	6	(246,983)	233,831
Finance income		1,451,615	1,407,831
Finance costs		(2,341,139)	(3,412,613)
Dividend income		231,474	116,364
Changes in fair value of financial assets carried at fair value through profit and loss	7.2	(12,832,270)	(8,892,970)
Provision for expected credit losses, net	8	210,226	(2,184,366)
Other income		1,694,642	729,423
		<hr/>	<hr/>
Profit before tax for the period		22,187,925	19,910,625
Income tax expense	19	(3,890,097)	(2,464,164)
		<hr/>	<hr/>
Profit for the period		18,297,828	17,446,461
		<hr/> <hr/>	<hr/> <hr/>
<i>Attributable to:</i>			
Owners of the Company		18,637,651	17,592,421
Non-controlling interest		(339,823)	(145,960)
		<hr/>	<hr/>
		18,297,828	17,446,461
		<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share	17	0.12	0.12
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these condensed financial statements.

Interim condensed consolidated statement of profit or loss and other comprehensive income for the three month-period ended 31 March 2026 (continued)

	Notes	Three months ended 31 March	
		2026 (unaudited) AED	2025 (unaudited) AED
Profit for the period		18,297,828	17,446,461
Other comprehensive income		-	-
Total comprehensive income for the period		18,297,828	17,446,461
<i>Attributable to:</i>			
Owners of the Company		18,637,651	17,592,421
Non- controlling interest		(339,823)	(145,960)
		18,297,828	17,446,461

The accompanying notes form an integral part of these condensed financial statements.

**Interim condensed consolidated statement financial of changes in equity
for the three-month period ended 31 March 2026**

	Attributable to equity holders of the Company						Non-controlling interest AED	Total equity AED
	Share Capital AED	Legal reserve AED	Merger reserve AED	Cumulative changes in fair value AED	Retained earnings AED	Total AED		
At 1 January 2025 (audited)	150,000,000	52,489,578	4,267,579	(4,420,372)	372,846,008	575,182,793	238,224	575,421,017
Profit/(loss) for the period	-	-	-	-	<u>17,592,421</u>	<u>17,592,421</u>	<u>(145,960)</u>	<u>17,446,461</u>
Total comprehensive income for the period/(loss)	-	-	-	-	17,592,421	17,592,421	(145,960)	17,446,461
Dividends paid (note 10.1)	-	-	-	-	(50,001,000)	(50,001,000)	-	(50,001,000)
At 31 March 2025 (unaudited)	<u>150,000,000</u>	<u>52,489,578</u>	<u>4,267,579</u>	<u>(4,420,372)</u>	<u>340,437,429</u>	<u>542,774,214</u>	<u>92,264</u>	<u>542,866,478</u>
At 1 January 2026 (audited)	150,000,000	64,052,002	4,267,579	(6,675,134)	426,906,822	638,551,269	(679,443)	637,871,826
Profit for the period/(loss)	-	-	-	-	<u>18,637,651</u>	<u>18,637,651</u>	<u>(339,823)</u>	<u>18,297,828</u>
Total comprehensive income for the period/(loss)	-	-	-	-	18,637,651	18,637,651	(339,823)	18,297,828
Dividends paid (note 10.1)	-	-	-	-	(85,050,000)	(85,050,000)	-	(85,050,000)
At 31 March 2026 (unaudited)	<u>150,000,000</u>	<u>64,052,002</u>	<u>4,267,579</u>	<u>(6,675,134)</u>	<u>360,494,473</u>	<u>572,138,920</u>	<u>(1,019,266)</u>	<u>571,119,654</u>

The accompanying notes form an integral part of these condensed financial statements.

**Interim condensed consolidated statement of cash flows
for the three-month period ended 31 March 2026**

	<i>Notes</i>	Three months ended 31 March	
		2026	2025
		AED	AED
		(unaudited)	(unaudited)
OPERATING ACTIVITIES			
Profit for the period before tax		22,187,925	19,910,625
Adjustments for:			
Depreciation of property and equipment	4	2,288,674	2,103,935
Amortisation of intangible assets	5	1,503,699	1,509,288
Depreciation of right-of-use asset		1,257,779	1,151,000
Gain on disposal of property and equipment		-	(81,581)
Share of loss (profit) of joint ventures	6	246,983	(233,831)
Provision for employees' end of service benefits		7,343,908	6,954,245
Reversal of impairment in investment in JV		-	(150,000)
Provision for expected credit losses	8	(210,226)	2,184,366
Provision for slow moving inventory		138,101	-
Change in fair value of financial assets carried at fair value through profit and loss	7.2	12,832,270	8,892,970
Loss on termination of lease		2,044	-
Finance income		(1,451,615)	(1,407,831)
Finance cost		2,341,139	3,412,613
		48,480,681	44,245,799
Working capital changes:			
Inventories		(1,560,373)	19,736
Trade and other receivables		6,579,169	(49,029,248)
Amounts due from related parties		17,924,554	17,037,575
Trade and other payables		2,375,207	11,175,695
Amounts due to related parties		(4,417,617)	(2,598,904)
		69,381,621	20,850,653
Cash from generated from operations		69,381,621	20,850,653
Employees' end of service benefits paid		(3,563,557)	(2,468,563)
Finance cost paid		(2,206,303)	(3,245,151)
		63,611,761	15,136,939
Net cash flows from operating activities			
Investing activities			
Movement in term deposits with original maturities more than three months		(245,195)	(19,392,690)
Purchase of property and equipment	4	(1,679,470)	(1,016,193)
Finance income received		1,017,150	1,015,214
Margin deposits		335,797	(4,638,785)
Proceeds from sale of property and equipment		-	179,048
Cash (paid) received on acquisition of subsidiaries, net	20.1	(734,500)	(1,000,000)
		(1,306,218)	(24,853,406)
Net cash used in investing activities			

The accompanying notes form an integral part of these condensed financial statements.

**Interim condensed consolidated statement of cash flows
for the three-month period ended 31 March 2026 (continued)**

	<i>Notes</i>	Three months ended 31 March	
		2026	2025
		AED	AED
		(unaudited)	(unaudited)
Financing activities			
Repayment of lease liability		(2,452,331)	(1,640,331)
Loan repaid by related parties		1,600,000	500,000
Dividends paid	10.1	(85,050,000)	(50,001,000)
Repayment of bank borrowings		-	(81,241,400)
		<hr/>	<hr/>
Cash flow used in financing activities		(85,902,331)	(132,382,731)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents during the period		(23,596,788)	(142,099,198)
Cash and cash equivalents at beginning of the period		144,094,639	241,262,102
		<hr/>	<hr/>
Cash and cash equivalents at the end of the period	9	120,497,851	99,162,904
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these condensed financial statements.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026****1 General information**

Palms Sports PJSC (the “Company”) is a private joint stock company incorporated in Abu Dhabi under the UAE Federal Law No. (2) of 2015. The address of its registered office is at P.O. Box 39877, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the “Group”). The Group’s principal activities are trading sports goods, providing sport enterprises investment, education services enterprise investment, security guards services, physiotherapy and sports injury rehabilitation.

International Holding Company PJSC is the Parent and Fount Trust is the Ultimate Parent of the Company.

The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 21 April 2026.

2 Application of new and revised IFRS Accounting Standards (IFRSs)**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated interim financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in condensed consolidated interim financial statements. The application of these revised IFRSs 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 IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.

Annual improvements to IFRS Accounting Standards — Volume 11

The pronouncement comprises the following amendments:

- IFRS 1: Hedge accounting by a first-time adopter
- IFRS 7: Gain or loss on derecognition
- IFRS 7: Disclosure of deferred difference between fair value and transaction price
- IFRS 7: Introduction and credit risk disclosures
- IFRS 9: Lessee derecognition of lease liabilities
- IFRS 9: Transaction price
- IFRS 10: Determination of a ‘de facto agent’
- IAS 7: Cost method

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026**

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

2.2 New and revised IFRS in issue but not yet effective

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
 <i>IFRS Sustainability Disclosure Standards</i>	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the condensed consolidated interim financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the condensed consolidated interim financial statements and its notes.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed consolidated interim financial statements of the Group.

3 Summary of material accounting policy information

3.1 Basis of preparation

3.1.1 Statement of compliance

The interim condensed consolidated financial statements for the three months ended 31 March 2026 have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting and also comply with the applicable requirements of the laws in the United Arab Emirates,

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three months period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026.

These interim condensed consolidated financial statements have been prepared on historical cost basis, except for investments in financial assets carried at fair value through other comprehensive income and investments carried at fair value through profit or loss which are stated at fair value.

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.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)****3 Summary of material accounting policies (continued)****Basis of preparation (continued)****Basis for consolidation**

The interim condensed consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group 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 Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- potential voting rights held by the Group, other vote holders and other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group 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 previous shareholders' meeting.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between member of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

3 Summary of material accounting policies (continued)

Basis of preparation (continued)

Basis for consolidation (continued)

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). 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, the cost on initial recognition of an investment in an associate or a joint venture.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of the Company's subsidiaries as at 31 March 2026 and 31 December 2025 were as follows:

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>31 March 2026</i>	<i>31 December 2025</i>
Direct Trading LLC	United Arab Emirates	Distribution Company	60%	60%
Palms Sports Events LLC	United Arab Emirates	Dormant Company	100%	100%
Securiguard Middle East LLC	United Arab Emirates	Provision of security guards and cleaning services	100%	100%
Secure Recruitment Services Establishment LLC	United Arab Emirates	Provision of recruitment services	100%	100%
Secure Facilities General Maintenance LLC OPC	United Arab Emirates	Dormant Company	100%	100%
Securiguard Middle East Co LLC	United Arab Emirates	General security guard services	100%	100%
Securiguard Parking Management - Sole Proprietorship L.L.C.	United Arab Emirates	Dormant Company	100%	100%
YAS Physiotherapy Center - L.L.C.	United Arab Emirates	Physiology Treatment Centre	100%	80%
Neuronso Technology for AI Applications And Services Co. LLC	United Arab Emirates	Cyber Risk Management, Cyber Security Services and Electronic Chips Programming	51%	51%
Thai T-shirt Factory Co. Ltd*	Kingdom of Thailand	Manufacturing T-shirts	45%	-
Palm Security Services – L.L.C – O.P.C	United Arab Emirates	Dormant Company	100%	100%

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

3 Summary of material accounting policies (continued)

Basis of preparation (continued)

Basis for consolidation (continued)

<i>Name of subsidiary</i>	<i>Place of incorporation and operation</i>	<i>Principal activities</i>	<i>Proportion of ownership interest and voting power held</i>	
			<i>31 March 2026</i>	<i>31 December 2025</i>
Learn Educational Investment LLC	United Arab Emirates	Holding Company	100%	100%
<i>Below are the subsidiaries of Learn Educational Investment LLC:</i>				
Al Rabeeh Academy LLC	United Arab Emirates	Provision of education services	100%	100%
Al Rabeeh School LLC	United Arab Emirates	Provision of education services	100%	100%

*The Company appoints majority of the directors to the board of Thai T-Shirt Factory Co., Ltd, thereby exercising control.

Significant accounting estimates and judgements

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

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

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

4 Property and equipment

During the period, additions to property and equipment amounted to AED 1,679,470 (three month period ended 31 March 2025: AED 1,016,193) and depreciation charge for three month period ended 31 March 2026 amounted to AED 2,288,674 (three month period ended 31 March 2025: AED 2,103,935). Assets with a net book value of AED nil were disposed during the three month period ended 31 March 2026 (three month period ended 31 March 2025: AED 97,467).

Notes to the interim condensed consolidated financial statements for the three-month period ended 31 March 2026 (continued)

5 Intangible assets and goodwill

During the period, additions to intangible assets and goodwill amounted to AED 1,469,000 (three month period ended 31 March 2025: AED 1,000,000) and amortisation charge for three month period ended 31 March 2026 amounted to AED 1,503,699 (three month period ended 31 March 2025: AED 1,509,291).

As of the reporting period, the net carrying amount amounts to AED 74,552,02 (31 December 2025: AED 74,586,802) which pertains to computer software, goodwill, customer and supplier contracts and brand and trademark amounting to AED 403,415, AED 19,128,383, AED 27,648,060 and AED 27,372,239 (31 December 2025: AED 430,307 , AED 17,659,383, AED 28,577,784 and AED 27,919,328) respectively.

6 Investment in joint ventures

Details of the Group's investment in joint ventures is as follows:

Name of entity	Principal activities	Place of incorporation and operation	Ownership interest	
			2026	2025
Exceed Holding for Sports LLC	Sport enterprises investment, institution and management	UAE	50%	50%
AL Qudra Sports Management LLC	Sport enterprises investment, institution and management	UAE	50%	50%

Movement in investment in joint ventures is as follows:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Carrying value of investment at the beginning of the period	8,914,203	5,358,953
Group's share of (loss)/profit for the period / year	(246,983)	3,405,250
Reversal of impairment	-	150,000
	8,667,220	8,914,203

Exceed Holding for Sports LLC

The investment in Exceed Holding for Sports LLC is AED 2,320,864 as on 31 March 2026 (2025: AED 2,757,768). During 2022, the Group incorporated Exceed Holding for Sports LLC (Exceed) with 50% shareholding and injected their share capital of AED 150,000. The other venturer owns the remaining 50%.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

6 Investment in joint ventures (continued)

Exceed Holding for Sports LLC (continued)

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Carrying value of investment at the beginning of the period	2,757,768	-
Group's share of (loss)/profit for the period / year	(436,905)	2,607,768
Reversal of impairment	-	150,000
	<u>2,320,863</u>	<u>2,757,768</u>

Summarized statement of financial position of Exceed Holding for Sports LLC:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Total assets	104,406,029	114,594,258
Total liabilities	99,764,305	109,078,721

Summarized statement of profit or loss of Exceed Holding for Sports LLC:

	Three months ended 31 March	
	2026 AED (unaudited)	2025 AED (unaudited)
Revenue	15,638,666	17,890,808
Direct costs	(13,092,771)	(15,029,880)
Gross Profit	<u>2,545,895</u>	<u>2,860,928</u>
Total comprehensive (loss) income for the period	(873,810)	284,844
Group's share of (loss) profit for the period	<u>(436,905)</u>	<u>142,422</u>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

6 Investment in joint ventures (continued)

Al Qudra Sports Management LLC

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Carrying value of investment at the beginning of the period	6,156,436	5,358,983
Group's share of (loss)/profit for the period / year	189,921	797,483
	6,346,357	6,156,436

Summarized statement of financial position of Al Qudra Sports Management LLC:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Total assets	17,640,993	16,835,102
Total liabilities	11,947,997	11,521,949

Summarized statement of profit or loss of Al Qudra Sports Management LLC:

	Three months ended 31 March	
	2026 AED (unaudited)	2025 AED (unaudited)
Revenue	7,802,159	6,489,056
Direct costs	(6,786,613)	(6,229,733)
Gross Profit	1,015,546	619,323
Total comprehensive income for the period	379,844	182,818
Group's share of profit for the period	189,922	91,409

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

7 Investments in financial assets

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Investments carried at fair value through other comprehensive income (note 6.1)	9,824,712	9,824,712
Investments carried at fair value through profit or loss (note 6.2)	54,049,170	66,881,440
Investment carried at amortised cost (note 6.3)	18,389,783	17,955,328
	82,263,665	94,661,480

7.1 Investment carried at fair value through other comprehensive income

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Unquoted and inside the UAE	9,824,712	9,824,712

The investment is in a fund created by a related party, against a total commitment of USD 5,000,000 (2025: USD 5,000,000). This investment in equity instrument is not held for trading. Instead, it is held for long-term strategic purpose. Accordingly, management of the Group has elected to designate the investment as equity instrument at FVTOCI, as they believe that recognising short-term fluctuations would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run.

The investments are recorded at fair value using the valuation techniques as disclosed in note 19. Movement in investment in financial assets carried at fair value through other comprehensive income is as follows:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
At 1 January	9,824,712	12,535,126
Additions	-	39,637
Disposal of investment during the period / year	-	(272,289)
Changes in fair value	-	(2,477,762)
At the end of the period / year	9,824,712	9,824,712

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

7 Investments in financial assets (continued)

7.2 Investment carried at fair value through profit or loss

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Quoted and inside the UAE	54,049,170	66,881,440

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market.

The sensitivity analyses have been determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% higher/lower, profit or loss for the period would have been higher/lower by AED 540,492 higher/lower.

The investments are recorded at fair value using the valuation techniques as disclosed in note 21. Movement in investment in financial assets carried at fair value through profit and loss is as follows:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
At 1 January of the period / year	66,881,440	77,739,726
Changes in fair value during the period / year	(12,832,270)	(10,858,286)
At the end of the period / year	54,049,170	66,881,440

7.3 Investment carried at amortised cost

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Investment in debt instruments	18,389,783	17,955,328

These investments carry an interest ranging from 5% to 10% (2025: 5% to 10%). During the period, the interest earned on these investments amounted to AED 434,455 (31 March 2025: AED 392,620).

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

7 Investments in financial assets (continued)

7.3 Investment carried at amortised cost (continued)

Classification of investments

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Non-current financial assets	28,214,495	27,780,040
Current financial assets	54,049,170	66,881,440
	82,263,665	94,661,480

8 Trade and other receivables

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Trade receivables	439,147,646	443,736,440
Less: allowance for expected credit losses	(21,825,372)	(22,035,598)
	417,322,274	421,700,842
Prepayments and deposits	52,728,287	54,397,059
Advances to suppliers	18,954,002	17,135,927
Other receivables	21,283,905	23,423,572
	510,288,468	516,657,400

Trade and other receivables as of 31 March 2026 are analysed in the consolidated statement of financial position as follows:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Current portion	503,882,674	511,209,001
Non-current portion - prepayments	6,405,794	5,448,399
	510,288,468	516,657,400

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

8 Trade and other receivables (continued)

Movements in the allowance for expected credit losses were as follows:

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
At 1 January	22,035,598	24,624,615
Reversals during the period / year, net	(210,226)	(2,589,017)
At the end of the period / year	<u>21,825,372</u>	<u>22,035,598</u>

9 Cash and bank balances

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Cash on hand	838,345	899,931
Cash at bank - current account	119,659,506	143,194,708
Cash and cash equivalents	<u>120,497,851</u>	<u>144,094,639</u>
Fixed deposits with an original maturity of more than three months	43,069,636	42,824,442
Margin deposits	163,567,487	186,919,081
Less: allowance for expected credit losses	7,289,989 (45,539)	7,625,785 (45,539)
Cash and bank balances	<u>170,811,937</u>	<u>194,499,327</u>

Fixed deposits comprise short term deposits placed with commercial banks bearing interest rates ranging from 0.12% per annum to 3.82% per annum (2025: from 0.15% per annum to 4.5% per annum).

10 Share capital

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Authorized, issued and fully paid shares		
150,000,000 ordinary shares of AED 1 each (2025: 150,000,000 ordinary shares of AED 1 each)	<u>150,000,000</u>	<u>150,000,000</u>

10.1 Dividends

During the period, the shareholders of the Company declared a dividend of AED 0.567 per share (2025: AED 0.334 per share) amounting to AED 85,050,000 (2025: AED 50,001,000) which was paid on 31 March 2026 (2025: 12 March 2025).

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)****11 Legal reserve**

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 10% of the profit for the year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the share capital of the Company.

12 Related party transactions and balances

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in the International Accounting Standard (IAS) 24 Related Party Disclosures.

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

Terms and conditions of transactions with related parties

The Group enters into transactions with related parties in the ordinary course of business at mutually agreed rates. Outstanding balances at the period-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the period ended 31 March 2026, the Group has recorded an impairment of receivables relating to amounts owed by related parties of AED nil (2025: AED 2,200,872). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

12 Related party transactions and balances (continued)

	Nature of relationship	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Amounts due from related parties:			
Rafed Healthcare Supplies L.L.C.	Other related party	11,940,097	10,467,647
Exceed Holding for Sports LLC	Joint Venture	5,265,970	4,614,562
Inspire Integrated			
Facilities Management LLC	Entities under common control	5,147,659	5,147,659
Aldar Properties PJSC	Entities under common control	3,057,705	3,057,705
National Petroleum Construction			
Company (NPCC)	Entities under common control	2,017,584	1,347,479
Pyxis Events L.L.C.	Subsidiary of a Joint venture	1,691,287	1,355,289
Asteco Property Management LLC	Entities under common control	1,322,127	181,967
Bunya Enterprises LLC	Other related party	838,955	309,374
Trojan General Contracting and six construct			
Limited-Zayed National Museum	Other related party	628,579	771,606
Abu Dhabi United Hospitality –			
Sole Proprietorship L.L.C.	Entities under common control	613,368	460,026
800TEK Facilities Management LLC	Entities under common control	605,106	605,106
Al Jazira Football Sports Company L.L.C	Other related party	583,704	217,552
Spark Securities Services - Sole Prop LLC	Entities under common control	566,055	566,055
M42 Ltd	Other related party	547,552	871,206
Khidmah - Sole Proprietorship LLC	Entities under common control	515,529	515,529
G42 Companies Management RSC LTD	Other related party	421,849	382,188
St. Regis Saadiyat Island Resort Abu Dhabi	Entities under common control	383,597	334,868
The Private Affairs			
Department of Sheikha Fatima	Other related party	378,527	580,627
G42 Cloud Technology LLC	Other related party	185,113	102,165
Pure C S It Infrastructure LLC	Other related party	163,800	325,553
Burjeel Holding	Other related party	153,008	146,237
Al Wathba A Luxury Collection Desert			
Report & Spa – Sole Proprietorship L.L.C.	Entities under common control	150,011	111,356
Presight AI Technologies LLC	Other related party	145,261	107,765
Etihad International Hospitality LLC	Entities under common control	109,368	110,124
Aldar Investment Properties LLC	Entities under common control	19,740	236,880
Etihad Airways Group	Other related party	-	5,800,205
AD Ports ICP	Other related party	-	9,497,666
Senaat - Emirates Steel	Other related party	-	3,534,162
Emirates Palace Hotel Abu Dhabi	Other related party	-	1,802,421
Tourism Development & Investment			
Company	Other related party	-	707,116
Senaat - Al Foah	Other related party	-	530,255
UAE Jiu Jitsu Federation	Other related party	-	499,786
Others		1,011,168	1,089,657
Provision for expected credit losses		(3,287,991)	(3,287,991)
		35,175,248	53,099,802

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

12 Related party transactions and balances (continued)

	Nature of relationship	31 March 2026 AED	31 December 2025 AED
Loans to related parties			
Exceed Holding for Sports LLC	Joint Venture	19,297,251	19,297,251
Pyxis Events Sole Proprietorship LLC	Subsidiary of a Joint Venture	13,300,000	14,900,000
		<u>32,597,251</u>	<u>34,197,251</u>

The loan is repayable in one year and carries an interest rate of 6.25% per annum.

	Nature of relationship	31 March 2026 AED	31 December 2025 AED
Balances with a financial institution	Other related party	131,420,032	139,264,120
Investments in financial assets:			
Multiply Group P.J.S.C	Entity under common control	28,848,000	39,215,250
Chimera Global Fund I LP	Other related party	9,824,712	9,824,712
Pure Health Holding PJSC	Other related party	1,914,750	2,358,750
NMDCENR	Other related party	1,878,451	1,936,633
Invictus Investment Company PLC	Other related party	2,385,000	3,345,000
Presight AI Holding PLC	Other related party	2,124,610	2,378,403
Burjeel Holdings PLC	Other related party	712,109	893,495
		<u>47,687,633</u>	<u>59,952,243</u>
Amounts due to related parties:			
National Health Insurance Company – Daman PJSC	Other related party	7,496,621	11,187,299
International Holding Company PJSC	Parent Company	1,114,378	1,009,378
Pyxis Events L.L.C.	Subsidiary of a Joint Venture	609,473	1,300,568
Khidmah - Sole Proprietorship LLC	Entities under common control	406,410	406,410
Capital Medical Center - Sole Proprietorship LLC	Other related party	279,250	247,350
Others		406,210	578,947
		<u>10,312,336</u>	<u>14,729,953</u>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

12 Related party transactions and balances (continued)

Transactions

During the period, the Group entered into the following significant transactions with related parties:

	Three months ended 31 March	
	2026	2025
	AED	AED
	(unaudited)	(unaudited)
Transactions with ultimate parent and other related parties:		
Revenue	14,064,725	34,386,327
Purchase of goods and services	1,638,189	2,147,781
Interest income on bank deposits	438,819	750,535
Finance costs	660,534	650,382
Dividend income	133,030	116,364
Interest income from loan to a related party	540,582	61,979

Transactions with key management personnel

	Three months ended 31 March	
	2026	2025
	AED	AED
	(unaudited)	(unaudited)
Salaries and short-term benefits	876,815	625,358
Employees' end of service benefits	8,699	-
	885,514	625,358

Transactions with related parties were entered into on terms agreed with management.

13 Contingent liabilities

	31 March	31 December
	2026	2025
	AED	AED
	(unaudited)	(audited)
Bank guarantees	235,779,068	242,181,820
Commitments	7,919,200	7,919,200

The above bank guarantees have been issued from a local bank in the ordinary course of business on which the bank charges a fee of 1% per annum (31 December 2025: 1% per annum).

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

14 Bank borrowings

	31 March 2026 AED (unaudited)	31 December 2025 AED (audited)
Current	41,666,000	41,666,000
Non-current	71,668,000	71,668,000
	113,334,000	113,334,000
Term loan 1	90,000,000	90,000,000
Term loan 2	23,334,000	23,334,000
	113,334,000	113,334,000

Term loan 1

During the year 2023, the Group obtained a loan amounting to AED 120,000,000 to finance the acquisition of a subsidiary, Securiguard Middle East LLC. The principal portion of the facility is repayable in five annual instalments with last payment due 30 September 2028. The loan carries an interest charged at the aggregate of 3 months EIBOR plus 1.25% spread per annum.

Term loan 2

During 2024, a subsidiary of the Group obtained a new loan amounting to AED 35,000,000 to finance the working capital of the subsidiary. The principal portion of the facility is repayable in six equal instalments with the last payment due on 31 October 2027. The loan carries an interest charged at the aggregate of 3 months EIBOR plus 1.25% spread per annum.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

15 Revenue from contracts with customers

	Three months period ended 31 March 2026 AED (unaudited)	Three months period ended 31 March 2025 AED (unaudited)
Types of goods or service		
Income from coaching and training services	113,048,662	108,257,634
Income from guarding, cleaning and equipment services	153,414,815	149,484,784
Income from educational services	20,485,489	16,722,666
Sale of material	553,123	620,309
Physiotherapy services	583,166	602,897
Other services	443,038	591,135
	<u>288,528,293</u>	<u>276,279,425</u>
Geographical markets		
United Arab Emirates	288,087,593	275,838,725
United States of America	440,700	440,700
	<u>288,528,293</u>	<u>276,279,425</u>
Timing of revenue recognition		
Revenue over time	287,392,004	275,056,219
Revenue at a point in time	1,136,289	1,223,206
	<u>288,528,293</u>	<u>276,279,425</u>

16 Cost of revenue

	Three months period ended 31 March 2026 AED (unaudited)	Three months period ended 31 March 2025 AED (unaudited)
Staff cost	203,548,310	202,313,086
Events	5,416,333	7,999,465
Recruitment expense	4,116,375	4,147,683
Transportation expense	4,213,345	3,405,972
Material cost	1,299,211	297,304
Other direct costs	16,135,049	10,143,674
	<u>234,728,623</u>	<u>228,307,184</u>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

17 Basic earnings per share

Basic earnings per share are calculated by dividing the total profit for the period of the Group by the weighted average number of shares in issue throughout the period as follows:

	Three months ended 31 March	
	2026	2025
	AED	AED
	(unaudited)	(unaudited)
Profit attributable to the owners of the Company (AED)	18,637,651	17,592,421
Weighted average number of shares (shares)	150,000,000	150,000,000
Basic earnings per share for the period (AED)	0.12	0.12

As of 31 March 2026, the Company has not issued any dilutive instruments that have an impact on earnings per share when exercised.

18 Segment reporting

Segments were identified based on the Group's internal reporting and how the Chief Operating Decision Maker ("CODM") assesses the performance of the business. The Group has two reportable segments listed below.

Income from guarding and cleaning services includes provision of services of security guards and onshore and offshore oil cleaning services to its customer.

Income from coaching and training services includes providing specialized sports training services with regards to Jiu-Jitsu, mixed martial arts and combat sports.

Income from educational services includes providing educational services, management of educational institutions.

Others includes IT research and physiotherapy treatment services.

The Chief Operating Decision Makers (CODM) monitor the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

18 Segment reporting (continued)

	Coaching and training AED	Guarding and cleaning AED	Educational services AED	Others AED	Unallocated AED	Elimination AED	Total AED
31 March 2026							
Revenue from contracts with customers	113,048,662	153,661,771	20,485,489	2,191,147	-	(858,776)	288,528,293
Cost of sales	(75,107,975)	(144,404,180)	(12,968,396)	(2,859,892)	-	611,820	(234,728,623)
Gross profit	37,940,687	9,257,591	7,517,093	(668,745)	-	(246,956)	53,799,670
Profit (loss) for the period before tax	29,011,706	4,125,062	1,257,651	(2,131,534)	(10,048,064)	(26,896)	22,187,925
Segment assets	624,958,453	461,620,414	84,456,081	25,549,837	145,951,184	(320,222,729)	1,022,313,240
Segment liabilities	165,689,158	172,662,257	86,746,034	26,239,860	90,000,000	(90,143,723)	451,193,586
31 March 2025							
Revenue from contracts with customers	108,305,134	149,660,063	16,722,666	2,134,273	-	(542,711)	276,279,425
Cost of sales	(75,569,852)	(140,310,273)	(11,485,264)	(1,484,506)	-	542,711	(228,307,184)
Gross profit	32,735,282	9,349,790	5,237,402	649,767	-	-	47,972,241
Profit (loss) for the period before tax	24,909,295	3,196,298	562,617	(364,810)	(8,392,775)	-	19,910,625
Segment assets	580,334,899	441,989,797	82,372,681	11,113,072	164,940,341	(268,599,179)	1,012,151,611
Segment liabilities	124,507,165	171,443,060	86,139,091	8,634,663	124,659,445	(46,098,291)	469,285,133

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

19 Income tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three months ended 31 March	
	2026	2025
	AED	AED
	(unaudited)	(unaudited)
Current tax expense	3,383,518	2,760,809
Domestic minimum top-up tax	763,738	179,735
Deferred income tax	(257,159)	(476,380)
	<hr/>	<hr/>
Income tax expense recognized in the consolidated statement of profit or loss	3,890,097	2,464,164
	<hr/> <hr/>	<hr/> <hr/>

Current tax liabilities

The movement in the current tax liabilities is as follows:

	31 March	31 December
	2026	2025
	AED	AED
	(unaudited)	(audited)
At 1 January of the period / year	17,555,810	13,723,980
Charge for the period / year	4,147,257	17,628,170
Transferred to parent company towards utilisation of its tax losses	-	(10,372,565)
Payments made during the period / year	-	(3,423,771)
	<hr/>	<hr/>
At the end of the period / year	21,703,067	17,555,810
	<hr/> <hr/>	<hr/> <hr/>

Deferred tax liabilities

Deferred tax liabilities relates to the following:

	31 March	31 December
	2026	2025
	AED	AED
	(unaudited)	(audited)
Intangible assets acquired during business combination	4,988,137	5,123,633
Financial instruments measured through OCI	(600,337)	(600,337)
Carry forward of losses	(893,333)	(771,669)
	<hr/>	<hr/>
At the end of the period / year	3,494,467	3,751,627
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

20 Business acquisitions

20.1 Business combination during the period

During 2026, the Group acquired the following entity, which was accounted for using the acquisition method under IFRS 3 Business Combination:

Thai T-shirt Factory Co. Ltd

Effective 12 February 2026, the Group acquired a 45% interest in Thai T-shirt Factory Co. Ltd for a total consideration of AED 1,469,000. Thai T-shirt Factory Co. Ltd is based in Kingdom of Thailand and is engaged in manufacturing of T-shirts. From the date of acquisition, Thai T-shirt Factory Co. Ltd has not contributed any revenue and profit to the Group.

At the date of acquisition Thai T-shirt Factory Co. Ltd did not have any assets and liabilities, hence the purchase price was allocated as goodwill.

	2026 AED
Proportionate share of identifiable assets acquired	-
Goodwill arising at acquisition (note 6)	1,469,000
Purchase consideration	1,469,000

The net assets recognised for Thai T-shirt Factory Co. Ltd are based on the assessment of their fair values as at the acquisition date. The purchase price is allocated on a provisional basis. The 50% purchase consideration has been paid on 4 March 2026. Balance 50% is payable as on 31 March 2026.

Analysis of cashflows on acquisition:

	2026 AED
Cash paid for acquisition	734,500
Net cash acquired on business combination	-
Acquisition of operating business – net of cash acquired (included in cash flows from investing activities)	734,500

20.2 Business combination during the prior year

Effective 16 January 2025, the Group acquired a 51% interest in Neuronso Technology for AI Applications and Services Co. L.L.C. (“Neuronso”) for a consideration amounting to of AED 1,000,000. Neuronso is based in the Emirate of Dubai and is specialized in Cyber Risk Management Services, IT Infrastructure, Electronic chip Programming. From the date of acquisition to 31 December 2025, Neuronso Technology for AI Applications L.L.C has contributed nil revenue and loss amounting to AED 972,170 to the Group.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)**

20 Business acquisitions (continued)

20.2 Business combination during the prior year (continued)

The fair values of the identifiable assets and liabilities of the acquired entity as at the date of acquisition were as follows :

	2025 AED
Assets	
Intangible assets – computer software	537,884
Total assets	<u>537,884</u>
Liabilities	
Deferred tax liability	48,410
Total liabilities	<u>48,410</u>
Total identifiable net assets at fair value	<u>489,474</u>
Proportionate share of identifiable assets acquired	249,632
Goodwill arising at acquisition	750,368
Purchase consideration	<u>1,000,000</u>

The net assets recognised for Neuronso Technology for AI Applications L.L.C. are based on the assessment of their fair values as at the acquisition date. The purchase consideration has been paid on 3 February 2025.

	2025 AED
Non-controlling interest	<u>239,843</u>
Analysis of cashflows on acquisition:	
Cash paid for acquisition	1,000,000
Net cash acquired on business combination	-
Acquisition of operating business – net of cash acquired (included in cash flows from investing activities)	<u>1,000,000</u>

21 Fair values of financial instruments

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

Notes to the interim condensed consolidated financial statements for the three-month period ended 31 March 2026 (continued)

21 Fair values of financial instruments (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

The following table gives information about how the fair value of the Group's assets are determined.

Financial assets	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Relationship of unobservable inputs to fair value
	31 March 2026 AED	31 December 2025 AED			
Quoted equity investments – investment in financial assets	54,049,171	66,881,440	Level 1	Quoted bid prices in an active market.	Not applicable
Unquoted equity investments – investment in financial assets at fair value through comprehensive income	9,824,712	9,824,712	Level 3	Net assets value - Discounted cash flow method and latest transaction price of underlying investments	Higher long term growth rate for cashflows for subsequent years, higher the fair value. Higher WACC and discount rate, lower the fair value.

There were no transfers between each of levels during the period. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

22 Seasonality of results

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

**Notes to the interim condensed consolidated financial statements
for the three-month period ended 31 March 2026 (continued)****23 Geopolitical events**

During the reporting period, geopolitical tensions in the Middle East had escalated following a conflict involving the United States, Israel and Iran. As at the date of authorisation of these financial statements, management is actively monitoring the situation. The evolving geopolitical conditions present heightened risks related to regional security, logistics, energy supply, and insurance coverage, which may potentially affect operational continuity. However, as of the reporting date, no disruptions to operations within the United Arab Emirates have been identified by management.

Given the rapidly changing circumstances, it is currently not possible to reliably estimate any potential financial impact. Management will continue to closely monitor the situation and assess any implications for the Company's operations, financial position, and financial performance.

24 Approval of the condensed financial statements

The condensed financial statements were approved by the Board of Directors and authorised for issue on 21 April 2026