Modon Holding PSC
and its subsidiaries

REVIEW REPORT AND INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026 (UNAUDITED)

Shape the future
with confidence

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C.L No. 1001276

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

MODON HOLDING PSC

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

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

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

For Ernst & Young

Walid J Nakfour
Registration No: 5479

29 July 2026
Abu Dhabi, United Arab Emirates

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the six months period ended 30 June 2026

	Notes	*Six months ended 30 June* 2026 AED '000 (Unaudited)	2025 AED '000 (Unaudited)
Revenues	5	**9,188,304**	6,545,053
Direct costs	6	**(5,987,029)**	(3,700,046)
GROSS PROFIT		**3,201,275**	2,845,007
General and administrative expenses	7	**(685,124)**	(612,260)
Selling and marketing expenses		**(150,821)**	(81,291)
Changes in fair value of investments carried at fair value through profit or loss	17	**3,866**	231,276
Changes in fair value of investment properties	13	**(6,450)**	-
Gain on disposal of joint venture	16	**104,725**	-
Share of profit from investments in associates and joint ventures	16	**88,257**	122,329
Investment and other income	8	**71,173**	133,584
Finance income	9	**224,194**	85,325
Finance costs	10	**(249,868)**	(205,708)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**2,601,227**	2,518,262
Income tax expense	11	**(401,202)**	(399,649)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**2,200,025**	2,118,613
DISCONTINUED OPERATIONS			
Gain on liquidation of subsidiaries, net		**2,113**	-
PROFIT FOR THE PERIOD		**2,202,138**	2,118,613
Profit attributable to:			
Owners of the Parent		**2,162,966**	2,098,818
Non-controlling interests		**39,172**	19,795
PROFIT FOR THE PERIOD		**2,202,138**	2,118,613
BASIC AND DILUTED EARNINGS PER SHARE (AED)	26	**0.132**	0.128

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six months period ended 30 June 2026

	Notes	***Six months ended 30 June*** 2026 AED '000 (Unaudited)	2025 AED '000 (Unaudited)
PROFIT FOR THE PERIOD		**2,202,138**	2,118,613
Other comprehensive (loss) / income			
Items that may be reclassified subsequently to profit or loss, in subsequent periods (net of tax):			
Exchange difference on translation of foreign operations		**(58,202)**	313,032
Share of other comprehensive (loss) / income of associates and joint ventures	16	**(37,328)**	(20,759)
		(95,530)	292,273
Items that will not be reclassified subsequently to profit or loss, in subsequent periods:			
Changes in the fair value of investments carried at fair value through other comprehensive income	17	**189**	2,611
Other comprehensive (loss) / income for the period		**(95,341)**	294,884
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,106,797**	2,413,497
Attributable to:			
Owners of the Parent		**2,067,706**	2,394,281
Non-controlling interests		**39,091**	19,216
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,106,797**	2,413,497

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2026

	Notes	***30 June 2026 AED '000 (Unaudited)***	*31 December 2025 AED '000 (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	12	**8,702,928**	8,812,397
Investment properties	13	**9,496,084**	9,461,777
Intangible assets and goodwill	14	**1,007,486**	952,423
Right-of-use assets	15	**529,636**	530,349
Investments in associates and joint ventures	16	**2,826,454**	3,723,897
Investments in financial assets	17	**338,000**	339,620
Trade and other receivables	20	**762,616**	395,103
Deferred tax assets	11	**484,161**	469,345
Amounts due from related parties	25	**2,436,750**	1,183,975
		26,584,115	25,868,886
Current assets			
Inventories	18	**27,599,592**	27,297,588
Development work-in-progress	19	**6,487,697**	6,111,794
Trade and other receivables	20	**10,637,555**	8,308,491
Investments in financial assets	17	**54,972**	54,685
Amounts due from related parties	25	**8,318,759**	6,747,554
Cash and bank balances	21	**12,303,240**	12,641,987
		65,401,815	61,162,099
TOTAL ASSETS		**91,985,930**	87,030,985
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**16,347,080**	16,347,080
Share premium		**22,398,819**	22,398,819
Legal reserve		**871,601**	871,601
Merger reserve		**(322,513)**	(322,513)
Other reserves		**64,333**	(266,637)
Cumulative changes in fair value of investments		**(81,970)**	(82,159)
Retained earnings		**17,119,279**	14,956,313
Equity attributable to owners of the Parent		**56,396,629**	53,902,504
Non-controlling interests		**922,342**	847,480
Total equity		**57,318,971**	54,749,984

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued
At 30 June 2026

	Notes	***30 June 2026 AED '000 (Unaudited)***	*31 December 2025 AED '000 (Audited)*
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Trade and other payables	23	**4,219,904**	3,427,379
Deferred tax liabilities	11	**1,132,230**	1,131,012
Loans and borrowings	24	**3,821,289**	2,943,416
Loan from a related party	25	**-**	1,652,713
Amounts due to related parties	25	**717,981**	430,404
Lease liabilities	15	**559,703**	556,147
Employees' end of service benefits		**180,960**	167,453
		10,632,067	10,308,524
Current liabilities			
Trade and other payables	23	**16,903,729**	17,980,495
Income tax payable	11	**877,965**	468,089
Loans and borrowings	24	**4,720,396**	2,192,957
Lease liabilities	15	**85,096**	67,619
Loan from a related party	25	**1,000,000**	-
Amounts due to related parties	25	**447,706**	1,263,317
		24,034,892	21,972,477
Total liabilities		**34,666,959**	32,281,001
TOTAL EQUITY AND LIABILITIES		**91,985,930**	87,030,985

H. E. Jassem Mohamed Obaid Bu Ataba Alzaabi
Chairman

Bill Anthony O'Regan
Group Chief Executive Officer

Matt Matharu
Group Chief Financial Officer

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

	Equity attributable to Owners of the Parent									
	Share capital AED '000	*Share premium AED '000*	*Legal reserve AED '000*	*Merger reserves AED '000*	*Other reserves AED '000*	*Cumulative changes in fair value of investments AED '000*	*Retained earnings AED '000*	*Total equity attributable to Owners of the Parent AED '000*	*Non-controlling interests AED '000*	*Total equity AED '000*
Balance at 1 January 2025 (Audited)	16,347,080	22,398,819	609,616	(189,234)	(657,785)	(32,358)	11,200,270	49,676,408	1,186,183	50,862,591
Profit for the period	-	-	-	-	-	-	2,098,818	2,098,818	19,795	2,118,613
Other comprehensive income	-	-	-	-	292,852	2,611	-	295,463	(579)	294,884
Total comprehensive income for the period	-	-	-	-	292,852	2,611	2,098,818	2,394,281	19,216	2,413,497
Business combination of entities under common control	-	-	-	(133,279)	-	-	-	(133,279)	-	(133,279)
Balance at 30 June 2025 (Unaudited)	16,347,080	22,398,819	609,616	(322,513)	(364,933)	(29,747)	13,299,088	51,937,410	1,205,399	53,142,809
Balance at 1 January 2026 (Audited)	16,347,080	22,398,819	871,601	(322,513)	(266,637)	(82,159)	14,956,313	53,902,504	847,480	54,749,984
Profit for the period	-	-	-	-	-	-	2,162,966	2,162,966	39,172	2,202,138
Other comprehensive loss	-	-	-	-	(95,449)	189	-	(95,260)	(81)	(95,341)
Total comprehensive income for the period	-	-	-	-	(95,449)	189	2,162,966	2,067,706	39,091	2,106,797
Liquidation of subsidiaries	-	-	-	-	-	-	-	-	35,771	35,771
Disposal of joint venture	-	-	-	-	426,419	-	-	426,419	-	426,419
Balance at 30 June 2026 (Unaudited)	**16,347,080**	**22,398,819**	**871,601**	**(322,513)**	**64,333**	**(81,970)**	**17,119,279**	**56,396,629**	**922,342**	**57,318,971**

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Notes	***Six months ended 30 June***	
		2026	*2025*
		AED '000	*AED '000*
		(Unaudited)	*(Unaudited)*
OPERATING ACTIVITIES			
Profit before tax		**2,603,340**	2,518,262
Adjustments for:			
Depreciation on property, plant and equipment	6 & 7	**242,437**	167,347
Amortisation of intangible assets	6 & 7	**44,145**	28,329
Depreciation on right-of-use assets	6 & 7	**40,916**	26,930
Dividend income	8	**(31,588)**	(128,676)
Finance income	9	**(224,194)**	(85,325)
Amortisation of loan		**-**	(4,529)
Finance costs	10	**249,868**	205,708
Changes in fair value of investments carried at fair value through profit or loss	17	**(3,866)**	(231,276)
Change in fair value of investment properties	13	**6,450**	-
Provision for employees' end of service benefits		**24,568**	24,912
(Reversal) / Provision of expected credit loss on trade and other receivables and amounts due from related parties	7	**(77,905)**	8,462
Net gain on disposal of property, plant and equipment	8	**(787)**	(273)
Gain on disposal of joint venture	16	**(104,725)**	-
Share of profit from investments in associates and joint ventures	16	**(88,257)**	(122,329)
Unwinding of investments carried at amortised cost	17	**-**	(603)
Property and equipment written off		**1,202**	-
Unwinding of long term discounting on trade receivables	8	**(29,630)**	-
Gain on disposal of investment properties		**-**	(11,858)
Income from government grant		**(4,456)**	(4,891)
Recovery of bad debts written off		**(318)**	-
Operating cash flows before movements in working capital		**2,647,200**	2,390,190
Changes in working capital:			
Inventories		**(347,710)**	139,625
Development work-in-progress		**(375,378)**	(763,595)
Trade and other receivables		**(2,688,575)**	(1,705,063)
Trade and other payables		**69,333**	239,220
Amounts due from related parties		**(2,737,980)**	(1,838,388)
Amounts due to related parties		**(471,880)**	2,325,388
Cash (used in) / generated from operations		**(3,904,990)**	787,377
Income tax paid	11	**(4,976)**	-
Employees' end of service benefits paid		**(11,061)**	(10,500)
Net cash (used in) / generated from operating activities		**(3,921,027)**	776,877

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS continued
For the six months period ended 30 June 2026 (Unaudited)

	Notes	Six months ended 30 June 2026 AED '000 (Unaudited)	2025 AED '000 (Unaudited)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	12	**(206,911)**	(330,567)
Purchase of intangible assets	14	**(63,530)**	(3,674)
Purchase of investment properties	13	**(42,049)**	(18,515)
Purchase of investments carried at fair value through profit or loss	17	**-**	(1,236)
Dividends received	8	**31,588**	129,297
Interest income received	9	**148,500**	85,325
Proceeds from disposal of investments carried at fair value through profit or loss	17	**3,579**	2,625,278
Proceeds from disposal of investments carried at fair value through other comprehensive income	17	**1,809**	32,089
Proceeds from disposal and maturity of investments carried at amortised cost	17	**-**	52,716
Investment made in associates and joint ventures	16	**(434,192)**	(1,196,866)
Dividend received from associates and joint ventures	16	**11,865**	122,452
Proceeds from disposal of property, plant and equipment		**1,066**	6,410
Proceeds from disposal of intangibles	14	**-**	20
Cash paid on acquisition	4	**(34,118)**	(486,606)
Cash acquired in business combination	4	**2,089**	101,950
Net movement in margin deposits	21	**-**	50,000
Net movement in restricted cash account	21	**374,714**	(1,170,382)
Net movement in term deposits	21	**103,701**	738,406
Net cash (used in) / generated from investing activities		**(101,889)**	736,097
FINANCING ACTIVITIES			
Payment of lease liabilities	15	**(39,538)**	(19,608)
Proceeds from loan obtained from a related party	25	**1,000,000**	-
Proceeds from loans and borrowings	24	**4,099,688**	1,420,509
Repayment of loans and borrowings	24	**(656,655)**	(331,613)
Finance costs paid		**(164,708)**	(106,686)
Net cash generated from financing activities		**4,238,787**	962,602
NET INCREASE IN CASH AND CASH EQUIVALENTS		**215,871**	2,475,576
Cash and cash equivalents at beginning of the period	21	**8,339,822**	2,021,126
Effect of foreign exchange rate changes		**(76,203)**	237,310
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	21	**8,479,490**	4,734,012

The attached notes 1 to 30 form part of these interim condensed consolidated financial statements.

1 GENERAL INFORMATION

Modon Holding PSC (the "Company" or the "Modon Holding") is a private joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates (UAE) which holds commercial license No. CN-1002912 issued from the Department of Economic Development in Abu Dhabi. The Company is also listed on the growth (secondary) market on the Abu Dhabi Stock Exchange. The registered office of the Company is at Abu Dhabi Island, Al Salam Street, Plot C 35, Street 48, Q Building P.O. Box 48111, Abu Dhabi, UAE. The Company and its subsidiaries together are referred to as the "Group".

L Imad Holding Company PJSC is the Parent and Abu Dhabi Government is the Ultimate Parent of the Company.

The Group operates across multiple business activities, including development, management, sales, leasing and other associated services for real estate. The Group is also engaged in the development, management and operations of hotels and exhibition venues, with a broad portfolio of assets under management across retail, residential, commercial, and sports & leisure. In addition, the Group provides services across events, catering and tourism, while partnering with and investing in strategic businesses.

These interim condensed consolidated financial statements were authorised for issue on 29 July 2026.

2 BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements for the six months period ended 30 June 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting* and also comply with the applicable requirements of laws in the UAE. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as going concern. The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS Accounting 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 period ended 30 June 2026 are not necessarily indicative of the results for the year ending 31 December 2026.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirhams (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.

In the current interim condensed financial statements, the Group has presented only the year-to-date results for the six-month period ended 30 June 2026 together with the comparative year-to-date information for the corresponding period in the prior year. Comparative three-month information presented in prior interim condensed financial statements has not been presented in the current period as it is not required by IAS 34 Interim Financial Reporting.

2.2 ACCOUNTING CONVENTION

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for investments carried at fair value through profit or loss, investments carried at fair value through other comprehensive income and investment properties which have been measured at fair value.

2.3 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2026. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2 BASIS OF PREPARATION continued

2.3 BASIS OF CONSOLIDATION continued

Specifically, the Group controls an investee if and only if the Group has:

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

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

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 consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members 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. 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.

2.4 GEOPOLITICAL EVENTS

During the reporting period, certain geopolitical tensions in parts of the Middle East have been noted. Management has assessed these developments in accordance with IAS 36 Impairment of Assets and, based on the information available as at the reporting date, has not identified any indicators of impairment. Accordingly, no impairment loss or revaluation loss has been recognised in the interim condensed consolidated financial statements.

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

2.5 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

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

The following amendments applies for the first time in 2026 but does not have an impact on the interim condensed consolidated financial statements of the Group.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Annual Improvements to IFRS accounting Standards - Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7
In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flow.

The amendments had no impact on Group's interim consolidated condensed financial statements.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgements, 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 judgements, estimates and assumptions also affect the revenue, expenses and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgements, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgements 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 to the consolidated financial statements as at and for the year ended 31 December 2025, except for the adoption of new standards and interpretations effective 1 January 2026.

4 BUSINESS COMBINATION

ACQUISITIONS UNDER IFRS 3 BUSINESS COMBINATIONS

Acquisition of Production Elements, Inc ("PEI")
Effective 26 March 2026, Arena Group, through its subsidiary in America, Arena Event Services, Inc has acquired a 100% controlling stake in Production Elements, Inc ("PEI") for a total consideration of AED 45,870 thousand which includes cash consideration of AED 34,118 thousand, a purchase price adjustment holdback of AED 918 thousand subject to post-closing settlement mechanisms and contingent consideration with a fair value of AED 10,834 thousand. PEI is a US based provider of premium design, décor, interior build, and activation solutions with an end-to-end service model covering concept, design, and execution for major events. From the date of acquisition PEI contributed revenue and profit to the Group amounting to AED 77,874 thousand and AED 24,175 thousand respectively. If the acquisition had taken place at the beginning of the year, PEI would have contributed revenue and profit to the Group amounting to AED 128,643 thousand and AED 19,497 thousand respectively.

The amounts recognised in respect of the provisional identifiable assets acquired and liabilities assumed are set out below:

	AED '000
Assets	
Property, plant and equipment	298
Intangible assets	35,990
Trade and other receivables	23,531
Cash and bank balances	2,089
Total Assets	**61,908**
Liabilities	
Trade and other payables	35,377
Total Liabilities	**35,377**
Total identifiable net assets acquired	**26,531**
Purchase consideration	**45,870**
Goodwill	**19,339**

4 BUSINESS COMBINATION continued

ACQUISITIONS UNDER IFRS 3 BUSINESS COMBINATIONS continued

Analysis of cashflow on acquisition:

	AED '000
Cash paid on acquisition	**34,118**
Cash acquired on business combination	**(2,089)**
Acquisition of operating business – net of cash paid (included in cash flows from investing activities)	**32,029**
Transaction costs of the acquisition (included in cash flows from operating activities)	**1,469**
Net cash paid on acquisition	**33,498**

The net assets, including intangible assets (mainly customer relationships) are recognized based on a provisional assessment of their fair values as at the acquisition date. The Group will finalize the purchase price allocation exercise of the acquisition within twelve months from the date of acquisition which is end of March 2027.

5 REVENUES

	Six months ended 30 June	
	2026 AED '000 (Unaudited)	*2025 AED '000 (Unaudited)*
Revenues		
Properties development	**4,132,048**	1,763,966
Sale of land	**1,438,267**	1,728,823
Catering services	**720,885**	707,513
Exhibitions and events	**680,632**	909,442
Hospitality and leisure	**580,354**	540,799
Others	**315,398**	206,707
	7,867,584	5,857,250
Rental income		
Rental income from temporary infrastructure	**852,312**	251,824
Rental income from investment properties	**468,408**	435,979
	1,320,720	687,803
	9,188,304	6,545,053
Timing of revenue recognition		
Revenue recognised at a point in time	**3,217,775**	3,546,191
Revenue recognised over time	**4,649,809**	2,311,059
	7,867,584	5,857,250
Geographical markets		
Within UAE	**7,520,326**	5,558,973
Outside UAE	**1,667,978**	986,080
	9,188,304	6,545,053

6 DIRECT COSTS

	Six months ended 30 June	
	2026	2025
	AED '000	AED '000
	(Unaudited)	(Unaudited)
Properties development	**2,856,820**	1,308,906
Staff costs	**756,887**	673,775
Temporary infrastructure cost	**634,230**	151,975
Cost of land	**463,508**	422,889
Catering services	**315,464**	291,756
Hospitality and leisure cost	**285,740**	249,265
Exhibitions and events cost	**218,307**	190,530
Depreciation on property, plant & equipment	**189,280**	143,615
Rent, utilities and communication	**98,502**	84,985
Repairs, security and maintenance cost	**50,695**	50,868
Amortisation of intangible assets	**32,715**	24,976
Facility management cost	**19,547**	17,616
Depreciation on right-of-use assets	**17,157**	16,017
Leasing cost	**10,131**	30,384
Others	**38,046**	42,489
	5,987,029	3,700,046

7 GENERAL AND ADMINISTRATIVE EXPENSES

	Six months ended 30 June	
	2026	2025
	AED '000	AED '000
	(Unaudited)	(Unaudited)
Staff costs	**383,255**	263,063
Professional and legal expenses	**101,636**	130,807
Rent, utilities and communication	**56,067**	55,707
Depreciation on property, plant and equipment	**53,157**	23,732
Office expenses	**40,747**	65,595
Depreciation on right-of-use assets	**23,759**	10,913
Repairs, security and maintenance cost	**17,046**	7,449
Amortisation of intangible assets	**11,430**	3,353
(Reversal of) / Provision for expected credit losses	**(77,905)**	8,462
Insurance expenses	**28,777**	18,816
Other expenses	**47,155**	24,363
	685,124	612,260

8 INVESTMENT AND OTHER INCOME

	Six months ended 30 June	
	2026	*2025*
	AED ’000	*AED ’000*
	(Unaudited)	*(Unaudited)*
Unwinding of discount on receivables	**29,630**	-
Foreign exchange loss, net	**(21,616)**	(20,183)
Dividend income	**31,588**	128,676
Gain on disposal of investment properties	**-**	11,858
Gain on disposal of property, plant and equipment	**787**	273
Others	**30,784**	12,960
	71,173	133,584

9 FINANCE INCOME

	Six months ended 30 June	
	2026	*2025*
	AED ’000	*AED ’000*
	(Unaudited)	*(Unaudited)*
Interest income on current and call accounts	**114,682**	28,505
Interest income on term deposits	**33,818**	44,090
Interest income from related parties	**75,694**	11,331
Interest income on investments carried at amortised cost	**-**	1,399
	224,194	85,325

10 FINANCE COSTS

	Six months ended 30 June	
	2026	*2025*
	AED ’000	*AED ’000*
	(Unaudited)	*(Unaudited)*
Interest on loans and borrowings	**162,271**	87,657
Interest on loan from a related party (note 25)	**57,682**	95,840
Interest expense on lease liabilities (note 15)	**22,427**	13,804
Others	**7,488**	8,407
	249,868	205,708

11 TAXATION

The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% corporate tax.

On the 6 February 2025, the UAE released the legislation introducing a Domestic Minimum Top-up Tax ("DMTT") for multinational enterprises ("MNEs"), through the publication of Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises which is applicable from 1 January 2025. The Group falls within the scope of DMTT based on the applicable revenue threshold.

The major components of income tax expense in the interim consolidated statement of profit or loss are:

	Six months ended 30 June	
	2026	*2025*
	AED '000	*AED '000*
	(Unaudited)	*(Unaudited)*
Consolidated statement of profit or loss		
Current income tax:		
Current tax expense*	**414,852**	400,713
Deferred tax:		
Relating to origination and reversal of temporary differences	**(13,650)**	(1,064)
Income tax expense reported in the interim consolidated statement of profit or loss	**401,202**	399,649

*Current income tax expense includes amount related to DMTT.

Movement in net deferred tax liabilities is as follows:

	30 June 2026	*31 December 2025*
	AED '000	*AED '000*
	(Unaudited)	*(Audited)*
Balance at the beginning of period / year	**661,667**	515,360
Deferred tax asset acquired in business combination	**-**	(20,594)
Deferred tax liabilities acquired in business combination	**-**	47,331
Adjustment of purchase price allocation relating to prior year business combination	**-**	46,913
Foreign currency translation adjustment	**52**	23,867
Tax (credit)/ expense recognised in profit or loss during the period / year	**(13,650)**	48,790
Balance at the end of period / year	**648,069**	661,667

Movement in income tax payable is as follows:

Balance at the beginning of period / year	**468,089**	132,227
Acquired in business combination	**-**	10,094
Charge for the period / year	**414,852**	516,183
Forex	**-**	1,579
Adjustment related to prior year	**-**	(69,483)
Paid during the period / year	**(4,976)**	(122,511)
Balance at the end of period / year	**877,965**	468,089

12 PROPERTY, PLANT AND EQUIPMENT

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**8,812,397**	7,593,191
Acquired through business combination (note 4)	**298**	457,331
Additions during the period / year	**206,911**	1,072,497
Adjustment on finalization of the purchase price allocation relating to prior year business combinations	**-**	(76,983)
Transfer to investment properties (note 13)	**(320)**	(4,589)
Transfer to intangible assets (note 14)	**(593)**	(7,432)
Disposals during the period / year	**(279)**	(4,946)
Depreciation charge for the period / year	**(242,437)**	(468,264)
Write-off during the period / year	**(1,202)**	(8,320)
Foreign exchange translation	**(71,847)**	259,912
Balance at the end of the period / year	**8,702,928**	8,812,397

13 INVESTMENT PROPERTIES

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**9,461,777**	9,336,725
Adjustment on finalization of the purchase price allocation relating to prior year business combination	**-**	21,787
Additions during the period / year	**42,049**	162,556
Transfers to inventories	**-**	(278,970)
Transfer from property, plant and equipment (note 12)	**320**	4,589
Disposal during the period / year	**-**	(119,901)
Write-off during the period / year	**-**	(15,320)
Change in fair value during the period / year	**(6,450)**	343,426
Foreign exchange translation during the period / year	**(1,612)**	6,885
Balance at the end of the period / year	**9,496,084**	9,461,777

At the reporting date, the Group assessed the fair value of its major investment properties and concluded that there were no significant changes in the estimates and judgements used in the valuation compared with 31 December 2025. In its assessment, management concluded that for investment properties (plots of land) valued using the comparable method there is currently no comparable market evidence suggesting a change in their valuation. For the investment properties valued using discounted cash flows (camps, buildings etc.), the Group did not observe any significant changes in key estimates, such as rental tariffs or occupancy rates.

14 INTANGIBLE ASSETS AND GOODWILL

	30 June 2026 AED ’000 (Unaudited)	*31 December 2025 AED ’000 (Audited)*
Balance at the beginning of the period / year	**952,423**	537,357
Acquired through business combination (note 4)	**55,329**	397,027
Adjustment of purchase price allocation relating to prior year business combination	**-**	8,606
Additions during the period / year	**63,530**	25,513
Amortisation for the period / year	**(44,145)**	(76,645)
Transfer from property, plant and equipment (note 12) during the period / year	**593**	7,432
Write-off during the period / year	**(644)**	-
Disposals during the period / year	**-**	(18)
Foreign exchange translation during the period / year	**(19,600)**	53,151
Balance at the end of the period / year	**1,007,486**	952,423

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group’s right-of-use assets and lease liabilities and the movements during the period / year:

	30 June 2026 AED ’000 (Unaudited)	*31 December 2025 AED ’000 (Audited)*
Right-of-use assets:		
Balance at the beginning of the period / year	**530,349**	440,645
Acquired through business combination	**-**	107,381
Adjustment on finalisation of purchase price allocation relating to prior year business combination	**-**	9,896
Additions during the period / year	**44,952**	38,396
Depreciation for the period / year	**(40,916)**	(65,574)
Termination of a lease during the period / year	**-**	(18,495)
Lease modifications during the period / year	**(625)**	4,052
Foreign exchange translation during the period / year	**(4,124)**	14,048
Balance at the end of the period / year	**529,636**	530,349
Lease liabilities:		
Balance at the beginning of the period / year	**623,766**	511,977
Acquired through business combinations	**-**	118,575
Adjustment on finalisation of the purchase price allocation relating to prior year business combination	**-**	9,610
Additions during the period / year	**44,952**	38,396
Interest expense charged during the period / year (note 10)	**22,427**	30,916
Payments during the period / year	**(39,538)**	(81,931)
Termination of a lease	**-**	(19,605)
Modifications during the period / year	**(625)**	4,052
Foreign exchange translation during the period / year	**(6,183)**	11,776
Balance at the end of the period / year	**644,799**	623,766

15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES continued

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Non-current	**559,703**	556,147
Current	**85,096**	67,619
	644,799	623,766

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Investment in associates and joint ventures are classified in the interim condensed consolidated statement of financial position as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Investment in associates	**528,665**	519,888
Investment in joint ventures	**2,297,789**	3,204,009
	2,826,454	3,723,897

Movements in the Group's investment in associates and joint ventures are as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
At 1 January	**3,723,897**	2,242,891
Additions during the period / year	**434,192**	1,888,662
Share of profit for the period / year	**88,257**	263,592
Share of other comprehensive (loss) / income for the period / year	**(37,328)**	9,919
Disposals during the period / year	**(1,323,964)**	(543,622)
Dividends received during the period / year	**(11,865)**	(183,496)
Foreign exchange translation during the period / year	**(36,857)**	113,008
Others	**(9,878)**	(67,057)
At the end of the period / year	**2,826,454**	3,723,897

During the period ended 30 June 2026, the Group sold a parcel of land to Ora Q Land SPV, an entity controlled by ORA Developers Investment Holding Limited ("ODIHL"), an associate of the Group. Subsequent to the transaction, the ownership structure of ORA Q Land SPV was amended such that ODIHL retained an 87.5% controlling interest, while the Group acquired a direct 12.5% interest, resulting in a total effective economic interest of 30% in ORA Q Land SPV. This transaction was classified as a downstream transaction and accordingly 30% share of unrealised profit on sale has been eliminated. The carrying amount of Modon's investment is insufficient to fully absorb this downstream elimination. Accordingly, the deficit amount has been recognised as a deferred liability, which will subsequently be adjusted through Modon's share of profit from the associate until the investment position becomes positive and is recognized as an asset.

On 10 April 2026, the Group completed the divestment of its 51% shareholding in Riviera RSC Limited to Abu Dhabi Development Holding Company PJSC (ADQ). The consideration was settled primarily through the extinguishment of a related party loan and the associated accrued interest. The transaction resulted in a gain on disposal of AED 104,725 thousand.

17 INVESTMENTS IN FINANCIAL ASSETS

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Investments carried at fair value through profit or loss (i)	**54,972**	54,685
Investments carried at fair value through other comprehensive income (ii)	**338,000**	339,620
	392,972	394,305

Disclosed in the interim condensed consolidated statement of financial position as follows:

Non-current	**338,000**	339,620
Current	**54,972**	54,685
	392,972	394,305

(i) Investments carried at fair value through profit or loss comprise:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Within UAE		
Quoted equity securities	**-**	2,933
	-	2,933
Outside UAE		
Managed funds	**54,972**	51,752
	54,972	54,685

(ii) Investments carried at fair value through other comprehensive income comprise:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Within UAE		
Quoted equity securities	**-**	1,348
Unquoted equity securities	**338,000**	338,272
	338,000	339,620

17 INVESTMENTS IN FINANCIAL ASSETS continued

The movement in investments in financial assets is as follows:

	Investments carried at fair value through other comprehensive income AED '000	*Investments carried at fair value through profit or loss AED '000*	*Investment carried at amortised cost AED '000*	*Total AED '000*
Balance at 1 January 2026 (Audited)	**339,620**	**54,685**	**-**	**394,305**
Disposals during the period	**(1,809)**	**(3,579)**	**-**	**(5,388)**
Changes in fair value	**189**	**3,866**	**-**	**4,055**
Balance at 30 June 2026 (Unaudited)	**338,000**	**54,972**	**-**	**392,972**
At 1 January 2025	393,485	2,532,653	52,070	2,978,208
Additions during the year	223	1,871	21	2,115
Amortisation during the year	-	-	626	626
Changes in fair value	(21,875)	221,952	-	200,077
Disposals during the year	(32,213)	(2,701,791)	(52,717)	(2,786,721)
Balance at 31 December 2025 (Audited)	339,620	54,685	-	394,305

18 INVENTORIES

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Land plots*	**26,894,632**	26,610,771
Real estate properties	**628,562**	635,198
Spares and consumables	**76,398**	51,619
	27,599,592	27,297,588

* Land plots includes the land parcel for sale and also development of properties.

The movement in inventories is as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**27,297,588**	29,586,274
Acquired through business combination	**-**	11,090
Adjustment on finalisation of the purchase price allocation relating to prior year business combination	**-**	100,181
Additions during the period / year	**644,629**	448,308
Transfers from investment properties (note 13)	**-**	278,970
Transfers to development work in progress (note 19)	**-**	(2,305,195)
Disposal/consumed during the period / year	**(296,920)**	(924,443)
Foreign exchange translation	**(45,705)**	102,403
Balance at the end of the period / year	**27,599,592**	27,297,588

18 INVENTORIES continued

Inventories comprise of properties held for sale in the ordinary course of business and other operating inventories. Inventories are stated at the lower of cost and net realizable value.

During the period, the Group entered into a Settlement and Release Agreement, resulting in the recognition of inventory amounting to AED 147,162 thousand as a non-cash transaction in accordance with the terms of the agreement. As part of the settlement, the related trade receivable was extinguished, and the previously recognized provision against the trade receivable was reversed and recognized in profit or loss during the period.

19 DEVELOPMENT WORK-IN-PROGRESS

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

The movement in development work-in-progress is as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**6,822,422**	3,358,447
Additions during the period / year	**3,101,797**	4,665,820
Recognised in direct cost of properties development during the period / year	**(2,726,419)**	(3,320,893)
Transfers from inventories (note 18)	**-**	2,305,195
Derecognised during the period / year	**-**	(186,147)
Foreign exchange translation during the period / year	**525**	-
	7,198,325	6,822,422
Less: provision for impairment	**(710,628)**	(710,628)
Balance at the end of the period / year	**6,487,697**	6,111,794

Movement in provision for impairment:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**710,628**	896,775
Write-off during the period / year	**-**	(186,147)
Balance at the end of the period / year	**710,628**	710,628

During the period ended 30 June 2026, the Group has recognised AED 31,924 thousand (period ended 30 June 2025: AED 10,670 thousand) as finance cost under direct cost of properties development.

20 TRADE AND OTHER RECEIVABLES

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Trade receivables	**3,143,939**	3,906,147
Less: allowance for expected credit losses on trade receivables	**(689,830)**	(770,904)
	2,454,109	3,135,243
Prepayments and other advances	**2,029,631**	1,711,978
Advances to contractors	**2,053,648**	1,689,714
Retention receivables	**151,521**	129,249
Contract assets	**3,682,335**	1,458,306
Other receivables	**1,035,260**	585,449
Less: allowance for expected credit losses on other receivables	**(6,333)**	(6,345)
Total	**11,400,171**	8,703,594
Non-current	**762,616**	395,103
Current	**10,637,555**	8,308,491
	11,400,171	8,703,594

The movements in the provision for expected credit losses on trade receivables were as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**770,904**	406,952
Acquired through business combinations	**-**	22,385
Transfer from related parties (note 25)	**1,597**	268,742
(Reversal) / charge for the period / year	**(74,355)**	116,553
Foreign exchange translation for the period / year	**(273)**	83
Write off during the period / year	**(8,043)**	(43,811)
Balance at the end of the period / year	**689,830**	770,904

The movements in the provision for expected credit losses on other receivables were as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**6,345**	57,125
Charge during the period / year	**-**	1,410
Write-off	**(12)**	-
Reversal during the period / year	**-**	(52,190)
Balance at the end of the period / year	**6,333**	6,345

21 CASH AND BANK BALANCES

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Current and call accounts	**10,848,090**	10,575,256
Term deposits*	**1,453,801**	2,065,382
Margin deposits	**1,349**	1,349
Cash and bank balances	**12,303,240**	12,641,987
Less: term deposits with an original maturity of more than three months	**(150,000)**	(253,701)
Less: margin deposits with an original maturity of more than three months	**(1,349)**	(1,349)
Less: Escrow accounts**	**(3,517,154)**	(3,311,941)
Less: restricted cash**	**(155,247)**	(735,174)
Cash and cash equivalents	**8,479,490**	8,339,822

*Term deposits are placed with commercial banks. These are mainly denominated in AED and earn interest at market rates. These deposits have original maturity between 3 to 12 months.

**Restricted cash include balances amounting to AED 3,517,154 thousand (31 December 2025: AED 3,311,941 thousand) which are deposited into escrow accounts representing cash received as advances against sale of plots, villas and apartments in Reem Island and Hudayriyat Island. The remaining balance of restricted cash amounting to AED 155,247 thousand (31 December 2025: AED 735,174 thousand) represents cash designated for development of specific projects for which separate bank accounts are maintained.

Cash and cash equivalents include balances amounting to AED 4,149,796 thousand (31 December 2025: AED 3,331,813 thousand) which are deposited in to escrow accounts representing cash received from customers against sale of plots, villas and apartments, which also include certain balances against which the Group has provided performance bonds and are available on demand.

22 SHARE CAPITAL

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Authorised, issued and fully paid		
16,347,080 thousand shares of AED 1 each (31 December 2025: 16,347,080 thousand shares of AED 1 each)	**16,347,080**	16,347,080

23 TRADE AND OTHER PAYABLES

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Contract liabilities	**6,007,123**	4,507,886
Accrual for contractors' costs	**3,750,015**	3,453,681
Retention payables	**2,858,319**	2,573,414
Trade payables	**2,556,138**	5,417,128
Advance from customers	**2,142,812**	1,785,179
Accrued expenses	**1,619,036**	1,535,141
Deferred grants*	**915,287**	918,871
Provision for infrastructure construction cost	**190,433**	186,951
Accrued interest	**65,408**	263,301
Dividend payable	**24,382**	24,448
Other payables	**994,680**	741,874
Total	**21,123,633**	21,407,874
Non-current	**4,219,904**	3,427,379
Current	**16,903,729**	17,980,495
	21,123,633	21,407,874

The Group's trade and other payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade payables.

*These represent the amounts received for the development of specific projects classified under property, plant and equipment, investment property and the remaining funds have been appropriately classified as restricted bank balances.

24 LOANS AND BORROWINGS

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Term loans	**5,494,922**	3,575,605
Islamic financing facilities	**3,046,763**	1,560,768
Total	**8,541,685**	5,136,373
Non-current	**3,821,289**	2,943,416
Current	**4,720,396**	2,192,957
	8,541,685	5,136,373

The above facilities are primarily taken from banks in the UAE, UK, Spain and Iceland and are repayable in quarterly, semi-annual instalments and lumpsum of various amounts.

24 LOANS AND BORROWINGS continued

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

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**5,136,373**	3,711,397
Acquired through business combination	**-**	325,478
Adjustment of purchase price allocation relating to prior year business combination	**-**	(27,982)
Drawdowns during the period / year	**4,099,688**	1,789,437
Foreign exchange translation	**(40,673)**	54,106
Unamortised transaction cost	**2,952**	4,840
Repayments during the period / year	**(656,655)**	(720,903)
Balance at the end of the period / year	**8,541,685**	5,136,373

The drawdowns majorly include loan agreements with Emirates Islamic Bank, First Abu Dhabi Bank, Barclays Bank, National Westminster Bank, Emirates NBD Bank and Mashreq Bank, please refer table below:

Borrowings from financial institution	**Interest rates**	**Lender**	**Amount AED'000**	Maturity	**Purpose**	**Security**
Term Loan 1	3M EIBOR + 0.8%	EIB	1,000,000	Jan-27	General purpose	Unsecured
Term Loan 2	3M EIBOR + 0.95%	FAB	1,000,000	Mar-27	General purpose	Unsecured
Term Loan 3	6M EIBOR + 0.6%	EIB	500,000	Jan-27	General purpose	Unsecured
Term Loan 4	SONIA + 1.2%	Consortium	1,517,421	Mar-29	General purpose	Secured*

* This loan is secured against the London International Exhibition Centre property and related assets, together with associated security interests.

25 RELATED PARTY BALANCES AND TRANSACTIONS

The Group enters into transactions with companies and entities that fall within the definition of a related party as defined in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e., shareholders, associates, affiliates, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Related party balances

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

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Amounts due from related parties		
Department of finance	**7,268,944**	5,998,151
Associate	**2,464,495**	1,191,218
Entities under common control	**669,611**	394,666
Other related parties	**394,102**	395,041
	10,797,152	7,979,076
Less: allowance for expected credit losses	**(41,643)**	(47,547)
	10,755,509	7,931,529

25 RELATED PARTY BALANCES AND TRANSACTIONS continued

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Amounts due from related parties continued		
Non-current	**2,436,750**	1,183,975
Current	**8,318,759**	6,747,554
	10,755,509	7,931,529

The movements in the provision for expected credit losses were as follows:

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Balance at the beginning of the period / year	**47,547**	316,289
Transfer to trade receivables during the period / year (note 20)	**(1,597)**	-
Write-off during the period / year	**(757)**	-
Reversal for the period / year	**(3,550)**	(268,742)
Balance at the end of the period / year	**41,643**	47,547

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Amounts due to related parties		
Entities under common control	**817,559**	1,642,027
Other related parties	**348,128**	51,694
	1,165,687	1,693,721
Non-current	**717,981**	430,404
Current	**447,706**	1,263,317
	1,165,687	1,693,721
Non-current		
Investments in financial assets	**-**	2,933
Loan from related party*	**-**	1,652,713
Current		
Loan from a related party**	**1,000,000**	-
Interest payable to related party	**11,937**	221,213

*During the period ended 30 June 2026, the Group settled AED 1,652,713 thousand of the related party loan along with the accrued interest, through a non-cash transaction as part of the disposal of its equity-accounted joint venture, Riviera RSC Limited (refer note 16).

**During the period ended 30 June 2026, the Group entered into an interest-bearing loan agreement with L Imad Holding Company PJSC (the "Lender"), the Parent of the Group, to finance other business operations, for an aggregate amount of AED 1,000,000 thousand. The loan bears interest at a rate equivalent to 6-month EIBOR plus a margin of 1% per annum.

25 RELATED PARTY BALANCES AND TRANSACTIONS continued

Compensation of key management personnel
The remuneration of key management personnel during the period was as follows:

	Six months ended 30 June	
	2026	*2025*
	AED '000	*AED '000*
	(Unaudited)	*(Unaudited)*
Management compensation	**14,861**	5,390
Employees' end of service benefits	**89**	313
	14,950	5,703

Related party transactions
Transactions with related parties included in the interim condensed consolidated statement of profit or loss are as follows:

	Six months ended 30 June	
	2026	*2025*
	AED '000	*AED '000*
	(Unaudited)	*(Unaudited)*
Revenue from related parties	**1,881,775**	1,716,454
Finance cost (Note 10)	**57,682**	95,840
Finance income (Note 9)	**75,694**	11,331
Direct costs	**85,160**	55,665

26 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share is calculated by dividing the profit for the period attributable to Owner of the Parent by the weighted average number of shares outstanding during the period.

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

	Six months ended 30 June	
	2026	*2025*
	AED '000	*AED '000*
	(Unaudited)	*(Unaudited)*
Profit attributable to Owners of the Parent (AED '000)	**2,162,966**	2,098,818
Weighted average number of ordinary shares issued (shares in '000)	**16,347,080**	16,347,080
Earnings per share (AED)	**0.132**	0.128

As of 30 June 2026 and 30 June 2025, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

27 CONTINGENCIES AND COMMITMENTS

	30 June 2026 AED '000 (Unaudited)	*31 December 2025 AED '000 (Audited)*
Contingencies:		
As at reporting date, the following contingent liabilities were outstanding:		
Bank guarantees	**327,013**	322,027
Performance bond	**1,671,870**	1,671,870
Capital commitments:		
As at reporting date, the capital commitments relate to the following:		
Construction of Infrastructure	**20,742,971**	9,818,907
Investment commitments	**864,169**	1,309,062

28 SEGMENT REPORTING

28.1 OPERATING SEGMENTS

The Group's management monitors the financial and operational performance of each segment separately for decision-making, resource allocation, and performance evaluation. Segment results are assessed using key performance indicators, including revenue, gross profit and net profit, consistent with the accounting principles and is aligned with the profit or loss reported in the interim condensed consolidated financial statements. For management and reporting purposes, the Group's operations are structured into segments with similar economic characteristics.

The Group has identified four reportable segments for the current and comparative period / year which are as follows:

1. Real Estate Development

This segment involves master planning, development, sales, and management of real estate projects (residential, commercial, infrastructure and land plots) in the UAE and international markets

2. Asset and Investment Management

Modon Asset and Investment Management platform segment comprises of two core business lines:

- **Communities**: owns, manages and leases residential, commercial, retail, leisure, and staff accommodation assets generating recurring income and contributing to integrated communities
- **Investments**: focuses on strategic capital deployment in the UAE and international markets, including investments in joint ventures

3. Hospitality

This segment owns, manages, and operates hotel and restaurant assets in the UAE and international markets.

28 SEGMENT REPORTING continued

28.1 OPERATING SEGMENTS continued

4. Events, Catering and Tourism

This segment comprises 6 inter-connected clusters which are as below;

- **Venues:** Exhibition centers and event spaces in the UAE and international markets
- **Events:** End-to-end event solutions, including event organization
- **Catering:** F&B services provided to venues, exhibitions, events, and external clients, including weddings, conferences, aviation and corporates across different industries
- **Event Infrastructure:** Temporary structures, guest logistics, and support services in the UAE and international markets
- **Tourism:** Travel agency services, travel packages, and tour operations
- **Media:** Media infrastructure, production services, and broadcast management services

5. Others

Others includes corporate support functions, inter-segment eliminations and activities not directly related to the core business segments.

Based on the information reported to the Group’s management for the allocation of resources, marketing strategies, management reporting lines and performance measurement, the reportable segments under IFRS 8 have been identified in line with the Group’s investment structure and customer service offerings.

28 SEGMENT REPORTING continued

28.1 OPERATING SEGMENTS continued

Interim condensed consolidated statement of profit or loss:
Period ended 30 June 2026 & 2025 (unaudited):

	Real Estate Development 30 June 2026 AED '000	*Real Estate Development 30 June 2025 AED '000*	***Asset and Investment Management 30 June 2026 AED '000***	*Asset and Investment Management 30 June 2025 AED '000*	***Hospitality 30 June 2026 AED '000***	*Hospitality 30 June 2025 AED '000*	***Events, Catering and Tourism 30 June 2026 AED '000***	*Events, Catering and Tourism 30 June 2025 AED '000*	***Others 30 June 2026 AED '000***	*Others 30 June 2025 AED '000*	***Total 2026 AED '000***	*Total 2025 AED '000*
Revenues	**5,675,275**	3,646,598	**360,966**	319,934	**388,398**	358,520	**2,775,402**	2,220,001	**(11,737)**	-	**9,188,304**	6,545,053
Gross profit (loss)	**2,342,842**	1,914,961	**258,380**	217,608	**105,504**	71,955	**552,062**	640,483	**(57,513)**	-	**3,201,275**	2,845,007
Profit (loss) for the period before tax from continuing operations	**2,198,057**	1,593,618	**227,314**	482,206	**78,608**	(82,502)	**191,008**	533,841	**(93,760)**	(8,901)	**2,601,227**	2,518,262

Interim condensed consolidated statement of financial position:

	(Unaudited) 30 June 2026 AED '000	*(Audited) 31 December 2025 AED '000*	***(Unaudited) 30 June 2026 AED '000***	*(Audited) 31 December 2025 AED '000*	***(Unaudited) 30 June 2026 AED '000***	*(Audited) 31 December 2025 AED '000*	***(Unaudited) 30 June 2026 AED '000***	*(Audited) 31 December 2025 AED '000*	***(Unaudited) 30 June 2026 AED '000***	*(Audited) 31 December 2025 AED '000*	***(Unaudited) 30 June 2026 AED '000***	*(Audited) 31 December 2025 AED '000*
Segment assets	**54,857,045**	55,738,581	**12,516,782**	11,095,849	**3,224,412**	4,601,757	**14,340,201**	14,118,268	**7,047,490**	1,476,530	**91,985,930**	87,030,985
Segment liabilities	**21,379,343**	18,565,347	**2,300,436**	1,614,176	**1,895,881**	3,795,745	**7,296,387**	5,973,554	**1,794,912**	2,332,179	**34,666,959**	32,281,001

29 FAIR VALUE MEASUREMENT

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.

- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

Fair value of the Group's assets that are measured at fair value on recurring basis
Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

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

The table below analyses assets measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1 *AED '000*	*Level 2* *AED '000*	*Level 3* *AED '000*	*Total* *AED '000*
Balance at 30 June 2026 (Unaudited)				
Investments carried at fair value through other comprehensive income				
Unquoted shares	-	**338,000**	-	**338,000**
Investments carried at fair value through profit or loss				
Managed funds				
	-	**54,972**	-	**54,972**
Balance at 31 December 2025 (Audited)				
Investments carried at fair value through other comprehensive income				
Quoted shares	1,348	-	-	1,348
Unquoted shares	-	338,000	272	338,272
	1,348	338,000	272	339,620
Investments carried at fair value through profit or loss				
Quoted shares	2,933	-	-	2,933
Managed funds	-	51,752	-	51,752
	2,933	51,752	-	54,685

30 FINANCIAL RISK MANAGEMENT

30.1 Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group finance. The Group finance monitors rolling forecasts of the Group’s liquidity requirements to ensure it has sufficient cash to meet operational needs while always maintaining sufficient headroom on its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group’s debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets.