Al Khaleej Building,
P.O. Box: 5662
Ras Al Khaimah

Directors' Report
For the Period Ended 30 June 2026

The Board of Directors is pleased to present their report and the condensed consolidated interim financial statements Al Khaleej Investment PSC and its subsidiaries (collectively, the 'Group') for the six months ended 30 June 2026.

Principal Activities of the Group

The principal activities of the Group include investment, development, establishment, and management of real estate enterprises; private fund investment; building maintenance; and commercial enterprise investment and management.

Financial Review

The tables below summarize the results for the six-month period ended 30 June 2026, compared to the same period in 2025, presented in AED '000s, unless otherwise stated.

Financial Results Summary	H1 2026	H1 2025
Revenue	1,906	6,109
Gross Profit	1,463	4,290
Net Gain from Investments (FVTPL)	(2,217)	843
Net (Loss) / Profit Before Tax	(5,375)	(3,063)
Net (Loss) / Profit for the Period	(4,633)	(3,063)
Basic Earnings per Share (in AED)	(0.0441)	(0.0292)

Financial Position Summary	H1 2026
Total Assets	313,802
Total Liabilities	32,816
Total Equity	280,986

Statement of Cash Flows Summary	H1-2026
Net Cash generated from Operating Activities	(4,761)
Net Cash generated from Investing Activities	16,144
Net Cash from Financing Activities	(7,427)

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Role of the Directors

The Directors continue to serve as the Group's principal decision-making body. They are responsible for setting strategy, overseeing performance, guiding management, and ensuring sustainable shareholder value. Their oversight encompasses corporate governance, risk management, and strategic development of both financial and real estate portfolios.

Implementation of Projects

The Group continues to implement its strategy of enhancing and selectively replacing real estate assets, while pursuing diversification of income through targeted investments in the energy, marine, and real estate sectors.

The 50:50 joint venture in YAS Island, Abu Dhabi, remains unchanged, with the partners continuing to hold the plots for capital appreciation.

During the year, the Group commenced its entry into the battery energy storage systems (BESS) sector through its first 1MW/1MWh project in Finland, executed through its wholly owned subsidiary, Gulf Nova Energy Solutions LLC (Gulf Nova). Gulf Nova has secured a 70% majority stake in Eura Green Energy Oy, Finland - a greenfield development alongside a local Finnish partner. Although the identification of a suitable pilot project required time and careful evaluation, this investment marks the beginning of the Group's entry into the BESS segment and is intended to serve as a foundation for further growth in this business. All necessary approvals have been obtained, the project is currently in the construction phase, and it is expected to begin generating revenue by the end of 2026. The Group is optimistic about the significant opportunities that lie ahead in this sector.

The planned share capital increase of AED 400 million, through a rights issue approved by shareholders in March 2025, is currently on hold due to volatile equity market conditions. Once market sentiment and conditions improve, the Group intends to resume and pursue this transaction in earnest.

Legal Matters

During this quarter, the Group received favourable judgement with respect to its legal proceedings against a third party in relation to the purchase of a land bank in Reem Island, Abu Dhabi. The competent court issued its final judgment in favour of the Group, confirming the Group's legal entitlement in the matter.

Subsequent to period end, the Group made payment of the requisite purchase consideration to the defendant, completed all applicable legal and administrative procedures and secured the title deed to the land.

The financial impact of the judgment will be recognised in the Group's financial statements in the third quarter, including transaction costs, along with the relevant recognition criteria under the applicable accounting standards are satisfied. ____

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Events After the Period End

Since the first quarter, ongoing regional geopolitical developments in the Middle East have introduced a degree of uncertainty to the operating environment. The Group continues to monitor the situation closely and remains cautious, aware, and vigilant. As at the date of this report, no material impact on operations, liquidity, or financial position has been observed; however, the situation remains fluid and will be assessed on an ongoing basis through the remainder of 2026.

Statement of Directors' Responsibilities

The Board of Directors affirm that the condensed consolidated interim financial statements for the three month and six-month ended 30 June 2026, have been prepared in accordance with applicable financial reporting standards and statutory requirements. The Directors ensure that accurate and sufficient accounting records have been maintained, enabling the financial position and performance to be fairly presented.

The accounting policies and practices adopted are consistent with those used in the latest audited financial statements for the year ended 31 December 2025, unless specified otherwise. The financial statements accurately reflect the transactions carried out during the period and fairly present the Group's financial condition and operational results.

These condensed consolidated interim financial statements have been prepared on a going concern basis and were approved by the Board of Directors and signed on behalf of the Group by its authorized representatives.

Thank you.

Sincerely,

H.E. Khalifa Alkhoori
Chairman
30-July-2026

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