Arada Developments LLC and its subsidiaries

Condensed consolidated interim financial statements

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

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Contents ***Pages***

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Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of Arada Developments LLC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Arada Developments LLC ("the Company") and its subsidiaries ("the Group") as at 30 June 2026, the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity for the six-month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 condensed consolidated interim financial statements as at 30 June 2026 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited – SHJ BR

Adil Abid
Registration No.: 5541
Sharjah, United Arab Emirates

Date: 05 AUG 2026

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Arada Developments LLC and its subsidiaries

Condensed consolidated statement of profit or loss and other comprehensive income

For the six month period ended 30 June 2026

	Note	**30-Jun-26 AED (Unaudited)**	30-Jun-25 AED (Unaudited)
Revenue	*6*	**2,233,761,508**	2,502,091,053
Direct cost	*7*	**(1,401,869,098)**	(1,445,823,120)
Other income		**56,705,386**	9,635,535
General and administrative expenses	*8(a)*	**(211,230,850)**	(300,431,292)
Sales and marketing expenses	*8(b)*	**(220,001,128)**	(190,299,233)
Change in the fair value of investment properties	*12*	**(1,433,839)**	59,462,471
Gain on sale of subsidiaries	*25 (i)*	**111,247,350**	-
Allowance for impairment on due from related parties	*15(b)*	**(17,715,050)**	-
Share of results from equity accounted investees		**(3,193,211)**	(1,954,747)
Finance costs	*9(a)*	**(419,395,183)**	(287,272,377)
Finance income	*9(b)*	**205,245,278**	94,413,417
Profit before tax		**332,121,163**	439,821,707
Income tax expense	*26*	**(13,919,080)**	(28,048,850)
Profit after tax		**318,202,083**	411,772,857
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences		**135,029**	37,281,744
Item that will not be reclassified to profit or loss			
Gain on revaluation of plot of land on transfer from property, plant and equipment to investment properties	*10(iv)*	**17,490,000**	-
Income tax expense	*26*	**(1,574,100)**	-
Total comprehensive income for the period		**334,253,012**	449,054,601
Profit attributable to:			
Owners of the Company		**247,236,470**	420,412,255
Non-controlling interest		**70,965,613**	(8,639,398)
		318,202,083	411,772,857
Total comprehensive income attributable to:			
Owners of the Company		**263,260,393**	451,131,053
Non-controlling interest		**70,992,619**	(2,076,452)
		334,253,012	449,054,601

The accompanying notes 1 to 30 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 to 2.

Arada Developments LLC and its subsidiaries

Condensed consolidated statement of financial position

As at 30 June 2026

	Note	**30-Jun-26 AED (Unaudited)**	31-Dec-25 AED (Audited)
Assets			
Property, plant and equipment	*10*	**773,671,272**	699,079,243
Right-of-use assets	*11*	**81,119,090**	383,623,380
Investment properties	*12*	**2,183,616,827**	1,827,369,295
Intangible asset		**9,715,148**	14,467,367
Investment in equity accounted investees	*13*	**21,858,671**	25,051,882
Properties held for development and sale	*14*	**4,236,109,435**	4,274,633,926
Loan to related parties	*15(e)*	**1,399,970,583**	1,181,286,731
Due from related parties	*15(b)*	**4,144,241,823**	2,963,734,049
Deferred tax asset	*26*	**15,723,555**	7,293,665
Trade, contract and other receivables	*16*	**6,501,059,933**	6,066,390,327
Restricted balances with bank	*17(c)*	**117,930,202**	103,253,307
Fixed deposit with banks	*17(b)*	**17,310,000**	2,064,800,000
Cash and cash equivalents	*17(a)*	**3,535,263,437**	1,699,877,120
Total assets		**23,037,589,976**	21,310,860,292
Equity and liabilities			
Equity			
Share capital	*18(a)*	**1,800,000,000**	1,800,000,000
Legal reserve		**58,416,743**	58,583,503
Currency translation reserve		**-**	(62,279)
Revaluation reserve	*18(b)*	**43,996,436**	28,080,536
Retained earnings		**2,182,430,348**	1,935,193,878
Attributable to owners of the Company		**4,084,843,527**	3,821,795,638
Non-controlling interest		**34,928,420**	(34,952,109)
Total equity		**4,119,771,947**	3,786,843,529
Liabilities			
Payable to the Government of Sharjah	*19*	**1,912,192,315**	1,907,658,298
Sukuk	*20*	**5,205,846,223**	5,198,014,802
Borrowings	*21*	**2,471,910,440**	1,684,550,000
Lease liabilities	*22*	**21,640,306**	366,554,005
Deferred tax liability	*26*	**30,273,941**	27,339,023
Employees' end of service benefits		**31,755,427**	27,334,243
Derivative financial instrument	*23*	**8,422,956**	1,268,959
Due to shareholders	*15(d)*	**481,911,902**	520,576,485
Due to related parties	*15(c)*	**2,825,765,995**	2,118,358,609
Advance from customers		**3,029,087,903**	3,002,163,987
Corporate tax payable	*26*	**122,100,424**	101,112,272
Trade and other payables	*24*	**2,776,910,197**	2,569,086,080
Total liabilities		**18,917,818,029**	17,524,016,763
Total equity and liabilities		**23,037,589,976**	21,310,860,292

These condensed consolidated interim financial statements were authorized by the Board of Directors and signed on their behalf by:

Director　　　　　　　　　　　　　　　　　　　　　　Director

The accompanying notes 1 to 30 form an integral part of these condensed consolidated interim financial statements. The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 to 2.

Arada Developments LLC and its subsidiaries

Condensed consolidated statement of cash flows

For the six month period ended 30 June 2026

	Note	**30 June 2026 AED (Unaudited)**	30 June 2025 AED (Unaudited)
Operating activities			
Profit after tax for the period		**318,202,083**	411,772,857
Adjustment for:			
Gain on sale of subsidiaries	*25*	**(111,247,350)**	-
Change in fair value of investment properties		**1,433,839**	(59,462,471)
Depreciation	*8(a)*	**42,213,225**	91,440,849
Amortisation	*8(a)*	**3,202,352**	6,404,157
Provision for employees' end of service benefits		**5,426,471**	6,232,529
Share of results from equity accounted investees		**3,193,211**	1,954,747
Allowance for impairment on due from related parties	*15(b)*	**17,715,050**	-
Finance costs	*9(a)*	**419,395,183**	287,272,377
Finance income	*9(b)*	**(205,245,278)**	(94,413,417)
Income tax expense	*26*	**13,919,080**	28,048,850
Operating profit before working capital changes		**508,207,866**	679,250,478
Changes in:			
Trade, contract and other receivables		**(456,280,959)**	(1,027,624,282)
Due from related parties		**(266,776,278)**	(176,490,600)
Properties held for development and sale		**450,880**	(340,875,242)
Due to related parties		**(24,911,854)**	143,452,002
Trade and other payables		**219,925,734**	368,724,929
Payment to the Government of Sharjah, net of finance cost paid	*19*	**-**	(25,342,294)
Advances from customers		**26,923,916**	791,165,343
Cash generated from operating activities		**7,539,305**	412,260,334
Payments for employees' end of service benefits		**(953,224)**	(2,299,316)
Net cash generated from operating activities		**6,586,081**	409,961,018
Investing activities			
Acquisition of property, plant and equipment	*10*	**(173,184,239)**	(92,761,453)
Placement of restricted balances with banks	*17(c)*	**(14,676,895)**	-
Acquisition of subsidiary, net of cash acquired		**-**	(54,900,817)
Acquisition of investment properties	*12*	**(316,881,371)**	(27,828,357)
Loan given to related parties	*15(e)*	**(61,141,125)**	(121,258,965)
Funds transferred to related party		**(949,742,030)**	-
Funds repaid by related party		**169,964,640**	-
Fixed deposit made during the period having maturity more than three months	*17(b)*	**(2,061,520,000)**	(9,010,000)
Fixed deposit matured during the period having maturity more than three months	*17(b)*	**4,109,010,000**	464,010,000
Finance income received		**40,810,798**	13,810,922
Net cash generated from investing activities		**742,639,778**	172,061,330

Arada Developments LLC and its subsidiaries

Condensed consolidated statement of cash flows (continued)

For the six month period ended 30 June 2026

	Note	**30 June 2026 AED (Unaudited)**	30 June 2025 AED (Unaudited)
Financing activities			
Borrowings obtained during the period	*21*	**787,360,440**	600,000,000
Borrowings repaid during the period	*21*	**-**	(35,083,603)
Funds obtained from shareholders	*15(d)*	**120,000,000**	2,000,000,000
Fund repaid/ expenses paid on behalf of shareholders	*15(d)*	**(180,717,103)**	(2,234,134,936)
Lease liabilities net of finance costs paid during the period	*22*	**(22,243,856)**	(24,254,838)
Funds received from related party	*15(c)*	**705,734,381**	-
Finance costs paid		**(315,168,042)**	(219,836,408)
Net cash generated from financing activities		**1,094,965,820**	86,690,215
Net increase in cash and cash equivalents		**1,844,191,679**	668,712,563
Effect of exchange rate fluctuations on cash held		**22,135**	8,954,182
Cash and cash equivalents transferred out – sale of subsidiaries	*25*	**(8,827,497)**	**-**
Cash and cash equivalents at beginning of the period		**1,699,877,120**	2,255,647,413
Cash and cash equivalents at end of the period	*17(a)*	**3,535,263,437**	2,933,314,158

The accompanying notes 1 to 30 form an integral part of these condensed consolidated interim financial statements.

The independent auditors' report on review of condensed consolidated interim financial statements is set out on pages 1 to 2.

Arada Developments LLC and its subsidiaries

Condensed consolidated statement of changes in equity

For the six month period ended 30 June 2026

	Attributable to the owners of the Company							
	Share capital	**Legal reserve**	**Currency translation reserve**	**Revaluation reserve**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total**
	AED	**AED**	**AED**	**AED**	**AED**	**AED**	**AED**	**AED**
At 1 January 2025 (Audited)	1,800,000,000	46,489,638	(31,004,644)	-	886,095,244	2,701,580,238	112,198,447	2,813,778,685
Total comprehensive income/ (loss) for the period								
Profit/ (loss) for the period	-	-	-	-	420,412,255	420,412,255	(8,639,398)	411,772,857
Other comprehensive gain	-	-	30,718,798	-	-	30,718,798	6,562,946	37,281,744
Total comprehensive income/ (loss) for the period	-	-	30,718,798	-	420,412,255	451,131,053	(2,076,452)	449,054,601
Other equity movement								
Acquisition of subsidiary (refer to note 29)	-	-	-	-	-	-	112,485,300	112,485,300
Transfer of shares of subsidiary without losing the control (refer to note 29)	-	-	-	-	103,130,203	103,130,203	(22,559,503)	80,570,700
Issuance of share capital to non-controlling interest	-	-	-	-	-	-	350,000	350,000
Others	-	-	-	-	-	-	49,000	49,000
At 30 June 2025 (Unaudited)	**1,800,000,000**	**46,489,638**	**(285,846)**	-	**1,409,637,702**	**3,255,841,494**	**200,446,792**	**3,456,288,286**
At 1 January 2026 (Audited)	**1,800,000,000**	**58,583,503**	**(62,279)**	**28,080,536**	**1,935,193,878**	**3,821,795,638**	**(34,952,109)**	**3,786,843,529**
Total comprehensive income for the period								
Profit for the period	-	-	-	-	**247,236,470**	**247,236,470**	**70,965,613**	**318,202,083**
Other comprehensive gain	-	-	**108,023**	**15,915,900**	-	**16,023,923**	**27,006**	**16,050,929**
Total comprehensive income for the period	-	-	**108,023**	**15,915,900**	**247,236,470**	**263,260,393**	**70,992,619**	**334,253,012**
Sale of subsidiaries (refer to note 25)	-	**(166,760)**	**(45,744)**	-	-	**(212,504)**	**(1,112,090)**	**(1,324,594)**
At 30 June 2026 (Unaudited)	**1,800,000,000**	**58,416,743**	-	**43,996,436**	**2,182,430,348**	**4,084,843,527**	**34,928,420**	**4,119,771,947**

The accompanying notes 1 to 30 form an integral part of these condensed consolidated interim financial statements.

Notes

forming part of the condensed consolidated interim financial statements

1 Legal status and principal activities

Arada Developments LLC ("the Company"), a limited liability company registered in Sharjah, United Arab Emirates ("UAE") in accordance with UAE Federal Decree Law No. (32) of 2021. The registered office of the Company is P.O Box 2680, Sharjah, UAE. The registered shareholding of the Company is as follows:

	30 June 2026		31 December 2025	
Name	**No. of shares**	**Shareholding %**	No. of shares	Shareholding %
CORP KBW Investments LLC*	**1,080,000**	**60**	1,080,000	60
Basma Group LLC SP **	**720,000**	**40**	720,000	40
	======	======	======	======

* CORP KBW Investments LLC is 100% owned by H.R.H. Prince Khalid Bin AlWaleed Bin Talal Bin AbdulAziz Al Saud.

** Basma Group LLC SP is 100% owned by H.H. Sheikh Sultan Ahmed Sultan AlQasimi.

The principal activities of the Company and its subsidiaries (collectively referred to as "the Group") are carrying real estate enterprises investment, development, educational institution and management and facilities management. These condensed consolidated interim financial statements present the financial position, the results of the operations and cashflows of the Company and its subsidiaries for the six month period ended 30 June 2026.

These condensed consolidated interim financial statements were authorised for issue on 05 August 2026.

2 Basis of preparation

2.1 Statement of compliance

These condensed consolidated interim financial statements for the six month period ended 30 June 2026 have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting and UAE Federal Decree Law No. (32) of 2021. The condensed consolidated interim financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

2.2 Basis of measurement

These condensed consolidated interim financial statements have been prepared under the historical cost convention basis except for investment properties and derivative financial instruments which are stated at fair values.

2.3 Functional and presentation currency

These condensed consolidated interim financial statements are presented in United Arab Emirates Dirham ("AED"), which is also the Company's functional currency.

2 Basis of preparation (continued)

2.4 Use of estimates and judgements

In preparing these condensed consolidated interim financial statements, management has made judgements and estimates about the future, including climate-related risks and opportunities that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Geopolitical developments

The Group continues to monitor the impact of ongoing geopolitical uncertainty on its property development segments. Management has assessed potential effects on cash flows and investment property valuations; however, given the evolving situation and resulting uncertainties, management continues to believe that there is no significant impact as at the reporting date. The Group's business continuity and risk management frameworks remain in place to support its response.

3 Material accounting policies

3.1 Except as described below, the accounting policies adopted in the preparation of these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2025.

The Organisation for Economic Co-operation and Development (OECD) has introduced the Global Anti-Base Erosion (GloBE) Model Rules (Pillar Two), which provides for a global minimum effective tax rate of 15% for multinational enterprise (MNE) groups. Various jurisdictions have enacted, or are in the process of enacting, legislation to implement these rules.
The United Arab Emirates has enacted Cabinet Decision No. 142 of 2024 relating to the imposition of a Domestic Minimum Top-up Tax (DMTT) on Multinational Enterprises. Based on the Group's consolidated revenue in prior years, the Group was assessed to fall within the scope of the UAE DMTT regime. Accordingly, a DMTT provision was recognised during the financial year ended 31 December 2025.

For the period ended 30 June 2026, the Group assessed its obligations under Cabinet Decision No. 142 of 2024 and concluded that no Domestic Minimum Top-up Tax is payable. The Group qualifies for the Initial Phase of International Activity relief under Article 9.3 of the Cabinet Decision, and accordingly the Top-up Tax calculated under the DMTT legislation is reduced to nil.

In reaching this conclusion, the Group assessed that, as at 30 June 2026:
i) the Group has constituent entities in no more than six jurisdictions;
ii) the aggregate net book value of tangible assets located outside the reference jurisdiction does not exceed EUR 50 million;
iii) none of the ownership interests of the UAE Constituent Entities are held by a Parent Entity subject to a Qualified Income Inclusion Rule (IIR) in another jurisdiction; and
iv) the Group remains within the applicable five-year initial phase period prescribed by Article 9.3.

Accordingly, no Domestic Minimum Top-up Tax expense or liability has been recognised in these condensed consolidated interim financial statements for the six months period ended 30 June 2026.

3.2 New standards, amendments and interpretations adopted by the Group

The following new amendments to IFRSs, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in these condensed consolidated interim financial statements:

- Classification and measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (1 January 2026)

A number of new standards and amendments are effective for annual periods beginning on or after 1 January 2027 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated interim financial statements.

- IFRS 18 Presentation and Disclosure in Financial Statements* (1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (Available for optional adoption/ effective date deferred indefinitely)

*Other than IFRS 18, the Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future consolidated financial statements of the Group.

4 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The Board of Directors monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. The Group measures segment performance based on the earnings before finance cost/income, impairment, depreciation and provisions ("Adjusted EBITDA"). Although this is a non-IFRS measure, this will provide additional information to the users of the condensed consolidated interim financial statements.

Geographical information

Following the transfer of the Group's Australian business to a related party in September 2025, the Group's property development and property management activities are conducted exclusively in the United Arab Emirates.

The Group's total revenue generated outside the United Arab Emirates for the six months ended 30 June 2026 is nil *(six months ended 30 June 2025: AED 123.7 million)*.

Operating segments

For management purposes, the Group is organised into two operating segments: 'property development' and 'others'. Other operations include the income from educational services and facility management services *(30 June 2025:* construction contracts, educational services, facility management services and gym membership fees; refer to Note 6). None of these segments met the quantitative thresholds for reportable segments as at the reporting date or 30 June 2025.

The following tables represent revenue and profit information and assets and liabilities information regarding the Group's operating segments for the six month period ended 30 June 2026 and six month period ended 30 June 2025. Assets and liabilities information regarding the Group's operating segments are presented as at 30 June 2026 and 31 December 2025.

	Property development	**Others**	**Total**
Six month period ended 30 June 2026 (Unaudited)	**AED**	**AED**	**AED**
Revenue:			
Sale to external customers			
- Point in time	**35,942,240**	**11,327,851**	**47,270,091**
- Over a period of time	**2,087,607,346**	**64,188,687**	**2,151,796,033**
Leasing income	**34,695,384**	**-**	**34,695,384**
Total revenue	**2,158,244,970**	**75,516,538**	**2,233,761,508**

4 Segment information (continued)

Operating segments (continued)

Six month period ended 30 June 2026 (Unaudited)	**Property development AED**	**Others AED**	**Total AED**
Segment results:			
Adjusted EBITDA	**495,402,118**	**7,379,277**	**502,781,395**
Finance costs	**(415,278,264)**	**(4,116,919)**	**(419,395,183)**
Finance income	**205,245,278**	**-**	**205,245,278**
Gain on sale of subsidiaries	**111,247,350**	**-**	**111,247,350**
Depreciation and amortisation	**(20,679,485)**	**(24,736,092)**	**(45,415,577)**
Share of results from equity accounted investees	**(3,193,211)**	**-**	**(3,193,211)**
Change in fair value of investment properties	**(1,433,839)**	**-**	**(1,433,839)**
Impairment on due from related parties	**(17,715,050)**	**-**	**(17,715,050)**
Income tax expense	**(13,670,600)**	**(248,480)**	**(13,919,080)**
Profit/ (loss) for the period	**339,924,297**	**(21,722,214)**	**318,202,083**

As at 30 June 2026	**Property development AED**	**Others AED**	**Total AED**
Segment assets	**22,978,019,473**	**59,570,503**	**23,037,589,976**
Segment liabilities	**(18,868,432,894)**	**(49,385,135)**	**(18,917,818,029)**
31 December 2025 (Audited)			
Segment assets	21,217,002,209	93,858,083	21,310,860,292
Segment liabilities	(17,310,786,808)	(213,229,955)	(17,524,016,763)

Six month period ended 30 June 2025 (Unaudited)	**Property development AED**	**Others AED**	**Total AED**
Revenue:			
Sale to external customers			
- Point in time	47,994,718	24,911,386	72,906,104
- Over a period of time	2,103,354,481	284,753,284	2,388,107,765
Leasing income	36,887,006	4,190,178	41,077,184
Total revenue	2,188,236,205	313,854,848	2,502,091,053

4 Segment information (continued)

Operating segments (continued)

Six month period ended 30 June 2025 (Unaudited)	Property development AED	Others AED	Total AED
Segment results:			
Adjusted EBITDA	641,468,747	31,549,201	673,017,948
Finance costs	(278,837,692)	(8,434,685)	(287,272,377)
Finance income	94,408,271	5,146	94,413,417
Depreciation and amortisation	(49,649,736)	(48,195,269)	(97,845,005)
Share of results from equity accounted investees	(1,954,747)	-	(1,954,747)
Change in fair value of investment properties	59,462,471	-	59,462,471
Income (tax expense)/tax benefits	(30,069,634)	2,020,784	(28,048,850)
Profit/ (loss) for the period	434,827,680	(23,054,823)	411,772,857

Adjusted EBITDA represents profit/(loss) for the period before finance costs, finance income, income tax, depreciation and amortisation, adjusted to exclude items that management considers non-operating, non-cash or not reflective of the Group's underlying operating performance.

In determining this measure, management excludes the effects of:

- Gain on sale of subsidiaries
- Changes in the fair value of investment properties;
- Impairment of amounts due from related parties; and
- Share of results of equity-accounted investees.

Management believes that Adjusted EBITDA provides useful supplementary information to users of the condensed consolidated interim financial statements by facilitating an understanding of the Group's underlying operating performance and improving comparability between reporting periods.

Adjusted EBITDA is a non-IFRS financial measure. It should not be considered in isolation or as a substitute for profit/(loss) for the period or other measures prepared in accordance with IFRS Accounting Standards. As the calculation of Adjusted EBITDA is not prescribed by IFRS Accounting Standards, it may not be comparable with similarly titled measures reported by other entities.

5 Financial risk management

Overview

The Group’s activities potentially expose it to a variety of financial risks: market risk (including currency risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk.

The condensed consolidated interim financial statement do not include all financial risk management information and disclosures required in the annual consolidated financial statement and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025. The Group’s financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2025.

6 Revenue

	30 June 2026	30 June 2025
	AED	AED
	(Unaudited)	(Unaudited)
Revenue from contracts with customers		
Sale of properties	**2,123,549,586**	2,150,291,247
Others (refer to note (i) below)	**75,516,538**	310,722,622
	2,199,066,124	2,461,013,869
Other revenue		
Lease income	**34,695,384**	41,077,184
	2,233,761,508	2,502,091,053

Timing of revenue recognition

Revenue from contract with customers included above is recognised as follows:

	30 June 2026	30 June 2025
	AED	AED
	(Unaudited)	(Unaudited)
Over a period of time	**2,151,796,033**	2,388,107,765
At a point of time	**47,270,091**	72,906,104
Revenue from contracts with customers	**2,199,066,124**	2,461,013,869
Lease income	**34,695,384**	41,077,184
	2,233,761,508	2,502,091,053

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future from existing contracts related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

	1 year	**2 to 4 years**	**Total**
	AED	**AED**	**AED**
Sale of properties	**6,830,210,237**	**8,654,376,778**	**15,484,587,015**

i) This mainly includes revenue from educational services amounting to AED 31.9 million and facility management services amounting to AED 23.7 million *(six months ended 30 June 2025: educational services amounting to AED 24.8 million, facility management services amounting to AED 21.82 million, construction contracts amounting to AED 121.9 million* and gym membership fees amounting to AED 108.6 million*).*

*The entities operating in the construction and fitness businesses were transferred to other related entities on 31 August 2025 and 15 September 2025 respectively. Accordingly, the Group did not recognise any revenue from these businesses for the six-month period ended 30 June 2026.

7 Direct cost

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Cost of properties sold (refer to note 14)	**1,337,012,745**	1,229,789,664
Other direct expense	**64,856,353**	216,033,456
	1,401,869,098	1,445,823,120

8(a) General and administrative expenses

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Employee related expenses	**80,036,145**	124,182,838
Depreciation (refer to notes 10 and 11)	**42,213,225**	91,440,849
Amortisation	**3,202,352**	6,404,157
Refund on cancellation	**28,170,279**	10,584,070
Legal and professional expenses	**5,866,147**	2,862,928
Facility and maintenance expenses	**3,297,546**	7,802,760
Other expenses	**48,445,156**	57,153,690
	211,230,850	300,431,292

8(b) Sales and marketing expenses

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Sales commission	**134,060,108**	119,556,571
Advertisement expense	**21,342,767**	31,738,814
Unit registration charges	**5,994,014**	17,005,853
Other expenses	**58,604,239**	21,997,995
	220,001,128	190,299,233

9 Finance costs and income

a) Finance costs

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Finance cost on sukuk	**211,883,509**	168,073,555
Finance cost on bank borrowings	**78,704,804**	34,501,795
Amortization of non-current balance due to related parties (refer to note 15(a))	**33,556,485**	18,908,952
Amortization of balance payable to the Government of Sharjah (refer to note 19)	**33,501,306**	29,437,087
Finance cost on due to shareholders	**22,052,520**	-
Amortization of non-current balance payable of trade and other payable	**7,477,623**	6,988,433
Fair value loss on derivative financial instrument	**7,153,997**	-
Finance expense on lease liabilities	**4,572,219**	17,419,509
Other finance costs	**20,492,720**	11,943,046
	419,395,183	287,272,377

b) Finance income

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Finance income from loan to and due from related parties (refer to notes 15(b) and 15(e))	**160,590,889**	38,071,490
Profit on bank deposits	**44,654,389**	42,594,407
Fair value gain on derivative financial instrument	-	13,747,520
	205,245,278	94,413,417

10 Property, plant and equipment

i) During the reporting period, the Group has additions in property, plant and equipment amounting to AED 173.1 million *(six months ended 30 June 2025: AED* 92.7 *million)*.

The additions included a plot of land acquired for a cost of AED 94.7 million. The land is primarily intended to be used for the construction of warehouse to support the Group's real estate development activities.

ii) During the reporting period, the Group has recognised a depreciation expense of AED 17.6 million *(six months ended 30 June 2025: AED 43.2 million)*.

iii) During the reporting period, the Group has derecognised property, plant and equipment amounting to AED 57.8 million as part of sale of subsidiaries (refer to note 25).

10 Property, plant and equipment (continued)

iv) During the reporting period, a plot of land previously classified as property, plant and equipment was transferred to investment property following a change in use, resulting from leasing of the plot of land to generate rental income.

At the date of transfer, the plot of land was measured at fair value. The difference between the fair value of AED 40.8 million and its carrying amount of AED 23.31 million was recognised as revaluation gain in the condensed consolidated statement of profit or loss and other comprehensive income in accordance with the Group's accounting policy. Also refer notes 12 and 18(b).

v) Property, plant and equipment amounting to AED 32.9 million *(31 December 2025: Nil)* are mortgaged to bank against the Islamic credit facilities of the Group (refer to note 21).

Also refer note 27(a).

11 Right-of-use assets

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Land and Building		
Cost		
At 1 January	**560,010,479**	651,890,436
Additions during the period/ year	**12,540,666**	50,159,824
Transferred out - sale of subsidiaries (refer to note 25)	**(462,229,756)**	-
Acquired in business combination	-	41,961,693
Derecognised on expiry of lease term	-	(14,450,924)
Transferred out - common control transaction	-	(169,550,550)
Balance at the end of period/ year	**110,321,389**	560,010,479
Accumulated depreciation		
At 1 January	**176,387,099**	147,474,258
Charge for the period/ year	**24,619,112**	89,518,387
Transferred out - sale of subsidiaries (refer to note 25)	**(171,803,912)**	-
Derecognised on expiry of lease term	-	(14,450,924)
Transferred out - common control transaction	-	(46,076,111)
Currency translation difference	-	(78,511)
Balance at the end of period/ year	**29,202,299**	176,387,099
Net book value		
Balance at the end of period/ year	**81,119,090**	383,623,380

Also refer to note 22.

11 Right-of-use assets (continued)

Following are the amounts which are recognised in the condensed consolidated interim statement of profit or loss and condensed consolidated interim statements of cashflows:

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Amount recognised in the condensed consolidated statement of profit or loss		
Lease income from right-of-use assets	**8,022,241**	18,593,366
Depreciation expense	**24,619,112**	48,354,223
Finance expense on lease liabilities (refer to notes 9(a) and 22)	**4,572,219**	17,419,509
	========	========
Amount recognised in the condensed consolidated statement of cash flow		
Lease payments made during the period net of finance cost (included under financing activities)	**(22,243,856)**	(24,254,838)
	=========	========

i) The lease income from right-of-use assets is generated from right-of-use assets held by a subsidiary, Arada Hospitality LLC, the entire shares of which are transferred to related parties on 28 February 2026 (Refer to note 25).

12 Investment properties

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
At 1 January	**1,827,369,295**	1,638,041,690
Additions during the period/ year	**316,881,371**	138,003,496
Transfer from property, plant and equipment (refer to note 10(iv))	**40,800,000**	85,050,000
Transfer to properties held for development and sale	**-**	(111,617,405)
Change in fair value	**(1,433,839)**	77,891,514
	----------------	----------------
Balance at the end of period/ year	**2,183,616,827**	1,827,369,295
	==========	==========

i) During the period, lease income of AED 26.7 million *(six month ended 30 June 2025: AED 16.4 million)* has been recognised by the Group from investment properties.

ii) As at the reporting date, investment properties include property under construction amounting to AED 1,067 million (31 December 2025: AED 824.6 million). Also refer to note 27(a).

iii) Investment properties amounting to AED 56.2 million *(31 December 2025: Nil)* are mortgaged to bank against the Islamic credit facilities of the Group (refer to note 21).

iv) The Group engaged independent external valuers to determine the fair value of its investment properties in accordance with IFRS Accounting Standards. In performing the valuation, the valuers considered the prevailing market conditions, including the current geopolitical developments in the Middle East. The valuers have noted that the future impact of these developments remains uncertain and will continue to be monitored in future reporting periods.

13 Investment in equity accounted investees

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Al Heera Beach Developments LLC	**20,314,624**	22,274,190
Nextgen Robopark Investment LLC	**1,544,047**	2,777,692
Balance at the end of period/ year	**21,858,671**	25,051,882

14 Properties held for development and sale

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
At 1 January	**4,274,633,926**	4,041,006,346
Additions during the period/ year	**1,231,361,149**	3,948,353,647
Cost of properties reinstated during the period/ year	**67,127,105**	75,304,593
Transfer from investment properties (refer to note 12)	-	111,617,405
Cost of properties sold (refer to note 7)	**(1,337,012,745)**	(3,151,299,884)
Borrowing cost capitalized	-	10,795,450
Transfer to properties, plant and equipment	-	(14,446,574)
Transferred out - common control transaction	-	(790,642,488)
Foreign currency translation difference	-	43,945,431
Balance at the end of period/ year	**4,236,109,435**	4,274,633,926

i) Properties held for development and sale amounting to AED 79.6 million *(31 December 2025: Nil)* are mortgaged to bank against the Islamic credit facilities of the Group (refer to note 21).

ii) The management of the Group has assessed the net realisable value (NRV) of properties held for development and sale as at the reporting date, in accordance with the requirements of IAS 2 Inventories, and has concluded that the carrying amount of these properties does not exceed their net realisable value. Accordingly, no write-down is required.

Also refer to note 27(a).

15 Related party transactions and balances

(a) Related party transactions

The Group enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The transactions between related parties are carried out at mutually agreed terms which are agreed between the management of the Group and the management of the respective related party.

15 Related party transactions and balances (continued)

(a) Related party transactions (continued)

The significant transactions entered into by the Group with related parties, other than those disclosed elsewhere in these condensed consolidated interim financial statements, are as follows:

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Shareholders exercising joint control		
Funds received from shareholders for working capital	**120,000,000**	204,800,000
Funds repaid to shareholders	**124,723,688**	-
Payments made by the Company on behalf of the shareholders	**55,993,415**	29,334,936
Finance cost on due to shareholders	**22,052,520**	-
Related parties due to common control		
Funds received from related parties	**705,734,381**	-
Expenses incurred by Group on behalf of related parties	**385,141,763**	254,958,805
Customer collection received by the Group on behalf of related parties	**192,675,659**	51,478,307
Loan given to related parties	**163,169,773**	120,759,089
Finance income from loan to related parties (refer to note 9(b))	**55,767,750**	35,598,236
Payment of land purchase price (refer to note 15(c) (i))	**43,198,580**	43,198,580
Amortization of non-current balance due to related parties (refer to note 15 (c))	**33,556,485**	18,908,952
Fund received from related parties	**26,439,041**	108,669,285
Services provided or expenses recharged to related parties by the Group	**12,627,699**	-
Fund transferred to related parties	**1,529,591**	77,020,498
Services provided or expenses recharged to the Group by the related parties	**209,458**	10,423,076
Others	-	3,787,816

15 Related party transactions and balances (continued)

(a) Related party transactions (continued)

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Other related parties		
Funds transferred to a related party	**941,112,439**	-
Funds transferred by a related party	**135,011,096**	-
Finance income on due from related parties(refer to note 9(b))	**102,495,862**	-
Expenses incurred by Group on behalf of related parties	**49,382,500**	-
Services provided or expenses recharged to the Group by the related parties	**20,177,827**	-
Services provided or expenses recharged to related parties by the Group	**18,958,199**	-
Consideration received on sale of subsidiaries (refer note 25 (i) & (ii))	**11,000,000**	-
Joint ventures		
Expenses incurred by the Group on behalf of a related party	**34,349,128**	-
Invoices issued by the Group for services provided or expenses recharged to a related party	**9,356,358**	-
Fund received from a related party	**8,514,503**	-
Fund transferred to a related party	**7,100,000**	-
Customer collection received by the Group on behalf of a related party	**1,529,591**	-
Interest income from a loan to a related party (refer to note 9(b))	**2,327,277**	2,473,254
Loan (repaid) / given to a related party	**(253,771)**	650,000

Compensation to key management personnel is as follows:

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Salaries and other employee benefits	**3,382,857**	6,000,354
Post-employment benefits	**259,735**	325,423

15 Related party transactions and balances (continued)

(b) Due from related parties

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Related parties due to common control		
Arada Group LLC* (refer to notes (i) below)	-	2,570,670,149
EGR Group LLC (refer to note (ii) below)	**280,046,492**	197,052,224
Wasat Prime Properties LLC (refer to note (ii) below)	**165,950,838**	109,924,597
Wasat Downtown Properties LLC (refer to note (ii) below)	**47,622,610**	3,283,012
Wasat Properties LLC (refer to note (ii) below)	**7,190,145**	7,190,145
Arada Association Administrative Supervision (refer to note (ii) below)	**9,690,049**	15,035,446
Others (refer to note (ii) below)	**6,879,425**	6,911,107
Other related parties		
Arada Group LLC* (refer to notes (i) below)	**3,518,363,003**	-
Arada Hospitality and Entertainment LLC ** (refer to note (ii) below)	**14,750,358**	-
Arada Hospitality LLC (refer to note (ii) below)	**13,183,999**	-
Others (refer to note (ii) below)	**5,300,817**	-
Joint ventures		
Al Heera Beach Developments LLC	**104,842,685**	65,530,917
Less: allowance for impairment	**(29,578,598)**	(11,863,548)
	4,144,241,823	2,963,734,049
Less: after 12 months	**(3,501,084,637)**	(2,570,670,149)
Within 12 months	**643,157,186**	393,063,900

i) During the year 2025, Arada Developments LLC ("the Company") entered into debt assignment agreement with Arada Group LLC , whereby the amounts previously due from certain direct and indirect subsidiaries of the Company (AED 2,093.5 million) were assigned to Arada Group LLC. These balances had previously been eliminated on consolidation when the relevant entities were part of the same sub-group.

During the current reporting period, the Company has advanced funds net of payments amounting to AED 802.7 million for investing activities and paid expenses on behalf of the Arada Group amounting to AED 45 million .

The balance carries an interest rate of 7% and is repayable on 31 December 2027 along with accrued interest.

* Effective 25 February 2026, following changes to the shareholding of Arada Group LLC, the Company's shareholders ceased to be the sole parties exercising joint control over Arada Group LLC.

15 Related party transactions and balances (continued)

(b) Due from related parties (continued)

ii) These balances represent expenses incurred on behalf of related parties net of funds transferred or customer collection made on behalf of the related parties and is payable on demand. The balances are receivable on due date as per respective contracts, which is less than 12 months from the reporting date.

iii) During the current period, management assessed the recoverability of amounts due from related parties based on the expected credit loss model and other relevant indicators of impairment. Based on this assessment, an impairment loss of AED 17.7 million *(June 2025: Nil)* has been recognized in the condensed consolidated interim statement of profit or loss and charged against balances due from related parties. The carrying amount of the due from related parties has been reduced accordingly to reflect management's best estimate of the amounts expected to be recovered.

** This also includes AED 10 million purchase consideration receivable on sale of subsidiary "Arada Hospitality LLC"

(c) Due to related parties

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Related parties owing to common control		
Wasat Properties LLC (refer to note (iv) below)	**1,137,736,013**	860,000,000
Arada Holding 2 Limited (refer to note (iv) below)	**427,998,368**	-
Other related parties		
Tilal Properties LLC (refer to note (i) below)	**431,985,788**	475,184,368
Ruba Developments LLC (refer to note (ii) below)	**780,000,000**	780,000,000
Sharjah Research Technology & Innovation Park Enterprises Co. LLC (refer to note (iii) below)	**228,300,000**	228,300,000
Nexus Smartek Solutions LLC	**8,867,060**	-
Others	**3,861,905**	1,413,865
	3,018,749,134	2,344,898,233
Less: present value impact on long term payable	**(192,983,139)**	(226,539,624)
	2,825,765,995	2,118,358,609
Less: after 12 months	**(950,583,057)**	(1,094,542,734)
Within 12 months	**1,875,182,938**	1,023,815,875

i) This represents the amount payable against the purchase of land amounting to AED 690 million net off payment made as of reporting date. As per the sales purchase agreement entered on 24 January 2021, the amount is payable over a period of 10 years. Interest expense amounting to AED 5.1 million *(30 June 2025: AED 15.2 million)* is recorded on the amortisation of long-term balance payable to Tilal Properties LLC.

15 Related party transactions and balances (continued)

(c) Due to related parties (continued)

ii) This represents amount payable against the purchase of land amounting to AED 1,050 million net of payments made as of the reporting date. As per the signed MOU entered on 31 July 2025, the amount is payable over a period of 6 years. Interest expense amounting to AED 21.6 million *(30 June 2025: Nil)* is recorded on the amortisation of long-term balance payable to Ruba Developments LLC.

iii) This represents the amount payable against the purchase of land amounting to AED 228.3 million. As per the agreement entered on 10 February 2025, the amount is payable over a period of 3 years. Interest expense amounting to AED 6.8 million *(30 June 2025: 3.7 million)* is recorded on the amortisation of long-term balance payable to Sharjah Research Technology & Innovation Park Enterprises Co. LLC.

iv) During the year, the Group received funds from its related parties, Wasat Properties LLC and Arada Holding 2 Limited as part of financing arrangements. As at the reporting date, the outstanding balances due to Wasat Properties LLC and Arada Holding 2 Limited amounted to AED 1,137,736,013 and AED 427,998,368, respectively.

(d) Due to shareholders

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
CORP KBW Investments LLC	**405,499,363**	417,016,341
Basma Group LLC	**76,412,539**	103,560,144
	481,911,902	520,576,485

i) Due to shareholders carries an interest rate of 8% and are classified as non-current.

15 Related party transactions and balances (continued)

(e) Loan to related parties

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Related parties owing to common control		
Wasat Land Properties LLC (refer note (i) below)	**537,656,758**	497,350,583
Wasat Prime Properties LLC (refer note (ii) below)	**438,911,586**	406,303,365
Sphere Downtown Properties LLC (refer note (iii) below)	**221,886,675**	192,352,838
Wasat Downtown Properties LLC (refer note (iv) below)	**46,926,247**	32,211,734
Other related parties		
Arada Hospitality LLC (refer to note 25 (i))	**101,774,877**	-
Others	**621,452**	621,452
Joint ventures		
Nextgen Robopark Investment LLC	**56,466,097**	56,719,868
	1,404,243,692	1,185,559,840
Less: Allowance for impairment	**(4,273,109)**	(4,273,109)
	1,399,970,583	1,181,286,731
Less: after 12 months	**(423,402,239)**	(1,181,286,731)
Within 12 months	**976,568,344**	-

i) Effective 1 January 2024, the Group entered into an agreement with Wasat Land Properties LLC for the facility limit of AED 600,000,000. Under the terms of the agreement, the Group advanced a loan of AED 348,658,159 up to 31 December 2025 which carry a profit rate of 10% and is receivable over a period of three years.

During the six month period ended 30 June 2026, the Group has advanced additional amount of AED 15,979,159 to Wasat Land Properties LLC under the same terms and conditions.

ii) Effective 1 January 2024, the Group entered into an agreement with Wasat Prime Properties LLC for the facility limit of AED 500,000,000. Under the terms of the agreement, the Group advanced a loan of AED 302,032,497 up to 31 December 2025 which carry a profit rate of 10% and is receivable over a period of three years.

During the six month period ended 30 June 2026, the Group has advanced additional amount of AED 12,717,834 to Wasat Prime Properties LLC under the same terms and conditions.

iii) Effective 1 October 2025, the Group entered into an agreement with Sphere Downtown Properties LLC for the facility limit of AED 250,000,000. Under the terms of the agreement, the Group has initially advanced a loan of AED 190,472,684 which carry a profit rate of 7% and is receivable over a period of three years.

During the six month period ended 30 June 2026, the Group has advanced additional amount of AED 19,705,354 to Sphere Downtown Properties LLC under the same terms and conditions.

15 Related party transactions and balances (continued)

(e) Loan to related parties (continued)

iv) Effective 1 February 2025, the Group entered into an agreement with Wasat Downtown Properties LLC for the facility limit of AED 50,000,000. Under the terms of the agreement, the Group has initially advanced a loan of AED 31,055,847 which carry a profit rate of 10% and receivable over a period of three years.

During the six month period ended 30th June 2026, the Group has advanced additional amount of AED 12,992,550 to Wasat Downtown Properties LLC under the same terms and conditions.

v) During the current period, management assessed the recoverability of loan to related parties based on the expected credit loss model and other relevant indicators of impairment. Based on this assessment management considers the loan to related parties balances are recoverable, accordingly no impairment loss *(June 2025: Nil)* has been recognized in the condensed consolidated interim statement of profit or loss.

16 Trade, contract and other receivables

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Trade and unbilled receivables (refer to note (i) below)	**4,360,363,443**	4,466,035,868
Less: Allowance for impairment	**(3,846,598)**	(2,034,516)
	4,356,516,845	4,464,001,352
Advances to suppliers*	**1,018,320,199**	517,586,452
Deferred expenses (refer to note (ii) below)	**893,863,202**	876,309,636
Value added tax receivable	**86,504,766**	70,771,222
Prepayments	**46,990,237**	48,560,435
Deposits	**32,505,504**	20,265,088
Others	**66,359,180**	68,896,142
	6,501,059,933	6,066,390,327
Less: after 12 months	**(501,957,677)**	(459,967,848)
Within 12 months	**5,999,102,256**	5,606,422,479

*This includes an advance of AED 63.8 million paid towards the purchase of three plots of land. The total agreed purchase price is AED 638 million, and control over the land is expected to transfer to the Group in March 2027 upon completion of the 100% payment.

Also refer to notes 15(c)(iv) and 15(c)(v).

16 Trade, contract and other receivables (continued)

i) Trade receivables and contract assets

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Trade receivables		
Amounts receivable within 12 months	**2,236,519,370**	612,496,405
Contract assets		
Unbilled receivables within 12 months	**2,123,844,073**	3,853,539,463
Total trade receivables and contract assets	**4,360,363,443**	4,466,035,868

Contract balances

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date. Contract liabilities primarily relate to the advance consideration received from customers for sale of properties. The contract assets become trade receivables when the rights become unconditional. The contract liabilities primarily relates to advance consideration received from customers for contracts, for which revenue is recognised on satisfaction of performance obligation.

The following table provides information about contract assets and contract liabilities from contracts with customers.

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Contract assets (included in trade and unbilled receivables)	**2,123,844,073**	3,853,539,463
Contract liabilities (advances from customers)	**3,027,345,309**	2,994,556,126

Significant changes in the contract balances during the period are as follows:

	Contract assets *AED*	Contract liabilities *AED*
Revenue recognised that was included in the contract liability balance at the beginning of the period	-	**1,257,393,692**
Increases due to cash received, excluding amounts recognised as revenue during the period	-	**1,290,182,875**
Transfers from contract assets recognised at the beginning of the period to receivables	**3,792,278,235**	-
Increases as a result of changes in the measure of progress	**2,062,582,845**	-

ii) This represents sales commission paid to agents and sales staff, which will be recognised over a period of time when benefits relating to the transactions will flow to the Group in proportion to the recognition of revenue.

17(a) Cash and cash equivalents

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Cash in hand	**4,950,202**	5,113,209
Cash at banks (refer to note (i) below)	**1,480,313,235**	1,694,763,911
Fixed deposits with original maturity less than three months	**2,050,000,000**	-
	3,535,263,437	1,699,877,120

i) Cash at banks includes balance of AED 1,257 million *(31 December 2025: AED 1,244.9 million)* held in escrow accounts relating to advance collected from customers which is available for payments relating to the construction of properties held for development and sale.

ii) During the reporting period, certain fixed deposits matured and were reinvested in deposits with shorter original maturities. As at the reporting date, these deposits meet the definition of cash and cash equivalents and have an original maturity of three months or less from the date of placement. Accordingly, they have been presented within cash and cash equivalents in the condensed consolidated interim statement of financial position.

17(b) Fixed Deposits with banks

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Fixed deposits with original maturity over three months	**17,310,000**	2,064,800,000
	17,310,000	2,064,800,000

17(c) Restricted balances with bank

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Escrow retention balances with bank (refer to note (i) below)	**93,323,539**	78,302,000
Cash at bank under lien	**24,606,663**	24,951,307
	117,930,202	103,253,307

i) The above represents Escrow retention accounts maintained with commercial banks in accordance with the local laws issued by the governing bodies in UAE. The retention balance shall be released after one year from the completion of the projects.

18 Equity

a) Share capital

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Authorised, issued and paid up share capital		
1,800,000 shares of AED 1,000 each *(31 December 2025: 1,800,000 shares of AED 1,000 each)*	**1,800,000,000**	1,800,000,000
	==========	==========

b) Revaluation reserve

The revaluation reserve relates to the transfer of owner-occupied property (land plot) to investment properties based on change in use (Refer note 10(iv)). The property was remeasured to fair value at the date of transfer and reclassified accordingly. Resulting gain on this remeasurement was recognised in the condensed consolidated interim statement of other comprehensive income and presented in the revaluation reserve.

19 Payable to the Government of Sharjah

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
At 1 January	**1,907,658,298**	1,979,910,526
Payments made during the period/ year	**(28,967,289)**	(151,849,150)
Unwinding of interest (refer to note 9(a))	**33,501,306**	79,596,922
	-----------------	-----------------
Balance at the end of period/ year	**1,912,192,315**	1,907,658,298
Less: after 12 months	**(1,795,080,804)**	(1,784,785,474)
	------------------	------------------
Within 12 months	**117,111,511**	122,872,824
	=========	=========

20 Sukuk

Arada Sukuk Limited ("the first issuer"), a limited liability company registered in the Cayman Islands, had issued trust certificates ("the Sukuk 1") amounting to United States Dollar ("USD") 350 million (equivalent AED 1,286 million) on 8 June 2022. Subsequent to initial issuance, the first issuer has issued additional trust certificates with a face value amounting to USD 100 million (equivalent AED 367.5 million) on 27 October 2022. These trust certificates were issued at 1% discount. Further to the above, trust certificates with a face value amounting to USD 50 million (equivalent AED 183.8 million) were issued on 13 February 2023. These trust certificates were issued at 1.309% discount. The Sukuk is due for repayment in June 2027 and carries a profit distribution rate of 8.125% per annum to be paid semi-annually.

Arada Sukuk 2 Limited ("the second issuer"), a limited liability company registered in the Cayman Islands, has issued trust certificates ("the Sukuk 2") amounting to United States Dollar ("USD") 400 million (equivalent AED 1,469 million) on 24 June 2024. The issuer has issued additional trust certificates with amounting to USD 150 million (equivalent to AED 551.25 million) on 1 October 2024. The trust certificate was issued at premium of 2.54%. The Sukuk is due for repayment in June 2029 and carries a profit distribution rate of 8% per annum to be paid semi-annually.

20 Sukuk (continued)

Arada Sukuk 2 Limited ("the second issuer"), a limited liability company registered in the Cayman Islands, has issued trust certificates ("the Sukuk 3") with a face value amounting to United States Dollar ("USD") 450 million (equivalent AED 1,653 million) on 5 August 2025. These trust certificates carry a profit distribution rate of 7.15% per annum to be paid semi-annually and repayable on 5 August 2030.

Arada Sukuk Limited ("the first issuer"), repurchased trust certificates with a face value amounting to USD 88.3 million (equivalent to AED 324.5 million) at a premium of 2.75% on 5 August 2025.

These Sukuks are listed on London Stock Exchange and Nasdaq Dubai.

During the period, the Group recognised a finance cost of AED 211.9 million on its Sukuk *(30 June 2025: AED 168.07 million)*, out of which AED 59.7 million *(31 December 2025: AED 59.7 million)* is payable as at the reporting date.

The following fair values of the Sukuk borrowing are based on quoted market rates and are within Level 1 of the fair value hierarchy:

	Carrying amount		**Fair value**	
	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)	**30 June 2026 AED (Unaudited)**	31 December 2025 AED (Audited)
Sukuk 1*	**1,514,973,288**	1,512,219,529	**1,528,634,190**	1,545,973,226
Sukuk 2	**2,009,651,257**	2,007,128,942	**2,053,104,900**	2,085,667,237
Sukuk 3	**1,681,221,678**	1,678,666,331	**1,639,990,800**	1,672,106,625
	5,205,846,223	5,198,014,802	**5,221,729,890**	5,303,747,088

*Sukuk 1 amounting to AED 1,514 million is payable within 12 months from the reporting date.

The Group is required to comply with the following financial covenants:

i) Consolidated total net indebtedness at the end of the immediately preceding measurement period to total equity at the end of such measurement period does not exceed a ratio of 2:1;

ii) Consolidated adjusted EBITDA for the immediately preceding measurement period to consolidated net finance charges payable for such measurement period is not less than a ratio of 1.5:1;

iii) Consolidated total net indebtedness at the end of the immediately preceding measurement period to consolidated EBITDA for such measurement period does not exceed a ratio of 4:1;

iv) The Group is required to ensure that, as of any date, it has complied with the eligible receivable coverage ratios;

v) The Group is required to ensure that the loan-to-value (LTV) ratio for the construction financing arrangement entered into by the Group does not exceed 70% as of any date.

21 Borrowings

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Within 12 months	**919,920,979**	150,000,000
After 12 months	**1,551,989,461**	1,534,550,000
	2,471,910,440	1,684,550,000

Movement in bank borrowings are as follows:

At 1 January	**1,684,550,000**	575,400,000
Borrowings obtained during the period/ year	**787,360,440**	1,934,474,264
Borrowings acquired on subsidiary's acquisition	**-**	35,083,603
Borrowings repaid during the period/ year	**-**	(735,007,867)
Currency translation difference	**-**	8,894,050
Borrowings transferred out - common control transaction	**-**	(134,294,050)
Balance at the end of period/ year	**2,471,910,440**	1,684,550,000

During the period, the Group recognised a finance cost of AED 78.7 million *(30 June 2025: AED 34.5 million) (Refer note 9(a))*.

Islamic finance obligations during the period carries market prevailing rate of EIBOR + 2.35% to 3.5% *(30 June 2025: EIBOR + 2.35% to 3%)* and unsettled obligation is repayable within 5 months to 10 years from the reporting date *(30 June 2025: 5 months to* 2.3 *years).*

Islamic finance obligations are secured by mortgages over properties classified under property, plant and equipment, investment properties and properties held for development and sale (Refer to notes 10, 12 ,14).

As at reporting date, the Group has complied with applicable financial covenants on its borrowings (refer to note 20).

The Islamic finance facilities obtained by the Group, is secured by one or more of the following:

i) A general assignment of certain identified receivables of Aljada Project.

ii) The Company has provided an undertaking to create and perfect mortgages over certain plots located within the Aljada development in Sharjah, UAE, in the event that the facility is not repaid by its final maturity date. Under the terms of the undertaking, the Company has agreed not to create or permit any competing security interests over the identified properties in favour of other lenders until the facility is settled.

iii) Corporate Guarantee from M/s Basma Group LLC SP and M/s Corp KBW Investments LLC up to the extent of their ownership covering facility amount in favour of the bank.

iv) Mortgages over certain properties classified as, properties held for development and sale and property, plant and equipment and Investment properties ("Mortgage properties").

v) The assignment of receivables, sale purchase agreements and cash flows relating to the Mortgage properties and the pledge of designated bank accounts/collection accounts maintained for their operations.

22 Lease Liabilities

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
At 1 January	**366,554,005**	489,676,116
Additions during the period/ year	**12,100,043**	50,159,824
Assumed in business combination	**-**	41,706,931
Finance expense on lease liabilities charged to the profit or loss (refer to note 9(a))	**4,572,219**	32,555,078
Lease payments	**(26,816,075)**	(111,339,809)
Transferred out - common control transaction	-	(136,303,565)
Transferred out - sale of subsidiaries (refer to note 25)	**(334,769,886)**	
Currency translation difference	-	99,430
Balance at the end of period/ year	**21,640,306**	366,554,005
Less: after 12 months	**(14,312,321)**	(265,394,389)
Within 12 months	**7,327,985**	101,159,616

23 Derivative financial instruments

The table below shows the fair value of derivative financial instrument, which is equivalent to the market value, together with the notional amount. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivative is measured. The notional amount indicates the volume of transactions outstanding at the reporting date and are neither indicative of the market nor credit risk.

	30 June 2026 AED (Unaudited)		31 December 2025 AED (Audited)	
	Fair value	**Notional amount**	Fair value	Notional amount
Profit rate swap	**(8,422,956)**	1,286,086,637	(1,268,959)	1,286,086,637

Derivative financial instrument is carried at fair value under Level 2.

24 Trade and other payables

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Trade payables	**836,976,296**	839,325,991
Retention payables	**532,117,200**	427,716,885
Project cost accruals	**687,775,116**	540,184,773
Commission payable	**187,532,126**	316,697,450
Other payables and accrued expenses	**532,509,459**	445,160,981
	2,776,910,197	2,569,086,080
Less: after 12 months	**(148,116,562)**	(148,116,562)
Within 12 months	**2,628,793,635**	2,420,969,518

25 Sale of subsidiaries

During the reporting period, the Group has sold its shareholding in certain subsidiaries to one or more direct or indirect subsidiaries of Arada Group LLC, Limited Liability Company registered with the Department of Economy and Tourism, Dubai, UAE.

Arada Group LLC and its subsidiaries were previously under the control of the ultimate shareholders of the Group.

Following a change in the shareholding of Arada Group LLC on 25 February 2026 and the amendment to the shareholders' agreement, the shareholders who jointly control the Group ceased to be the only parties exercising joint control over Arada Group LLC and its subsidiaries.

Accordingly, the sale of these subsidiaries does not constitute a business combination under common control.

The sale of subsidiaries by the Group are accounted in accordance with IFRS 10 and the Group's accounting policy for accounting a transaction in which the Group loses the control of a subsidiary, where the Group derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss.

i) Sale of Arada Hospitality LLC and its subsidiaries

On 28 February 2026, the Group sold its 100% shareholding in Arada Hospitality LLC, a Limited Liability Company registered with Economic Development Department of Government of Sharjah, UAE to a related party, Arada Hospitality & Entertainment LLC, a Limited Liability Company – Single Owner (LLC – SO) registered with the Department of Economy and Tourism, Dubai, UAE.

Arada Hospitality & Entertainment LLC is a wholly owned subsidiary of Arada Group LLC.

As on the date of sale, Arada Hospitality LLC owned a controlling equity interest of 100% in Nest Hotels LLC SP, a Limited Liability Company registered with Economic Development Department of Government of Sharjah.

Further, as on the date of sale, Arada Hospitality LLC directly or indirectly owned a controlling equity interest of 80% in Reformatory Investments LLC (UAE), Reformatory Roasters LLC - FZ (UAE) and Reformatory Roasters Australia Pty Ltd.

Consideration received

The total consideration agreed for the sale of the shares is AED 10,000,000. This amount is outstanding as at the reporting date and included in the due from related parties balance (refer to note 15(b)).

Gain on sale recognised in profit or loss

The difference between:

- the aggregate carrying amount of net liability, non-controlling interest and currency translation reserve amounting to a net liability position of AED 101,247,350 and
- the consideration of AED 10,000,000

resulting in a gain of an amount of AED 111,247,350 is recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income.

25 Sale of subsidiaries (continued)

i) Sale of Arada Hospitality LLC and its subsidiaries (continued)

Contribution to the Group's results

From 1 January 2026 to the date of transfer (28 February 2026), the Arada Hospitality LLC and its subsidiaries contributed:

- revenue of AED 13,299,602 and
- loss amounting to AED 16,608,750

to the Group's consolidated results.

Further, as part of this sale and purchase agreement entered into by the Group with Arada Hospitality & Entertainment LLC, an amount of AED 101,774,877 owed by Arada Hospitality LLC as at the date of transfer was converted into a loan carrying an interest rate of 7.15% which shall be repaid in full on or before 31 December 2030.

The note (iii) summarises the carrying amounts of the assets, liabilities and equity components derecognized at the date of the transfer.

ii) Sale of Souq Manbat Supermarket Sole Proprietorship LLC

On 22 May 2026, the Group sold its 100% shareholding in Souq Manbat Supermarket Sole Proprietorship LLC, a Limited Liability Company registered with Economic Development Department of Government of Sharjah to a related party, Arada Food & Beverage LLC SOC, also registered with Economic Development Department of Government of Sharjah, UAE.

Arada Food & Beverage LLC SOC is wholly owned indirect subsidiary of Arada Group LLC.

Consideration received

The total consideration agreed for the sale of the shares is AED 1,000,000. The consideration was offset against the balance due to the purchaser.

No gain or loss on sale recognised in profit or loss

The aggregate carrying amount of the net assets derecognised on loss of control amounting to AED 1,000,000 equals the purchase consideration of AED 1,000,000, hence the sale did not result in any gain or loss recognised in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Contribution to the Group's results

From 1 January 2026 to the date of transfer (22 May 2026), Souq Manbat Supermarket Sole Proprietorship LLC contributed:

- revenue of AED 7,714,371 and
- loss amounting to AED 239,851

to the Group's consolidated results.

The note (iii) summarises the carrying amounts of the assets, liabilities and equity components derecognized at the date of the transfer.

25 Sale of subsidiaries (continued)

iii) Assets, liabilities and equity components derecognised

	Arada Hospitality LLC and its subsidiaries AED	Souq Manbat Supermarket Sole Proprietorship LLC AED	Total AED
<u>**Assets**</u>			
Property plant and equipment	57,758,656	30,317	**57,788,973**
Right-of-use assets	290,425,844	-	**290,425,844**
Goodwill on business combination	1,549,867	-	**1,549,867**
Due from related parties	35,847,558	379,395	**36,226,953**
Trade, contract and other receivables	15,063,897	6,063,106	**21,127,003**
Cash and cash equivalents	8,362,564	464,933	**8,827,497**
Total assets	**409,008,386**	**6,937,751**	**415,946,137**
Equity and liabilities			
Equity			
Legal reserve	166,760	-	**166,760**
Currency reserve	45,744	-	**45,744**
Non-Controlling Interest	1,112,090	-	**1,112,090**
Total equity	**1,324,594**	**-**	**1,324,594**
Liabilities			
Lease liabilities	334,769,886	-	**334,769,886**
Employees' end of service benefits	52,065	-	**52,065**
Due to related parties	136,400,657	1,220,337	**137,620,994**
Trade and other payables	37,708,534	4,717,414	**42,425,948**
Total liabilities	**508,931,142**	**5,937,751**	**514,868,893**
Total equity and liabilities	**510,255,736**	**5,937,751**	**516,193,487**
Carrying value of assets, liability and equity components derecognised	**(101,247,350)**	**1,000,000**	**(100,247,350)**

26 Income tax

The Group has recognised UAE corporate income tax expense based on the estimate made by the management. Tax expense represents the sum of current income tax and deferred tax.

Global minimum top-up tax

For the financial year 2026, the Group assessed its obligations under Cabinet Decision No. 142 of 2024 and concluded that no Domestic Minimum Top-up Tax is payable. The Group qualifies for the Initial Phase of International Activity relief under Article 9.3 of the Cabinet Decision, and accordingly the Top-up Tax calculated under the DMTT legislation is reduced to nil.

Also refer to the note 3.1.

a) Amounts recognised in the condensed consolidated interim statement of profit or loss

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Current tax expense	**20,988,152**	20,914,754
UAE domestic minimum top-up tax	**-**	23,606,133
Changes in estimates related to prior years on account of Ministerial Decision 120 of 2023 (refer to note (i) below)	**-**	(22,676,356)
	20,988,152	21,844,531
Deferred tax (income) / expense (Refer to note 26(d))	**(7,069,072)**	6,204,319
	13,919,080	28,048,850

b) Amounts recognised in the condensed consolidated interim statement of other comprehensive income

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Deferred tax expense (Refer to note 26(d))	**1,574,100**	-

26 Income tax (continued)

c) Reconciliation of effective tax rate

	30 June 2026 AED (Unaudited)	30 June 2025 AED (Unaudited)
Profit before tax	**332,121,163**	439,821,707
Gain on transfer of 30% shares of subsidiary not recognised in profit or loss	**-**	103,130,203
Loss not subject to tax	**3,437,850**	6,043,783
Basic Tax exemption	**(375,000)**	(375,000)
Accounting profit subject to income tax	**335,184,013**	548,620,693
Tax using the domestic tax rate @ 9%	**30,166,561**	49,375,862
UAE domestic minimum top-up tax expense for the period	**-**	23,606,133
Changes in estimates related to prior years on account of Ministerial Decision 120 of 2023 (refer to note (i) below)	**-**	(22,676,356)
Tax exempt gain (Ministerial Decision 120 of 2023) (refer to note (i) below)	**(8,568,797)**	(12,795,680)
Participating exemption on gain on transfer of shares of subsidiary per Article 23 of the Federal Decree Law no.47 of 2022	**(10,012,262)**	(9,281,718)
Non-deductible expenses	**792,828**	205,189
Others	**1,540,750**	(384,580)
	13,919,080	28,048,850
	4.19%	6.38%

i) The Group has applied the Ministerial Decision 120 of 2023 on the Adjustment Under Transitional Rules for the Purpose of Federal Decree Law No. 47 of 2022 on Taxation of Corporation and Businesses ('MD 120 of 2023'), to exclude the gain or loss attributable to the pre-corporate tax ownership period of the immovable properties in the UAE.

Article 2 of Ministerial Decision No. 120 of 2023 provides that a taxable person may elect when submitting its first tax return to adjust its taxable Income in respect of any gains arising on disposal (or deemed disposal) of a Qualifying Immovable Property in the first tax period or subsequent tax periods to exclude the portion of the gain (and not a loss) attributable to the pre-corporate tax ownership period. The election is irrevocable except under exceptional circumstances and pursuant to the approval by the Federal Tax Authority ("FTA"). The Group has made above mentioned election while submission of its first tax return and adjusted its taxable income in respect of gain arising on disposal (or deemed disposal) of a Qualifying Immovable Property in UAE.

26 Income tax (continued)

d) Deferred tax

Deferred tax related to following:

	Balance at 1 January 2026					Balance at 30 June 2026	
	Deferred tax asset	Deferred tax liability	Recognized in profit or loss	Recognized in OCI	Net	Deferred tax asset	Deferred tax liability
Change in fair value of investment properties	-	(18,193,357)	129,046	-	**(18,064,311)**	-	(18,064,311)
Gain on remeasurement of properties held for development and sale on transfer to investment properties	-	(4,292,837)	-	-	**(4,292,837)**	-	(4,292,837)
Fair value on derivative financial instrument	-	(114,206)	-	-	**(114,206)**	-	(114,206)
Gain on revaluation of property, plant and equipment on transfer to investment properties	-	(2,777,196)	-	(1,574,100)	**(4,351,296)**	-	(4,351,296)
Tax allowance on depreciation deduction on investment properties	-	(1,961,427)	(1,489,864)	-	**(3,451,291)**	-	(3,451,291)
Impairment on Property, plant and equipment	546,782	-	-	-	**546,782**	546,782	-
Allowance for impairment on loan to related parties	384,580	-	-	-	**384,580**	384,580	-
Allowance for impairment on due from related parties	1,067,719	-	1,594,355	-	**2,662,074**	2,662,074	-
Tax losses carried forward	5,294,584	-	6,449,375	-	**11,743,959**	11,743,959	-
Net interest expenditure carried forward	-	-	386,160	-	**386,160**	386,160	
	7,293,665	**(27,339,023)**	**7,069,072**	**(1,574,100)**	**(14,550,386)**	**15,723,555**	**(30,273,941)**

26 Income tax (continued)

e) Corporate tax payable

	30 June 2026 AED (Unaudited)	31 December 2025 AED (Audited)
Balance at the end of period/ year	**122,100,424**	101,112,272
Less: after 12 months	**(20,988,152)**	(33,434,296)
Within 12 months	**101,112,272**	67,677,976

27 Capital commitments and contingent liabilities

a) Capital commitments

As at 30 June 2026, the Group has total commitments of AED 8,155 million *(31 December 2025: AED 7,209 million)* with respect to under construction properties classified under property, plant and equipment, properties held for development and sale and investment properties. These commitments represent the value of contracts issued as at the reporting date net of invoices received and accruals made at that date. These commitments are expected to be settled within a period of 24 to 36 months *(31 December 2025: within a period of 24 to 30 months)* from the reporting date.

b) Contingent liabilities

As at 30 June 2026, the Group has contingent liabilities in respect of performance guarantees amounting to AED 562 million *(31 December 2025: AED* 446 *million)*. However, certain other contingent liabilities may arise during the normal course of business, which based on the information presently available, either cannot be quantified at this stage or in the opinion of the management is without any merit. However, in the opinion of management, these contingent liabilities are not likely to result in any significant cash outflows for the Group.

28 Fair values

The carrying amount of the Group's financial instruments, except sukuk approximate their fair values at the reporting date.

29 Acquisition of subsidiaries

During the six-month period ended 30 June 2025, the Group acquired control of certain businesses and accounted for these transactions using the acquisition method in accordance with IFRS 3 Business Combinations.

At the time of issuing the interim condensed consolidated financial statements for the six-month period ended 30 June 2025, the accounting for these business combinations was provisional, as permitted by IFRS 3. Accordingly, the comparative information presented in these condensed consolidated interim financial statements reflects the provisional amounts recognised in those condensed consolidated interim financial statements.

29 Acquisition of subsidiaries (continued)

During the measurement period, the Group finalised the accounting for these business combinations. The acquisitions have been fully accounted for and disclosed in accordance with the requirements of IFRS 3 Business Combinations and the Group's accounting policy for business combinations in the annual consolidated financial statements for the year ended 31 December 2025.

The below table presents the summary of the amounts recognised in the condensed consolidated interim financial statements for the six-month period ended 30 June 2025 and annual consolidated financial statements for the year ended 31 December 2025:

	31-Dec-25 AED (Audited)	30-Jun-25 AED (Unaudited)
Fair value of 30% shares in subsidiary without losing control	**75,724,800**	80,570,700
Fair value of 30% NCI in the acquiree	**68,533,200**	112,485,300
Fair value of identifiable net assets acquired	**147,063,943**	207,776,226
Goodwill on acquisition	**132,145,623**	120,231,340
	=========	=========

30 Internal group restructuring

During the year ended 31 December 2025, the Group had affected internal group restructuring involving the transfer of certain businesses to other entities that are ultimately controlled by the Company’s shareholders and therefore constituted business combinations under common control.

The transactions were accounted for using the predecessor value method in accordance with the Group's accounting policy for common control transactions as described in the annual consolidated financial statements for the year ended 31 December 2025.