



TECOM GROUP PJSC AND ITS SUBSIDIARIES

**Condensed interim consolidated
financial statements**

For the six-month period ended 30 June 2025

**Condensed interim consolidated financial statements
For the six-month period ended 30 June 2025**

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Review report on condensed interim consolidated financial statements to the Board of Directors of Tecom Group PJSC

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Tecom Group PJSC ("the Company") and its subsidiaries (together, "the Group") as at 30 June 2025 and the related condensed interim consolidated statements of income, comprehensive income for the three-month and six-month periods then ended, and condensed interim consolidated statements of changes in equity and cash flows for the six-month period then ended, and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statement in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ('IAS 34'). Our responsibility is to express a conclusion on these condensed interim 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 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 interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers Limited Partnership Dubai Branch
31 July 2025

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

Condensed interim consolidated statement of financial position

		30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property and equipment	5	87,195	90,893
Intangible assets		16,134	16,688
Investment property	6	13,899,878	13,819,597
Derivative financial instruments	7	99,477	165,440
Other receivables	8	9,749	11,347
Unbilled receivables	9	885,080	821,126
Deferred tax assets	7	11,060	4,922
		15,008,573	14,930,013
Current assets			
Other receivables	8	89,615	106,814
Trade and unbilled receivables	9	175,237	181,757
Due from related parties	10	41,926	54,990
Cash and bank balances	11	1,036,440	1,017,039
		1,343,218	1,360,600
Total assets		16,351,791	16,290,613

Condensed interim consolidated statement of financial position
(continued)

		30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
	Note		
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	500,000	500,000
Statutory reserve	13	482,696	482,696
Hedge reserve		107,165	169,231
Retained earnings		5,893,191	5,555,767
Total equity		6,983,052	6,707,694
LIABILITIES			
Non-current liabilities			
Trade and other payables	18	2,254	2,728
Borrowings	14	5,218,664	5,213,253
Advances from customers	15	572,643	606,757
Project liabilities	16	708,336	786,913
Due to related parties	10	49,124	92,766
Derivative financial instruments	7	3,372	1,131
Employees' end-of-service benefits		47,698	46,733
Provision for other liabilities and charges	17	773,992	902,807
		7,376,083	7,653,088
Current liabilities			
Trade and other payables	18	245,793	330,330
Advances from customers	15	998,634	969,223
Current tax liabilities	23	60,665	38,222
Project liabilities	16	461,221	473,596
Due to related parties	10	124,337	90,604
Provisions for other liabilities and charges	17	102,006	27,856
		1,992,656	1,929,831
Total liabilities		9,368,739	9,582,919
Total equity and liabilities		16,351,791	16,290,613

To the best of our knowledge, the condensed interim consolidated financial statements are prepared, in all material aspects, in accordance with IAS 34. The condensed interim consolidated financial statements were approved by the Board of Directors on 31 July 2025 and were signed on its behalf by:



Malek Sultan Rashed Almalek
Chairman



Abdulla Belhoul
Chief Executive Officer



Haissam Baydoun
Acting Chief Financial Officer

Condensed interim consolidated statement of income

	Note	Six-month period ended 30 June		Three-month period ended 30 June	
		2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Revenue	20	1,389,163	1,147,759	709,430	583,721
Direct costs		(450,430)	(376,380)	(235,380)	(190,999)
Gross profit		938,733	771,379	474,050	392,722
Other operating income	21	39,370	36,268	23,736	23,111
		978,103	807,647	497,786	415,833
Expenses					
General and administrative	22	(84,725)	(95,839)	(39,913)	(51,306)
Marketing and selling		(24,052)	(19,934)	(11,928)	(10,945)
Other operating		-	(3,685)	-	-
		(108,777)	(119,458)	(51,841)	(62,251)
Operating profit		869,326	688,189	445,945	353,582
Finance income		19,580	38,240	9,056	19,004
Finance costs		(129,039)	(105,791)	(66,433)	(56,167)
Finance costs - net		(109,459)	(67,551)	(57,377)	(37,163)
Profit before tax for the period		759,867	620,638	388,568	316,419
Income tax expense	23	(22,443)	(17,594)	(12,006)	(5,903)
Profit for the period		737,424	603,044	376,562	310,516
Earnings per share attributable to the owners of the company					
Basic and diluted (AED)	24	0.15	0.12	0.08	0.06

Condensed interim consolidated statement of comprehensive income

	Note	Six-month period ended 30 June		Three-month period ended 30 June	
		2025	2024	2025	2024
		AED'000	AED'000	AED'000	AED'000
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit for the period		737,424	603,044	376,562	310,516
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Fair value (loss)/gain on cash flow hedges, net of tax	7	(62,066)	2,519	(16,598)	(20,755)
Other comprehensive income for the period, net of tax		(62,066)	2,519	(16,598)	(20,755)
Total comprehensive income for the period		675,358	605,563	359,964	289,761

Condensed interim consolidated statement of changes in equity

			Attributable to owners of the Company			
	Note	Share capital AED'000	Statutory reserve AED'000	Hedge reserve AED'000	Retained earnings AED'000	Total equity AED'000
At 1 January 2024 (Audited)		500,000	458,410	218,995	5,151,602	6,329,007
Profit for the period		-	-	-	603,044	603,044
Other comprehensive income for the period		-	-	2,519	-	2,519
Total comprehensive income for the period		-	-	2,519	603,044	605,563
Transactions with owners:						
Dividends declared	19	-	-	-	(400,000)	(400,000)
At 30 June 2024 (Reviewed)		500,000	458,410	221,514	5,354,646	6,534,570
At 1 January 2025 (Audited)		500,000	482,696	169,231	5,555,767	6,707,694
Profit for the period		-	-	-	737,424	737,424
Other comprehensive income for the period		-	-	(62,066)	-	(62,066)
Total comprehensive income for the period		-	-	(62,066)	737,424	675,358
Transactions with owners:						
Dividends declared	19	-	-	-	(400,000)	(400,000)
At 30 June 2025 (Reviewed)		500,000	482,696	107,165	5,893,191	6,983,052

Condensed interim consolidated statement of cash flows

		Six-month period ended 30 June	
	Note	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Cash flows from operating activities			
Cash generated from operations	25	1,007,039	903,685
Payment of employees' end of service benefits		(1,269)	(549)
Net cash generated from operating activities		1,005,770	903,136
Cash flows from investing activities			
Purchase of property and equipment	5	(6,415)	(2,232)
Payments for investment property, net of advances to contractors and project liabilities		(491,572)	(320,847)
Purchase of intangible assets		(4,223)	(3,122)
Movement in fixed deposits with maturities greater than three months	11	170,000	140,000
Interest received		21,349	31,780
Net cash used in investing activities		(310,861)	(154,421)
Cash flows from financing activities			
Proceeds from borrowings		-	250,000
Interest paid		(105,508)	(82,547)
Payment for dividends	19	(400,000)	(400,000)
Net cash used in financing activities		(505,508)	(232,547)
Net increase in cash and cash equivalents		189,401	516,168
Cash and cash equivalents, beginning of the period		638,361	669,882
Cash and cash equivalents, end of the period		827,762	1,186,050

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025

1 Legal status and activities

TECOM Group PJSC (the “Company”) is a public joint stock with trade license number 577858 issued by the Department of Economy and Tourism in Dubai.

The Company was initially established as a limited liability company on 14 February 2006. The legal status of the Company was converted to a public joint stock company on 30 June 2022 by virtue of Company’s shareholders resolution. On 5 July 2022, the Company listed its 12.5% ordinary shares on the Dubai Financial Market (“DFM” or the “Exchange”) through an Initial Public Offering (“IPO”).

The Company is domiciled in the United Arab Emirates (UAE) and its registered head office address is Commercial Building No. 1, Dubai Studio City, Dubai, P.O. Box 73000, Dubai, United Arab Emirates.

The principal activities of the Group are property leasing, development, facilities management and services.

The parent company is DHAM LLC (the “Parent Company”), which is a fully owned subsidiary of Dubai Holding Commercial Operations Group LLC (the “Intermediate Parent Company”). The Intermediate Parent Company is a fully owned subsidiary of Dubai Holding LLC (the “Ultimate Parent Company”). The “Ultimate Shareholder” of the Company was His Highness Sheikh Mohammed Bin Rashid Al Maktoum till 8 January 2023. On 8 January 2023, the Ultimate Shareholder and Ruler of Dubai issued Law No. 1 of 2023, transferring his direct ownership in the Ultimate Parent Company to the Government of Dubai. The Company and its subsidiaries are collectively referred to as the Group (the “Group”).

The Group consolidates investments in the following principal subsidiaries:

Name of the entity	Nature of business	Ownership %	
		30 June 2025	31 December 2024
TECOM Investments FZ-LLC	Develop and lease properties	100	100
Dubai Industrial City LLC	Develop and lease properties	100	100
Dubai Design District FZ-LLC	Develop and lease properties	100	100
Tamdeen LLC	Project management engineering and feasibility studies	100	100
Dubai Design District Hospitality FZ-LLC	Develop and lease properties and real estate services	100	100
AXS FZ-LLC	Incorporation and visa related services	100	100
DMC Butterfly Building FZ-LLC	Real estate services	100	100
Innovation Hub FZ-LLC	Real estate services	100	100
IN5 FZ-LLC	Regional headquarters for real estate services	100	100
DIC 1 FZ-LLC	Develop properties and real estate services	100	100
DIC 2 FZ-LLC	Develop properties and real estate services	100	100
DKV 1 FZ-LLC	Develop properties and real estate services	100	100
Innovation Hub Phase 1 FZ-LLC	Real estate services	100	100
Dquarters FZ-LLC	Regional headquarters for real estate services	100	100

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

1 Legal status and activities (continued)

The Group only operates in the UAE and has no subsidiaries in foreign jurisdictions.

The Group has not purchased or invested in any shares for the six-month period ended 30 June 2025.

2 Material accounting policy information

2.1 Statement of compliance

The condensed interim consolidated financial statements of the Group have been prepared in accordance with the requirements of International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34") and comply with the applicable requirements of the laws in the UAE.

No income of a seasonal nature was recorded in the condensed interim consolidated financial statements for the six-month period ended 30 June 2025. In addition, the results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2024.

2.2 Basis of preparation

The condensed interim consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is the Company's functional currency and the Group's presentation currency. All amounts have been rounded to the nearest AED thousands ('000s), unless stated otherwise.

The condensed interim consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given/received in exchange for goods and services.

The preparation of condensed interim consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 4.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

2 Material accounting policy information (continued)

2.2 Basis of preparation (continued)

As at 30 June 2025, the Group's current liabilities exceeded its current assets. A significant portion of these current liabilities comprises non-financial liabilities, including operating lease advances and contract advances. Excluding these, the Group's current assets exceed current liabilities.

Certain comparative amounts have been reclassified in the notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 to conform to the presentation used in these condensed interim consolidated financial statements.

The same accounting policies and methods of computation, as well as assumptions, are followed in these condensed interim consolidated financial statements as compared to the most recent annual consolidated financial statements, except for the new policies, standards, and amendments adopted during the current period as outlined in note 2.3 of the condensed interim consolidated financial statements.

2.3 Application of new and revised IFRS Accounting Standards

- (a) New and revised IFRS Accounting Standards applied with no material effect on the condensed interim consolidated financial statements

The following revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, has been adopted in these condensed interim consolidated financial statements. Its adoption has not had any material impact on the disclosures or on the amounts reported in these condensed interim consolidated financial statements.

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates relating to Lack of Exchangeability.

Other than the above, there are no other significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

2 Material accounting policy information (continued)

2.3 Application of new and revised IFRS Accounting Standards (continued)

(b) New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these condensed interim consolidated financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments	1 January 2026
Annual improvements to IFRS - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's condensed interim consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 18 will have no material impact on the condensed interim consolidated financial statements of Group in the period of initial application.

3 Financial risk management

3.1 Financial risk factors

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

The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating to fixed rates.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

3 Financial risk management (continued)

3.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available. Management reviews cash flows at regular intervals.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 30 June 2025:

	Level 2 AED'000 (Reviewed)
Assets	
Derivatives designated as cash flow hedges	99,477
Liabilities	
Derivatives designated as cash flow hedges	3,372

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2024:

	Level 2 AED'000 (Audited)
Assets	
Derivatives designated as cash flow hedges	165,440
Liabilities	
Derivatives designated as cash flow hedges	1,131

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

4 Critical accounting estimates and judgements

The preparation of these condensed interim consolidated financial statements, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty remain consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2024, except for the reassessment of provisions related to infrastructure costs.

Change in accounting estimate

During the six-month period ended 30 June 2025, the Group performed a reassessment of its infrastructure cost estimates. This reassessment resulted in an increase in the carrying amount of investment property and the related provision for infrastructure costs by AED 68,000,000 (Note 17).

The revision was primarily driven by updated assumptions regarding the historical cost of construction. An increase in the cost of constructing comparable infrastructure assets in recent periods was a key factor for the revised estimate.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

5 Property and equipment

	Note	Buildings AED'000	Building interior improvements, furniture and fixtures AED'000	Computer hardware AED'000	Motor vehicles AED'000	Other assets AED'000	Capital work in progress AED'000	Total AED'000
Cost								
At 1 January 2024 (Audited)		137,840	128,315	46,181	1,364	19,077	154	332,931
Additions		-	4,425	534	-	1,364	-	6,323
Transfers from/(to) investment property	6	-	395	-	-	-	(154)	241
Disposals		-	-	(20)	-	-	-	(20)
Reclassifications		(2,783)	2,783	-	-	-	-	-
Write-off		-	-	-	-	(1,167)	-	(1,167)
At 31 December 2024 (Audited)		135,057	135,918	46,695	1,364	19,274	-	338,308
Additions		-	5,583	376	456	-	-	6,415
Disposals		-	-	-	(948)	-	-	(948)
Transfers to investment property	6	-	(32,759)	(30)	-	(3,011)	-	(35,800)
At 30 June 2025 (Reviewed)		135,057	108,742	47,041	872	16,263	-	307,975
Accumulated depreciation								
At 1 January 2024 (Audited)		55,611	123,195	44,775	986	14,905	-	239,472
Depreciation charge for the period		3,496	2,056	865	378	2,153	-	8,948
Transfers to investment property	6	-	182	-	-	-	-	182
Disposals		-	-	(20)	-	-	-	(20)
Write-off		-	-	-	-	(1,167)	-	(1,167)
At 31 December 2024 (Audited)		59,107	125,433	45,620	1,364	15,891	-	247,415
Depreciation charge for the period		1,550	1,102	379	24	365	-	3,420
Disposals		-	-	-	(948)	-	-	(948)
Transfers to investment property	6	-	(28,048)	-	-	(1,059)	-	(29,107)
At 30 June 2025 (Reviewed)		60,657	98,487	45,999	440	15,197	-	220,780
Net book value at 30 June 2025 (Reviewed)		74,400	10,255	1,042	432	1,066	-	87,195
Net book value at 31 December 2024 (Audited)		75,950	10,485	1,075	-	3,383	-	90,893

The depreciation charge for the six-month period ended 30 June 2025 is recognised under general and administrative expenses amounting to AED 3,420,000 (for the six-month period ended 30 June 2024: AED 2,477,000).

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

6 Investment property

	Notes	Land AED'000	Buildings and improvements AED'000	Infrastructure AED'000	Right of use - land AED'000	Capital work in progress AED'000	Total AED'000
Cost							
At 1 January 2024 (Audited)		3,687,468	10,521,991	3,244,663	-	3,599,897	21,054,019
Additions		414,162	1,353,806	-	-	619,901	2,387,869
Transfers to related parties	10	-	-	-	-	(23,335)	(23,335)
Transfers (to)/from property and equipment	5	-	(395)	-	-	154	(241)
Transfers within other captions of investment property		-	60,188	54,718	-	(114,906)	-
At 31 December 2024 (Audited)		4,101,630	11,935,590	3,299,381	-	4,081,711	23,418,312
Additions		-	44,283	-	-	259,650	303,933
Transfers from property and equipment	5	-	32,789	-	3,011	-	35,800
Transfers within other captions of investment property		-	392,355	5,768	-	(398,123)	-
At 30 June 2025 (Reviewed)		4,101,630	12,405,017	3,305,149	3,011	3,943,238	23,758,045
Accumulated depreciation and impairment							
At 1 January 2024 (Audited)		1,946,344	4,614,437	1,102,968	-	1,525,728	9,189,477
Depreciation charge for the period		-	357,229	52,191	-	-	409,420
Transfers to property and equipment	5	-	(182)	-	-	-	(182)
At 31 December 2024 (Audited)		1,946,344	4,971,484	1,155,159	-	1,525,728	9,598,715
Depreciation charge for the period		-	204,472	25,706	167	-	230,345
Transfers from property and equipment	5	-	28,048	-	1,059	-	29,107
At 30 June 2025 (Reviewed)		1,946,344	5,204,004	1,180,865	1,226	1,525,728	9,858,167
Net book value at 30 June 2025 (Reviewed)		2,155,286	7,201,013	2,124,284	1,785	2,417,510	13,899,878
Net book value at 31 December 2024 (Audited)		2,155,286	6,964,106	2,144,222	-	2,555,983	13,819,597

The capital work-in-progress includes land, buildings and infrastructure under construction.

In 2024, the Group acquired investment property from fellow subsidiaries for a total consideration of AED 958,231,000, recorded in accordance with the Group's accounting policy (Note 10).

The depreciation charge for the six-month period ended 30 June 2025 is recognised under direct costs amounting to AED 230,345,000 (for the six-month period ended 30 June 2024: AED 196,118,000).

As at 30 June 2025, the estimated fair value of the Group's investment property is AED 27,874,364,000 (31 December 2024: AED 27,874,364,000).

No impairment indicators were observed for any classes of investment property during the six-month period ended 30 June 2025.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

6 Investment property (continued)

The following amounts have been recognised in the condensed interim consolidated statement of income in respect of investment property:

	Six-month period ended	
	30 June	
	2025	2024
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Operating lease income (Note 20)	1,208,263	1,017,537
Direct costs (including depreciation) arising from investment property that generated operating lease income	396,629	335,284

7 Derivative financial instruments

	Notional amount	Asset	Liabilities
	AED'000	AED'000	AED'000
At 30 June 2025 (Reviewed)			
Designated as cash flow hedges			
Interest rate swap contracts	3,246,602	99,477	3,372
At 31 December 2024 (Audited)			
Designated as cash flow hedges			
Interest rate swap contracts	3,531,268	165,440	1,131

At 30 June 2025, the fixed interest rates vary from 1.52% to 4.37% per annum (31 December 2024: 1.52% to 4.37% per annum). The floating rates are linked to Emirates Interbank Offered Rate ("EIBOR").

Changes in the fair market values of interest rate swaps that are considered effective and designated as cash flow hedges are recognised in the hedge reserve in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss. There was no ineffectiveness to be recorded from the cash flow hedges. The change in fair values of interest rate swaps designated as cash flow hedges for the six-month period ended 30 June 2025 amounted to a loss of AED 68,204,000 (for the six-month period ended 30 June 2024: a gain of AED 2,768,000). The related tax on the gain for the period is AED 6,138,000 (for the six-month period ended 30 June 2024: AED 249,000), which has been set off against the fair value loss/gain disclosed in the other comprehensive income.

As at 30 June 2025, derivative financial instruments include interest rate swaps entered into with a related party financial institution, with a fair value of AED 37,999,000 (31 December 2024: AED 64,689,000).

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

8 Other receivables

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Advances to contractors and suppliers	42,454	53,035
Finance lease receivables	13,871	15,468
Prepayments	27,097	36,711
Other receivables	15,942	12,947
	99,364	118,161
Less: non-current	(9,749)	(11,347)
Current	89,615	106,814

9 Trade and unbilled receivables

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Trade receivables	142,108	172,516
Less: loss allowance	(68,827)	(77,939)
	73,281	94,577
Less: non-current	-	-
Current	73,281	94,577
Unbilled receivables - operating leases	1,042,403	963,331
Less: loss allowance	(55,367)	(55,025)
	987,036	908,306
Less: non-current	(885,080)	(821,126)
Current	101,956	87,180
Trade and unbilled receivables		
Current	175,237	181,757
Non-current	885,080	821,126
	1,060,317	1,002,883

The fair values of trade and unbilled receivables approximate their carrying amounts.

Unbilled receivables arise on revenue recognition based on straight lining which is mainly driven by rent free periods and rent escalation as per the contracts.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

9 Trade and unbilled receivables (continued)

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 30 June 2025 and 31 December 2024. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

The provision against not past due receivables reflects loss allowance against specific customers considered having a higher probability of default. The creation and release of the loss allowance on receivables have been included in the condensed interim consolidated statement of income under general and administrative expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The majority of the Group's trade and unbilled receivables are denominated in AED.

10 Balances and transactions with related parties

Related parties comprise major shareholders, ultimate parent company, intermediate parent company, parent company and key management personnel and businesses which are controlled directly by the major shareholders or key management personnel. Related parties also include entities over which the ultimate parent company has control or significant influence. The terms of the related party transactions are approved by the management.

(a) Due from related parties

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Parent Company	1,413	1,413
Other subsidiaries of the Parent Company	24,223	26,370
Other related parties	16,290	27,207
	41,926	54,990

The fair values of due from related parties approximate their carrying amounts and are fully performing at 30 June 2025 and 31 December 2024.

Due from and due to related party balances are offset and the net amount is reported in the condensed interim consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the due from and due to balances simultaneously.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

10 Balances and transactions with related parties (continued)

(b) Due to related parties

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Ultimate Parent Company	8,222	16,042
Other subsidiaries of the Parent Company	127,366	130,381
Other related parties	37,873	36,947
	173,461	183,370
Less: non-current	(49,124)	(92,766)
Current	124,337	90,604

The payables to related parties arise mainly from purchase transactions and are non-interest bearing.

As at 30 June 2025, the amount due to related parties includes AED 96,665,000 (31 December 2024: AED 113,141,000), which pertains to obligations arising from the acquisition of investment property from fellow subsidiaries (Note 6). Of this amount, AED 49,124,000 (31 December 2024: AED 92,766,000) is classified as a non-current liability, representing the net present value of obligations with a repayment term of three years. This classification reflects the long-term nature of the liability, consistent with the terms of the underlying agreements, as repayment extends beyond one year.

(c) Related party transactions

Details of other significant transactions with related parties in the normal course of the business are as follows:

	Six-month period ended 30 June 2025 AED'000 (Reviewed)		2024 AED'000 (Reviewed)
Transactions between related parties:			
Dividends declared to Parent Company	350,000		350,000
Transfer of investment property to fellow subsidiaries (Note 6)	-		23,335
Settlement of outstanding balances to Ultimate Parent Company, fellow subsidiary and other related parties	85,699		60,197

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

10 Balances and transactions with related parties (continued)

(c) Related party transactions (continued)

	Six-month period ended 30 June	
	2025 AED'000	2024 AED'000
	(Reviewed)	(Reviewed)
Services provided to related parties included in revenue:		
Operating lease income from fellow subsidiaries and others	24,098	19,693
Services income from the Parent Company and fellow subsidiaries	2,584	3,336
Services provided by related parties included in expenses:		
Direct costs - operation and maintenance costs		
- Fellow subsidiary	-	1,120
- Entities under common control	55,650	49,503
- Other related parties	28,153	22,930
<i>General and administrative expenses - cost recharged</i>		
- Ultimate Parent Company	79	2
- Fellow subsidiaries	11,979	19,785
- Other related parties	563	549
Transactions with related party institution		
Finance income	7,544	5,868
Finance costs and other bank charges	44,157	35,298

(d) Remuneration of key management personnel

The compensation to key management personnel of the Group is shown below:

	Six-month period ended 30 June	
	2025 AED'000	2024 AED'000
	(Reviewed)	(Reviewed)
Salaries and other short-term employee benefits	13,585	12,748
End of service, termination and other post-employment benefits	623	360
Board of Directors' remuneration	2,590	3,500
	16,798	16,608

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

11 Cash and bank balances

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Cash on hand	609	594
Cash at banks		
- Current account	177,153	437,767
- Fixed deposits	858,678	578,678
	1,036,440	1,017,039

Cash and cash equivalents include the following for the purposes of the condensed interim consolidated statement of cash flows:

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Cash and bank balances	1,036,440	1,017,039
Fixed deposits with maturities greater than three months	(208,678)	(378,678)
	827,762	638,361

Bank accounts are held with locally incorporated banks. Fixed deposits carry interest in the range of 3.85% to 4.70% (31 December 2024: 3.85% to 5.05%) per annum.

As at 30 June 2025, cash and bank balances include AED 167,034,000 (31 December 2024: AED 222,192,000) held with a related party financial institution.

12 Share capital

The total authorised and issued share capital of the Company comprises 5,000,000,000 shares (31 December 2024: 5,000,000,000 shares) of AED 0.10 each. All shares were fully paid-up.

13 Statutory reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021 and Articles of Association, 10% of the profit for the year of the public joint stock company and 5% of the profit for the year of each UAE limited liability registered company are transferred to a statutory reserve, which is not distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the respective companies. Accordingly, for the six-month period ended 30 June 2025, transfers to the statutory reserve are expected to be made by the individual entities within the Group at the end of the year in line with the aforementioned policy.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

14 Borrowings

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Bank borrowings	5,250,000	5,250,000
Unamortised transaction costs	(31,336)	(36,747)
Carrying amount	5,218,664	5,213,253
Less: non-current	(5,218,664)	(5,213,253)
Current	-	-

The purpose of the loan facility is to repay existing facilities and for general corporate purposes of the Group. The facility is repayable in a single bullet payment in 2028.

As at 30 June 2025, the Group has undrawn floating rate borrowing amounting to AED 2,350,000,000 from the above facility (31 December 2024: AED 2,350,000,000).

The Group has sufficient headroom to enable it to conform to covenants on its existing borrowings and sufficient working capital and undrawn financing facilities to service its operating activities and ongoing investments as at 30 June 2025 and 31 December 2024.

Below are major financial covenants as required by the terms of the facility:

- (i) Leverage for each period not to exceed certain ratios as specified in the facility agreement.
- (ii) Debt Service Cover Ratio not to be less than 1.20:1.
- (iii) Minimum Net Worth in respect of any relevant period not to be less than AED 3,673,000,000 (or its equivalent in any other currency).

The Group has complied with all covenants in line with the borrowing facility agreements at each reporting period. The Group has not had any defaults of principal, interest or redemption amounts during the periods on its borrowed funds.

The Group's borrowings are denominated in AED and bear interest at a fixed margin of 1% plus the prevailing three-month EIBOR, with the floating component subject to re-pricing every three months from the reporting date. Interest rates on these borrowings ranged from 5.18% to 5.38% per annum (31 December 2024: ranged from 5.59% to 6.35%).

As at 30 June 2025, borrowings include AED 2,087,466,000 (31 December 2024: AED 2,085,301,000) obtained from a related party financial institution.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

15 Advances from customers

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Operating lease advances	1,265,046	1,269,066
Contract advances	46,624	44,154
Refundable deposits	259,607	262,760
	1,571,277	1,575,980
Less: non-current	(572,643)	(606,757)
Current	998,634	969,223

Operating lease advances and contract advances represents amounts collected from customers in advance which are subsequently released to the condensed interim consolidated statement of income once the revenue recognition criteria are met.

16 Project liabilities

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Project payables	1,046,869	1,133,821
Retentions payable	122,688	126,688
	1,169,557	1,260,509
Less: non-current	(708,336)	(786,913)
Current	461,221	473,596

Project payables include amounts contracted with a government authority to cover the Group's share of costs for roadworks serving the Group's developments. The present value of these payables is AED 803,545,000 (31 December 2024: AED 876,502,000). These costs are settled through agreed annual fixed installments and are recognised at the present value of the expected cash outflows, discounted at a rate of 6.49% (31 December 2024: 6.49%).

The fair value of non-current retentions payable is determined by discounting the gross value of these liabilities using a risk-free rate adjusted by a liability-specific discount rate of 5.39% (31 December 2024: 5.39%).

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

17 Provisions for other liabilities and charges

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Provision for infrastructure cost	848,142	902,807
Provision for terminations and legal claims	27,856	27,856
	875,998	930,663
Less: non-current	(773,992)	(902,807)
Current	102,006	27,856

During the period, the provision for infrastructure costs decreased due to actual work performed, partially offset by a change in estimate of AED 68,000,000 related to the substation construction (Note 4).

18 Trade and other payables

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Trade payables	50,133	89,494
Accrued expenses	177,723	216,218
Other payables	20,191	27,346
	248,047	333,058
Less: non-current	(2,254)	(2,728)
Current	245,793	330,330

19 Dividends

At the Annual General Meeting held on 4 March 2024, shareholders approved the distribution of final cash dividends of AED 400,000,000 (AED 0.08 per share).

At the Annual General Meeting held on 10 March 2025, shareholders approved the distribution of dividends amounting to AED 400,000,000 (AED 0.08 per share).

On 31 July 2025, the Board of Directors recommended interim cash dividends of AED 400,000,000 (AED 0.08 per share).

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

20 Revenue

	Six-month period ended 30 June		Three-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Operating lease income (Note 6)	1,208,263	1,017,537	616,851	521,352
Service income	180,900	130,222	92,579	62,369
	1,389,163	1,147,759	709,430	583,721

The payments for service income are received in advance and have no significant financing component.

The aggregate amount of sale price allocated to performance obligations that are unsatisfied/partially satisfied as at 30 June 2025 amounted to AED 46,624,000 (31 December 2024: AED 44,154,000). The Group expects to recognise revenue from these unsatisfied performance obligations over a period of 2 years.

21 Other operating income

	Six-month period ended 30 June		Three-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Cost recovery	16,895	13,222	8,230	5,366
Liabilities written back	10,766	11,589	4,868	7,108
Lease termination and other penalties	9,456	10,877	9,307	10,232
Others	2,253	580	1,331	405
	39,370	36,268	23,736	23,111

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

22 General and administrative expenses

	Six-month period ended 30 June		Three-month period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Payroll and related costs	43,038	35,721	21,787	18,345
Management fees and consultancy	20,699	21,668	10,435	10,385
Information technology charges	9,276	7,730	4,565	3,307
Depreciation and amortisation	8,197	11,404	4,235	5,410
Administration fees	3,901	2,544	2,045	1,255
Professional memberships	2,516	4,943	2,136	2,518
Communication	2,260	2,315	1,041	1,098
(Reversal of)/provisions for loss allowance on receivables - net	(8,770)	1,482	(8,199)	3,904
Others	3,608	8,032	1,868	5,084
	84,725	95,839	39,913	51,306

23 Current income tax

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after 1 June 2023. As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

The taxable income of the entities that are in scope for UAE CT Law purposes will be subject to the rate of 9% corporate tax for mainland entities and where conditions are met, 0% for freezones.

The tax charge for the six-month period ended 30 June 2025 is AED 22,443,000 (for the six-month period ended 30 June 2024: AED 17,594,000), representing an Effective Tax Rate ("ETR") of 2.95% (for the six-month period ended 30 June 2024: 2.83%). The deviation from the UAE statutory tax rate (i.e. 9%) is primarily driven by subsidiaries operating in free zones that are subject to 0%.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

24 Earnings per share

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

As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical. The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	Six-month period ended 30 June		Three-month period ended 30 June	
	2025	2024	2025	2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Earnings				
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company) rounded to the nearest AED'000	737,424	603,044	376,562	310,516
Weighted average number of shares				
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Basic and diluted earnings per share attributable to Owners of the Company rounded to the nearest Fil	0.15	0.12	0.08	0.06

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

25. Cash generated from operations

	Six-month period ended 30 June	
	2025 AED'000	2024 AED'000
	(Reviewed)	(Reviewed)
Profit for the period	737,424	603,044
Adjustments for:		
Depreciation and amortisation	238,542	207,522
Reversal of/provisions for loss allowance on receivables - net	(8,770)	1,482
Provisions for end of service benefits and other liabilities	2,234	5,111
Liabilities written back	(10,766)	(11,589)
Finance income	(19,580)	(38,240)
Finance costs	129,039	105,791
Income tax expense	22,443	17,594
	1,090,566	890,715
Changes in operating assets and liabilities:		
Trade, unbilled, and other receivables, before provision and write-offs, and excluding advances to contractors	(24,724)	(96,265)
Trade and other payables and advances from customers, excluding project liabilities	(78,434)	66,634
Due from related parties	13,064	16,748
Due to related parties	6,567	25,853
Cash generated from operations	1,007,039	903,685

26 Commitments

(a) Capital commitments

	30 June 2025 AED'000	31 December 2024 AED'000
	(Reviewed)	(Audited)
Property and equipment	4,877	9,804
Intangible assets	7,207	10,332
Investment properties	1,216,169	496,655

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

26 Commitments (continued)

(b) Operating lease arrangements - the Group as lessor

Operating non-cancellable leases relate to the investment property owned by the Group with lease terms of between 1 to 5 years for building leases and between 20 to 50 years for land leases.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Later than 5 years	14,314,354	13,953,659
Later than 1 year and not later than 5 years	3,055,644	2,727,581
Not later than 1 year	880,763	762,767
	18,250,761	17,444,007

(c) Operating lease arrangements - the Group as lessee

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Later than 1 year and not later than 5 years	2,497	3,043
Not later than 1 year	1,206	1,265
	3,703	4,308

(d) Contingencies

	30 June 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Bank guarantees (i)	132,848	358,222
Letter of credits (ii)	23,764	43,164

(i) This represents bank guarantees provided to a related party for investment property acquired on deferred payment plan.

(ii) This pertains to letters of credit issued for construction of certain infrastructure costs of the Group.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

27 Segment reporting

Information regarding the Group's reportable segments is set out below in accordance with IFRS 8 Operating Segments. IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Group's Chief Executive Officer, as the chief operating decision maker, in order to allocate resources to the segment and to assess its performance. Information reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segment only. No information that includes the segments' assets and liabilities is reported to the Group's Chief Executive Officer.

The Group is organised into four reportable segments: (i) commercial leasing, (ii) industrial leasing, (iii) land leasing and (iv) services and others. The following describes the types of properties, products or services that fall within each of our financial segments:

- Commercial leasing consists of built to lease and built to suit properties. Built to lease properties are our commercial properties which are typically developed for multiple tenants and are leased out to customers, and include office, retail space and business centres (built to lease). Built to suit properties typically represent our commercial properties where we were able to identify customers in advance of developing the property in order to build a single-tenant customised property that meet a customer's specifications, which are then leased out to them upon completion or similar properties (built to suit).
- Industrial leasing consists of warehouses and staff accommodation (housing for businesses to accommodate their workers).
- Land leasing consists of land leases. Our land leases represent land available within our business districts that already has or is expected to develop the necessary infrastructure (such as connecting roads, water, electricity and sewage) that allows us to lease the land. We have intentionally retained such land in order to be able to lease it to customers to suit their specific needs, such as manufacturing, commercial, retail, residential or academic purposes.
- Services consist of fees from the services that we provide, including those generated from our AXS platform, venue management services, property management and leasing agreements and our in5 platform.
- Other segments include businesses that individually do not meet the criteria of a reportable segment. These segments include operations and support functions.

The Group operates primarily in United Arab Emirates and accordingly no further geographical analysis of revenue and profit are given. Segment revenue reported represents revenue generated from customers and there were no intersegment sales.

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the profit earned by each segment before interest, depreciation and amortisation. This is the measure reported to the Group's Chief Executive Officer for the purpose of resource allocation and assessment of segment performance.

Notes to the condensed interim consolidated financial statements for the six-month period ended 30 June 2025 (continued)

27 Segment reporting (continued)

Information regarding these segments are as follows:

	Commercial leasing AED'000	Land leasing AED'000	Industrial leasing AED'000	Services and others AED'000	Total AED'000
30 June 2025 (Reviewed)					
Revenue	703,179	296,427	208,657	180,900	1,389,163
Direct costs	(123,830)	-	(41,268)	(30,939)	(196,037)
Other operating income	28,447	9,889	45	989	39,370
Other expenses	(89,028)	(9,998)	(12,415)	(13,187)	(124,628)
Segment results before interest and depreciation and amortisation	518,768	296,318	155,019	137,763	1,107,868
Depreciation and amortisation	(190,595)	-	(46,544)	(1,403)	(238,542)
Income tax expense	(3,121)	(14,902)	(4,132)	(288)	(22,443)
	325,052	281,416	104,343	136,072	846,883
Unallocated net finance cost					(109,459)
Profit for the period					737,424
30 June 2024 (Reviewed)					
Revenue	585,596	264,384	167,557	130,222	1,147,759
Direct costs	(103,117)	(1,004)	(33,709)	(18,730)	(156,560)
Other operating income	21,898	10,790	-	3,580	36,268
Other expenses	(87,939)	(14,014)	(14,179)	(15,624)	(131,756)
Segment results before interest and depreciation and amortisation	416,438	260,156	119,669	99,448	895,711
Depreciation and amortisation	(158,418)	-	(46,126)	(2,978)	(207,522)
Income tax expense	(4,009)	(8,100)	(5,100)	(385)	(17,594)
	254,011	252,056	68,443	96,085	670,595
Unallocated net finance cost					(67,551)
Profit for the period					603,044

Net finance costs are not allocated to operating segments and are therefore presented as unallocated in the segment disclosures.

No single customer contributed 10% or more to the Group's revenue.