

Deyaar Development (P.J.S.C)

**Review report and unaudited interim condensed
consolidated financial statements**

30 September 2025

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DEYAAR DEVELOPMENT (P.J.S.C)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Deyaar Development (P.J.S.C) (the “Company”) and its subsidiaries (together referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as at 30 September 2025, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-months and nine-months periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-months period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of interim condensed consolidated 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young Middle East (Dubai Branch)



Wardah Ebrahim
Registration No: 1258

4 November 2025

Dubai, United Arab Emirates

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

		30 September 2025	31 December 2024
	Notes	AED'000 (Unaudited)	AED'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	6	545,386	553,808
Right of use assets	7	11,313	1,708
Investment properties	8	922,259	883,393
Investments in a joint venture and an associate		1,405,745	1,378,864
Trade, contract and other receivables	9	424,172	224,926
Deferred tax asset		1,863	609
Equity investment at fair value through other comprehensive income		8,847	9,978
		3,319,585	3,053,286
Current assets			
Properties held for development and sale	10	1,086,998	956,082
Inventories		3,104	4,473
Trade, contract and other receivables	9	1,201,495	980,957
Advance for purchase of property		-	90,000
Due from related parties	11	1,572	4,045
Cash and bank balances	12	1,978,204	1,744,075
		4,271,373	3,779,632
Total assets		7,590,958	6,832,918
EQUITY			
Share capital	13	4,375,838	4,375,838
Legal reserve		105,897	105,897
Equity investment fair valuation reserve		(10,488)	(9,357)
Retained earnings		954,851	765,243
Equity attributable to equity holders of the parent		5,426,098	5,237,621
Non-controlling interests		44,533	27,376
Total equity		5,470,631	5,264,997
LIABILITIES			
Non-current liabilities			
Borrowings	14	366,692	415,296
Trade and other payables	16	2,377	3,169
Retentions payable		37,325	28,019
Lease liabilities		18,008	523
Provision for employees' end of service benefits		17,087	17,522
		441,489	464,529
Current liabilities			
Borrowings	14	60,000	60,000
Advances from customers	15	675,381	427,865
Trade and other payables	16	833,248	540,616
Due to related parties	11	961	297
Retentions payable		39,405	33,407
Lease liabilities	17	18,502	4,964
Deferred tax liability		3,735	-
Income tax payable		42,269	32,107
Provisions for claims		5,337	4,136
		1,678,838	1,103,392
Total liabilities		2,120,327	1,567,921
TOTAL EQUITY AND LIABILITIES		7,590,958	6,832,918

The interim condensed consolidated financial statements were approved on behalf of Board of Directors on 04 November 2025 by:

Abdulla Ali Obaid Al Hamli
Chairman

Saeed Al Qatami
Chief Executive Officer

The attached notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the nine months period ended 30 September 2025

		Nine months ended		Three months ended	
		30	30	30	30
		September	September	September	September
		2025	2024	2025	2024
	Note	AED'000	AED'000	AED'000	AED'000
		(Unaudited)		(Unaudited)	
Revenue		1,447,021	1,040,515	521,592	376,110
Direct costs		(943,525)	(701,291)	(342,911)	(254,565)
General, administrative and selling expenses		(206,224)	(189,993)	(67,600)	(65,066)
Other operating income		38,053	80,649	15,206	9,234
Finance cost		(27,479)	(35,324)	(8,689)	(10,743)
Finance income		26,612	26,452	10,563	12,457
Change in valuation of investment properties - net	8	7,405	-	(3,708)	-
Share of results from a joint venture and an associate		83,881	127,779	34,677	78,754
Profit for the period before tax		425,744	348,787	159,130	146,181
Income tax expense	22	(19,337)	(20,327)	(1,286)	(6,381)
PROFIT FOR THE PERIOD AFTER TAX		406,407	328,460	157,844	139,800
Owners of the Company		408,400	328,460	157,437	139,800
Non-controlling interests		(1,993)	-	407	-
		406,407	328,460	157,844	139,800
Earnings per share – basic and diluted	21	Fils 9.33	Fils 7.51	Fils 3.59	Fils 3.20

The attached notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months period ended 30 September 2025

	Nine months ended		Three months ended	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)		(Unaudited)	
Profit for the period	406,407	328,460	157,844	139,800
Other comprehensive income				
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Equity investment at fair value through other comprehensive income– net change in fair value	(1,131)	(182)	(3,070)	(121)
Total comprehensive income for the period	405,276	328,278	154,774	139,679
Attributable to:				
Owners of the Company	407,269	328,278	154,367	139,679
Non-controlling interests	(1,993)	-	407	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	405,276	328,278	154,774	139,679

The attached notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended 30 September 2025

	Attributable to the equity holders of the parent						
	Share Capital AED'000	Legal reserve AED'000	Equity investments fair valuation reserve AED'000	Retained Earnings AED'000	Total AED'000	Non- controlling interests AED'000	Total equity AED'000
Balance at 1 January 2024	4,375,838	58,495	(15,295)	519,207	4,938,245	-	4,938,245
<i>Total comprehensive income for the period (unaudited)</i>							
Profit for the period	-	-	-	328,460	328,460	-	328,460
Other comprehensive income for the period	-	-	(182)	-	(182)	-	(182)
Total comprehensive income for the period (unaudited)	-	-	(182)	328,460	328,278	-	328,278
Adjustments to Board of Directors' remuneration [Refer Note 11 (b)]	-	-	-	(1,000)	(1,000)	-	(1,000)
Dividend payment to shareholders [Refer Note 13]	-	-	-	(175,034)	(175,034)	-	(175,034)
Balance at 30 September 2024 (unaudited)	4,375,838	58,495	(15,477)	671,633	5,090,489	-	5,090,489
Balance at 1 January 2025	4,375,838	105,897	(9,357)	765,243	5,237,621	27,376	5,264,997
<i>Total comprehensive income for the period (unaudited)</i>							
Profit for the period	-	-	-	408,400	408,400	(1,993)	406,407
Other comprehensive loss for the period	-	-	(1,131)	-	(1,131)	-	(1,131)
Total comprehensive income for the period (unaudited)	-	-	(1,131)	408,400	407,269	(1,993)	405,276
Capital contribution during the period	-	-	-	-	-	19,150	19,150
Dividend payment to shareholders [Refer Note 13]	-	-	-	(218,792)	(218,792)	-	(218,792)
Balance at 30 September 2025 (unaudited)	4,375,838	105,897	(10,488)	954,851	5,426,098	44,533	5,470,631

The attached notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months period ended 30 September 2025

	Notes	Nine months period ended	
		30 September 2025	30 September 2024
		AED'000 (Unaudited)	AED'000 (Unaudited)
Cash flows from operating activities			
Profit for the period before tax		425,744	348,787
Adjustments for:			
Depreciation on property and equipment		14,494	14,982
Depreciation on right of use asset	7	3,568	-
Provision for employees' end of service benefits		3,696	3,166
Reversal of provision against properties held for development and sale		(124)	(5,923)
Impairment against trade receivables, contract and other financial assets		477	7,409
Provision against claims		1,201	-
Finance income		(26,612)	(26,452)
Finance costs		27,479	35,324
Change in valuation of investment properties		(7,405)	-
Share of results from a joint venture and an associate		(83,881)	(126,444)
Operating cash flows before changes in working capital		358,637	250,849
Changes in working capital:			
Property held for development and sale (net of project cost accruals)		(20,121)	82,639
Trade and other receivables		(419,050)	(55,072)
Due from related parties		2,491	255,550
Inventories		1,369	1,844
Retentions payable		15,304	22,488
Advances from customers		247,516	75,307
Trade and other payables		292,207	39,950
Due to related parties		664	(321)
Operating cash flows after changes in working capital		479,017	673,234
Payment of employees' end of service benefits		(4,131)	(796)
Payment of income tax		(6,694)	-
Net cash generated from operating activities		468,192	672,438
Cash flows from investing activities			
Additions to property and equipment		(7,464)	(13,073)
Addition to investment properties		(816)	(522)
Dividend from a joint venture and an associate		57,000	25,266
Repayment of contributed capital from joint venture		-	72,234
Net movement in term deposits with an original maturity greater than three months		191,000	18,000
Finance income received		25,383	17,574
Net cash generated from investing activities		265,103	119,479
Cash flows from financing activities			
Repayment of lease liabilities	17	(14,555)	-
Repayments of borrowings	14	(70,000)	(130,659)
Drawdown of borrowings	14	21,396	-
Finance costs paid		(26,215)	(37,318)
Dividends paid	13	(218,792)	(175,034)
Net cash used in financing activities		(308,166)	(343,011)
Net increase in cash and cash equivalents		425,129	448,906
Cash and cash equivalents, beginning of the period		1,443,075	833,555
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	12	1,868,204	1,282,461

The attached notes 1 to 22 form an integral part of these interim condensed consolidated financial statements.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

1. Legal status and activities

Deyaar Development (P.J.S.C) (the “Company”) was incorporated and registered as a Public Joint Stock Company in the Emirate of Dubai, UAE on 10 July 2007. The registered address of the Company is P. O. Box 30833, Dubai, United Arab Emirates (“UAE”). The Company is listed on Dubai Financial Market, Dubai, UAE (Ticker: DEYAAR).

The ultimate majority shareholder of the Group is Dubai Islamic Bank (the “Ultimate Controlling Party”).

The principal activities of the Company and its subsidiaries (together, “the Group”) are property investment and development, leasing, facilities and property management services and hospitality related activities.

2. Basis of preparation and accounting policies

2.1 Basis of preparation

These interim condensed consolidated financial statements for the nine months period ended 30 September 2025 have been prepared in accordance with IAS 34: *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern.

The interim condensed consolidated financial statements do not include all the information and disclosures required for full year annual consolidated financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2024. In addition, the results for the nine months period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the full financial year ending 31 December 2025.

Certain comparative figures have been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements. The reclassification does not have any material effect on the interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows.

The interim condensed consolidated financial statements include the assets, liabilities and results from the operations of the Group’s subsidiaries:

Name of entities subsidiaries	Country of incorporation	Effective ownership		Principle activities
		30 September 2025	31 December 2024	
Deyaar Facilities Management LLC	UAE	100%	100%	Facility Management services
Nationwide Realtors LLC *	UAE	100%	100%	Brokerage and other related services
Deyaar Hospitality LLC	UAE	100%	100%	Property Investment and Development
Deyaar International LLC *	UAE	100%	100%	Real Estate Company
Deyaar Ventures LLC *	UAE	100%	100%	Property Investment and Development
Flamingo Creek LLC **	UAE	100%	100%	Property Investment and Development
Beirut Bay Sal **	Lebanon	100%	100%	Property Investment and Development
Deyaar West Asia Cooperatief U.A. ***	Netherlands	-	100%	Investment Holding Company
Deyaar Community Management LLC	UAE	100%	100%	Owners Association Management
Deyaar AL Tawassol Lil Tatweer Aleqare Co.***	KSA	-	100%	Property Investment and Development

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

2. Basis of preparation and accounting policies (continued)

2.1 Basis of preparation (continued)

Name of entities subsidiaries	Country of incorporation	Effective ownership		Principle activities
		30 September 2025	31 December 2024	
Deyaar Property Management LLC	UAE	100%	100%	Property Management
Montrose L.L.C *	UAE	100%	100%	Buying, Selling and Real Estate Development
The Atria L.L.C	UAE	100%	100%	Hotel Management
Deyaar One Person Holding LLC*	UAE	100%	100%	Investment in Commercial/Industrial Enterprise & Management
Bella Rose Real Estate Development L.L.C	UAE	100%	100%	Buying, Selling and Real Estate Development
Nationwide Management Services LLC	UAE	100%	100%	District cooling services
Al Barsha LLC	UAE	100%	100%	Hotel & Hotel Apartments Rental
Mont Rose FZ-LLC (also holds registration as Millenium Montrose Hotel apartments LLC issued by Dubai economic Department)	UAE	100%	100%	Hotels & Leisure services
Deyaar Bay Real Estate Development	UAE	100%	100%	Buying, Selling and Real Estate Development
Rivage Property Development LLC	UAE	52%	52%	Property Investment and Development
Deyaar Umm Al Quwain Waterfront LLC	UAE	50%	-	Property Investment and Development
Joint Venture				
Arady Developments LLC	UAE	50%	50%	Property Investment and Development
Associate				
SI Al Zorah Equity Investments Inc.	Cayman Islands	22.72%	22.72%	Property Investment and Development

* These entities did not carry out any commercial activities during the period.

** These entities are under liquidation and did not carry out any commercial activities during the period.

*** These entities were liquidated during the period.

Fair Value Measurement

All financial assets and liabilities are stated at amortised cost or historical cost except for FVOCI investments and investment properties which are measured at fair value. The fair values of other financial assets and liabilities are not materially different from their carrying values at the reporting date.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(a) New and revised IFRSs and interpretations that are effective for the current period

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 21 relating to Lack of Exchangeability.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

2. Basis of preparation and accounting policies (continued)

2.2 Application of new and revised International Financial Reporting Standards (IFRSs) (continued)

(b) New and revised IFRSs in issue but not yet effective and not early adopted

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective, as at 30 September 2025 are disclosed below:

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Classification and Measurement of Financial Instruments- Amendments to IFRS 9 and IFRS 7	1 January 2026
Contracts Referencing Nature-dependent Electricity- Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 <i>Presentation and Disclosures in Finance Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 and IAS 28 relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely.

The Group anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the interim condensed consolidated financial statements.

3. Estimates and assumptions

The preparation of the interim condensed consolidated financial statements require management to make judgements, estimates and assumptions 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.

In preparing the interim condensed consolidated financial statements, the significant judgements made by the 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 for the year ended 31 December 2024.

4. Financial risk management

The Group's activities potentially expose it to a variety of financial risks as follows:

- Market risk (including currency risk, price risk, cash flow and fair value interest rate risk)
- Credit risk and liquidity risk.

The interim condensed consolidated financial statements does 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 as at 31 December 2024. The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2024.

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

5. Segment information

Operating segment

The Board of Directors is the Group's chief operating decision maker. The Board considers the business of the Group as a whole for the purpose of decision making.

Management has determined the operating segments based on segments identified for the purpose of allocating resources and assessing performance. The Group is organised into three major operating segments: property development (includes sale of properties and leasing activities), properties and facilities management and hospitality related activities.

Management monitors the operating results of its operating segments for the purpose of making strategic decisions about performance assessment. Segment performance is evaluated based on operating profit or loss.

	Property development activities AED'000	Properties and facilities management AED'000	Hospitality AED'000	Total AED'000
Nine months period ended 30 September 2025 (unaudited)				
Segment revenues – external	1,234,950	136,198	75,873	1,447,021
Segment profit	372,164	14,810	19,433	406,407
Timing of revenue recognition				
Transferred at a point in time	83,292	13,086	8,358	104,736
Recognised over a period of time	1,151,658	123,112	67,515	1,342,285
	1,234,950	136,198	75,873	1,447,021

	Property development activities AED'000	Properties and facilities management AED'000	Hospitality AED'000	Total AED'000
Nine months period ended 30 September 2024 (unaudited)				
Segment revenues – external	847,811	118,195	74,509	1,040,515
Segment profit	298,418	10,647	19,395	328,460
Timing of revenue recognition				
Transferred at a point in time	125,604	10,670	8,052	144,326
Recognised over a period of time	722,207	107,525	66,457	896,189
	847,811	118,195	74,509	1,040,515

Revenue from property development activities, revenue from hospitality, properties and facilities management are recognised at a point in time as well as over time.

Geographic information

There are no assets located outside the United Arab Emirates as at 30 September 2025 (31 December 2024-audited: Nil).

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

6. Property and equipment

The property and equipment balance includes buildings, leasehold improvements, furniture and fixtures, office equipment, motor vehicles and capital work in progress.

Management have reviewed the valuations for all three hotels and believe that there is no material variance in the recoverable value as at 30 September 2025.

Land and buildings with a carrying value of AED 464.8 million (31 December 2024- audited: AED 468.7 million) are mortgaged under Islamic finance obligations (Note 14).

During the current period, the Group has reclassified a unit amounting to AED 1.4 million from properties and equipment to properties held for development and sale based on change in use of the unit (31 December 2024- audited: AED 1.6 million) (Note 10).

The Group has a policy of depreciating assets on a straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value. The Group depreciates buildings for 50 years and furniture and fixtures from 5 to 15 years. Furthermore, the depreciation expense of the Group in the current period amounted to AED 14.5 million (30 September 2024- unaudited: AED15 million).

7. Right-of-use assets

The Group has lease contracts for various vehicles and building used in its operations.

Right-of-use assets are depreciated on a straight-line basis as follows:

Vehicles	3 years
Building	3 years

Below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Buildings AED'000	Vehicles AED'000	Total AED'000
Cost			
At 1 January 2024	-	5,092	5,092
Additions during the year	-	900	900
At 31 December 2024	-	5,992	5,992
Additions during the year	12,842	331	13,173
At 30 September 2025	12,842	6,323	19,165
Accumulated depreciation			
At 1 January 2024	-	2,300	2,300
Charge for the year	-	1,984	1,984
At 31 December 2024	-	4,284	4,284
Charge for the year	2,638	930	3,568
At 30 September 2025	2,638	5,214	7,852
Net book value			
At 30 September 2025	10,204	1,109	11,313
At 31 December 2024	-	1,708	1,708

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

8. Investment properties

	Parking spaces	Stores Units	Retail units	Service Apartments	Others *	30 September 2025 Total AED'000	31 December 2024 Total AED'000
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Fair value hierarchy	3	3	3	3	3		
Fair value at the beginning of the reporting period/year	74,198	13,899	289,591	309,593	196,112	883,393	871,367
Additions/adjustments	-	-	186	-	31,404	31,590	7,466
Transfer (to)/from properties held for development and sale	-	(129)	-	-	-	(129)	4,560
Change in valuation	-	-	-	-	7,405	7,405	-
Fair value at the end of reporting period/year	74,198	13,770	289,777	309,593	234,921	922,259	883,393

* Includes mix use building, lease building and residential apartments.

All investment properties are located in United Arab Emirates and represent properties held at fair value and any fair value gain/loss under the fair value model is treated in accordance with IFRS Accounting Standards.

The Group has reclassified certain store units amounting to AED 0.1 million (31 December 2024- audited: AED Nil) to properties held for development and sale based on change in use of these units. The Group has not reclassified any units during the current period from properties held for development and sale (31 December 2024- audited: AED 4.6 million) (Note 10).

Investment properties with a carrying value of AED 488.3 million (31 December 2024- audited: AED 487.8 million) are mortgaged against bank borrowings (Note 14).

Management have reviewed the prior year valuations for all of its investment properties and believes that there is no material variance in the fair value of the Group's investment properties as at 30 September 2025 other than what has been disclosed in the above movement. However, the Management will conduct a comprehensive valuation exercise by the end of the year.

9. Trade, contract and other receivables

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade and unbilled receivables (refer (i) below)	1,232,341	812,093
Other receivables (refer (ii) below)	393,326	393,790
	1,625,667	1,205,883
Current	1,201,495	980,957
Non-current	424,172	224,926
Total	1,625,667	1,205,883

Deyaar Development (P.J.S.C)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months period ended 30 September 2025

9. Trade, contract and other receivables (continued)

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>i. Trade and unbilled receivables</i>		
Trade receivables		
Amounts receivable within 12 months	162,757	165,271
Contract assets		
Unbilled receivables within 12 months	645,412	421,896
Unbilled receivables after 12 months	424,172	224,926
	1,232,341	812,093

The above trade receivables are net of provision for impairment amounting to AED 126.4 million (31 December 2024: AED 125.7 million) relating to trade receivables which are past due. All other trade receivables are considered recoverable.

ii. Other receivables

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Advances to contractors	94,571	132,399
Advances to suppliers	22,625	12,432
Prepayments and deferred project cost	179,751	160,465
Others	105,425	97,540
	402,372	402,836
Less: provision for impairment	(9,046)	(9,046)
	393,326	393,790

10. Properties held for development and sale

The properties held for development and sale include land held for future development, properties under development and completed properties held in inventory.

Net realisable value has been determined on the basis of committed sale price if the remaining receivable amount is lower than the current market value of the units booked by customers. For units not yet booked by customers, net realisable value takes into consideration the expected market prices.

During the current period, the Group has reclassified a unit amounting to AED 1.4 million from properties and equipment to properties held for development and sale based on change in use of the unit (31 December 2024- audited: AED 1.6 million) (Note 5).

The Group has reclassified certain store units amounting to AED 0.1 million (31 December 2024- audited: AED Nil) from investment properties based on change in use of these units. The Group has not reclassified any units to investment properties during current period (31 December 2024- audited: AED 4.6 million) (Note 8).

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10. Properties held for development and sale (continued)

Plots of land including under development projects with total carrying value of AED 426.9 million (31 December 2024- audited: AED 444 million) and completed properties with total carrying value of AED 35.2 million (31 December 2024- audited: AED 35.2 million) are mortgaged under Islamic finance obligations (Note 14).

In the current period, the Group has recognised an amount of AED 824.3 million (for the year ended 31 December 2024- audited: AED 852.9 million and for the nine months period ended 30 September 2024- unaudited: AED 588.1 million) included in the profit or loss under “direct costs” against revenue recognised of AED 1,196 million (for the year ended 31 December 2024- audited: AED 1,193.9 million and for the nine months period ended 30 September 2024- unaudited: AED 816.8 million).

For plots of land held for future development and use amounting to AED 795.9 million as at the reporting date (31 December 2024- audited: AED 548.8 million), management is currently evaluating feasibility of the projects and considering alternative viable profitable options as well as various offers from potential buyers.

11. Related party transactions and balances

Related parties include the significant shareholders, key management personnel, associates, joint ventures, directors and businesses which are controlled or jointly controlled, directly or indirectly, by the significant shareholders or directors or over which they exercise significant management influence.

(a) Related party transactions

During the period, the Group entered into the following significant transactions with related parties in the normal course of business and at prices and terms agreed by the Group’s management:

	Nine months period ended 30 September 2025		Three months period ended 30 September 2025	
	30 September 2025 AED’000 (Unaudited)	30 September 2024 AED’000 (Unaudited)	30 September 2025 AED’000 (Unaudited)	30 September 2024 AED’000 (Unaudited)
Ultimate majority shareholder				
Other operating income/finance income	9,728	13,746	3,548	4,230
Finance cost	(18,747)	(24,183)	(5,720)	(7,553)
Borrowings drawdown	21,296	-	927	-
Borrowings repayment	(45,000)	(45,000)	(15,000)	(15,000)
Joint venture				
Other operating income	2,903	709	1,661	473
Dividend income	55,000	25,266	-	-
Repayment of contributed capital	-	72,234	-	37,500
Associate				
Dividend Income	2,000	-	-	-

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11. Related party transactions and balances (continued)

(b) Remuneration of key management personnel

	Nine months period ended		Three months period ended	
	30	30	30	30
	September	September	September	September
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Salaries and other short-term employees' benefits	8,808	10,484	2,803	3,468
Termination and post-employment benefits	347	393	209	92
Board of Directors remuneration*	4,163	-	1,088	-
Board of Directors sitting fees	380	150	105	50
	13,698	11,027	4,205	3,610

*During the current period, the management started to accrue for Board of Directors remuneration for the year ending 31 December 2025 and recognise this remuneration in the interim condensed consolidated statements of profit or loss. During prior periods/years, the management used to recognise this remuneration directly in the interim condensed consolidated statements of changes in equity/consolidated statements of changes in equity.

During the current period, an additional provision for the Board of Directors' remuneration amounting to AED 0.9 million was recognised in the interim condensed consolidated statements of profit or loss pertaining to the previous year based on the final approval of the shareholders in the Annual General Meeting dated 16 April 2025 (during the nine months period ended 30 September 2024-*unaudited*: AED 1 million in the interim condensed consolidated statements of changes in equity).

(c) Due from related parties comprises

	30 September	31 December
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Current		
Due from ultimate majority shareholder	1,346	1,346
Due from a joint venture	182	2,673
Due from other related parties	1,410	1,410
	2,938	5,429
Less: provision for impairment	(1,366)	(1,384)
	1,572	4,045

Cash and bank balances include amounts held with the ultimate majority shareholder of the Group, bank account balances of AED 717.2 million (31 December 2024- *audited*: AED 159.5 million) and fixed deposits of AED 160 million (31 December 2024- *audited*: AED 565 million), at market prevailing profit rates.

Impairment provision

To determine the provision for impairment, management applied certain key assumptions and judgments in accordance with IFRS 9 - *Financial Instruments* in order to determine the expected credit loss which includes the use of various forward-looking information that could impact the timing and/or amount of recoveries.

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For the nine months period ended 30 September 2025

11. Related party transactions and balances (continued)

(d) Due to related parties comprises:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current		
Due to ultimate majority shareholder	858	196
Due to other related party	103	101
	961	297

At 30 September 2025, the Group had bank borrowings from the ultimate majority shareholder of AED 401.1 million (31 December 2024- audited: AED 424.8 million), at market prevailing profit rates (Note 14).

12. Cash and bank balances

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash in hand	420	493
Current accounts	1,755,755	939,267
Fixed deposits	223,000	805,881
	1,979,175	1,745,641
Less: provision for impairment	(971)	(1,566)
Cash and bank balances, net	1,978,204	1,744,075
Less: term deposits with an original maturity greater than three months	(110,000)	(301,000)
Cash and cash equivalents	1,868,204	1,443,075

Bank accounts include a balance of AED 1,625.9 million (31 December 2024- audited: AED 844.4 million) and fixed deposits of AED Nil (31 December 2024- audited: AED 278 million) at market prevailing profit rates held in escrow accounts.

These Escrow accounts include project escrow accounts where amounts are collected against sale of properties and are available for payments relating to construction of development properties.

Bank accounts balance excludes a balance of AED 110 million (31 December 2024- audited: AED 114.6 million), held in a fiduciary capacity in escrow accounts on behalf and for the beneficial interest of third parties. These Escrow accounts include Community Management Escrow accounts of various properties where service charges are collected from owners and are available for payments for management and maintenance of the properties.

13. Share capital

At 30 September 2025, share capital comprised of 4,375,837,645 shares (31 December 2024- audited: 4,375,837,645 shares) of AED 1 each. All shares are authorised, issued and fully paid up.

The shareholders have approved in the Annual General Meeting dated 16 April 2025 dividends on ordinary shares amounting to AED 218.8 million [AED 5 fils per share] and the same has been paid during the period (2024: AED 175.04 million [AED 4 fils per share]).

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For the nine months period ended 30 September 2025

14. Borrowings

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Islamic finance obligations		
Current	60,000	60,000
Non-current	366,692	415,296
Total borrowings	426,692	475,296
		AED'000
1 January 2024		644,317
Drawdown		3,296
Repayments		(172,317)
31 December 2024 (Audited)		475,296
1 January 2025		475,296
Drawdown		21,396
Repayments		(70,000)
30 September 2025 (Unaudited)		426,692

Islamic finance obligations represent Ijarah and other Islamic facilities obtained from Dubai Islamic Bank (P.J.S.C) (ultimate majority shareholder) amounting to AED 401.1 million (31 December 2024: AED 424.8 million) [Note 11(d)], and balance from other local banks. The facilities were availed to finance the properties under construction and working capital requirements

Islamic finance obligations with the ultimate majority shareholder and other local banks carry market prevailing profit rates and are repayable in quarterly instalments over a period of two years to ten years from the reporting date (31 December 2024- audited: two years to eight years). These facilities have AED 477.3 million available for drawdown to the Group.

Islamic finance obligations are secured by mortgages over properties classified under properties held for development and sale amount to AED 462.1 million (31 December 2024-audited: AED 479.2 million) (Note 10), property and equipment amount to AED 464.8 million (31 December 2024-audited: AED 468.7 million) (Note 6) and investment properties amount to AED 488.3 million (31 December 2024-audited: AED 487.8 million) (Note 8).

15. Advances from customers

Advances from customers comprise of payments received from sale of properties. The revenues have not been recognised in the interim condensed consolidated statements of profit or loss, in line with the revenue recognition policy of the Group consistent with the IFRS Accounting Standards.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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16. Trade and other payables

Trade and other payables include trade payables in normal course of business and provision relating to claims made by third parties and customers against the Group. This includes legal claim made by customers against the Group for refund of partial payments made to purchase certain property units. In accordance with Law No. 13 of 2008 and its subsequent amendment through Law No. 9 of 2009 applicable in the Emirate of Dubai, the Group had earlier forfeited amounts due to failure of customers to pay the outstanding balances as per the Sale and Purchase Agreement. The provisions are based on management's best estimate after considering the potential cash flows in respect of the claim on a case by case basis.

17. Lease liabilities

	Right of use asset AED'000	Investment property AED'000	30 September 2025 Total AED'000	31 December 2024 Total AED'000
At 1 January	1,733	3,754	5,487	2,824
Additions during the year	13,173	30,774	43,947	8,521
Accretion of interest	422	1,209	1,631	146
Payments made during the year	(4,984)	(9,541)	(14,525)	(6,004)
Closing balance	10,344	26,166	36,510	5,487
Current lease liabilities			18,502	4,964
Non-current lease liabilities			18,008	523

18. Commitments

At 30 September 2025, the Group had total commitments of AED 886.9 million (31 December 2024-audited: AED 795.4 million) with respect to project related contracts issued net of invoices received and accruals made at that date.

19. Contingencies

Contingent liabilities

At 30 September 2025, the Group has contingent liabilities in respect of performance bond and guarantees issued by banks, in the ordinary course of business, amounting to AED 559.6 million (31 December 2024-audited: AED 517.5 million), which mainly includes performance guarantees of AED 542.6 million (31 December 2024-audited: AED 500.1 million) issued to Real Estate Regulatory Authority (RERA) for the projects under development. Also, the Group has contingent liabilities, on behalf of a subsidiary (under liquidation), in respect to guarantees issued by a bank amounting to AED 3.4 million (31 December 2024-audited: AED 3.4 million). The Group anticipates that no material liabilities will arise from these performance and other guarantees.

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For the nine months period ended 30 September 2025

19. Contingencies (continued)

Legal claims

The Group is also a party to certain legal cases in respect to various potential claims from customers and, where necessary, makes adequate provisions against any potential claims. Such provisions are reassessed regularly to include significant claims and instances of potential litigations. Based on review of opinion provided by the legal advisors/internal legal team, management is of the opinion that no material cash outflow in respect of these claims is expected to be paid by the Group in these legal cases over and above the existing provision in the books of accounts. The Group has elected not to present the complete disclosures as required by IAS 37 “*Provision and Contingent Liabilities and Contingent Assets*” as management is of the view that since the legal claims are sub-judice and are disputed, therefore this information may be prejudicial to their position on these matters.

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 cash outflows for the Group.

20. Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	Amortised cost	Equity instrument at fair value through other comprehensive income	Total
30 September 2025 (unaudited)	AED'000	AED'000	AED'000
<i>Assets as per interim condensed consolidated statement of financial position</i>			
Equity instrument at fair value other comprehensive income	-	8,847	8,847
Trade, contract and other receivables excluding prepayments and advances	1,328,720	-	1,328,720
Due from related parties	1,572	-	1,572
Cash and bank balances	1,978,204	-	1,978,204
	3,308,496	8,847	3,317,343
<i>Liabilities as per interim condensed consolidated statement of financial position</i>			
Trade and other payables	835,625	-	835,625
Lease liabilities	36,510	-	36,510
Due to related parties	961	-	961
Retentions payable	76,730	-	76,730
Borrowings	426,692	-	426,692
	1,376,518	-	1,376,518

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20. Financial instruments by category (continued)

	Amortised cost AED'000	Equity instrument at fair value through other comprehensive income AED'000	Total AED'000
31 December 2024 (audited)			
<i>Assets as per interim condensed consolidated statement of financial position</i>			
Equity instrument at fair value other comprehensive income	-	9,978	9,978
Trade, contract and other receivables excluding prepayments and advances	900,587	-	900,587
Due from related parties	4,045	-	4,045
Cash and bank balances	1,744,075	-	1,744,075
	2,648,707	9,978	2,658,685
<i>Liabilities as per interim condensed consolidated statement of financial position</i>			
Trade and other payables	543,785	-	543,785
Lease liabilities	5,487	-	5,487
Due to related parties	297	-	297
Retentions payable	61,426	-	61,426
Borrowings	475,296	-	475,296
	1,086,291	-	1,086,291

The following table presents the Group's financial assets that are measured at fair value, by valuation method:

	Level 1 AED'000	Total AED'000
<i>As at 30 September 2025 (unaudited)</i>		
Equity instrument at fair value through other comprehensive income	8,847	8,847
<i>As at 31 December 2024 (audited)</i>		
Equity instrument at fair value through other comprehensive income	9,978	9,978

The carrying value less impairment provision of trade receivables, contract assets, due from related parties, bank balances and long term fixed deposit is assumed to approximate their fair values keeping in view the period over which these are expected to be realised. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments. Other receivables and payables approximate their fair values.

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21. Earnings per share

Basic and diluted earnings per share is calculated by dividing the profit after tax for the period attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the period. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation:

	Nine months period ended 30 September 2025		Three months period ended 30 September 2025	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit after tax for the period attributable to the owners of the Company (AED'000)	408,400	328,460	157,437	139,800
Weighted average number of ordinary shares ('000)	4,375,838	4,375,838	4,375,838	4,375,838
Earnings per ordinary share - Basic and Diluted (Fils)	9.33	7.51	3.59	3.20

22. Income tax expense

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

On 23 May 2023, the International Accounting Standards Board (the Board) issued International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12 which clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements Qualified Domestic Minimum Top-up Taxes. Furthermore, on 31 December 2024, Cabinet Decision No. (142) of 2024 was issued, introducing a Domestic Minimum Top-up Tax in the UAE. This is not yet applicable for the current reporting year, as the Group's consolidated revenue remains below the threshold of €750 million. However, since the Pillar Two rules are applicable to the Ultimate Controlling Party, and the Group is consolidated within its financial statements, the rules are considered applicable to the Group. Accordingly, the Group is currently assessing the potential impact on its consolidated financial statements.

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22. Income tax expense (continued)

Amount recognised in the consolidated statement of profit or loss

The major components of income tax expense for the period ended 30 September 2025:

	Nine months period ended 30 September 2025		Three months period ended 30 September 2025	
	30 September 2025 AED'000 (Unaudited)	30 September 2024 AED'000 (Unaudited)	30 September 2025 AED'000 (Unaudited)	30 September 2024 AED'000 (Unaudited)
Current tax expense	16,856	20,327	(1,766)	6,381
Deferred tax expense (net)	2,481	-	3,052	-
Income tax expense recognised in the interim condensed consolidated statement of profit or loss	19,337	20,327	1,286	6,381

Tax reconciliation:

	Nine months period ended 30 September 2025 (In AED '000) (Unaudited)		30 September 2024 (In AED '000) (Unaudited)
Accounting profit before tax	425,744		348,787
Share of profit from an associate and a joint venture	(83,881)		(127,779)
Dividend income	(440)		-
Non-deductible expenses	880		1,528
Transitional relief under MD 120	(126,696)		-
Standard exemption	(750)		(375)
Profit exempt from tax	-		3,694
Net taxable profit	214,857		225,855
Net income tax expense recognised in the interim condensed consolidated statements of profit or loss at United Arab Emirates' statutory income tax rate of 9%	19,337		20,327
Deferred tax expense (net)	(2,481)		-
Current tax expense	16,856		20,327
Accounting profit before tax	425,744		348,787
Effective tax rate	4.54%		5.83%