

A LANDMARK YEAR

*Building the
Foundation for
Sustained Value
Creation*

2025 | ANNUAL REPORT

DUBAI
RESIDENTIAL
REIT

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Overview

AT A GLANCE

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OUR JOURNEY



AT a Glance

Dubai Residential REIT is a Shariah-compliant income-generating closed-ended real estate investment fund and one of the largest owners and operators of residential real estate in Dubai. Dubai Residential REIT is managed by DHAM REIT Management LLC, a dedicated fund manager wholly owned by Dubai Holding.

21

Residential
Communities

+35.7K

Units

+140K

Residents

23.5BN

Gross Asset Value

Owned by Dubai Holding

As the largest listed REIT in the Gulf Cooperation Council (GCC), it manages a diverse portfolio of **21 residential communities** with over **35,700 units** across a range of price segments, and housing more than **140,000 residents**. Notably, it is the largest pure-play residential REIT in the GCC, offering a unique focus on the residential leasing market.

Benefiting from Dubai Holding's broader ecosystem, Dubai Residential REIT's Gross Asset Value (GAV) is **AED 23.5 billion**, surpassing the combined GAV of the next five largest listed REITs in the region. Furthermore, the strategic positioning of Dubai Residential REIT's portfolio across major residential hubs minimises exposure to any single location or resident type, thereby enhancing resilience and maintaining stable occupancy rates.

Dubai Residential LLC

Dubai Residential REIT owns Dubai Residential LLC ("Dubai Residential"), which is a leading name in Dubai's residential leasing market, that manages **one of the city's largest and most diversified portfolios**.

What We Do

Dubai Residential REIT invests in, owns, and professionally manages **a diversified portfolio of income-generating residential communities across Dubai**. The portfolio spans four distinct segments, tailored to meet the needs of a broad spectrum of residents.

- The **Premium** segment includes upscale properties in prime locations such as Bluewaters Residences, City Walk Residences, and Nad Al Sheba Villas, renowned for their vibrant lifestyle offerings and superior amenities.

- The **Community** segment caters to mid- to high-income families, featuring amenity-rich, gated communities like Shorooq, Ghorooob, Garden View Villas, and Layan.
- For more budget-conscious residents, the **Affordable** segment provides quality, cost-effective properties such as the Al Khail Gate community and International City buildings.
- Additionally, the **Corporate Housing** segment delivers purpose-built accommodations designed to support the residential needs of corporate and industrial staff.

Together, these offerings illustrate the REIT's comprehensive approach to residential leasing, reflecting the diversity of Dubai's growing population. Through **active asset management, operational efficiency, and a tenant-focused approach**, Dubai Residential REIT consistently delivers resilient performance and sustainable long-term value to its unitholders.

OUR Portfolio

Dubai Residential REIT manages one of the city's largest and most diversified residential portfolios. With carefully curated communities, the REIT enhances the city's standing as one of the world's most liveable destinations, providing quality homes that meet the diverse needs of its residents.

From luxurious waterfront apartments to welcoming family homes, the REIT delivers tailored living experiences for individuals, families, and corporate clients, establishing itself as the preferred choice for exceptional community living in Dubai.

Dubai Residential's portfolio covers a diverse range of price points across four key categories:

PREMIUM LIVING

- 1. Bluewaters Residences
- 2. City Walk Residences
- 3. Nad Al Sheba Villas

COMMUNITY LIVING

- 4. Dubai Wharf
- 5. Garden View Villas
- 6. The Gardens
- 7. Garden Apartments
- 8. Bayti Villas
- 9. Remraam
- 10. Layan
- 11. Meydan Residence 1
- 12. Meydan Heights
- 13. Manazel Al Khor
- 14. Ghorroob Square
- 15. Ghorroob
- 16. Shorroq
- 17. Badrah

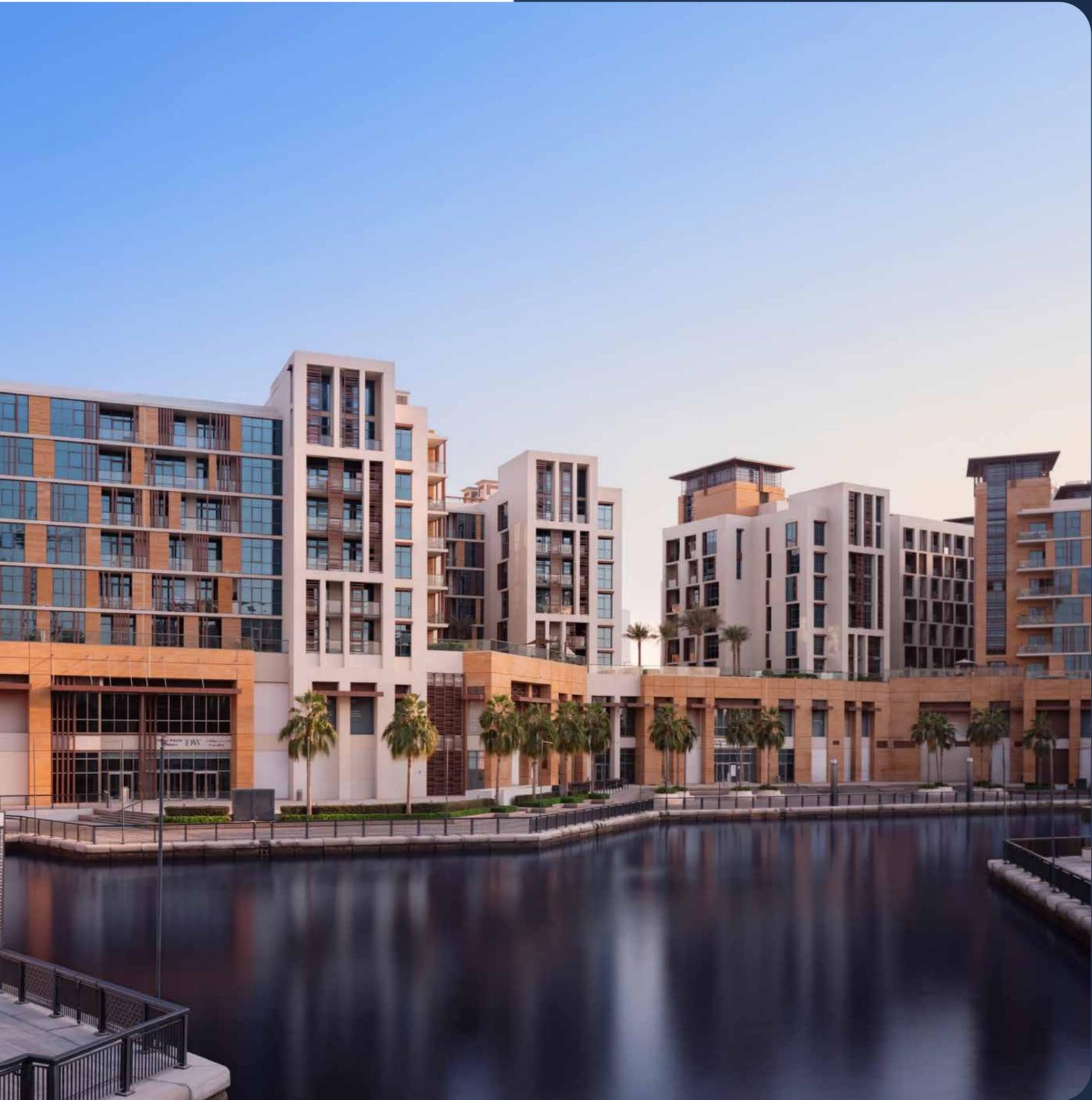
AFFORDABLE LIVING

- 18. Al Khail Gate
- 19. International City

CORPORATE HOUSING

- 20. Nuzul
- 21. Al Qouz Accommodation





BUSINESS Overview

Diversified Housing Segments Driving Sustainable Growth and Long-Term Value

Dubai Residential REIT plays a central role in meeting Dubai’s diverse housing needs, spanning **Premium, Community, Affordable and Corporate Housing** price segments, complemented by an embedded “Retail and Ancillary Services” segment of convenience-led retail. This breadth of offering allows the REIT to cater to **a wide range of socioeconomic demographics** while delivering resilient income and long-term value for unitholders.

Building on this diversified platform, Dubai Residential REIT’s active asset management approach drives **stable and resilient operating performance** across its portfolio. Each of the REIT’s residential communities is managed by the Fund Manager’s core residential real estate operating teams, who are focused on **value creation, maximising cash flows, tenant engagement and risk mitigation**. The Fund Manager’s experienced business development team concentrates on attracting new tenants, building corporate relationships and managing third-party brokers, while the leasing teams remain active in deal execution and negotiation. Complementing these efforts, the property management teams ensure that high service standards are maintained and that tenants’ **experiences are seamless across all customer touchpoints**, with issues addressed swiftly.

Our Business Segments

Our portfolio spans **21 master-planned communities** and more than **35,700 residential units**, catering to a wide spectrum of residents: from Premium lifestyle seekers to Corporate Housing clients.

Segment	Description
Premium	High-end residences in prime Dubai locations, offering luxury amenities, modern design, and exclusive lifestyle experiences tailored for discerning residents.
Community	Family-oriented developments with integrated facilities such as schools, parks, and retail, fostering vibrant and connected neighbourhoods.
Affordable	Cost-effective residential options designed to meet the needs of middle-income households, ensuring accessibility without compromising quality.
Corporate Housing	Flexible, fully serviced accommodations for professionals and businesses, strategically located near commercial hubs to support workforce mobility.
Retail and Ancillary Services*	Complementing the residential portfolio are ground-floor convenience retail units located within key communities.

*In this segment, retail refers to convenience retail located within the residential buildings and communities that form part of the Dubai Residential REIT portfolio. This segment is referred to as “Others” in the Dubai Residential REIT financials.

Premium

Overview

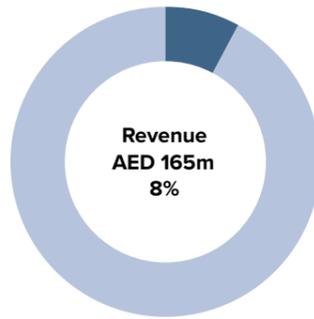
Premium developments in prime areas and lifestyle destinations, offering superior amenities and attractions.

746 Total Residential Units

98.4% Average Occupancy

2,138 Total GLA (sqft in 000's)

AED 135m (82%) Adjusted EBITDA (%)



This segment comprises high-end and luxury multi-family apartments and single-family villas and townhouses with current starting annual rent for individual tenants ranging from AED 150,000 for a 1-bedroom apartment to AED 265,000 for a 4-bedroom villa.

the most desirable prime locations in Dubai, and have benefited from strong growth in Dubai's premium residential real estate market.

Flagship communities in the Premium segment include **City Walk Residences, Bluewaters Residences** and **Nad Al Sheba Villas**, which are located in some of

This segment comprises **746 residential units** and, for the year ended 31 December 2025, accounted for 8% and 2% of Dubai Residential's revenue and total number of residential units, respectively.

Community

Overview

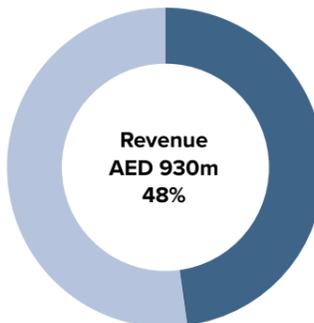
Family-friendly gated communities with specialised local retail centres and leisure/fitness facilities.

13,646 Total Residential Units

98.3% Average Occupancy

17,591 Total GLA (sqft in 000's)

AED 725m (78%) Adjusted EBITDA (%)



This segment comprises mid-and upper mid-market multi-family apartments and single-family homes, villas, and townhouses with a current starting annual rent for individual tenants ranging from AED 40,000 for a studio to AED 90,000 for a two-bedroom townhouse.

It includes three of Dubai Residential REIT's five key master-planned communities, **Shoroq, Ghorooob** and **The Gardens**. This segment comprises **13,646 residential units** and, for the year ended 31 December 2025, accounted for 48% and 38% of the REIT's revenue and total number of residential units.

Affordable

Overview

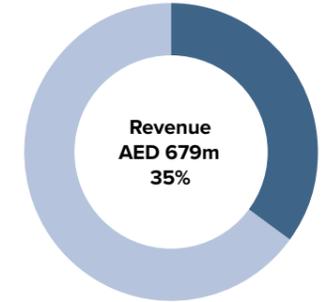
Cost-effective housing, providing value and accessibility.

16,258 Total Residential Units

99.1% Average Occupancy

13,932 Total GLA (sqft in 000's)

AED 520m (77%) Adjusted EBITDA (%)



This segment comprises affordable multi-family apartments with current annual rent for individual tenants starting at AED 21,000 for a studio apartment. It includes Dubai Residential REIT's two other key master-planned communities, **International City and Al Khail Gate**.

This segment comprises **16,258 residential units** and, for the year ended 31 December 2025, accounted for 35% and 46% of Dubai Residential REIT's revenue and total number of residential units, respectively.

Corporate Housing

Overview

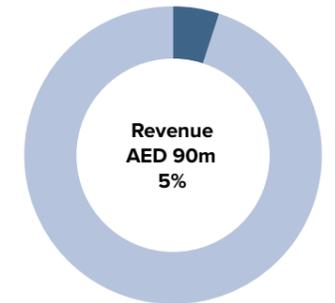
Purpose-built properties for corporate and industrial staff.

5,050 Total Residential Units

99.5% Average Occupancy

865 Total GLA (sqft in 000's)

AED 51m (56%) Adjusted EBITDA (%)



This segment comprises corporate dormitory-style housing with current annual rent starting at AED 10,000 per unit.

This segment comprises **5,050 residential units** and, for the year ended 31 December 2025, accounted for 5% and 14% of Dubai Residential REIT's revenue and total number of residential units, respectively.

Retail and Ancillary Services

Overview

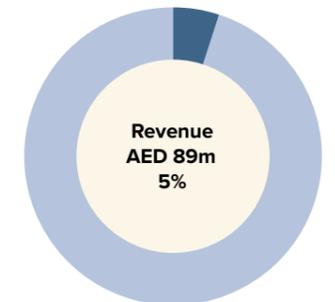
Retail spaces within the residential portfolio.

N/A

88.4% Average Occupancy

1,166 Total GLA (sqft in 000's)

AED 63m (70%) Adjusted EBITDA (%)



This segment primarily consists of convenience retail units which are located across key communities, including **International City, Garden Apartments, Meydan Heights,**

City Walk, Meydan Residence 1, Bluewaters, Layan and **Shoroq** and form an important amenity layer that supports community vibrancy and enhances living experience.

Portfolio and Financial Summary

In 2025, we maintained industry-leading occupancy levels of 98.3%, supported by strong tenant retention and robust leasing activity across our communities.

	Unit	Premium	Community	Affordable	Corporate Housing	Retail and Ancillary Services
Revenue	AED m	165	930	679	90	89
% Share	%	8.4%	47.6%	34.7%	4.6%	4.6%
YoY Revenue Growth	%	13.9%	8.8%	8.3%	10.5%	5.7%
Adj EBITDA ¹	AED m	135	725	520	51	63
Adj EBITDA %	%	82%	78%	77%	56%	70%
Average Occupancy ²	%	98.4%	98.3%	99.1%	99.5%	88.4%

¹ Adjusted EBITDA: Profit for the period plus finance costs – net, and depreciation and amortization, before gain on fair value of investment property, before allocated corporate costs and management fee.

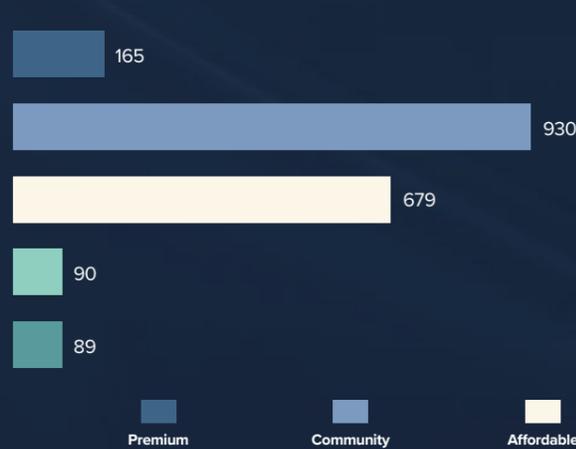
² Defined as leased units during the period divided by available units during the period.

* In this segment, retail refers to convenience retail located within the residential buildings and communities that form part of the Dubai Residential REIT portfolio. This segment is referred to as "Others" in the Dubai Residential REIT financials

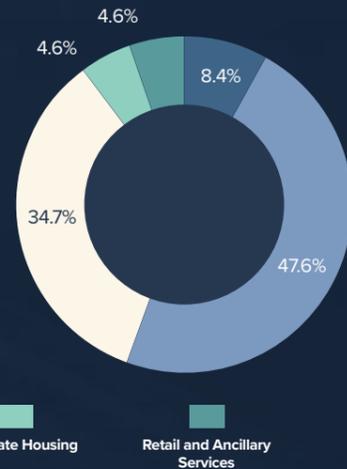
Key Highlights

Item	Unit	2023	2024	2025	Growth		
					2024	2025	CAGR
Financial							
Revenue	AED m	1,647	1,793	1,953	9%	9%	9%
Adj EBITDA	AED m	1,151	1,296	1,492	13%	15%	14%
Adj EBITDA %	%	69.9%	72.3%	76.4%	2%	4%	
Net Profit before change in fair value of IP	AED m	978	1,117	1,279	14%	15%	14%
Gross Asset Value	AED m	19,679	21,633	23,538	10%	9%	9%
FCF Conversion %	%	84.6%	89.6%	93.5%			
Operational							
Residential Units	#	35,483	35,700	35,700	1%	0%	0%
Total GLA	Sqft	35,340,318	35,681,667	35,692,629	1%	0%	0%
Average Occupancy	%	95.1%	96.7%	98.3%	2%	2%	
Average Revenue / Leased Units	AED / annum	46,765	50,315	53,524	8%	6%	7%
Average Revenue / Leased GLA	AED / sqft / annum	49.2	52.9	56.5	8%	7%	7%
Retention	%	80.4%	86.6%	87.6%	6%	1%	
Collection Rate	%	98.7%	99.6%	99.6%	1%	0%	

Revenue (AED million)



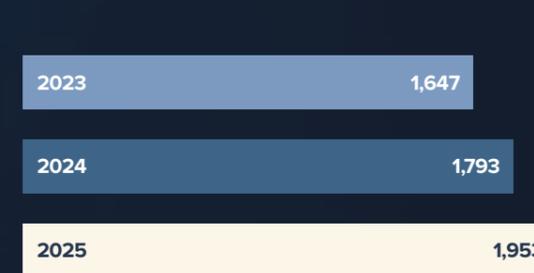
% Share



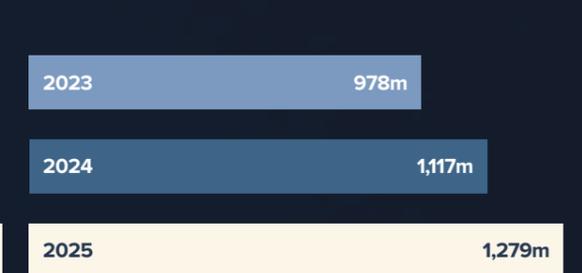
Average Occupancy



Revenue (AED million)



Net Profit (before change in fair value of IP)



+35,700

Residential Units

35.7m^{sqft}

Total GLA

87.6%

Retention

98.3%

Avg. Occupancy

FINANCIAL Highlights



AED 1,953 million

9% YoY increase

Revenue Growth



AED 1,492 million

15.2% YoY increase

Adjusted EBITDA



AED 1,279 million

14.5% YoY increase

Net Profit before change in fair value of Investment Property



98.3%

+1.7% FY 2024

Portfolio Average Occupancy Rate



93.5%

+3.8% FY 2024

Free Cash Flow Conversion



AED 23.5 billion

+ 8.8% FY 2024

Gross Asset Value Appreciation



2.8%

Supported by ~AED 3,007 million liquidity

Net Finance-to-Value Ratio

(AED 2,070 million of undrawn facility and AED 937 million of cash and bank balance)



AED 1,100 million

8.5 fils per unit

Full Year Dividend Distribution

YEAR in Review

In 2025, Dubai Residential REIT focused on operational excellence, optimising its diverse portfolio of over 35,700 units across 21 communities while enhancing resident experiences and advancing strategic growth initiatives to support Dubai's urban development vision.



DEBUTED ON DFM

Trading symbol "DUBAIRESI" and ISIN "AEE01657D252".



DIVERSIFIED

Portfolio composition based on revenue share: 48% Community, 35% Affordable, 8% Premium, 5% Corporate Housing



SHARIAH

Shariah compliance and institutional governance with a dedicated Shariah Supervisory Committee.



PIPELINE

Growth pipeline with committed projects including Garden View Villas (additional units within the upscale hillside community) and Jebel Ali Village (newly developed well-designed townhouse community), adding 276 units.



RECORDED

Segment occupancies: 98.4% in Premium, 98.3% in Community, 99.1% in Affordable, 99.5% in Corporate Housing, and 88.4% in Retail and Ancillary Services.



OUR *Journey*

01.

Dubai Residential REIT was established as a Shariah-compliant, closed-ended real estate investment fund, marking a pivotal step in Dubai's capital markets evolution.

03.

The IPO, priced at the top of the range, raised AED 2,145 million and achieved a market capitalisation of AED 14.3 billion, with overwhelming demand leading to 26 times oversubscription.

05.

Since its inception, the focus has been on operational excellence, portfolio optimisation, and strategic growth, positioning the REIT as a resilient platform in Dubai's dynamic real estate sector.



02.

It debuted on the Dubai Financial Market (DFM) on May 28, 2025, as the GCC's largest and first listed pure-play residential leasing-focused REIT.

04.

Backed by Dubai Holding Asset Management as the indirect majority strategic unitholder, the listing aligns with the UAE and Dubai's vision for economic diversification, offering investors access to high-quality, income-generating residential assets without direct ownership complexities.

OUR Fund Manager

DHAM REIT Management LLC is the Fund Manager for Dubai Residential REIT. Headquartered in Dubai, DHAM REIT Management LLC is wholly-owned by the Dubai Holding Group – a leading global investment conglomerate, driving the city's growth through a diversified portfolio encompassing real estate, hospitality, entertainment, and other strategic sectors. DHAM REIT Management LLC is licensed by the Capital Markets Authority (CMA) and is subject to its regulatory oversight.

Strategic Overview

CHAIRMAN'S MESSAGE

MANAGING DIRECTOR'S MESSAGE

OUR STRATEGY

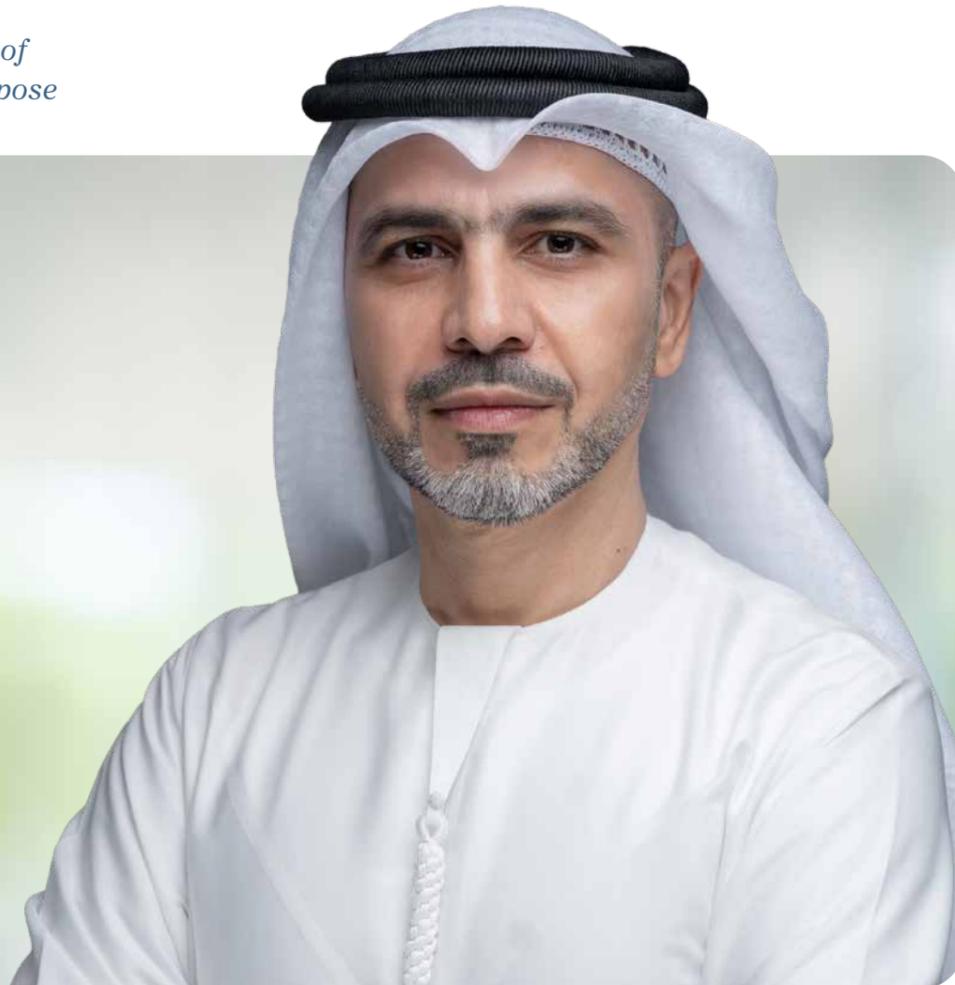
MARKET OVERVIEW

REASONS TO INVEST



CHAIRMAN'S Message

*A Landmark Year of
Progress and Purpose*



2025 marked a defining milestone for Dubai Residential REIT. Our successful listing on the Dubai Financial Market (DFM) in May established the REIT as the largest and first pure-play listed residential REIT in the GCC.

The IPO, which was oversubscribed 26 times and raised **AED 2.145 billion**, reflected strong investor confidence in our strategy, Shariah-compliant structure, and the compelling long-term value of Dubai's residential leasing market. Demand exceeding **AED 56 billion** resulted in the offering size being **increased from 12.5% to 15%** of total issued units, underscoring the strength and depth of investor interest.

Today, the REIT comprises more than 35,700 units across 21 integrated communities, **offering investors a scaled, income-generating platform with exposure to Premium, Community, Affordable, and Corporate Housing segments.** Our portfolio serves more than 140,000 residents, providing diversified and resilient exposure to Dubai's broad and growing rental demand.

Delivering Resilient Income and Strong Operating Foundations

As of 31 December 2025, Dubai Residential REIT reported **revenue of AED 1.953 billion** and net profit before changes in fair value of

Investment property of **AED 1.279 billion**, underpinned by consistently high occupancy levels, strong tenant retention, and disciplined cost management. The Board approved an interim cash dividend of **AED 550 million** for the first half of 2025, which was distributed in September 2025 and represented a **7.7% yield** on the IPO price on annualised basis.

In line with prior guidance, a second dividend payment of **AED 550 million** was recommended by the Board of Directors and will be distributed in April 2026, pending unitholders' approval at the upcoming Annual General Meeting on 9 March 2026. The second payment will bring the total dividends distributed for the full year 2025 to **AED 1,100 million**.

Our financial position remains strong. With a balanced capital structure, ample liquidity, and **Adjusted EBITDA margins of around 76.4%**, demonstrating best-in-class operational efficiency within the regional real estate sector, we are well-positioned to sustain recurring income and fund future growth. From 2026, and subject to regulatory approvals, the Board intends to distribute at least **80% of profits** before changes in fair value of investment property through semi-annual dividends - providing clarity and visibility for unitholders.

Governance, Shariah Compliance, and Long-Term Stewardship

Robust governance remains central to sustaining long-term investor trust. **Dubai Residential REIT operates under a clear and disciplined governance framework**, including oversight by an experienced Board, an Investment Committee, and a dedicated Shariah Supervisory Committee. **All investments comply with Shariah principles**, and any non-compliant income is managed in accordance with the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) standards. This commitment to integrity and transparency remains central to our stewardship responsibilities.

Executing a Disciplined and Diversified Growth Strategy

The portfolio's scale, diversification and visibility of growth remain central to our long-term strategy. A disciplined acquisition pipeline underpins this approach, supported by expressions of interest in high-quality residential communities within the Dubai Holding ecosystem. This includes **390 three- and four-bedroom townhouses** at the Lantana Hills gated community in Dubai Science Park, **107 new residential units** at the Dubai Wharf community and **58 luxury villas** within The Acres community in the Dubailand area. Together, these opportunities position the REIT to deliver sustainable income growth over the medium to long term.

In 2025, our focus remained on optimising the performance of existing assets while advancing a committed pipeline of accretive additions. Acquired developments via forward purchase agreements with Dubai Holding Asset Management (DHAM), including **56 villas at Garden View Villas** and **220 townhouses at Jebel Ali Village**, will be delivered in 2026, expanding our community offerings and supporting incremental recurring income.

Beyond the committed pipeline, the REIT continues to evaluate selective, Shariah-compliant opportunities, including sponsor assets available through rights of first offer under its relationship agreement with DHAM, while benefiting from Dubai Holding Group's broad capabilities within the real estate sector to meet our investment criteria. Our capital allocation approach prioritises sustainable income, balance-sheet strength, and long-term total returns.

Market Fundamentals Reinforce Long-Term Confidence

Dubai's residential market is underpinned by strong macroeconomic and demographic fundamentals, including population growth, economic diversification, increasing household formation, and a pro-growth policy framework. Government initiatives such as the D33 agenda, progressive residency policies, and the Dubai 2040 Urban Master Plan provide **a durable foundation for sustained rental demand across all residential segments.** Together, these factors support high occupancy levels, stable income generation, and sustainable portfolio expansion.

As one of the largest owners of residential assets in Dubai, the REIT plays an important role in advancing this broader urban and economic vision. Our communities contribute to the city's ambition to provide **vibrant, connected neighbourhoods** that attract and retain residents, businesses, and talent.

Looking Ahead

Looking to 2026 and beyond, the Board remains confident in the REIT's ability to deliver **consistent income, disciplined growth, and long-term value creation.** Our strategy is focused on Shariah-compliant capital deployment, operational efficiency to support margin resilience, steady dividend capacity and a balanced approach to rental growth and tenant affordability. Supported by Dubai Holding and DHAM, the REIT is **exceptionally well-positioned to benefit from Dubai's continued expansion** and the deepening strength of its residential leasing market.

Acknowledgements

On behalf of the Board of Directors, I thank our unitholders for their trust, the Fund Manager and its Investment Committee for their disciplined stewardship, strong governance, and commitment to long-term unitholder value. We also appreciate the guidance from the Capital Markets Authority and the Dubai Financial Market during our first year as a listed company. We further recognise the Shariah Supervisory Committee - Prof. Dr Mohamed Abdul Rahim Sultan Al Ulama, Prof. Dr Mohammad Ali El Gari, and Dr Salim Al Ali - for their continued guidance, ensuring our adherence to Shariah principles across all activities.

Together, we look ahead with confidence and a shared commitment to **delivering sustainable long-term value to all our unitholders** through disciplined capital allocation, operational excellence, unwavering adherence to Shariah principles, and a continued focus on enhancing the living experience of our residents while supporting Dubai's broader growth ambitions.

Nabil Mohammad Ramadhan Alahmadi

Chairman of the Board of Directors
Dubai Residential REIT

MANAGING DIRECTOR'S Statement

*A New Chapter in Real Estate Equities:
A Pure-Play REIT of a Different Kind*



“*Dubai Residential REIT’s first year as a listed entity marked a major milestone, demonstrating a resilient business model, high occupancy, strong tenant retention, and stable income underpinned by Dubai’s dynamic rental market and growing population.*”

It is a differentiated, pure-play residential platform that enables investors to participate in Dubai’s real estate growth story without directly owning physical assets - all while contributing meaningfully to the depth, innovation, and long-term development of the emirate’s capital markets.

Reflecting on a Landmark Year

The year under review was the first full post-IPO period for Dubai Residential REIT and firmly established it as an institutional cornerstone of Dubai’s residential leasing market. **The REIT successfully navigated a rapidly evolving macro backdrop**, maintaining high occupancy and tenant retention while embedding listed-company disciplines across governance, risk, and reporting.

Delivering on IPO Commitments

From listing onwards, Dubai Residential REIT remained focused on the core commitments made at IPO: **stable income, efficient operations, disciplined balance sheet management, and a clear pathway for growth**. The REIT’s performance in its first post-listing period reflected these priorities, with a near fully let portfolio, strong rent collection, and steady, recurring cash flows. These have supported regular distributions to unitholders in line with UAE REIT regulations.

Portfolio Snapshot and Operating Strength

Unitholders enjoy access to a highly diverse portfolio. Dubai Residential REIT today manages one of the largest residential leasing platforms in the region, with over **35,700 homes across 21 communities**, housing more than 140,000 residents. This scale spans the full spectrum of Dubai’s rental market, from premium urban living to family and value-focused communities to purpose-built corporate accommodation, positioning the REIT as a diversified, city-wide proxy for Dubai’s residential demand.

Operationally, the year was defined by high occupancy, strong rent collection, and healthy tenant retention across the portfolio, supported by an attractive value proposition, well-maintained communities, and a consistent focus on service quality.

Enhancing Communities and Resident Experience

Throughout the year, the **REIT advanced a programme of targeted community upgrades, maintenance enhancements, and digital initiatives** aimed at improving resident experience and operating efficiency. These included refurbishment across select assets, implementation of energy-efficiency projects, enhancement of amenities, and the rollout of digital touchpoints for leasing, payments, and service requests. Collectively, these have all contributed to select upgraded products, faster response times, higher satisfaction, and better renewal outcomes. As a result, high occupancy was complemented by strong tenant retention, giving the REIT a stable base of recurring income.

Financial Performance and Discipline

Financial performance over the period reflected a combination of scale, **high utilisation, and disciplined cost control**. Revenue and recurring income benefited from strong occupancy and steady rental growth (a dynamic across the whole of Dubai’s residential market), while our emphasis on operating efficiency helped protect margins in a changing macro environment. Prudent leverage and liquidity management supported balance sheet resilience and provided **capacity to fund future organic investments** and selective inorganic opportunities.

A Differentiated Investor Proposition

Much of the success of the DFM listing rested on the unique pure-play nature of Dubai Residential REIT, which offers **a distinctive way to access Dubai’s residential real estate market**: investors gain exposure to a large, diversified portfolio of income-generating homes without the capital intensity, management burden, or concentration risk of direct property ownership.

As the largest listed pure-play residential REIT of its kind in the region, the vehicle combines equity-like liquidity with bond-like income characteristics, underpinned by a regulatory framework that supports regular distributions and a long-term, cash-yielding profile.

This is not a generic “REIT story”, but a focused opportunity to participate in Dubai’s ongoing urban and demographic expansion through a single, scalable platform backed by real assets.



Feeding into Dubai's Growth Story

The REIT also directly supports Dubai's ambition to be a global hub for talent, investment, and innovation by providing **high-quality, professionally managed rental housing at scale**. In doing so, it contributes to economic diversification, supports labour mobility, and underpins the emirate's liveability - all while channelling institutional capital into the residential sector and deepening Dubai's equity market offering.

The Dubai Residential REIT model enlarges the universe of listed products available to both regional and international investors, enriching Dubai's investment landscape and strengthening its position as a leading capital markets hub.

Strategy, Growth Pillars, and Value Creation

As we look to continue enriching Dubai's capital markets ecosystem, the REIT's investment strategy is anchored in two key integrated pillars: **organic growth from the existing portfolio** through **top-line growth and continuous operational optimisation** and inorganic growth through selective acquisition of new residential developments.

On organic growth, the REIT focuses on **rental reversion, mark-to-market opportunities, amenity and community upgrades, energy-efficiency retrofits, and digitalisation** to enhance margins and reduce void periods.

On inorganic growth, the REIT intends to **pursue disciplined, accretive acquisitions** that align with its residential focus and risk-return profile. Together, these pillars are designed to **sustain high occupancy and strong retention** while unlocking value over the medium to long term.

“The Dubai Residential REIT model enlarges the universe of listed products available to both regional and international investors, enriching Dubai's investment landscape and strengthening its position as a leading capital markets hub.”

Dubai Market Outlook and Positioning

The long-term outlook remains positive for Dubai's residential rental market because it continues to be underpinned by **robust population growth, job creation, and sustained domestic and international demand**.

The population of Dubai has surpassed 4 million. It is on track to grow further over the coming years, driving demand for tens of thousands of additional homes annually, many of them in the rental segment.

While rent growth is moderating from the sharp increases of recent years as new supply is delivered, the market is entering a more balanced, mature phase characterised by greater choices for tenants with a premium on well-located, institutionally managed communities.

In this context, **demand for high-quality, professionally managed rental homes is expected to remain resilient**, particularly in locations offering strong connectivity, comprehensive amenities, and service-led management. Dubai Residential REIT is well-positioned to benefit from these trends, given its scale, diversified footprint across segments, and focus on mid- and long-term leasing, which together provide resilience through cycles and the potential for consistent income growth.

Governance, Shariah Oversight, and Long-term Returns

Robust governance remains central to the REIT's operating model, with oversight provided by an experienced Board, a dedicated management team, a specialised Investment Committee, and an independent Shariah Supervisory Committee. These structures ensure compliance with regulatory and Shariah frameworks, prudent risk management, and alignment between the interests of unitholders, residents, and other stakeholders.

The combination of **diversified assets, high occupancy, strong retention, and prudent leverage** underpins the REIT's ability to deliver sustainable, long-term returns. This allows us to provide investors with a stable income stream and the potential for capital appreciation as Dubai's residential market continues to mature.

Commitment to Stakeholders

None of these achievements would be possible without the trust of our unitholders, the loyalty of our residents, and the support of our partners and regulators. The management team remains fully committed to maintaining high standards of service, governance, and performance as Dubai Residential REIT advances into its next phase of growth, continuing to play a central role in the city's residential and capital markets landscape.

Ahmed Al Suwaidi

Managing Director

DHAM REIT Management LLC

OUR Strategy

We are shaping communities that foster richer living experiences, wellbeing aspirations and quality of life.

Dubai Residential REIT is one of the key institutional landlords in Dubai, offering a diverse range of professionally managed residential communities.

These communities offer residents:



A diverse range of residential offerings targeting a wide range of customer segments and price points



Dedicated community facilities and amenities within gated and secure environments



Strategic locations with convenient access to essential services, schools, healthcare and retail centres



Streamlined property management across all communities



Flexible rent payment options designed around tenant needs



Exclusive resident-only benefits and loyalty-style perks



Ongoing community events and activations that strengthen engagement and belonging

Dubai Residential REIT's strategy focuses on managing and operating a diversified portfolio of strategically located residential communities across Dubai that generate stable income and long-term value for stakeholders.

We offer a diverse portfolio of residential asset types, including villas, apartments, townhouses, and mixed-use developments, across multiple price segments: Premium, Community, Affordable, and Corporate Housing. To deliver **sustained unitholder value** and maintain our position as a leading institutional landlord, we have adopted a strategy that incorporates both organic and inorganic growth potential.

Organic Growth Potential

01 Headroom For Rental Uplift

- **Increase rental rates** for new leases and for renewals (based on RERA guidelines)

02 Performance Optimisation of Existing Assets

- Embarking on **value accretive investment** in asset enhancement and repositioning to drive rental growth. This can be demonstrated through the successful phased refurbishment programmes that we embarked on at The Gardens and Garden View Villas.
 - **The Gardens:** The objective of the programmes is to undertake a comprehensive refurbishment of The Gardens community. To date, 28 buildings with 1-bed and 2-bed configurations have been successfully upgraded, where the recent phase achieved rental rents ~ 24% higher than the non-refurbished similar units currently leased within The Gardens community. In 2026, 12 buildings with 3-bed configurations are under refurbishment, with additional buildings planned in future phases. The renovated buildings are rebranded as Garden View Apartments (GVA), giving the refurbished buildings a new identity.
 - **Garden View Villas:** The objective of the programme is to undertake a comprehensive refurbishment of the Garden View Villas gated community. To date, 23 villas have been renovated and are achieving rents that are ~12.5% higher than the non-refurbished villas. In 2026, 38 villas are under refurbishment, with additional units planned in future phases.
- Effective asset management strategies to achieve increased occupancy and elevated margins via cost savings.
- Undertaking continuous investment in maintenance and capital improvements to maintain leading market positioning.

Inorganic Growth Potential

01 Growth through New Developments within Dubai Holding's Master-planned Developments

- Dubai Residential REIT (The "REIT") will leverage the **continued growth in residential demand** resulting from expected sustained population growth, and will continue to play a key role in catering to Dubai's evolving housing needs.
- **Acquiring new, built-to-lease assets** developed within the Dubai Holding land bank. In 2026, the REIT is expected to acquire from Dubai Holding Asset Management:
 - **56 new 4-bedroom villas** that were developed within the existing upscale hillside gated community of Garden View Villas with 285 units.
 - A cluster of **220 townhouses** within the newly developed premium Jebel Ali Village community.
- Dubai Residential REIT will continue to **focus on the market gap** of professionally managed single landlord apartment, villa and townhouse communities.

02 Asset Acquisitions From 3rd Parties

- The REIT will be evaluating the potential acquisition of third-party residential assets which are aligned with its strategy and which meet its investment criteria.
- The REIT will be **exploring strategic tie-ups with growing industries** for potential Built-To-Suit residential offerings.

Performance Optimisation of Existing Assets



23 villas

23 Garden View Villas renovated and are achieving rents that are ~12.5% higher than the non-refurbished villas.



28 buildings

28 buildings in The Gardens with 1-bed and 2-bed configurations have been successfully upgraded.

Our Strategic Enablers

Dubai Residential REIT's strategy is built on four key strategic enablers that drive its growth and success in Dubai's dynamic residential real estate market.

01

The REIT focuses on **optimising the performance of existing assets** by proactively managing its portfolio through active leasing and marketing vacancies, re-gearing lease rates, regular maintenance, and asset refurbishment to sustain high occupancy rates, stable income generation, and competitive positioning.

02

The REIT prioritises **building strong customer advocacy** by providing high-quality residential options, enhancing community offerings, introducing digitisation initiatives to improve tenant experience, and **fostering long-term tenant relationships** and trust to maintain high retention rates.

03

The REIT aims to grow its customer base by **targeting diverse market segments** across its affordable, mid-market, and premium residential offerings, while **leveraging market trends**, Dubai's growing population, and economic expansion to attract new tenants and retain existing ones.

04

The REIT develops residential built-to-lease assets in master-planned developments to create **family-friendly communities with modern infrastructure**, green spaces, and amenities like retail centres and sports facilities.

Looking ahead, the REIT's strategy will continue to translate into a disciplined pipeline of built-to-lease communities and acquisitions that extend Dubai Residential REIT's reach across Dubai.

Strategy in Action



Expanding our Community Residential Offerings

Garden View Villas

Garden View Villas is a hillside residential community offering 3–4-bedroom villas and townhouses with modern amenities, private gardens, and select units featuring pools. Designed with timeless oriental architecture, it provides a serene, family-friendly environment supported by exclusive facilities, a community centre, and professional onsite management for an enriched, tranquil lifestyle.

Project Highlights:

- 56 new four-bedroom semi-detached townhouses situated within a hillside gated community. These will add to the existing 285 units currently owned by Dubai Residential REIT.
- Well-designed homes offering generous, practical living spaces suited to family needs.
- Convenient access to a broad range of community facilities and thoughtfully landscaped outdoor areas.

Strategic Rationale:

These new units leverage the success and expand our offerings within the Garden View Villas master-planned community. The development targets renters seeking villa living and reliable property management and is expected to deliver stable, long-term returns for unitholders.



Building Family-Oriented Premium Communities

Jebel Ali Village

Jebel Ali Village represents a significant expansion of our single-family portfolio through the acquisition of a cluster of 220 townhouses within the masterfully designed, gated Jebel Ali Village community, which comprises a total of 1,112 villas and townhouses. This strategic acquisition aligns with our commitment to providing professionally managed, family-oriented communities that deliver enhanced lifestyles. Strategically located close to Ibn Battuta Mall and Sheikh Zayed Road, the development combines urban convenience with a serene residential environment enriched by lush landscaping and premium community facilities.

Project Highlights:

- 220 premium three and four-bedroom townhouses offering spacious family living configurations.
- A comprehensive range of community amenities, including recreational facilities, green spaces, and landscaped courtyards.
- Institutional-grade property management and governance ensuring consistent service standards across the community.

Strategic Rationale:

The acquisition of Jebel Ali Village strengthens our presence in a high-demand residential corridor and enhances our ability to offer well-managed, family-oriented single-family communities. Its scale and location allow us to broaden our built-to-lease footprint, diversify income streams, and integrate a sizeable cluster of townhouses into our portfolio. This addition supports sustainable long-term growth by expanding our reach into a mature, well-connected neighbourhood that appeals to a wide base of residents.

OUR NEXT CHAPTER: *2026 and Beyond*

The REIT continues to work with Dubai Holding Asset Management on new developments in the Acres (luxury villas) and Lantana Hills within Dubai Science Park (townhouses), as well as strategic conversions of retail units to diverse residential unit types in Dubai Wharf (apartments).

Further, Dubai Residential REIT will continue to collaborate with the wider Dubai Holding Group on a potential medium to long-term pipeline across master plans such as City Walk, Madinat Jumeirah, Meydan, Dubia Studio City, Dubai Production City, and Jumeirah Islands, where these developments would position the REIT to capture Dubai's projected population and household growth while continuing to deliver sustainable, income-generating assets for unitholders.



MARKET Overview

Dubai's residential real estate market continues to be supported by robust economic growth, rapid population expansion and a well-developed regulatory framework.

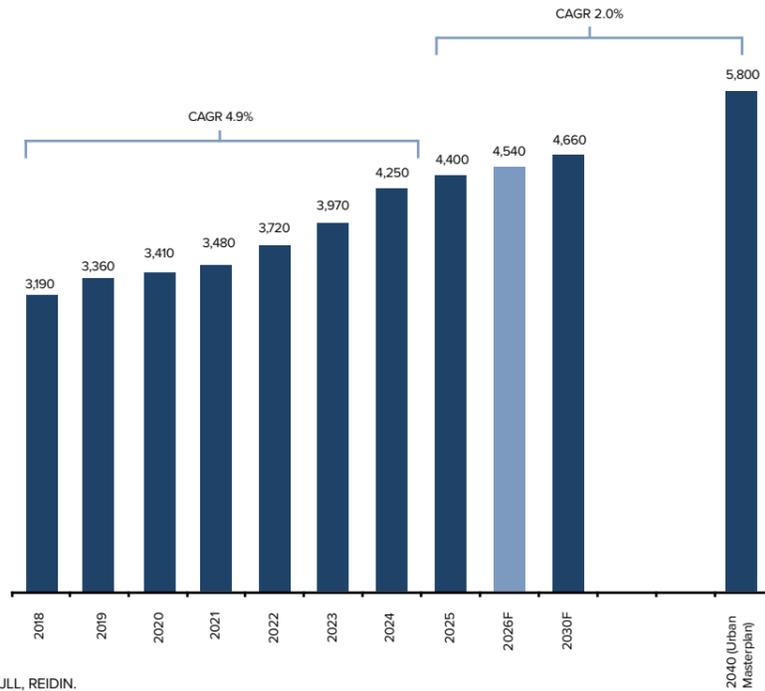
Dubai's Fundamentals

Strong demographic fundamentals underpin Dubai's rental market outlook. Population growth remains on track to achieve the Urban Masterplan target of **5.8 million residents** by 2040. This population growth, along with a slight decline in average household size, is expected to accelerate household formation, which is expected to grow by ~2.6%

p.a. during the period between 2025 and 2030, and adding **~112,000 new households**. These trends, alongside sustained rental growth and high occupancy, signal a robust and resilient demand environment for professionally managed communities and diversified rental offerings.

Dubai Total Population (000s)

Dubai Population (m)



On track to achieve the population target of 5.8 million by 2040

Source(s): JLL, REIDIN.
 Definition(s): k: thousand; m: million; YoY: Year-over-Year; CAGR: Compounded Annual Growth Rate.
 Note(s): (1) Demand is defined as total population excluding "corporate staff" divided by estimated household size. Does not account for foreign resident owners. (2) Supply excludes corporate accommodation.

According to Dubai Data and Statistics Establishment, the emirate's population grew by 17,660 in just one month, reaching 4.04 million in mid-November 2025 as more expatriates, professionals and investors flock to the city.

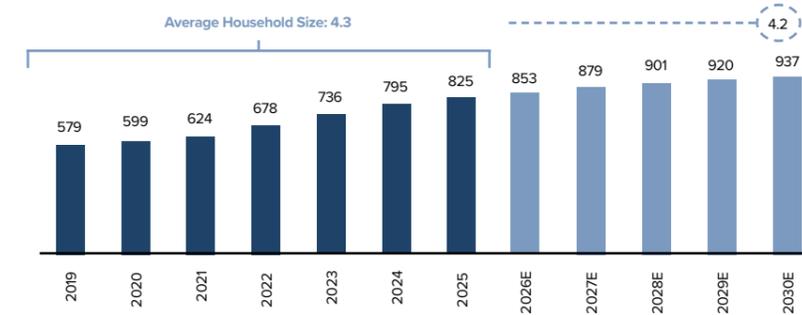
Supply and Demand Dynamics

The chart below shows Dubai's household base stepping up steadily from 2019 through 2030, with a **CAGR of ~2.6%** expected between 2025 and 2030 adding **~112k additional households** over that period.

This growth reflects population growth as well as a slight decline in average household size from ~4.3 to ~4.2. This expected growth supports high absorption and renewal resilience across professionally run rental communities.

Leading to Robust Growth in Households to Drive Residential Housing Demand

of Households (000s)



2.6% 25'-30' CAGR

c.112k New Households by 2025-2030E

Source(s): JLL, REIDIN.
 Definition(s): k: thousand; m: million; YoY: Year-over-Year; CAGR: Compounded Annual Growth Rate.

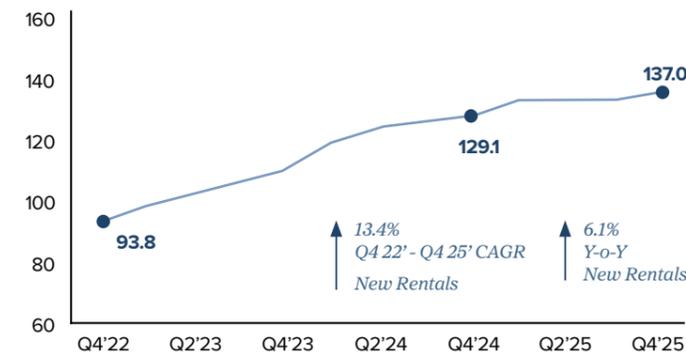
Rental Performance

Rental performance in Dubai has been robust. The market recorded **6.1% growth** in new rentals year-on-year and **13.4% cumulative growth** for the 3-year period from Q4 2022 to Q4 2025.

Across the Dubai market as a whole, renewals continue to dominate, where 62% of rental transactions in 2025 were renewals and 38% were new leases.

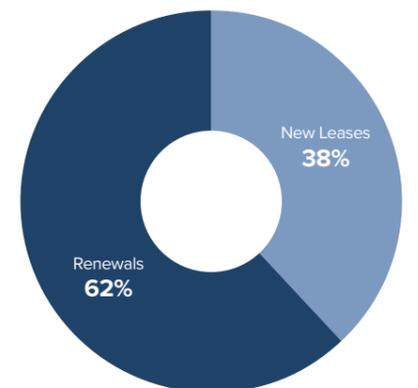
Strong Rental Rate Growth Across Dubai...

(Rebased to 100 in 2014)



Rental Market Performance

% share of transacted rental contracts for 2025



Source(s): REIDIN.
 Definition(s): k: thousand; m: million; YoY: Year-over-Year; CAGR: Compounded Annual Growth Rate

Between Q4 2022 and Q4 2025, both apartments and villas have driven rental growth across the emirate. Rentals for new signed leases for apartments and villas increased by a **CAGR of 14.0%** and **9.8%** respectively, over the same period. The year-on-year growth for apartments and villas was **7.0%** and **1.2%**, respectively.

... Driven by Both Apartments and Villas

(Rebased to 100 in 2014)



Source(s): REIDIN.
 Definition(s): k: thousand; m: million; YoY: Year-over-Year; CAGR: Compounded Annual Growth Rate

What this means for Dubai Residential REIT

The robust market fundamentals outlined above create a compelling case for Dubai Residential REIT's business model. The forecasted **~112,000 new households by 2030** signals sustained growth in dwelling demand and leasing needs as new family units form. This dynamic directly benefits Dubai Residential's professionally managed rental communities that offer superior service and amenities.

By managing **~4% of total residential supply in Dubai** with a strong presence across Premium, Community, and Affordable segments, the portfolio captures demand across a wide income spectrum while benefiting from high occupancy (**98.3% across neighbourhoods**) and strong renewal retention. The portfolio's professionally managed communities, with transparent rental frameworks and renewal certainty, directly addresses the market's demand for stability, while diversified segment exposure allows the Group to participate in rental growth across multiple customer tiers.



REASONS To Invest

Access Dubai's largest differentiated pure-play residential real estate REIT.

Dubai Residential REIT (the "REIT") offers investors access to the GCC's largest listed, Shariah-compliant residential REIT. The REIT benefits from resilient cash yields, diversified exposure to Dubai's rental market, and a mix of organic and inorganic growth.

Backing of Dubai Holding and Robust Governance

- Dubai Residential REIT is externally managed by DHAM REIT Management and sponsored by Dubai Holding, a diversified global investment company with **AED 470 billion of assets under management**, and with a successful record in developing large-scale urban communities.
- Alignment with Dubai Holding provides access to **deep development, asset management and community management expertise**, as well as a visible pipeline of potential future assets.
- The REIT operates under a rigorous institutional governance framework, with **independent oversight, Shariah compliance and transparent reporting standards** designed to protect unitholder interests over the long term.

Scale, Quality and Diversification Across Dubai

- The REIT owns one of Dubai's largest and most diverse residential leasing portfolios, with **over 35,700 homes** across 21 master planned communities serving more than 140,000 residents.
- The portfolio operates across four key segments: **Premium, Community, Affordable and Corporate Housing**, giving unitholders diversified exposure to Dubai's rental demand drivers.
- This breadth and scale of offering, where the REIT **owns and manages ~4% of the total residential supply in Dubai**, positions it as a natural reference point for Dubai's residential leasing market.

Exposure to Dubai's Macro and Demographic Tailwinds

- The REIT offers a liquid marketable security which leverages Dubai's expected sustained long-term growth. This growth is driven by expansion in the UAE GDP and in disposable income per capita, which have **outpaced growth in the GCC** and in developed markets in recent years and are expected to continue to do so over the medium term.
- Dubai's population grew at a compound annual rate of around **4.9% between 2018 and 2024** and is supported by government agendas such as Dubai 2040 and D33, which target higher economic output and enhanced liveability.
- Structural reforms, including multi-year visa schemes and social liberalisation, continue to attract skilled, higher-income residents, **supporting sustained demand for high-quality residential communities** across the REIT's portfolio.

Leasing Dynamics: High Occupancy and Rents

- The REIDIN (data analytics) residential rental index has recorded robust compound **annual growth of 14.9% between 2021 and 2025** in Dubai, driven by rising apartment and villa rents amid strong employment, income growth and sustained population inflows.
- Tenant preferences for renewing leases are primarily driven by the need for location accessibility, stability, community engagement, and a positive relationship with the landlord.
- Against this backdrop, Dubai Residential REIT has delivered **steadily rising occupancy and rental rates**, benefitting from relatively inelastic demand for well-located, professionally managed communities.

Market-Leading, Pure-Play Residential REIT at Scale

- Dubai Residential REIT is **the GCC's largest residential pure-play** listed REIT by gross asset value.
- By the end of 2025, the portfolio's gross asset value reached **AED 23,538 million**.
- The REIT's scale and wide tenant mix, including individuals and corporates, establish it as a **prime vehicle for institutional investors** seeking exposure to Dubai's housing market.
- Representing roughly **4.3% of Dubai's rental transactions** and 3.0% of total rental value as of December 2025.

Resilient Income Profile with Strong Operating Performance

- The REIT has demonstrated consistent revenue and earnings growth over the past three years, showing **double-digit year-on-year increases in revenue and net profit** driven by higher occupancy and increases in rental rates.
- Portfolio-wide occupancy has been around 98.3%, supported by **high retention rates and disciplined asset management** across Premium, Community, Affordable and Corporate Housing segments.
- Strong EBITDA margins and **robust free cash flow conversion** underscore the resilience and efficiency of the operating platform, even while funding ongoing refurbishment and enhancement programmes.

Attractive Dividends and a Conservative Balance Sheet

- From 2026 onwards, Dubai Residential REIT intends to distribute at least **80% of profit before fair value changes of investment property** for each accounting period semi-annually, subject to Board approval.
- Based on the IPO price and subsequent performance, this translates into an attractive **mid to high single-digit cash yield** that is underpinned by recurring rental income rather than one-off gains.
- A low net finance-to-value ratio and significant available liquidity provide ample headroom to fund growth while maintaining a **robust, low-risk capital structure**.

Visible Roadmap for Organic and Acquisition-Led Growth

- Dubai Residential REIT is pursuing a growth strategy that combines **tangible organic growth** with a strong potential for inorganic expansion.
- Organic growth is expected to be driven by growth in revenues, portfolio efficiencies, and capitalising on positive market trends. On the other hand, inorganic initiatives focus on **acquiring new properties and leveraging the right of first offer (ROFO)** granted to Dubai Residential REIT in respect of DHAM-owned prime real estate projects.

Shariah Compliance

- Dubai Residential REIT offers investors a **Shariah-compliant, income-generating vehicle** listed on the Dubai Financial Market.
- The REIT is supervised by a **dedicated Shariah Supervisory Committee** of three qualified scholars, appointed for fixed terms and removable only by unitholders for cause.

REIT's Portfolio-wide occupancy has been around 98.3%, supported by high retention rates and disciplined asset management across Premium, Community, Affordable and Corporate Housing segments.

Risk Management



RISK Management

Risk Management Overview and Approach

Dubai Residential REIT maintains a **disciplined and proactive approach to risk management** that safeguards unitholder interests, ensures compliance with the Capital Markets Authority (CMA) REIT Controls and DFM listing requirements, and underpins sustainable growth. Managed by DHAM REIT Management LLC as the appointed Fund Manager, Dubai Residential REIT embeds **risk governance and oversight across all business activities** to support the delivery of stable income and long-term value for unitholders.

The Board of Directors retains ultimate responsibility for risk oversight, including determining the REIT's risk appetite and monitoring key strategic and emerging risks. The Board is supported by the Investment Committee, which reviews and challenges the effectiveness of the Enterprise Risk Management (ERM) framework, policy, and processes.

Our approach is guided by leading practices such as **COSO** and **ISO 31000**, and is embedded across all business activities through:

- A **structured and comprehensive risk management process** applied consistently across the REIT.
- **Ongoing training** and awareness programs to foster a strong risk culture.
- Use of an **integrated risk management platform** to capture, assess, and monitor risks, supported by Key Risk Indicators (KRIs) for trend analysis and early detection of emerging risks.

Risk Management Process

Dubai Residential REIT's Risk Management Process follows a structured cycle of **identifying, assessing, mitigating, and monitoring risks**. This process is supported by governance oversight from the Board, Investment Committee, and Shariah Supervisory Committee, ensuring compliance with regulatory and Shariah principles while maintaining the disciplined standards expected across all the REIT's operations.



Figure 2: Dubai Residential REIT Risk Management Process

Risk Governance

Risk governance integrates risk management into decision-making at all levels, **enhancing transparency and stakeholder confidence**.

The Board sets strategic direction and approves risk policies, while management executes risk processes and reports performance, ensuring accountability and alignment with Dubai Residential REIT's disciplined risk appetite.

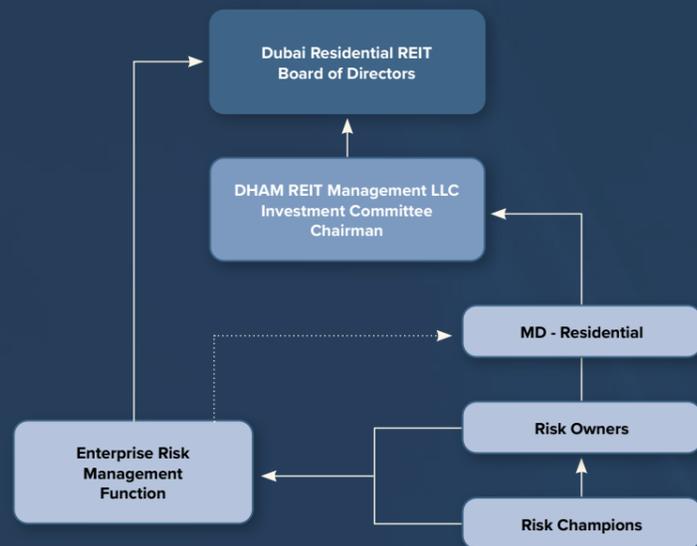


Figure 1: Dubai Residential REIT Risk Governance Structure

Progress Since Listing

Following Dubai Residential REIT's successful listing in 2025, the Board has approved a comprehensive framework to strengthen risk governance.

Key progress includes:

01.	02.	03.	04.
Approve	Establish	Launch	Implement
Approval of the ERM Framework, ERM Policy, ERM Plan for 2026, and Dubai Residential REIT's Risk Appetite and Tolerance Statement (November 2025)	Establishment of a risk governance structure defining roles and responsibilities across the Board, Fund Manager, and management	Launch of risk awareness programs and workshops to embed a strong risk culture across the organisation	Implementation of a centralised risk management repository to capture, assess, and monitor risks in real time

These foundational steps position the REIT to identify and mitigate emerging risks proactively, supporting the continued delivery of stable income and unitholder value through market cycles.

Risk Appetite and Assessment

Dubai Residential REIT's Risk Appetite Statement defines the thresholds of risk the organisation is willing to accept in pursuit of strategic objectives. Initial risk assessments have commenced, focusing on **strategic, financial, operational, and compliance risks** relevant to the REIT's current portfolio. These assessments are conducted systematically and collaboratively, leveraging stakeholder insights to ensure **timely identification and mitigation of emerging risks** that could impact performance or unitholder interests.

Risk Taxonomy

Risks are classified under a standardised taxonomy aligned with the Capital Markets Authority (CMA) REIT Controls and governance best practices. This structured approach ensures **comprehensive coverage** across all material risk categories:

Strategic Risks

Impacting the achievement of long-term objectives

Market & Economic Risks

Influenced by macroeconomic conditions and property valuations

Financial Risks

Related to liquidity, leverage, and funding resilience

Investment & Valuation Risks

Ensuring accuracy in property valuations to safeguard NAV integrity

Operational Risks

Arising from process or system failures affecting service delivery

Compliance & Regulatory Risks

Ensuring adherence to Shariah, statutory, and listing obligations

Legal & Contractual Risks

Managing disputes or contractual deficiencies that could cause financial loss or operational delays

ESG & Sustainability Risks

Addressing environmental and social factors critical to unitholder confidence and market positioning

Technology & Cyber Risks

Protecting data integrity and operational continuity in an increasingly digital environment

Reputational Risks

Preserving trust and market confidence among stakeholders

Human Capital Risks

Managing people-related risks to ensure operational continuity and service excellence

Project & Development Risks

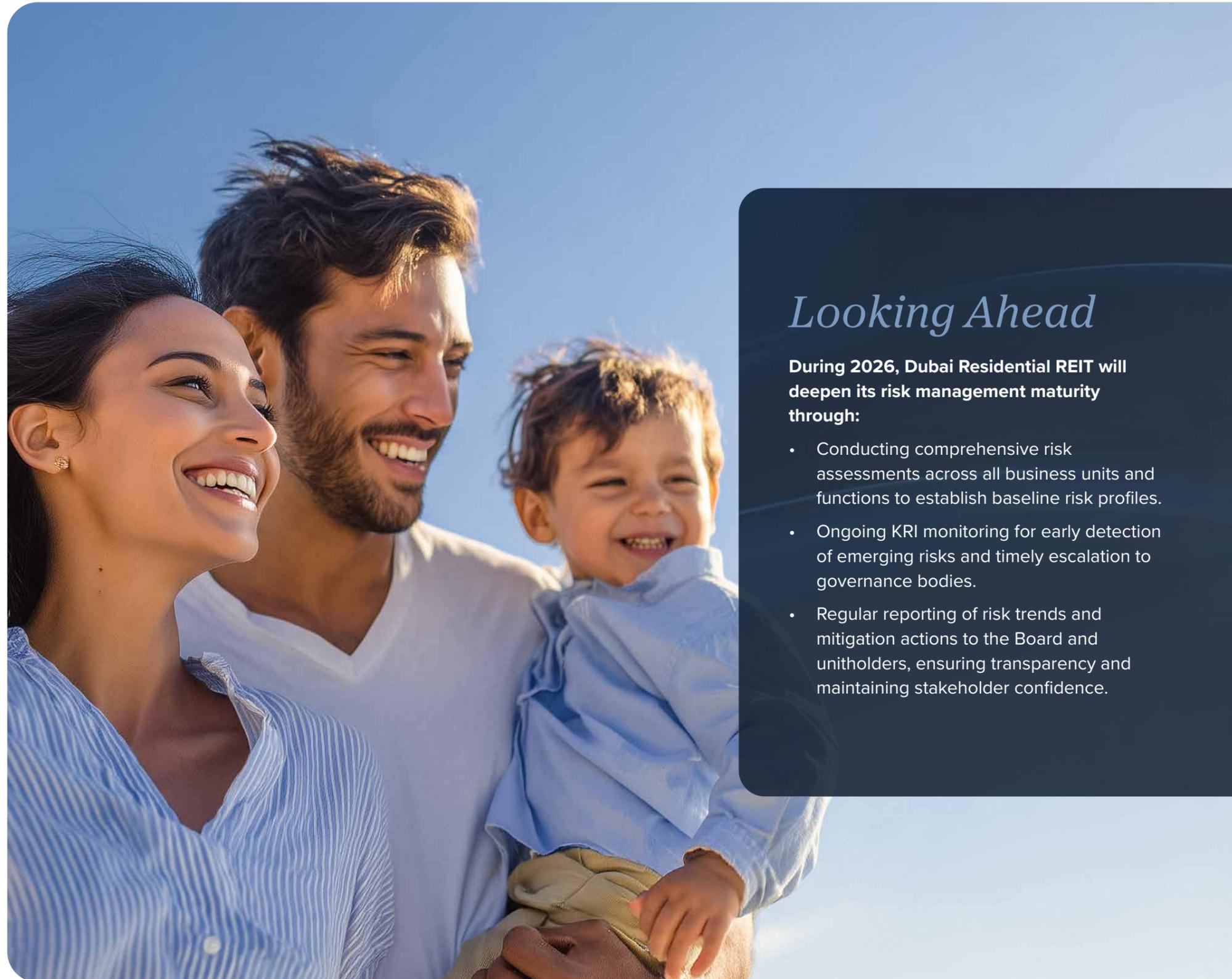
Applicable for development or redevelopment exposure within the REIT's pipeline

Property-Specific Risks

Risks inherent to real estate assets and market positioning

Emerging & External Risks

Low-frequency but high-impact external risks requiring proactive monitoring



Looking Ahead

During 2026, Dubai Residential REIT will deepen its risk management maturity through:

- Conducting comprehensive risk assessments across all business units and functions to establish baseline risk profiles.
- Ongoing KRI monitoring for early detection of emerging risks and timely escalation to governance bodies.
- Regular reporting of risk trends and mitigation actions to the Board and unitholders, ensuring transparency and maintaining stakeholder confidence.

Financial Performance

STATEMENT FROM THE
VICE PRESIDENT OF FINANCE

FINANCIAL REVIEW

KPIs



FINANCIAL Performance

Vice President of Finance Statement A Landmark Year of Growth and Value Creation



We concluded 2025 on a note of exceptional achievement, marking a transformative year for Dubai Residential REIT that will define our trajectory for years to come. Our successful listing on the Dubai Financial Market in May 2025 represented not just a milestone in our corporate history, but **a defining moment for the UAE's capital markets** as we became the GCC's largest and first listed pure-play residential leasing focused REIT.

The overwhelming investor response to our initial public offering - with an oversubscription of 26 times and total **gross demand exceeding AED 56 billion** - validated our strategic vision and the high standard of our institutional-grade residential portfolio. This milestone has positioned us with a market capitalisation of **AED c.16.12 billion** as of 31 Dec 2025 and firmly established our role as a premier investment vehicle for accessing Dubai's dynamic residential real estate sector.

Operational Excellence Driving Portfolio Performance

Our operational performance in 2025 reflected the quality of our assets and the effectiveness of our asset management platform. **Portfolio occupancy averaged 98.3%** for the year, up 1.7 percentage points year-on-year, demonstrating the sustained demand for our professionally managed residential communities across all segments. Our retention rates also remained high at **88%**, suggesting strong demand from existing tenants.

Our Premium residential properties achieved an average occupancy of **98.4%**, reflecting continued demand for high-quality living in Dubai's most sought-after locations. Community living assets maintained **98.3% occupancy**, supported by growing interest in well-integrated, family-oriented environments. Affordable segment properties recorded **99.1% occupancy**, driven by continued population growth and demand for accessible housing. Corporate Housing assets achieved **99.5% occupancy**, underscoring successful lease-up activity in key staff housing locations.

Average revenue per leased gross leasable area **grew by 6.7%** during the year, driven by our strategic approach to rental rate optimisation and the positive momentum in Dubai's residential rental market.

Strong Financial Performance Underpinning Value

Our financial performance throughout 2025 demonstrated the resilience of our diversified portfolio. Revenue for the year reached **AED 1,953 million**, representing **9% growth year-on-year**. This performance has been driven by sustained leasing momentum as reflected by our exceptional occupancy levels and increase in rental rates achieved from (i) renewals by existing tenants (pursuant to applicable RERA regulations) and (ii) new leases entered into at applicable new lease rates. This revenue growth also reflects the **fundamental strength of Dubai's residential market** and our strategic positioning across multiple residential segments.

Adjusted EBITDA increased to **AED 1,492 million**, up 15.2% compared to 2024, with our margin expanding to 76.4%. This expansion was achieved through revenue growth, operational excellence, prudent cost management, and the inherent operating leverage in our business model. Our focus on **delivering superior resident experiences** while maintaining disciplined expense control has also enabled us to turn our top-line growth into robust profitability.

Net profit before changes in fair value of investment property reached **AED 1,279 million**, reflecting 14.5% growth year-on-year. This strong profit generation underpins our ability to deliver attractive and sustainable distributions to our unitholders, while also maintaining financial flexibility for selective growth opportunities.

Robust Capital Structure and Liquidity Position

We maintained a robust and flexible capital structure throughout 2025, positioning us favourably for continued growth. Our net debt stood at **AED 663 million** as of 31 Dec 2025, translating into a net finance-to-value ratio of 2.8%, which is well within our target range and demonstrates our conservative approach to borrowing. Consequently, our net debt to EBITDA multiple stood at 0.5x while **net interest coverage ratio reached 18.9x**, which reflects our conservative leverage profile.

We also maintained substantial liquidity of **AED 3,007 million** through our flexible banking facilities (undrawn amount of AED 2,070 million) and existing cash reserves (AED 937 million), providing ample resources to pursue **value-accretive investment opportunities**, fund capital improvements, and meet our dividend distribution commitments. A strong cashflow conversion driven by strong top-line growth and active portfolio management was maintained throughout the year, as reflected by Dubai Residential REIT's **free cashflow conversion of 93.5%**, which is up 3.9% as compared to 2024.

“As we look ahead as a newly listed company, we remain focused on delivering operational excellence, the highest standards of transparency, pursuing value-accretive growth opportunities.”

As part of our portfolio management in 2025, we advanced our multi-year upgrade initiative at The Gardens, a programme designed to elevate asset quality and unlock stronger rental performance. So far, **28 one and two-bedroom buildings have undergone full refurbishment**, with the latest completed phase delivering rents around 24% higher than comparable units that have not yet been upgraded. A further 12 buildings - primarily three-bedroom layouts - are currently progressing through the next wave of enhancements. Upon completion, these revitalised assets are being relaunched under the Garden View Apartments brand, reinforcing their improved market positioning and supporting healthier leasing outcomes.

With regards to our property valuation, based on JLL's fair value assessment, our **gross asset value reached AED 23.5 billion**, representing 8.8% growth from the beginning of the year. This reflects both portfolio optimisation and positive value movements in our investment properties.

Attractive and Sustainable Dividend Policy

A cornerstone of our value proposition to unitholders is our commitment to delivering **attractive and sustainable cash distributions**. In line with the dividend policy announced at our IPO, we have maintained a disciplined approach to capital allocation that balances unitholder distributions with strategic reinvestment in our portfolio.

For 2025, we will distribute a total cash dividend of **AED 1,100 million**, equating to 8.5 fils per unit and representing a

dividend yield of 7.7% based on our IPO price. This distribution was in line with our stated policy.

Looking ahead, we intend to maintain our semi-annual dividend distribution schedule, with payments in April and September of each year. From 2026 onwards, we will distribute **at least 80% of profit** before changes in fair value of investment property for each accounting period, subject to Board approval and applicable regulatory requirements. This policy reflects our confidence in the sustainability of our cash generation and our commitment to delivering consistent value to our unitholders.

Closing Remarks

The successful completion of our IPO and our strong operational and financial performance in 2025 have established a **solid foundation for Dubai Residential REIT's future growth**. We have demonstrated our ability to execute our strategic objectives, deliver attractive returns to our unitholders, and contribute to Dubai's vibrant residential market ecosystem.

As we look ahead as a newly listed company, we remain focused on **delivering operational excellence, the highest standards of transparency**, pursuing value-accretive growth opportunities, maintaining financial discipline, and providing consistent, attractive distributions to our unitholders.

The fundamentals supporting Dubai's residential market remain robust, and we are **well-positioned to capitalise on the opportunities ahead** while navigating an evolving market landscape with agility and prudence. We are confident in our ability to achieve our medium-term targets and create sustained long-term value for all stakeholders.

Girish Kumar
Vice President of Finance
DHAM REIT Management LLC

FINANCIAL REVIEW

Disciplined Execution Driving Growth in Profitability and Strong Cash Generation

In 2025, Dubai Residential REIT demonstrated margin expansion and superior cash conversion from operations, evidencing strong profitability and exceptional cash generation.

Overview

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). However, as we adopt the European Public Real Estate Association (EPRA) Best Practice Recommendations (BPR), EPRA performance measures have also been provided to supplement IFRS-based measures.

Our portfolio comprises **over 35,700 units** across four core residential segments (excluding the Retail and Ancillary Services segment), with an **average occupancy of 98.3%** during FY 2025. The year 2025 delivered a stable financial performance, highlighted by Funds from **Operations growth to AED 1,279 million at a 65.5% margin**, Recurring FFO expansion to AED 1,191 million, and exceptional **Free Cash Flow conversion of 93.5%**.



FINANCIAL PERFORMANCE

by Segment

Right across our diversified segments, margin expansion and improved occupancy positioned passing rents below current market new lease rates - creating strong rental growth opportunities in 2026 and beyond.

Business Overview - Segment Wise

	Unit	Premium		
		2023	2024	2025
Average units	#	746	746	746
Average occupancy	%	97.5%	95.4%	98.4%
Revenue	AED m	128	145	165
Adj EBITDA	AED m	89	107	135
Adj EBITDA %	%	69.8%	73.6%	81.6%
Average revenue/sqft	AED	61.2	71.0	78.4
Retention	%	88.3%	81.5%	83.1%

	Unit	Corporate Housing		
		2023	2024	2025
Average units	#	5,047	5,048	5,050
Average occupancy	%	92.7%	93.1%	99.5%
Revenue	AED m	82	82	90
Adj EBITDA	AED m	41	37	51
Adj EBITDA %	%	49.8%	45.1%	55.8%
Average revenue/sqft	AED	102.9	101.6	105.1
Retention	%	76.4%	96.1%	95.0%

	Unit	Community		
		2023	2024	2025
Average units	#	13,431	13,649	13,646
Average occupancy	%	98.6%	99.0%	98.3%
Revenue	AED m	814	855	930
Adj EBITDA	AED m	591	636	725
Adj EBITDA %	%	72.6%	74.5%	78.0%
Average revenue/sqft	AED	48.0	50.9	55.4
Retention	%	84.8%	87.5%	88.4%

	Unit	Retail and Ancillary Services		
		2023	2024	2025
Average units	#	1,688	1,731	1,737
Average occupancy	%	92.0%	94.3%	88.4%
Revenue	AED m	69	85	89
Adj EBITDA	AED m	49	61	63
Adj EBITDA %	%	71.7%	71.8%	69.9%
Average revenue/sqft	AED	71.0	77.8	86.8
Retention	%	90.0%	91.2%	85.2%

	Unit	Affordable		
		2023	2024	2025
Average units	#	16,259	16,258	16,258
Average occupancy	%	93.3%	96.2%	99.1%
Revenue	AED m	554	627	679
Adj EBITDA	AED m	381	455	520
Adj EBITDA %	%	68.8%	72.7%	76.6%
Average revenue/sqft	AED	42.6	46.8	49.2
Retention	%	76.6%	82.6%	85.0%

Definition(s): m: million. Average Occupancy Rate: leased units during the period divided by available units during the period; Adjusted EBITDA: Profit for the period after tax plus income tax expense, finance costs – net, and depreciation and amortisation, before gain on fair value of investment property, before allocated corporate costs and management fee; Adjusted EBITDA Margin: Adjusted EBITDA divided by revenue, expressed as a percentage. Average revenue/ sqft - annual revenue divided by the area associated with leased units. Retention: Defined as percentage of total tenants that renew their leases during the period.

Margin Growth Across all Segments



AED 165 million
revenue

Premium

The Premium residential segment delivered **AED 165 million** revenue with an **82% Adj. EBITDA** margin (up from 74% in 2024), reflecting high-quality asset positioning and strong operational performance across select communities.



AED 930 million
revenue

Community

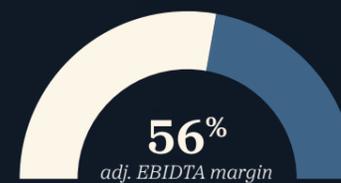
The Community residential segment generated **AED 930 million** revenue with a **78% margin** (up from 74% in 2024) and **88.4% retention**, supported by 98.3% average occupancy.



AED 679 million
revenue

Affordable

The Affordable segment achieved **AED 679 million** revenue at a **77% margin** (up from 73% in 2024), driven by a record 99% occupancy across all assets and strategic positioning in high-demand locations.



AED 90 million
revenue

Corporate Housing

Corporate Housing generated **AED 90 million** revenue with a **56% margin** (up from 45% in 2024), supported by 99.5% occupancy.



AED 89 million
revenue

Retail and Ancillary Services

Retail and Ancillary Services generated **AED 89 million** revenue with a **70% margin**, driven by 86.8 average revenue per sq. ft which was ~12% higher than 2024.

FINANCIAL Review

Note: 2023 and 2024 figures are based on special purpose carve out financial statements.

Revenue

Segment Wise	Unit	2023	2024	2025
Community	AED m	814	855	930
Affordable	AED m	554	627	679
Premium	AED m	128	145	165
Corporate Housing	AED m	82	82	90
Retail and Ancillary Services	AED m	69	85	89

Adjusted EBITDA				
Community	AED m	591	636	725
Affordable	AED m	381	455	520
Premium	AED m	89	107	135
Corporate Housing	AED m	41	37	51
Retail and Ancillary Services	AED m	49	61	63

Income Costs / OPEX				
Direct Costs ¹	AED m	402	424	405
Operating Expenses – net	AED m	93	73	57
Finance Costs – net	AED m	50	41	72

	Unit	2023	2024	2025
Funds from Operations (FFO)	AED m	978	1,117	1,279
FFO Margin %	%	59.40%	62.30%	65.50%
Recurring FFO	AED m	820	996	1,191
Recurring FFO Margin %	%	49.80%	55.50%	60.90%
Free Cash Flow (FCF)	AED m	874	1,041	1,264
FCF Conversion % ²	%	84.60%	89.60%	93.50%

Balance Sheet				
Investment Property	AED m	19,679	21,633	23,538
Cash & Bank	AED m	575	1,968	937
Total Assets	AED m	26,528	23,734	24,570
Gross Debt [*]	AED m	1,360	2,600	1,600
Equity ³	AED m	19,993	19,590	22,047

*Gross Debt excluding transaction costs

¹ Direct costs and operating expenses exclude (i) payroll / related costs (ii) corporate costs and (iii) management fees. Furthermore, OPEX is net off by other income.

² Free cashflow is defined as EBITDA less Maintenance Cap ; FCF conversion is defined as Free Cash Flow divided by EBITDA, expressed as a percentage.

³ Net assets / equity for comparables of 2023 and 2024 has been adjusted to remove deferred tax and current tax liabilities.

	Unit	2023	2024	2025
NAV				
Net Asset Value (NAV)	AED m	19,993	19,590	22,047
NAV / Unit	AED	1.54	1.51	1.7
Units	#	13,000	13,000	13,000

Leverage Measures				
Net Debt	AED m	785	632	663
Gross FTV	%	6.9%	12.0%	6.8%
Net FTV	%	4.0%	2.9%	2.80%
Interest Coverage Ratio – net	x	20.4	28.1	18.9
Debt Equity Ratio	x	0.07	0.13	0.07

EPRA Performance Measures ⁴				
EPRA NAV	AED m		19,590	22,047
EPRA NAV / Unit	AED		1.51	1.70
EPRA NIY ⁵	%		5.5	5.7
EPRA 'topped up' NIY ⁶	%		5.5	5.7

	Unit	2025
Return Measures		
Return on Equity (ROE) ⁷	%	14.5%
Growth in Net profit before tax and FV gain	%	14.5%
Growth in NAV	%	12.5%
Total Shareholder Return ⁸	%	20.4%
Annual Dividend Yield ⁹	%	7.7%

⁴ EPRA Performance Measures: for 2023 as per IOM NAV was not calculated for EPRA performance and hence not presented here.

⁵ EPRA NIY: annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property, increased with (estimated) purchasers' costs;

⁶ EPRA 'topped-up' NIY: EPRA NIY adjusted in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

⁷ Return on equity (ROE) Profit for period including fair value gain divided by average shareholder's equity

⁸ Total Shareholder Return Capital appreciation (Closing unit price as of 31 Dec 2025 less IPO Price) plus total annual dividend (including H2 2025 dividend) divided by IPO price.

⁹ Annual Dividend Yield Total annual dividend (including H2 2025 dividend) divided by IPO price

Definition(s):

FTV Ratio: Gross / Net Financial Debt divided by GAV, expressed as a percentage.

EBITDA (post-Management Fee) Multiple: Gross / Net Financial Debt divided by EBITDA (post-Management Fee) for the last 12 months.

Interest Coverage Ratio (ICR): Operating profit divided by finance costs

Income Statement Analysis

Direct Costs

Direct costs fell **4.5% to AED 405 million** through disciplined cost management, while prioritising community quality essential for tenant satisfaction and retention. This reduction was achieved despite higher occupancy, driving efficient scale benefits across variable facilities management and utilities costs. **The stable operating cost profile reflects a commitment to world-class standards** whilst achieving efficiencies through scale benefits and standardised protocols. Sustainable operations continue through energy-efficient technologies, water conservation, and digital building management solutions.

Operating Expenses (OPEX) - Net

OPEX at **AED 57 million** reflects disciplined cost control across our diversified portfolio, leveraging centralised procurement, shared services, and technology to minimise per-unit expenses.

Finance Costs – Net

Net finance costs of **AED 72 million** reflect a prudent capital structure, maintaining 18.9x interest coverage. The REIT maintains substantial undrawn committed credit facilities, whilst the **Net FTV of 2.8%** provides ample borrowing capacity. Finance costs are offset by finance income from a strong cash position.

Funds from Operations (FFO)

Funds from Operations reached **AED 1,279 million** at **65.5% margin**, representing strong cash generation from recurring rental income. This metric underscores distribution sustainability and long-term income stability.

Free Cash Flow (FCF)

FCF at **AED 1,264 million** with **93.5% conversion** demonstrates the REIT's ability to fund growth, service debt, and sustain dividends while preserving balance sheet strength.

“Direct costs fell 4.5% to AED 405 million through disciplined cost management while prioritising community quality essential for tenant satisfaction and retention.”

Balance Sheet

Our financial position during 2025 strengthened significantly, reflecting operational outperformance, fair value appreciation on our investment property portfolio, and disciplined capital management. Investment properties, valued at fair value, increased 9% to **AED 23.5 billion** as of 31 December 2025 from AED 21.6 billion at the close of 2024, reflecting growth driven by fair value gains and strong underlying market fundamentals. **Total assets reached AED 24.6 billion**, whilst equity increased 12.5% to AED 22 billion, providing a robust capital base to support our growth agenda and distribution commitments.

Our cash position at year-end stood at **AED 937 million**, providing sufficient liquidity for operational needs and near-term acquisition commitments. Beyond available cash, the REIT maintains **AED 2,070 million in unutilised committed banking facilities**, representing substantial headroom for strategic growth opportunities, including forward acquisition funding for our pipeline projects.

Total debt remained conservative at **AED 1,585 million**, down 39% from AED 2,582 million at December 2024, reflecting active debt management and reinvestment of strong operating cash flows.

Our leverage profile remains exceptionally conservative, with **Net FTV of 2.8%**, providing substantial borrowing capacity below our preferred operating range and regulatory limits. **Gross FTV improved to 6.8%**, and net interest coverage remains strong at 18.9x. This enables us to pursue growth opportunities whilst supporting distribution sustainability through market cycles.

EPRA Performance Measures

The Company delivered significant EPRA Net Asset Value (NAV) growth in 2025, with **EPRA NAV per unit reaching AED 1.70**, up 12.3% from AED 1.51 in 2024, reflecting strong operational performance and disciplined cost management. Our **EPRA Net Yield stood at 5.7%**, providing investors with a transparent view of recurring income yield on asset values, whilst our EPRA 'topped-up' NIY adjusts for in-lease rent growth and expiring rent-free periods. This further illustrates the quality of our income stream and medium-term rental growth trajectory.



937 million

year-end cash position



39%

reduction in debt



c2.8%

Net FTV



12.5%

equity increase



Income Statement Analysis

Return Measures

Return on Equity (ROE) for 2025 reached 14.5%, including fair value gains, demonstrating efficient capital deployment and strong profitability relative to the equity base. With regards to Total Shareholder Return (TSR), **the REIT delivered a staggering 20.4% return**, including capital appreciation and annual dividend (including committed payout of H2 2025).

Tax Considerations

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 or "CT Law") to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023.

The Fund was incorporated on 23 May 2025 and listed on the Dubai Financial Market on 28 May 2025. In accordance with Cabinet Decision No. 34 of 2025 and Ministerial Decision No. 96 of 2025, the REIT has met the criteria to qualify for REIT exemption from 28 May 2025 and obtained confirmation of exemption from Corporate Tax effective 1 May 2025. Further, the Wholly Owned Subsidiaries of the REIT are expected to be exempt under Article 4(1)(h) of the CT Law. Considering the above:

- The REIT is exempt from UAE corporate income tax on Immovable Property Income derived from real estate investments.
- Distributions to unitholders are made free of any withholding tax under current regulations.
- Unitholders should seek independent tax advice on the tax impact of their investments into the REIT based on their specific circumstances and jurisdiction of tax.

Dividends (in AED million)

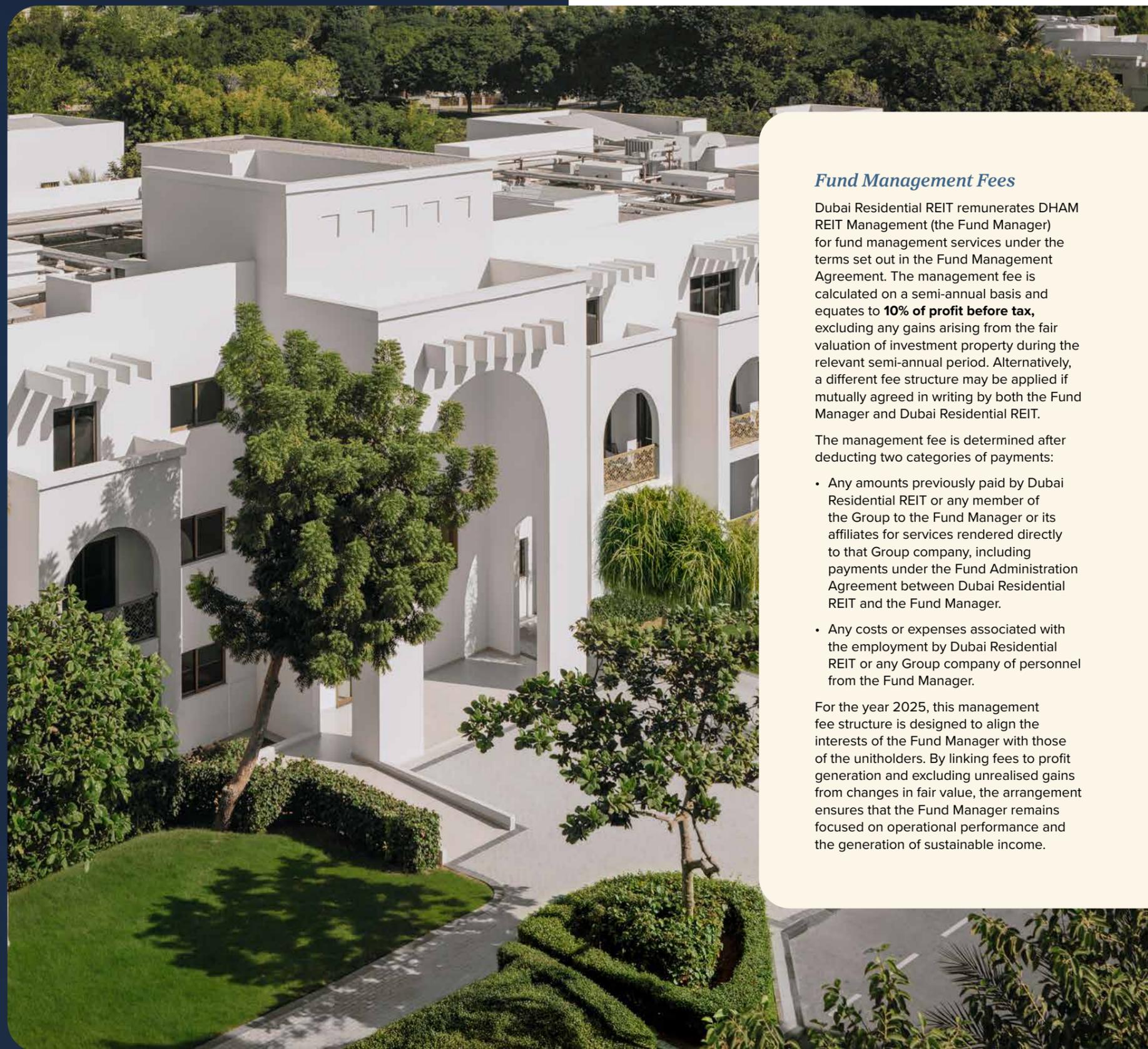
In 2025, we announced our dividend policy as part of the prospectus, whereby semi-annual dividends will be distributed annually, with payments in April and September each year. The REIT successfully distributed an interim cash dividend of **AED 550 million** for H1 2025 in September 2025.

As previously announced, the sum of the first two dividend payments, September 2025 and April 2026, in respect of the financial results for the year ending 31 December 2025, will be the higher of:

- AED 1,100 million; or
- 80% of profit before changes in the fair value of investment property for 2025.

For the fiscal year 2026 and subsequent periods, the REIT intends to distribute **at least 80% of profit** before changes in fair value of investment property for each accounting period semi-annually, subject to Board approval.

“Return on equity (ROE) for 2025 reached 14.5% including fair value gains, demonstrating efficient capital deployment and strong profitability relative to the equity base.”



Fund Management Fees

Dubai Residential REIT remunerates DHAM REIT Management (the Fund Manager) for fund management services under the terms set out in the Fund Management Agreement. The management fee is calculated on a semi-annual basis and equates to **10% of profit before tax**, excluding any gains arising from the fair valuation of investment property during the relevant semi-annual period. Alternatively, a different fee structure may be applied if mutually agreed in writing by both the Fund Manager and Dubai Residential REIT.

The management fee is determined after deducting two categories of payments:

- Any amounts previously paid by Dubai Residential REIT or any member of the Group to the Fund Manager or its affiliates for services rendered directly to that Group company, including payments under the Fund Administration Agreement between Dubai Residential REIT and the Fund Manager.
- Any costs or expenses associated with the employment by Dubai Residential REIT or any Group company of personnel from the Fund Manager.

For the year 2025, this management fee structure is designed to align the interests of the Fund Manager with those of the unitholders. By linking fees to profit generation and excluding unrealised gains from changes in fair value, the arrangement ensures that the Fund Manager remains focused on operational performance and the generation of sustainable income.



KEY PERFORMANCE Indicators

Dubai Residential REIT leverages Key Performance Indicators (KPIs) to monitor portfolio health, optimise asset management, and deliver consistent returns to investors. Our KPIs focus on rental income growth, operational efficiency, and retention rates, ensuring sustainable value creation and long-term resilience.

These KPIs are identified by synthesising key strategic elements of our business during planning:



The returns we generate for our unitholders



The quality of service we provide to tenants



The asset management strategies we implement to maximise value



How we maintain occupancy and enhance portfolio resilience



Indicators and Strategic Focus

Revenue

Organic and Inorganic Growth; Performance Optimisation

Adjusted Ebitda

Performance Optimisation; Organic and Inorganic Growth

Recurring FFO

Performance Optimisation; Organic and Inorganic Growth; Funding ongoing CAPEX and refurbishment

Occupancy

Performance Optimisation; Organic Growth

Retention

Performance Optimisation; Service Excellence

Revenue

Why do we use this indicator:

Revenue tracks recurring income from leased properties and is the core driver of investor returns. It reflects our ability to capture rental rate increases, maintain high occupancy, and optimise revenue per leased unit across our 35,700+ residential portfolio spanning Premium, Community, Affordable, and Corporate Housing segments.

Our performance:

Rental income grew significantly for the 2025 financial year, supported by strong leasing activity and stable rental rates across all segments. Importantly, our portfolio's current rents remain approximately 11% below prevailing market rates (Estimated Rental Value - ERV), creating substantial headroom for organic growth. This positions us to capture upside through RERA-permitted renewals and new leases at market levels. Growth was driven by our strategic focus on re-rating existing leases, benefiting from continued market rental rate expansion, and leveraging Dubai's robust residential market dynamics.

Adjusted EBITDA

Why do we use this indicator:

Adjusted EBITDA measures profitability from property operations before management fees/cost recharges, financing costs, and changes in the fair value of investment properties. It demonstrates our operational efficiency, cost management effectiveness, and our ability to generate strong cash flows from our asset base.

Our performance:

Adjusted EBITDA performance reflects strong operational fundamentals. Higher revenues and improved operational leverage drove margin expansion, with our EBITDA margin reflecting value-accretive asset enhancement investments, effective facilities management strategies, and disciplined expense control across all 21 vibrant communities. This positions us to deliver sustainable profitability to unitholders.

Recurring Funds From Operations (FFO)

Why do we use this indicator:

FFO indicates funds available for dividend distribution and funding ongoing CAPEX/refurbishment initiatives. FFO measures profit for the period before tax and change in fair value of investment property minus Maintenance Capital Expenditure. This metric provides clarity on our cash-generating ability and distribution capacity.

Our performance:

Strong recurring FFO generation reflects our robust cash flow conversion, prudent capital structure with conservative leverage, and our focus on maintaining strategic flexibility. Our FFO supports our targeted dividend payout ratio of at least 80% of profit before fair value changes, with the balance available for ongoing CAPEX, refurbishment initiatives, and selective growth investments.

Occupancy

Why do we use this indicator:

Occupancy reflects leased units across our portfolio and is critical for maintaining stable rental income. High occupancy demonstrates tenant demand for our professionally managed communities and validates our ability to successfully lease up new developments while maintaining performance across existing assets. Average occupancy is based on average available units.

Our performance:

Average Occupancy improved to 98.3% for the 2025 financial year compared to 96.7% in 2024, supported by proactive leasing strategies, exceptional asset quality across segments (Premium, Community, Affordable, and Corporate Housing), and superior community management.

Retention

Why do we use this indicator:

Retention measures tenant renewals and is essential for stable cash flows and reduced turnover costs. Strong retention reflects our commitment to service excellence through seamless customer journeys, rigorous property maintenance standards, community engagement initiatives, and our focus on building long-term relationships with our diverse tenant base.

Our performance:

Tenant retention improved to 88% for the 2025 financial year compared to 87% in 2024, driven by superior service quality delivered through our in-house property management teams, proactive community engagement programs, and exceptional customer experience across all touchpoints.

Corporate Governance Report



Introduction

Dubai Residential REIT (the “REIT”) is a Shariah-Compliant income-generating closed-ended real estate investment fund listed on the Dubai Financial Market (“DFM”) since 28 May 2025 and established in accordance with the UAE Capital Market Authority (“CMA”) Board of Directors’ Resolution No. (01/Chairman) of 2023 concerning the Regulations of Investment Funds (“Funds Regulations”) and the CMA Board of Directors’ Decision No. (13/R.M) of 2021 (“CMA Rulebook”), as amended or replaced from time to time.

The REIT is managed by DHAM REIT Management LLC (“Fund Manager”), a CMA-licensed fund manager. The REIT and the Fund Manager comply with all the Funds Regulations, CMA Rulebook, DFM Module Two Listing Rules 2025 (“DFM Listing Rules”) and all other applicable laws, regulations and governance requirements pertaining to the REIT in the UAE.

The REIT is committed to maintaining the highest standards of transparency, accountability, and investor protection, in line with international best practices and UAE regulatory requirements.

Governance Framework

The governance structure of the REIT ensures a clear separation of responsibilities between oversight, management, and operational functions.

Unitholders

Board of Directors

Sets the REIT’s strategic direction and oversees performance, governance, and key decision-making in the interests of unitholders.

Fund Manager

Manages the day-to-day operations of the REIT, ensuring regulatory compliance and effective portfolio management.

Shariah Supervisory Committee

Independently oversees transactions and activities to ensure that the REIT’s investment activities comply with Shariah principles.

Investment Committee

Monitors the REIT’s performance, recommends acquisitions, disposals, and capital deployment decisions to the Board, in accordance with REIT’s Investment Policy and Objectives.

“ Our governance framework is designed to ensure transparency, accountability and protection of unitholders interests”

Board of Directors

The Board members were appointed by the selling unitholder for a period of 3 years commencing on the date of listing, being 28 May 2025.

As at 31 December 2025, the Board of Directors comprised 7 members, 4 Non-Executive and 3 Independent Non-Executive Directors.



Nabil Mohammad Ramadhan Alahmadi
Chairman Non-Executive

Skills and experience

Nabil is the Chief Strategy & Marketing Officer at Dubai Holding Asset Management (DHAM). In this capacity, he spearheads the group’s strategic agenda, overseeing Marketing & Communications, Business Excellence, Corporate Strategy, and Research & Product Development. His leadership drives innovation, operational excellence, and sustainable long-term growth.

Nabil plays a pivotal role in shaping DHAM’s growth trajectory by identifying emerging market opportunities and ensuring strategic alignment with the group’s vision. He also leads the ESG framework, setting sustainability benchmarks and guiding initiatives that advance progress toward the UN Sustainable Development Goals. He previously served as Vice Chairman of Shuaa Capital.

External appointments

- Chairman and Chief Executive Officer of Arady Developments LLC
- Board member of Merex Investment Group LLC
- Board member of Dubai Hills Estate Retail LLC

Education and certifications

He holds a Bachelor of Science in Industrial Engineering from the University of Arizona and is a graduate of the Mohammed Bin Rashid Programme for Leadership Development.



Ahmad Ali Ahmad Meftah AlMarzooqi
Director Independent Non-Executive

Skills and experience

Ahmad is the Executive Director of the Central Accounts Sector at the Department of Finance, Government of Dubai. He is responsible for aligning financial strategy with innovation and sustainability goals to ensure long-term value creation and position Dubai as a leading global financial hub.

External appointments

- Board member of Dubai Investment Fund.
- Board member of the DIFC Employee Workplace Savings Scheme (DEWS), the region’s first employee savings plan.

Education and certifications

He holds a degree in Business Administration and Management (Accounting) from Dubai Men’s College (UAE). He is a graduate of the Mohammed Bin Rashid Programme for Leadership Development and the Future Government Leaders Programme in the Arab World.



*Fahed Ahmed Saeed
Mohamed AlAwadhi*
**Director Independent
Non-Executive**

Skills and experience

Fahed is the Director of the Drainage and Recycled Water Projects Department at Dubai Municipality. With over 15 years of experience in managing large-scale infrastructure projects, he has overseen a portfolio exceeding AED 35 billion in completed projects and an ongoing pipeline of more than AED 100 billion.

Education and certifications

He holds an MBA with honours in Strategic Management and Planning from Strathclyde University (UK) and a Bachelor of Science in Civil Engineering from the American University of Sharjah (UAE).



*Badr Yousuf Mohammad
Ali AlGargawi*
**Director Independent
Non-Executive**

Skills and experience

Badr is the Deputy Director General of Planning & Development at Dubai Development Authority (DDA). He leads the regulation of planning and development across DDA's jurisdiction, which expanded under his leadership from 44 million sq. metres to approximately 350 million sq. metres.

Education and certifications

He holds an MBA from the American University in Dubai (UAE) and a bachelor's degree in civil engineering from the UAE University.



Anuradha Harish
Director Non-Executive

Skills and experience

Anuradha is the Chief Commercial Officer at Dubai Holding Real Estate. She leads the development and execution of commercial strategies across the residential and land portfolios of Nakheel, Meraas, Dubai Properties, and Meydan, overseeing marketing, sales, customer management, and commercial operations with a focus on accelerating sales growth, enhancing brand positioning and optimising the customer experience.

Education and certifications

She holds a Bachelor of Architecture degree from Bangalore Institute of Technology (India).



Zuber Dehgamia
Director Non-Executive

Skills and experience

Zuber is the Chief Financial Officer at Dubai Holding Real Estate. A qualified Chartered Accountant with the Institute of Chartered Accountants of England and Wales, he oversees financial strategy, operations, reporting, and compliance for the real estate portfolio.

External appointments

- Board member of SmartCity (Malta) Limited.
- Board member of SmartCity (Kochi) Infrastructure Private Limited.
- Board member of Al Sahel Resort BSC(c).
- Board member of Mediterranean Gate Development Company.

Education and certifications

He holds a BA (Econ) (Hons) in Accounting and Finance from the University of Manchester (UK).



Brigitte Zammit
Director Non-Executive

Skills and experience

Brigitte is the Managing Director, Investments and Portfolio Management of DH Investments Corporate LLC, the investment arm of Dubai Holding. She oversees strategic and financial investments across diverse asset classes globally, with responsibilities spanning transactions, portfolio management, governance, and key strategic initiatives.

External appointments

- Board member of Tunisie Telecom SA
- Board member of SmartCity (Malta) Limited.

Education and certifications

She holds a Master of Laws from the University of London (Queen Mary) and a Doctor of Laws from the University of Malta.

The Board held 3 meetings as at 31 December 2025, and met with the Investment Committee, Compliance and Risk twice during the same period.

Role of the Board

The Board is responsible for:

- Setting the REIT's strategic direction and overseeing its implementation.
- Overseeing the business operations of the REIT and the performance of the Fund Manager.
- Reviewing and approving any amendments to the REIT's Investment Policy.
- Supervising and managing conflicts of interest disclosed by the Fund Manager and its executive management.
- Overseeing the Fund Manager's compliance with applicable laws, regulations, and the Prospectus.
- Reviewing and approving material transactions, including related-party transactions.
- Overseeing the REIT's risk management framework and internal control systems.
- Ensuring timely and appropriate disclosure of material information to unitholders in accordance with applicable rules and regulations.
- Ensuring that the Fund Manager and the Fund Manager's Investment Committee discharge their duties in the best interests of unitholders.
- Approving written policies governing the exercise of unitholders' voting rights.
- Establishing a clear framework for delegation of authority to facilitate effective management and decision-making.
- Reviewing the annual report of complaints and the procedures taken in their regard, and ensuring that the Fund Manager assumes its responsibilities in respect of such complaints.
- Conducting an annual assessment of the independence of each Independent Non-Executive Director.

Shariah Supervisory Committee

The Shariah Supervisory Committee (“SSC”) of Dubai Residential REIT comprises 3 Islamic Scholars who specialise in Islamic financial transactions:

- **Dr. Mohamed Abdul Rahim Sultan Al-Ulama** (Chairperson)
- **Dr. Mohammad Ali El Gari** (Member)
- **Dr. Salim Al Ali** (Member)

The SSC members have been appointed for a period of 3 years, effective from April 2025.

The SSC is responsible for:

Reviewing REIT’s Prospectus, Investment Policy and Investment Objectives, and advising the REIT Board and the Fund Manager on Shariah compliance of investment techniques and instruments

Ensuring that the REIT’s investment activities are conducted in accordance with Shariah principles

Establishing Shariah-compliant criteria for the selection of investee companies

Advising on Shariah compliance in relation to Islamic hedging instruments and fund management practices

Overseeing the identification and treatment of Non-Shariah-Compliant Income in accordance with AAOIFI Shariah Standards

Issuing an annual Shariah compliance certificate for inclusion in the REIT’s financial reports

Fund Manager

The REIT is managed by DHAM REIT Management LLC, a company licensed by the CMA to manage investment funds in the UAE.

The Fund Manager is responsible for:

Day-to-day management of the REIT

Compliance with CMA regulations and the Trust Deed

Timely disclosure to DFM and unitholders

The Fund Manager maintains adequate systems, controls, and qualified personnel to discharge its duties effectively

Investment Committee

The Investment Committee of the Fund Manager comprises 7 members:

- **HE Malek Sultan Al Malek** (Chairperson)
- **Umar Farooq** (Member)
- **Valeriy Eksuzyan** (Member)
- **Rabah Halawani** (Member)
- **Gautam Gurnani** (Member)
- **Girish Kumar** (Member)
- **Deema Darwish** (Member)

The Investment Committee is responsible for:

Operating and monitoring the performance of the REIT’s real estate portfolio in accordance with the Investment Policy

At least annually reviewing the Fund Manager’s assessment of the REIT’s properties, taking into account property type, location, lease profile, risk, and marketability

Periodically reviewing and making recommendations to the Board regarding the investment objectives

Periodically reviewing the Fund’s performance and compliance with the Investment Policy

Conflicts of Interest and Related Party Transactions

The Board ensures that the Fund Manager adopts and implements a Conflicts-of-Interest Policy and Related Party Transactions Policy, ensuring compliance with the applicable laws, regulations, and best governance practices.

- The Directors disclose conflicts of interest in the business of a Board meeting at the beginning of each meeting. The conflicted Directors refrain from taking part in the discussions and decision-making on the related business matter.
- The Directors complete quarterly declarations of conflicts of interest. The declarations include detailed profiles outlining their external directorships in private and listed entities, senior executive roles they hold, shareholdings, and other interests that could raise concerns about conflicts of interest.
- The Board supervises any conflicts of interest disclosed by the Fund Manager, any of its employees, or any of the REIT’s service providers and works on managing such conflicts.
- The Board ensures that the Related party transactions are conducted on an arm’s-length basis, related party transactions are approved by the Board and disclosed to the market, and where required, approved by unitholders.

As at 31 December 2025, no transactions were entered with related parties, as defined in the Funds Regulations. Please refer to Note 10 in the notes to the audited financial statements, as it provides the key related party transactions, as defined in the International Financial Reporting Standards (IFRS).

Risk Management and Internal Controls

The Board is responsible for ensuring the effectiveness of the REIT’s risk management and internal controls framework.

The Fund Manager has established a framework for identifying, assessing, managing, and reporting risks that may affect the operations, assets and strategic objectives of the REIT, including but not limited to credit, liquidity, strategic, market, operational, legal, compliance, valuation, ESG and reputational risks.

The Board confirms that these systems were adequate and effective during the reporting period.

Compliance and Regulatory Matters

During the year ended 31 December 2025, the REIT was compliant with the CMA Funds Regulations, CMA Rulebook, DFM Listing Rules and all other applicable laws, regulations and governance requirements pertaining to the REIT in the UAE.

No material fines, penalties, or regulatory breaches were imposed.





External Auditor

Deloitte in the UAE is part of Deloitte & Touche (M.E.). Deloitte & Touche (M.E.) is a member firm of Deloitte Touche Tohmatsu Limited (DTTL). A core practice within the Middle East region, today, Deloitte in the UAE has over 1,100 professionals based within 5 practice offices in Dubai, Abu Dhabi, Fujairah, Ras Al Khaimah, and Sharjah. They are a full-service firm in the UAE and have well-developed practices serving leading enterprises and institutions in banking and financial services, real estate, leisure and hospitality, construction, public sector activities, trading, manufacturing, telecom, retail, energy, and resources.

Their clients include many of the United Arab Emirates’ largest entities and clients in energy and resources, financial services institutions, real estate, construction, trading, and manufacturing in the public and governmental sectors.

The external auditor is independent of the REIT, the Fund Manager, and the Board, and provides an objective assurance on the financial statements.

Name of the audit office and partner auditor	Deloitte & Touche (M.E.) Partner: Mussa Ramahi
Number of years served as the Company’s external auditor	1 year
The number of years that the partner auditor spent auditing the Company’s accounts	1 year
Total audit fees for 2025 (AED)	1,360,000
Fees and costs of private services other than auditing the financial statements for 2025 (AED), if any, and in case of absence of any other fees, shall be expressly stated.	None
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	None
Statement of other services that an external auditor, other than the Company’s accounts auditor, provided during 2025 (if any). In the absence of another external auditor, this matter is explicitly stated.	None

Engaging and Informing our Unitholders

The REIT is committed to fostering a transparent and robust engagement with its unitholders.

The Investor Relations Policy governs the REIT’s engagement with the unitholders, ensuring that we meet our obligations, safeguard unitholders’ rights, provide timely and accurate disclosures to support informed decision-making, and maintain transparent and constructive relationships in line with regulatory requirements and best practices.

Ms. Dana Khalaf was appointed as Head of Investor Relations of Dubai Residential REIT on 8 September 2025. She has over 15 years of experience in corporate communications, investor relations, and stakeholder engagement, working with leading private and listed companies in the UAE. She has extensive experience in market disclosure, ESG reporting, and capital markets communication.

Contact information

Mrs. Dana Khalaf, Head of Investor Relations
Telephone: +971504595597
Email: IR@dubairesidential.ae

Unitholders can reach the investor relations page on the website <https://dubairesidential.ae/en/investor-relations/overview>.

Statistics as at 31 December 2025

Unit price activity during 2025			
2025	High	Low	Close
May	1.310	1.200	1.250
June	1.270	1.180	1.230
July	1.280	1.220	1.280
August	1.470	1.260	1.400
September	1.410	1.220	1.240
October	1.270	1.210	1.240
November	1.310	1.210	1.230
December	1.250	1.220	1.240

The REIT’s comparative performance with the general market index and sector index to which it belongs during 2025.

2025	DUBAIRESI	DFMGI
May	1.250	5480.51
June	1.230	5705.76
July	1.280	6159.15
August	1.400	6063.61
September	1.240	5839.64
October	1.240	6059.43
November	1.230	5836.89
December	1.240	6047.09

Unitholders Classification	Percentage of Owned Units				
	Classification	Individuals	Companies	Banks	Government
Local	4.88%	87.36%	3.11%	1.08%	96.43%
Arab					
GCC	0.42%	0.34%	0.01%		0.77%
Foreign	1.10%	1.69%	0.01%		2.80%
Total	6.40%	89.39%	3.13%	1.08%	100%

Unitholders according to the size of the ownership stake			
Category	Number of Investors	Owned Quantity	Owned %
Less than 50,000	40,138	129,348,962	1.00
Between 50,000 and 500,000	979	144,716,908	1.11
Between 500,000 and 5,000,000	230	348,628,439	2.68
Greater than 5,000,000	50	12,377,305,691	95.21
Total	41,397	13,000,000,000	100

Unitholders owning 5% or more of the Company’s capital		
Name	No of Owned Units	% of Capital
DHAM Investments LLC	11,050,000,000	85%



ESG *Framework*

EXECUTIVE SUMMARY
& KEY HIGHLIGHTS

ABOUT DUBAI RESIDENTIAL REIT
& OUR REPORTING APPROACH

GOVERNANCE

ENVIRONMENT

COMMUNITY

PEOPLE

CONCLUSION



EXECUTIVE SUMMARY & Key Highlights



+35,700 homes



+140,000 residents



39%
of waste diverted from landfill compared to the 2024 baseline



10%
reduction in total freshwater consumption compared to the 2024 baseline



9%
reduction in Scope 2 emissions through lower electricity and cooling intensity compared to the 2024 baseline

Dubai Residential REIT's inaugural Integrated ESG Report provides a view of **operational and sustainability performance** following its listing on the Dubai Financial Market (DFM).

As a Shariah-compliant, built-to-lease REIT, it is **committed to long-term value creation** through disciplined governance, resilient asset performance and responsible environmental and social practices.

2025 marked a year of **strong integration and operational progress**. DHAM REIT Management LLC (the Fund Manager) continued to embed advanced facilities management, sustainability frameworks and governance practices aligned with Dubai Holding's Group standards. This strengthened service quality, transparency and accountability across interactions with residents, regulators, investors and partners.

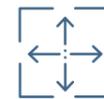
Sustainability remains a fundamental pillar of the REIT's business model. The combination of **community-centric operations** and **long-term asset ownership** enables meaningful improvements in environmental efficiency, resource stewardship, resident wellbeing and governance maturity.

Governance maturity also strengthened in 2025, guided by the Board of Directors, the Fund Manager, the Investment Committee and the Shariah Supervisory Committee. Improvements in reporting practices, internal controls and decarbonisation planning reinforced the REIT's commitment to transparent, investor-focused disclosure.

This integrated report demonstrates how **operational performance and sustainability outcomes work together**: improving cost efficiency, strengthening resilience, elevating community experience and aligning with Dubai Holding's overarching ESG objectives.

Looking to 2026, Dubai Residential REIT is positioned to **expand clean energy capacity, deepen community programmes, advance decarbonisation and continue enhancing governance systems**. With a clear, structured pathway for progress, the REIT remains committed to responsible stewardship and long-term value creation across all communities.

Key achievements during 2025 included:



Expansion of solar photovoltaic (PV) installations across major communities



Launch of portfolio-wide energy audits and a multiyear energy service company (ESCO) retrofit programme



Deployment of smart waste bins and expanded recycling engagement



Targeted efficiency measures to reduce water use and leakage



Enhanced internal sustainability capacity through specialised training



Continued rollout of Green Roots and Green Ambassador community programmes

Understanding Our Stakeholder Ecosystem **Materiality Reference Approach**

Dubai Residential REIT’s ability to deliver long-term value depends on strong, transparent relationships with a diverse group of stakeholders. These groups shape how assets are planned, operated and enhanced, and their expectations directly influence strategic priorities across ESG performance, operational reliability and community wellbeing.

Operating within an interconnected ecosystem of residents, regulators, service partners and the wider Dubai Holding platform ensures alignment with the REIT’s operating context and its built-to-lease model. Long-term resident relationships, daily community interactions and close collaboration with facilities management teams form the core of business performance and ESG delivery.

Key stakeholder groups include:

- **Tenants and Residents** – Expect safe, efficient, well-maintained communities supported by responsive service and accessible sustainability programmes.
- **Employees and Facilities Management Teams** – Drive operational excellence, community engagement and implementation of sustainability and safety initiatives.
- **Investors and Analysts** – Prioritise governance transparency, accurate data, climate resilience and stable long-term returns.
- **Regulators (DFM, RERA, municipalities)** – Require strong compliance, reliable disclosure and alignment with UAE and Dubai sustainability goals.
- **Suppliers and Service Partners** – Provide essential services that influence asset performance, security, landscaping and environmental outcomes.
- **Dubai Holding and DHAM REIT Management LLC** – Offer strategic oversight, governance alignment and operational capabilities, including responsibility for ESG oversight and reporting, ensuring consistency with Group policies and standards.

Engagement with these stakeholders is continuous and data-driven, supported by digital platforms, satisfaction surveys, community events, supplier assessments and regular collaboration with public-sector partners. Their input shapes the REIT’s priorities across financial performance, environmental stewardship, community wellbeing and governance excellence. Importantly, they guide the ESG strategy and the initiatives highlighted throughout this report.

For this reporting cycle, Dubai Residential REIT applied a materiality reference approach rather than conducting a standalone materiality assessment. This methodology ensures alignment with Dubai Holding’s broader priorities while reflecting the specific needs of the REIT’s built-to-lease model.

The approach draws on four key inputs:

1. Dubai Holding’s 2022 Group Materiality Assessment, developed in line with GRI Standards.
2. DHAM’s vertical level sustainability and operational priorities.
3. Stakeholder expectations relevant to residential leasing.
4. UAE and Dubai regulatory requirements for sustainability disclosure.

Material ESG Topics Most Relevant to the REIT

Dubai Holding’s Group Materiality Assessment identifies a wide range of ESG topics across environmental, social and governance pillars. Dubai Residential applies these topics proportionally, acknowledging the distinct characteristics and requirements of residential leasing communities.

These topics inform the REIT’s ESG KPIs and disclosure approach. They are reflected throughout the report through data, initiatives and case studies, demonstrating alignment with the DFM ESG Guide and the Capital Market Authority (CMA) sustainability reporting requirements while providing clear, decision-useful insights for investors and stakeholders.

Environmental	Social	Governance
Energy efficiency and emissions reduction	Resident wellbeing, satisfaction and elevated community living	Ethical conduct and transparency
Water management and conservation	Health, safety and security	Regulatory compliance (CMA, DFM, Shariah, HSE)
Waste management and circularity	Community engagement and behavioural change initiatives for waste segregation, recycling and water efficiency	Data integrity, privacy and cybersecurity
Climate resilience and environmental compliance	Employee wellbeing and professional development of the Fund Manager and relevant staff	Responsible procurement and supplier sustainability



ABOUT DUBAI RESIDENTIAL & Our Reporting Approach

Dubai Residential REIT operates with sustainability at the core of its business model. As a built-to-lease REIT, long-term value is created through efficient asset performance, strong community experience and responsible environmental management. The REIT's sustainability efforts are guided by Dubai Holding's Group-wide policies, national strategies such as UAE Net Zero 2050 and Dubai Clean Energy Strategy 2050, and international frameworks including the UN Sustainable Development Goals.

ESG Strategy and Framework

Our ESG Framework

Dubai Residential REIT embeds ESG across its operational model through four core pillars:



Economy



Community



People



Environment

These are supported by national ambitions such as UAE Centennial 2071, the 2030 Dubai Integrated Energy Strategy and the UAE Clean Growth Strategy 2015–2030, ensuring alignment with broader urban sustainability goals.



Our ESG Approach

The REIT's ESG strategy is built on the principle that **resilient, sustainable communities drive long-term value**. The strategy aligns with Dubai Holding's sustainability vision, Planet, People & Culture, Responsible Supply Chain and Philanthropy, underpinned by strong governance. It is tailored to the built-to-lease model, placing emphasis on operational efficiency, community wellbeing, regulatory alignment and transparent disclosure.

ESG Strategy Framework

The strategy integrates ESG considerations across the full lifecycle of assets and is structured around three interconnected themes as follows:

Resilient, Low-Carbon Assets

The REIT prioritises environmental performance through clean energy, decarbonisation and efficiency upgrades.

2025 progress included:

- Deployment of **eight EV charging stations**.
- Solar PV deployment was expanded in 2025 across one additional asset, delivering approximately **5 million kWh of clean electricity annually** from 3.3 MWp of installed capacity and avoiding around 2,000 tCO₂ of emissions per year.

Collectively, across four assets implemented between 2023 and 2025, the solar programme now delivers approximately **10.5 million kWh of clean electricity annually** from a total installed capacity of 7.3 MWp, avoiding around 4,200 tCO₂ of emissions per year.

- Level 1 energy audits across six communities and 254 buildings.
- Initiation of 19 ESCO projects, including Building Management System (BMS) upgrades, Variable Frequency Drives (VFDs) and lighting retrofits.
- Introduction of smart waste systems to drive higher recycling rates.

Recycling achievements:

793,000 kg across all recycling streams, representing an overall recycling rate of 3%. In addition, approximately **10 million kg of general waste was diverted to energy**, accounting for 36% of total waste diverted from landfill. Collectively, recycling and waste-to-energy initiatives resulted in a **total waste diversion rate of 39%** from landfills.

Metallic waste recycling achievements:

- 230,828 kg of metal materials recycled.

These initiatives support the REIT's long-term decarbonisation roadmap, **focusing on energy efficiency, expansion of low-carbon technologies**, solar deployment, EV charging and circularity measures.

Thriving, Engaged Communities

Community wellbeing is central to Dubai Residential's value proposition. In 2025, the Fund Manager advanced two complementary initiatives:

- **Green Roots Programme** offering open sustainability activities.
- **Green Ambassadors Programme** a registered resident-led programme.

2025 progress:

- Green Roots activities delivered across three communities, **engaging 68 residents**.
- The Green Ambassador Programme maintained **37 registered ambassadors** across eight different communities, supported by an introductory workshop delivered in partnership with RECAPP.
- Community sustainability workshops delivered both online and on-ground.
- **Strong engagement with Dubai Municipality** under the Circle Dubai initiative, including one awareness session delivered by Dubai Municipality during the Shurooq ECO Event.
- High occupancy maintained at **~98% across communities**.

2026 outlook:

- Scale up Green Ambassadors to **50 registered participants**.
- Broaden Green Roots engagement across all communities.
- Expand awareness campaigns on recycling, waste segregation, water and Energy efficiency.
- **Integrate new waste streams**, including food waste, used cooking oil and e-waste.



Governance, Transparency and Responsible Business

Dubai Residential applies strong **governance, risk management and ESG oversight** to ensure transparency and regulatory compliance. ESG data quality and accuracy are reinforced through internal audits, annual reporting cycles and alignment with the DFM ESG Guide, GRI Universal Standards and CRESS sector standards.

Supplier Sustainability Scoring, implemented through Dubai Holding's shared services, strengthens oversight of responsible procurement and transparency across the value chain.

How ESG Shapes Long-Term Value

Dubai Residential REIT's ESG strategy contributes directly to long-term value creation:

Financial Value

- Improved building performance and **reduced operational costs** through efficiency projects.
- Reduced exposure to climate-related and regulatory risks.
- Strengthened investor confidence through **transparent ESG disclosures**.

Environmental Impact

- Progress toward Dubai Holding's target of a **56% emissions reduction** by 2030.
- **Increased renewable energy integration** toward long-term capacity.
- Enhanced waste diversion supported by community engagement.
- Continued **water conservation improvements** across communities.

Social Value

- **2025 resident satisfaction score of 78%**, with a 2026 target of 80%.
- Digitally enabled engagement programmes driving behavioural change.
- Increased participation in **smart recycling initiatives**
- Stronger partnerships with Dubai Municipality and other public sector entities.

This integrated approach ensures ESG is not treated as a standalone workstream, but as a **core driver of performance, resilience and value creation**.

Strategic Priorities for 2025 and Beyond

Environmental Priorities

- **Expand solar capacity** where viable.
- **Increase EV charging availability** across communities.
- **Scale smart waste solutions**, bin monitoring and reward-based recycling initiatives.

Social Priorities

- **Increase Green Ambassador participation** to 50 residents.
- **Strengthen waste segregation awareness** and community education.
- Deliver expanded **wellbeing and community-building programmes**.
- Continue **training for FM frontline teams** to reinforce consistent on-ground delivery.

Governance Priorities

- **Strengthen REIT-specific ESG KPIs** and internal reporting processes.
- **Enhance supply chain transparency** through Sustainability Scoring.
- **Improve alignment of climate-related metrics** with TCFD expectations.
- **Refine data segmentation** to ensure REIT-only reporting accuracy.

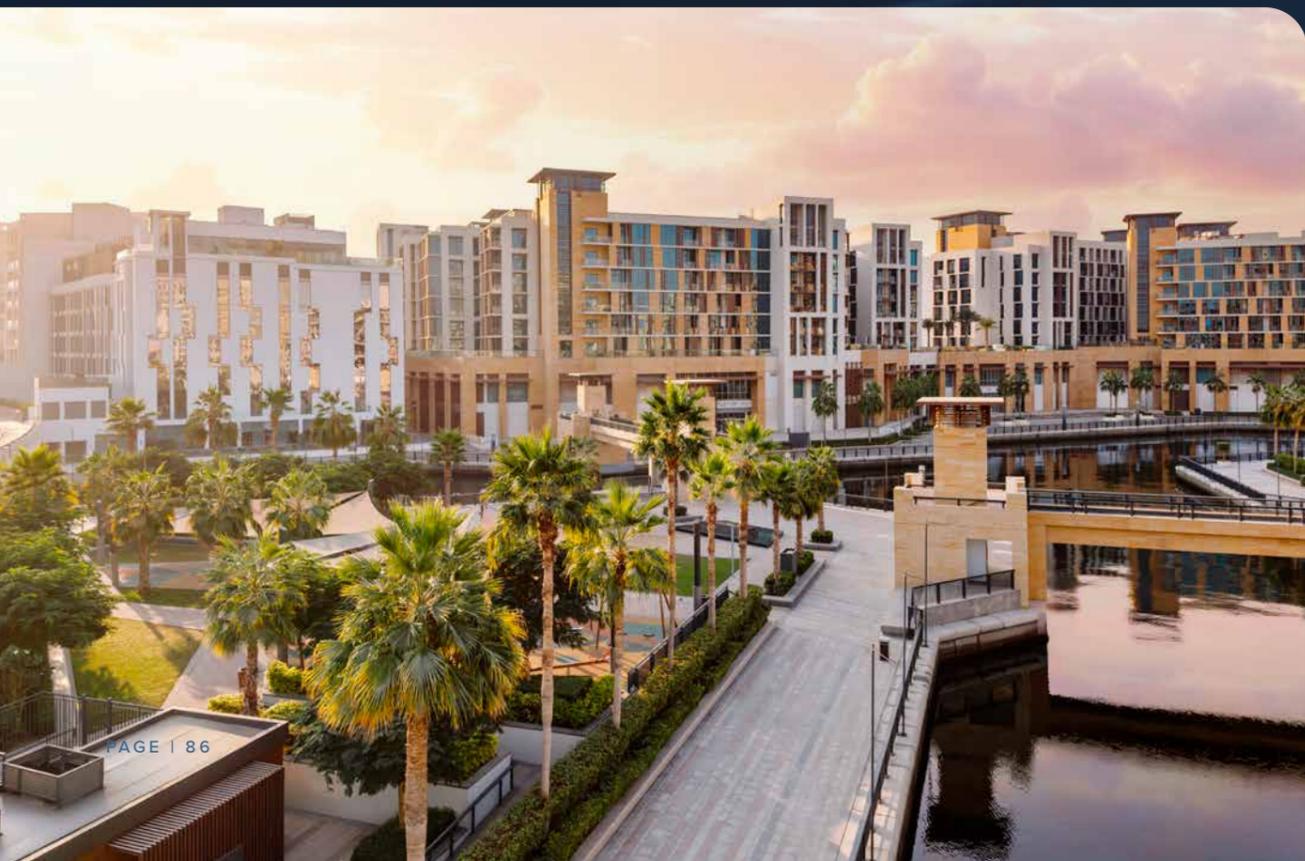
Strategic Partnerships that Strengthen Impact

The REIT's sustainability progress is supported by a strong network of partners, including facilities management providers, waste contractors, energy consultants, ESCO partners, technology providers and public-sector entities. These partnerships help deliver reliable services, improve operational efficiency and achieve measurable ESG outcomes.

Key 2025 engagements included collaboration with:

- **Dubai Municipality**, including Circle Dubai.
- **Dubai Holding Shared Services**, supporting responsible procurement.
- **Recycling Treatment Partners**, Support recycling-focused education and awareness initiatives.
- **Emirates Green Building Council**, providing sustainability training.
- **Technical consultants and ESCO providers**, delivering audits and retrofits.
- **Technology partners**, enabling smart waste pilots and reward-based recycling.
- **Solar PV partners**, supporting design and installation across communities.
- **Climate Fresk**, delivering employee climate awareness and engagement workshops to strengthen climate literacy and drive behaviour change.

These partnerships expand the REIT's ability to deliver high-quality, sustainable outcomes across its portfolio.



Key Metrics



56%

Progression towards Dubai Holding's emissions reduction target



78%

2025 resident satisfaction score (80% target for 2026)



50

Increase the Green Ambassador participation to 50 people

GOVERNANCE Principles

Dubai Residential REIT operates under a robust governance structure designed to uphold transparency, accountability and responsible decision-making. As a Shariah-compliant REIT listed on the Dubai Financial Market (DFM), the entity follows the regulatory expectations of the Capital Market Authority (CMA), Dubai Holding’s Group-wide governance policies and international best practice. Strong governance ensures that financial performance, risk management and sustainability commitments are delivered consistently and ethically.

Governance Model

The REIT applies a multi-layered governance model that provides clear roles, oversight and accountability across all operations:

01.	02.	03.	04.
<p>Board of Directors</p> <p>Provides strategic direction, supervises financial and non-financial performance and ensures alignment with REIT objectives. The Board oversees ESG integration, monitors the Fund Manager’s performance, and safeguards the interests of unitholders. Its members bring deep experience in real estate, finance, governance, Shariah compliance and sustainability.</p>	<p>Fund Manager: DHAM REIT Management LLC</p> <p>Responsible for day-to-day operations, implementation of investment strategy and regulatory compliance. The Fund Manager oversees financial reporting, leasing performance, occupancy management and operational delivery through finance, sustainability, technical and FM teams. The role includes monitoring ESG performance, executing asset enhancement projects and ensuring alignment with REIT-aligned KPIs.</p>	<p>Shariah Supervisory Committee (SSC)</p> <p>Provides independent oversight to ensure all REIT activities, contracts and income sources comply with Islamic investment principles. The SSC reviews contractual arrangements, screens income sources, oversees purification of non-compliant income and issues an annual Shariah Compliance Certificate. Compliance is strengthened through annual external Shariah audit and alignment with AAOIFI standards.</p>	<p>Internal Control Ecosystem</p> <p>Includes internal audit, risk management and compliance functions overseen by the Fund Manager. These mechanisms ensure that controls are effective, documented and independently reviewed, safeguarding the accuracy and reliability of financial and non-financial reporting.</p>

This governance model ensures clarity of responsibilities and strong stewardship of investor capital, aligning with SDGs related to responsible institutions, industry resilience and sustainable communities.

Internal Controls and Assurance

Dubai Residential REIT benefits from the Fund Manager’s strong internal control environment.

Core components include:

- **Independent internal audits** evaluating the effectiveness of key controls.
- **Risk and compliance oversight** to ensure adherence to governance, ethics and regulatory standards.
- **Transparent procurement processes** that reinforce responsible sourcing.
- **Health, Safety and Environmental (HSE) compliance**, supported by inspections, corrective actions and continuous monitoring.
- **Financial control systems** ensuring accuracy and completeness of reports.

These mechanisms support operational resilience and create a reliable foundation for sustainability performance and transparent reporting.

ESG Governance

Sustainability is embedded across the REIT’s governance structure through a two-tier model:

1. Group-Level Oversight: Dubai Holding

Sets Group-wide sustainability principles, climate ambitions, policies and methodologies. This ensures alignment with national climate goals, Group decarbonisation pathways and responsible business standards.

2. Operational-Level Oversight: DHAM REIT Management LLC

Implements environmental, social and safety programmes across communities. The Fund Manager monitors ESG performance, integrates ESG into investment decisions and coordinates reporting, ensuring that outputs meet DFM, GRI and CRESS guidelines.

This structure ensures that ESG commitments are backed by clear accountability, strong systems and consistent disclosure.

Shariah Governance

As a Shariah-compliant REIT, Dubai Residential maintains rigorous controls to ensure ethical and religious compliance across all activities.

Shariah Supervisory Committee Functions:

- **Reviewing the REIT’s prospectus, Investment Policy and Investment Objectives**, and advising the Fund Manager on compliance with Shariah principles, including the use of approved investment techniques and instruments. Overseeing and ensuring that all investment activities are conducted in accordance with Shariah principles.
- **Establishing and approving Shariah criteria** for the selection of investments and counterparties, including companies in which the REIT may invest.
- **Advising on Shariah compliance** in relation to fund management practices, including the use of Islamic hedging instruments, where applicable.
- **Supervising the identification, calculation and treatment of non-Shariah-compliant income**, in accordance with AAOIFI Shariah Standards.

Issuing an annual Shariah Compliance Certificate, including guidance on income purification where required.

Operational Shariah Controls include:

- **Screening tenant activities** and income sources to ensure ongoing Shariah compliance.
- **Reviewing financial flows** and contractual arrangements to confirm alignment with approved Shariah structures.
- **Segregation and purification** of non-Shariah-compliant income, in line with AAOIFI requirements.
- **Continuous monitoring and reporting** to ensure adherence to approved Shariah standards and Committee guidance.

These measures strengthen investor confidence and ensure integrity in line with SDG 16 (Peace, Justice and Strong Institutions).

Annual Shariah Review

Each year, the Fund Manager works closely with the SSC to complete the annual Shariah review. The Committee evaluates adherence to Shariah requirements and issues formal certifications that confirm compliance, including recommendations for improvement. This cycle reinforces the REIT’s commitment to ethical governance and strengthens internal systems year on year.



ENVIRONMENT

Environmental management is a core component of Dubai Residential REIT’s operating model. As a built-to-lease portfolio, long-term environmental efficiency directly influences operating expenditure, community wellbeing and resilience. Dubai Holding’s Environmental Policy guides the Fund Manager’s approach, DHAM’s 2025–2030 Decarbonisation Roadmap and the UAE’s national climate and sustainability commitments.

The environmental programme is structured around four focus areas:

- Decarbonisation and clean energy transition.
- Energy efficiency and building performance.
- Waste management and circularity.
- Water conservation and resource efficiency.

In 2025, the REIT advanced each area through targeted initiatives, improved data visibility and strong delivery partnerships, demonstrating measurable progress while laying foundations for further improvement in 2026.



Decarbonisation & Clean Energy Transition (SDG 7, 11, 13)

Electricity consumption is among the REIT’s largest environmental impacts. The Fund Manager prioritised clean energy deployment and consumption reduction to support Dubai Holding’s ambition of a 56% reduction in Scope 1 and 2 emissions by 2030.

2025 progress

- **Solar PV installed across key communities**, reducing dependence on grid electricity and improving cost predictability.
- **EV charging expanded to 8 stations**, encouraging low-carbon mobility.
- Portfolio actions contributed to a **9% reduction in Scope 2 emissions** through lower electricity and cooling intensity, measured against the 2024 baseline.



“Our solar programme is a major milestone in the REIT’s decarbonisation journey, reflecting our commitment to integrating renewable energy into everyday community life and reducing our environmental footprint.”

Case Study: Community Scale Solar Deployment

The Fund Manager progressed its clean energy transition by installing solar PV systems across multiple communities, reducing reliance on grid electricity, lowering emissions and supporting the UAE’s Clean Energy Strategy 2050. Phased deployments between 2023 and 2025 strengthened energy resilience, reduced operational costs and contributed to Dubai Holding’s Group-wide decarbonisation objectives.

Background & Context

Sustainability Focus Area: Clean Energy

Key Impact: Reduced energy consumption and avoided carbon emissions

Alignment: UAE Clean Energy Strategy 2050, Dubai Net Zero 2050, Dubai Holding decarbonisation roadmap

The Challenge

High dependence on grid electricity for common areas increased operational costs and carbon intensity across communities. Conventional power sources limited the Fund Manager’s ability to manage emissions and achieve long-term environmental targets.

Approach & Implementation

2023–2024 Achievements

- Solar PV implemented in communities including, Nuzul and AQSA 1 & 3.
- Installed capacity: 3.99 MWp.
- Clean electricity generation: 5,538 MWh annually.
- Annual emissions avoided: 2,200 tCO₂e.

2025 Expansion

- Solar deployed across 1 additional asset.
- Clean electricity generated: 5 million kWh.
- Solar Capacity: 3.3 MWp.
- Emissions avoided: 2000 tCO₂e.

Future Planning

- Evaluation of 11 assets to achieve an additional 12MW capacity for photovoltaic (PV) feasibility.
- Integration with long-term decarbonisation strategy.

Lessons Learned & Best Practices

- Early engagement with DEWA accelerates project approvals.
- M&V oversight ensures confidence in performance data.
- Phased implementation minimises community disruption.



“ The ESCO retrofit programme marks a turning point in how we manage our residential assets moving from reactive operations to data-driven performance management that directly supports Dubai Holding’s decarbonisation and Net Zero ambitions.”



Energy Efficiency & Building Performance (SDG 7, 9, 11, 13)

Many residential assets predate modern controls, with legacy HVAC systems and limited submetering. The Fund Manager implemented a multistage efficiency programme combining audits with ESCO-led retrofits.

2025 progress

- Level 1 audits completed across **6 communities/254 buildings**.
- **19 ESCO projects initiated**, including BMS upgrades, VFDs, and light-emitting diode (LED) retrofits.
- **Expanded sub metering** to improve consumption visibility and data quality.

Recycling and circular upgrades linked to building operations:

- **230,828 kg of metal materials recycled**, forming part of a total recycled quantity of 793,000 kg across all recycling streams, representing an overall recycling rate of 3%.
- Approximately **10 million kg of general waste diverted to energy**, accounting for 36% of total waste diverted from landfill.
- Collectively, recycling and waste-to-energy initiatives resulted in a **total waste diversion rate of 39% from landfill**, delivering associated landfill space savings and CO₂ emissions avoidance benefits.

Case Study: Driving Energy Efficiency Through Esco Retrofits And Building Optimisation

The Fund Manager advanced portfolio-wide energy efficiency through comprehensive audits and a multi-year ESCO retrofit programme. These efforts improve HVAC performance, reduce electricity consumption, modernise automation systems and strengthen data visibility, supporting the REIT’s decarbonisation objectives.

Background & Context

Sustainability Focus Area: Energy Efficiency, ESCO Retrofits

Impact: Emissions reduction and operational savings

Alignment: UAE Net Zero 2050, Dubai Clean Energy Strategy 2050

The Challenge

Ageing assets with inconsistent BMS functionality, limited sub-metering and inefficient HVAC systems resulted in elevated energy consumption and operational costs.

Approach & Implementation

2024 Audit Phase

- Level 1 energy audits were conducted across multiple residential communities.
- Assessed cooling systems, lighting and BMS automation.
- Identified opportunities for HVAC upgrades and energy controls.

2025 ESCO Retrofit Phase

- Initiated performance-based retrofits, including:
 - HVAC optimisation
 - BMS upgrades
 - Sub-metering expansion
 - LED lighting retrofits

2026 Onwards

- Additional Level 2 audits planned.
- Implementation across remaining communities over 5 years.

Lessons Learned & Best Practices

- Representative sampling accelerates programme design.
- Independent M&V ensures credible savings.
- Smart systems improve control and monitoring.



Waste Management & Circularity (SDG 11, 12, 13)

Historically low recycling rates required a combined approach across infrastructure, technology and behaviour. The Fund Manager progressed a transformation programme to increase recycling, improve data and reduce landfill dependence, aligned with Dubai Municipality's Integrated Waste Management Strategy.

2025 progress

- **Waste audits across all communities** to establish baselines and identify priorities.
- Pilot of **65 "Renie" smart bins**, integrated with Dubai Holding's Tickit rewards platform.
- **New metallic waste recycling stream** launched.
- **FM training:** 22 sessions delivered for 255 staff to support segregation at source and on-ground execution.
- **Community engagement:** 5 workshops (including 2 at Shorooq, 2 during community events, 1 online for Green Ambassadors).
- Developing a **comprehensive Waste Management Plan** with a target completion of May 2026.

2025 performance outcome:

- **793 tons of waste diverted from landfill** through recycling initiatives.
- Overall recycling rate: **3% in 2025**.
- **Behavioural impact:** Higher participation and improved segregation quality reported across pilot locations.

2026 outlook:

Scale smart waste systems, expand resident engagement, and enhance tracking/analytics to support diversion improvements.

What we learned:

Technology supports engagement, but FM capability and resident experience design are critical to sustained segregation quality.



Water Efficiency & Resource Management (SDG 6, 11, 12, 13)

Given regional water scarcity, conservation is a material priority. High residential consumption, leakage and legacy fixtures can elevate use without targeted management.

Strategy focus:

- **Retrofit fixtures** for efficiency.
- **Leak detection**, monitoring and rapid repair.
- **Behaviour-change campaigns** and resident education.
- Evaluation of promising **water saving technologies**.

2025 performance

- **10% reduction in total freshwater consumption** compared to the 2024 baseline.
- Over **218 million imperial gallons saved** vs. 2024, reflecting cumulative retrofits and operational controls.

2026 environmental priorities

Building on the progress achieved across our environmental programmes in 2025, our focus areas for 2026 are:

- **Solar & Clean Energy:** Advance PV feasibility (~12 MW potential) and continue commissioning where viable; grow EV charging beyond the initial 8 stations. (SDG 7, 13)
- **Efficiency & Data:** Complete deeper audits (Level 2) and scale ESCO retrofits; expand sub-metering and analytics for performance transparency. (SDG 7, 9, 13)
- **Waste & Circularity:** Scale smart bins, complete the Waste Management Plan (target May 2026), strengthen FM capability and resident participation to improve diversion rates. (SDG 12, 11)
- **Water:** Extend retrofit scope, maintain leak reduction campaigns and strengthen resident education to sustain year-on-year reductions. (SDG 6, 11, 12)



COMMUNITY

Dubai Residential places community wellbeing at the centre of its long-term value creation model. As a built-to-lease REIT, the strength of resident relationships, service quality, and safe, welcoming environments directly influence occupancy levels, portfolio stability and social impact. Through the Fund Manager’s operational support, communities are designed and maintained to promote belonging, safety, accessibility and environmental awareness. (SDG 3, 11, 12, 17).

Community Living and Resident Experience

High-quality community living is foundational to the REIT’s social value. The Fund Manager’s FM and customer experience teams work collaboratively to ensure that **public spaces remain clean and well-lit**, maintenance requests are resolved promptly, and service updates are communicated clearly.

Core services supporting resident experience include:

- Timely maintenance and repairs.
- Clean and accessible public areas.
- Reliable waste and recycling infrastructure.
- Regular resident feedback channels.
- Transparent communication through digital platforms.

Resident feedback is gathered through surveys, service requests and on-ground interactions, enabling continuous improvements. In 2025, these efforts contributed to a **resident satisfaction score of 78%**, reflecting enhanced service reliability and engagement.

Community Safety and Security

Safety is a critical component of community wellbeing. The Fund Manager maintains a **comprehensive safety ecosystem** anchored in compliance with Dubai Civil Defence requirements and reinforced by trained onsite security staff, regular system testing and clear emergency procedures.

Key measures include:

- Routine fire safety maintenance and inspections.
- Emergency response plans and drills.
- Incident reporting and HSE monitoring.
- Trained security personnel across all communities.

This structured approach ensures safe, resilient and welcoming environments for all residents.

Health & Wellbeing

The REIT’s communities are designed around integrated leisure and living principles. Well-maintained walkways, playgrounds and green landscapes support physical activity, mental wellbeing and social interaction. Community events further enhance social cohesion and reinforce the sense of belonging that residents consistently value.

Community engagement & behavioural change

Community engagement is one of the Fund Manager’s core strengths, **empowering residents to adopt sustainable habits** and participate in community life.

Green Roots Programme

Green Roots is the flagship engagement programme translating sustainability strategy into everyday behaviour. Through **workshops, recycling initiatives and awareness campaigns**, the platform encourages participation and strengthens environmental awareness across all communities.

Green Ambassador Programme

A resident-led initiative, Green Ambassadors serve as community champions who:

- Promote recycling and waste segregation.
- Support awareness events.
- Share best practices with neighbours.
- Provide feedback on sustainability issues.

In 2025, the programme maintained **37 registered ambassadors across eight residential communities**, with tailored training delivered in partnership with recycling experts, including workshops on recycling and community mobilisation.

2025 Community Engagement Performance

In 2025, the REIT strengthened social value creation through targeted engagement and measurable outcomes:

Resident satisfaction: 78% (2026 target: 80%)

Sustainability engagement:

- 5 sustainability workshops.
- 3 community events.
- 60+ residents participating.

Environmental action:

- 793 tons of waste diverted through recycling.
- Recycling rate improved to 3%.
- Supported through smart waste systems and metal recycling programmes.

FM capacity building:

- 22 training sessions.
- 255 staff trained.

Digital engagement:

- **Increased use of resident apps** for feedback and service updates.

These indicators demonstrate the tangible impact of resident led engagement and strengthened operational delivery.

2026 Community Priorities

Looking ahead, Dubai Residential aims to deepen community engagement and expand the reach of sustainability initiatives:

- **Increase Green Ambassador participation** from 37 to 50 ambassadors.
- **Broaden Green Roots workshops**, events and awareness campaigns.
- **Expand household level sustainability** activities (waste segregation, water efficiency, recycling).
- **Integrate new waste streams**, including food waste, used cooking oil and e-waste collection drives.
- **Enhance wellbeing programming** and resident-led activities.
- **Continue building FM capacity** to ensure consistent, on-ground implementation.

These priorities reinforce the REIT’s vision of safe, inclusive and environmentally responsible communities where residents feel connected, supported and empowered to contribute to sustainable living.





PEOPLE



Dubai Residential REIT recognises that people, residents, employees, facilities management teams, and community partners are central to the performance and long-term success of its built-to-lease portfolio. The Fund Manager prioritises the wellbeing, safety and professional development of all individuals who contribute to the quality and resilience of its residential communities. (SDG 3, 5, 8).

Social Impact & Community Value

The Fund Manager's operating model places people at the heart of its value creation approach. Beyond providing homes, the REIT focuses on building connected, supportive and inclusive communities. This is achieved through safe, well-maintained environments, responsive services and platforms that empower residents to participate in sustainability and community initiatives.

These outcomes are supported by teams across sustainability, community operations, facilities management and customer service, who work together to deliver reliable, high-quality experiences for all residents.

Employee and Facilities Management (FM) Team Development

Employee training and professional development remain key priorities across all the Fund Manager departments and job categories, equipping employees with the skills and knowledge required to perform effectively and contribute to organisational excellence.

2025 employee training highlights:

- Average training hours completed: **25.23 hours**
 - Male: 27.19 hours | Female: 22.15 hours
- Average training hours by employee category:
 - **Support:** 21.08 hours
 - **Professional:** 22.11 hours
 - **Middle Management:** 32.92 hours
 - **Senior Management:** 0 hours

Facilities Management (FM) team development

In parallel, targeted training programmes were delivered to strengthen the FM workforce capability, with a focus on safety, sustainability and on-ground service delivery.

2025 Front-line FM training achievements:

- **22 structured training sessions** delivered.
- **255 FM staff trained** across safety, waste segregation, recycling operations and community engagement.
- Improved **alignment with sustainability objectives** through enhanced operational guidance and procedures.



Health, Safety and Wellbeing

The Fund Manager integrates health, safety and wellbeing considerations into daily operations and asset management. This includes regular inspections, compliance with Dubai Civil Defence standards, emergency preparedness and continuous monitoring of incidents and corrective actions.

Wellbeing is embedded in the design of each community: walkways, green landscapes, playgrounds and shared amenities promote physical activity, social interaction and mental wellbeing. Community events and sustainability workshops further strengthen social cohesion and foster a sense of belonging.

Community Living and Quality of Experience

People are at the centre of community life, and the quality of resident experience is closely linked to the skills and responsiveness of onsite teams. In collaboration with FM teams, the Fund Manager ensures:

- **Efficient handling** of maintenance and repair requests.
- **High cleanliness** standards across common areas.
- **Reliable waste and recycling services.**
- **Consistent communication** through digital service platforms.
- **Clear feedback** channels to address resident needs.

These efforts contributed to a 78% resident satisfaction score in 2025, reflecting improved responsiveness and service quality.

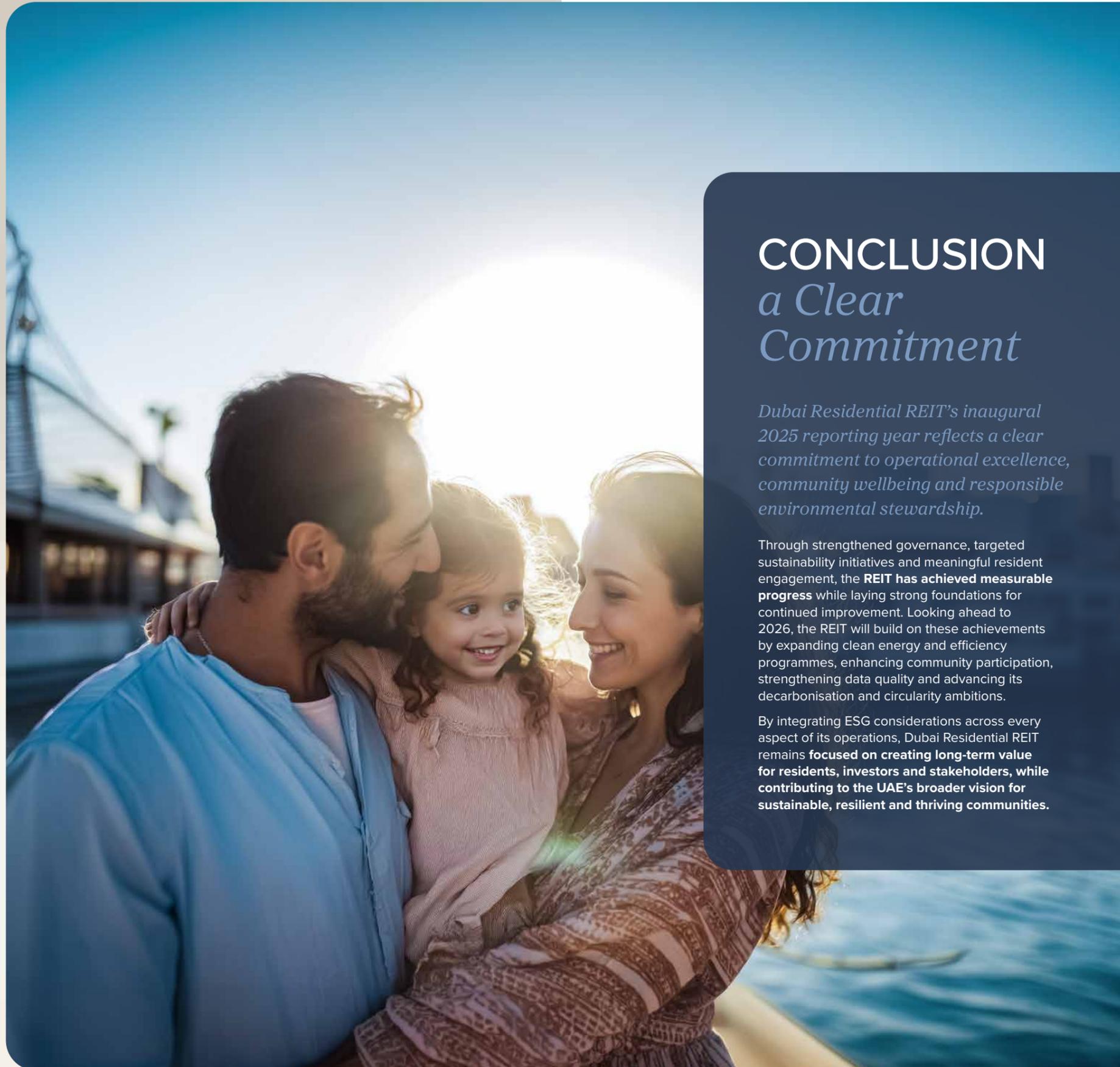
2026 People Priorities

Looking ahead, the REIT aims to further enhance social value through deeper engagement, stronger operational capability and expanded participation.

2026 priorities include:

- **Increasing Green Ambassador participation** to 50 registered ambassadors.
- **Strengthening FM workforce training** on sustainability and community interaction.
- **Expanding wellbeing initiatives** and resident-led activities.
- **Enhancing two-way feedback** mechanisms and digital engagement tools.
- **Broadening sustainability participation** by 5% across communities.
- **Supporting improvements in waste diversion** and recycling engagement.

Through these priorities, Dubai Residential REIT continues to foster communities where people feel connected, empowered and supported, creating long-term social value across its portfolio.



CONCLUSION *a Clear Commitment*

Dubai Residential REIT's inaugural 2025 reporting year reflects a clear commitment to operational excellence, community wellbeing and responsible environmental stewardship.

Through strengthened governance, targeted sustainability initiatives and meaningful resident engagement, the **REIT has achieved measurable progress** while laying strong foundations for continued improvement. Looking ahead to 2026, the REIT will build on these achievements by expanding clean energy and efficiency programmes, enhancing community participation, strengthening data quality and advancing its decarbonisation and circularity ambitions.

By integrating ESG considerations across every aspect of its operations, Dubai Residential REIT remains **focused on creating long-term value for residents, investors and stakeholders, while contributing to the UAE's broader vision for sustainable, resilient and thriving communities.**

Sharia Certificate





Report of the Shariah Supervisory Committee of Dubai Residential REIT

For the financial year ended **December 31, 2025**

1. Subject of this Report

This Report is being issued by the Shariah Supervisory Committee (SSC) of the Dubai Residential REIT with regard to the Shariah compliance of the Dubai Residential REIT.

2. Shariah summary of the Dubai Residential REIT

Dubai Residential REIT (“Dubai Residential” or the “Fund”) is a Real Estate Investment Trust (“REIT”) established as shariah-compliant income-generating closed-ended fund in the Emirate of Dubai, United Arab Emirates (“UAE”). Dubai Residential was granted license by Capital markets Authority, previously known as the Securities and Commodities Authority (SCA) on 23 May 2025 (date of incorporation), in accordance with the applicable laws of the United Arab Emirates.

DHAM REIT Management LLC (the “Fund Manager”) was appointed to act as the fund manager of Dubai Residential with effect from the establishment of Dubai Residential. The Fund Manager is owned 99% by DHAM LLC (the “Intermediate Parent Company”) and 1% by DHAM FZ LLC.

The Dubai Residential has a Shariah Supervisory Committee (SSC), which advises the Dubai Residential pursuant to AAOIFI Shariah Standards and provides on-going and continuous supervision of and adjudication in all Shariah matters for the Dubai Residential. The Shariah Supervisory Committee has final authority with regard to the Shariah compliance of all business and activities of the Dubai Residential and the audit of its investment records for Shariah compliance. The assessment of the Shariah Supervisory Committee with regard to Shariah compliance of all business and investment activities of the Dubai Residential is binding on the Dubai Residential and the unitholders in terms of Shariah compliance.

3. Reference for this Report

Fund Manager for Dubai Residential submitted a Shariah Review Report based on the review conducted by Dar Al Sharia Limited (the “Dar Al Sharia”) on activities and financials of Dubai Residential for the financial year commencing from 1 January 2025 and ending on 31 December 2025.

4. Pronouncement by Shariah Supervisory Committee of the Dubai Residential

Based on our review, the activities of the Dubai Residential REIT during the period January 1 to December 31, 2025, were carried out in accordance with Shariah rules and principles. Fund Manager to implement the guidance specifically related to any prohibited income to be donated to charity.

Dr. Mohamed Abdul Rahim Sultan Al Olama

Dated:

February 17, 2026

Dr. Mohammad Ali El Gari

Dated:

February 17, 2026

Dr. Salim Al Ali

Dated:

February 17, 2026

Consolidated Financial Statements



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BOARD OF DIRECTORS' REPORT

Dear Unitholders and Readers

The Board of Directors of Dubai Residential REIT (the "Fund") has the pleasure in submitting their report and the audited consolidated financial statements of the Fund and its subsidiaries (together, the "Group") for the year ended 31 December 2025.

Board of Directors

The Board of Directors comprised of:

Chairman	Mr. Nabil Mohammad Ramadhan Alahmadi
Members	Ms. Brigitte Zammit
	Ms. Anuradha Harish
	Mr. Zuber Dehgamia
	Mr. Ahmad Ali Ahmad Meftah AlMarzooqi
	Mr. Fahed Ahmed Saeed Mohamed AlAwadhi
	Mr. Badr Yousuf Mohammad Ali AlGargawi

Principal activities

The principal activity of the Group is leasing and management of self-owned residential properties.

Financial highlights

For the year ended 2025, the Group achieved strong financial and operational results, supported by solid rental income growth, high occupancy rates, and a well-managed capital structure.

Revenue increased to AED 1,953 million in FY 2025, reflecting a 9% year-on-year uplift driven by sustained leasing momentum and continued rental rate improvements across the residential portfolio. Adjusted EBITDA (pre-management fees and cost recharges) rose by 15% to AED 1,492 million, supported by strong top-line growth and ongoing operational efficiencies, maintaining a solid margin of 78%.

Overall, portfolio-wide average occupancy stood 98.3% up by 1.7% from last year, and average revenue per leased area increased by 6.7% as compared to 2024 and reached AED 56.5/sqft/annum.

Net profit before changes in the fair value of investment property reached AED 1,279 million, up 15% compared to FY 2024 on the back of higher revenues and cost efficiencies. Gross asset value (GAV) stood at AED 23,538 million, reflecting a 9% increase since December 2024. The Group also maintained a conservative leverage profile with net Loan to value (LTV) ratio at 2.8% for FY 2025.

Transactions with related parties

The audited consolidated financial statements disclose related party transactions and balances in Note 10. All transactions are carried out in compliance with applicable laws and regulations.

Outlook 2026

Dubai's strong economic momentum is expected to remain robust through 2026, sustaining a resilient residential real estate market. The fundamentals are underpinned by steady population growth, favourable demographics, visa reforms, and a robust regulatory framework, all of which are expected to continue to strengthen the outlook for income producing rental assets.

With the growth in population and as new households emerge, there continues to be preference for quality and convenience. This is leading to sustained demand for single landlord owned professionally managed gated communities and supporting further growth and expansion of built-to-lease residential communities.

Our strategy for the coming year focusses on enhancing investor value through active asset management, driving rental growth and operational efficiencies as well as through asset acquisitions aligned with our growth plans. This will reinforce our market leadership in providing diversified, high-quality rental offerings that aligns with Dubai's continued growth.

Valuation of Investment Properties

Throughout 2025, valuation of each investment property has been determined on a semi-annual basis by the independent external valuer. Such valuations are one of the critical component of the FY 2025 Consolidated Financial Statements.

The Board of Directors have full access to the aforesaid valuations and have notably reviewed the 31 December 2025 valuations while assessing the consolidated financial statements. The Board of Directors are satisfied that the valuations of the REIT's properties were conducted in accordance with applicable rules.

BOARD OF DIRECTORS' REPORT

Net asset value

The Net Asset Value ("NAV") is calculated by DHAM REIT Management LLC (the "Fund Manager") and published half yearly through the REIT's regulatory announcement service. The Board of Directors considered and was satisfied with the process of calculation and publication of the NAV.

Dividends

During 2025, the REIT paid an interim dividend of AED 550 million, equivalent to AED 0.04 per unit, in September 2025. The Board of Directors have proposed a final dividend of AED 550 million, equivalent to AED 0.04 per unit, to be paid in April 2026, subject to approval by the General Assembly.

Auditors

The consolidated financial statements for the year ended 31 December 2025 have been audited by Deloitte & Touche (M.E.).

For the Board of Directors:

Nabil Mohammad Ramadhan Alahmadi
Chairman of the Board

INDEPENDENT AUDITOR'S REPORT

**The Board of Directors
Dubai Residential REIT
Dubai
United Arab Emirates**

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Dubai Residential REIT (the "Fund") and its subsidiaries (together, the "Group"), which comprise the consolidated balance sheet as at 31 December 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Codes of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) as applicable to audits of consolidated financial statements of public interest entities, together with the other ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties	
Key audit matter	How the matter was addressed in our audit
<p>The Group's investment properties are carried at AED 23,538 million as at 31 December 2025 in the consolidated balance sheet. This represents 96% of the Group's total assets.</p> <p>Investment properties are stated at fair value, with changes in fair value recognised in profit or loss. Management considers the valuation of investment properties as a critical accounting estimate since the determination of fair value involves significant judgement and estimation uncertainty related to rental rates, capitalization rates, occupancy rates, and discount rates. Accordingly, minor changes in assumptions could result in a material impact on the valuation of investment properties and the Group's financial performance.</p> <p>The Fund Manager engages professionally qualified external valuers to assess the fair value of the Group's investment properties.</p> <p>We, therefore, considered the valuation of investment properties to be a key audit matter due to the quantitative significance of the amount in the consolidated financial statements, the level of judgements applied, estimates made by management and the level of audit effort required.</p> <p>Refer to note 7 to the consolidated financial statements for more information on the valuation of investment properties.</p>	<p>We performed the following audit procedures, inter alia, to address the key audit matter:</p> <p>We obtained an understanding of the process adopted by management to determine the fair value of investment properties, including the key controls in this process.</p> <p>We assessed the abovementioned controls to determine if they had been appropriately designed and implemented.</p> <p>We assessed the competence, capabilities, independence and objectivity of the external valuers and reviewed the terms of their engagement with the Group to determine whether the scope of their work was appropriate for audit purposes.</p> <p>We agreed the total valuation in the reports of the external valuers to the amount reported in the consolidated balance sheet.</p> <p>We tested, on a sample basis, the information provided to the external valuers by agreeing it to the Group's accounting records.</p> <p>With the assistance of our internal real estate valuation specialists, we evaluated whether the valuation inputs applied were in accordance with IFRS Accounting Standards.</p> <p>We assessed and challenged the key assumptions used in the valuation models, including rental rates, occupancy levels, discount rates, capitalisation rates and terminal values, by:</p> <ul style="list-style-type: none"> • comparing them to historical performance; • benchmarking them against available market information; and • assessing their consistency with approved budgets and forecasts. <p>We assessed the arithmetical accuracy of the valuation models and the mathematical integrity of the fair value calculations.</p> <p>We performed sensitivity analyses on the significant assumptions to evaluate the extent to which changes in those assumptions would impact the fair value of investment properties.</p> <p>We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.</p>

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

As required by the UAE Federal Decree Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended;
- The Group has maintained proper books of account;
- The financial information included in the Board of Directors' Report is consistent with the books of account of the Group;
- The Group has not purchased or invested in any shares during the financial year ended 31 December 2025;
- Note 10(c) to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;
- Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025, any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, or in respect of the Company, its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025.

Deloitte & Touche (M.E.)

Musa Ramahi
Registration No. 872
02 February 2026
Dubai
United Arab Emirates

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December	
		2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property and equipment	5	17,335	17,822
Investment property	7	23,538,000	21,633,000
Intangible assets	6	1,311	2,528
Derivative financial instruments	8	-	19,558
		23,556,646	21,672,908
Current assets			
Trade and other receivables	9	70,086	68,498
Due from related parties	10(a)	1,724	23,717
Derivative financial instruments	8	4,958	-
Cash and bank balances	11	936,979	1,968,472
		1,013,747	2,060,687
Total assets		24,570,393	23,733,595
EQUITY AND LIABILITIES			
Equity			
Unit capital	12	1,300,000	-
Share capital	12	-	300
Contributed capital	12	-	2,560,134
Legal reserve	13	5,750	5,750
Hedge reserve	8	4,958	19,558
Retained earnings		20,736,096	17,004,052
Total equity		22,046,804	19,589,794

	Note	As at 31 December	
		2025 AED'000	2024 AED'000
LIABILITIES			
Non-current liabilities			
Trade and other payables	14	6,316	7,003
Borrowings	15	1,585,084	2,582,247
Employees' end of service benefits	16	-	10,880
		1,591,400	2,600,130
Current liabilities			
Trade and other payables	14	487,497	518,056
Due to related parties	10(b)	104,355	675,453
Advances from customers		340,337	350,162
		932,189	1,543,671
Total liabilities		2,523,589	4,143,801
Total equity and liabilities		24,570,393	23,733,595
Net asset value (AED'000)		22,046,804	19,589,794
Issue units (Units'000)		13,000,000	13,000,000
Net asset value per unit (AED)		1.70	1.51

These consolidated financial statements were approved by the Board of Directors on 02 February 2026 and signed by:

		
Nabil Mohammad Ramadhan Alahmadi Chairman of the Board	Ahmed Najib Obaid Saif Alsuwaidi Managing Director - DHAM REIT Management LLC	Gijish Kumar Vice President - Finance - DHAM REIT Management LLC

CONSOLIDATED STATEMENT OF INCOME

	Note	Year ended 31 December	
		2025 AED'000	2024 AED'000
Revenue	18	1,953,474	1,792,811
Direct costs	19	(427,301)	(521,944)
Gross profit		1,526,173	1,270,867
Other operating income	20	9,533	7,164
		1,535,706	1,278,031
Expenses			
General and administrative	21	(78,536)	(91,070)
Marketing and selling	22	(15,167)	(21,650)
Management fees	10(c)	(83,448)	-
Impairment and other gains – net		(8,123)	(7,427)
		(185,274)	(120,147)
Operating profit		1,350,432	1,157,884
Finance income	24	9,398	46,966
Finance costs	24	(80,991)	(88,109)
Finance costs - net		(71,593)	(41,143)
Profit before change in fair value of investment property		1,278,839	1,116,741
Gain on fair value of investment property	7	1,742,771	1,545,567
Profit for the year		3,021,610	2,662,308
Earnings per unit attributable to the Owners of the Fund before change in fair value of investment property Basic and diluted (AED)	26	0.10	0.09
Earnings per unit attributable to the Owners of the Fund Basic and diluted (AED)	26	0.23	0.20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December	
		2025 AED'000	2024 AED'000
Profit for the year		3,021,610	2,662,308
Other comprehensive income			
Items that may be subsequently reclassified to statement of income			
Fair value loss on cash flow hedges	8	(14,600)	(22,041)
Other comprehensive loss for the year		(14,600)	(22,041)
Total comprehensive income for the year		3,007,010	2,640,267

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	Attributable to owners of the Fund						Total
		Unit capital	Share capital	Contributed capital	Legal reserve	Hedge reserve	Retained earnings	
		AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	
At 1 January 2025		-	300	2,560,134	5,750	19,558	17,004,052	19,589,794
Profit for the year		-	-	-	-	-	3,021,610	3,021,610
Other comprehensive loss for the year		-	-	-	-	(14,600)	-	(14,600)
Total comprehensive income the year		-	-	-	-	(14,600)	3,021,610	3,007,010
Transactions with owners								
Issuance of unit capital	12	1,300,000	-	-	-	-	-	1,300,000
Capital reorganisation	12	-	(300)	(2,560,134)	-	-	1,260,434	(1,300,000)
Dividends paid	17	-	-	-	-	-	(550,000)	(550,000)
		1,300,000	(300)	(2,560,134)	-	-	710,434	(550,000)
At 31 December 2025		1,300,000	-	-	5,750	4,958	20,736,096	22,046,804

	Note	Attributable to owners of the Fund					
		Share capital	Contributed capital	Legal reserve	Hedge reserve	Retained earnings	Total
		AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
At 1 January 2024		300	1,957,662	450	41,599	17,992,960	19,992,971
Profit for the year		-	-	-	-	2,662,308	2,662,308
Other comprehensive loss for the year		-	-	-	(22,041)	-	(22,041)
Total comprehensive income the year		-	-	-	(22,041)	2,662,308	2,640,267
Transactions with owners							
Transfers of legal reserve	13	-	-	5,300	-	(5,300)	-
Dividends paid	17	-	-	-	-	(1,221,000)	(1,221,000)
Additional contribution	10(c)	-	602,472	-	-	-	602,472
Group reorganisation		-	-	-	-	(2,424,916)	(2,424,916)
		-	602,472	5,300	-	(3,651,216)	(3,043,444)
At 31 December 2024		300	2,560,134	5,750	19,558	17,004,052	19,589,794

CONSOLIDATED STATEMENT OF CASHFLOWS

	Note	Year ended 31 December	
		2025 AED'000	2024 AED'000
Cash flows from operating activities			
Profit for the year		3,021,610	2,662,308
Adjustments for:			
Gain on fair value of investment property	7	(1,742,771)	(1,545,567)
Finance costs	24	80,991	88,109
Finance income	24	(9,398)	(46,966)
Provision for loss allowance on trade and other receivables		8,123	7,427
Depreciation and amortisation	21	2,259	4,055
Provision for employees' end of service benefits	16	385	470
Loss on disposal of property and equipment		-	39
		1,361,199	1,169,875
Changes in working capital:			
Trade and other receivables, before provision excluding advances to contractors		(45,677)	(9,830)
Trade and other payables, excluding project and retention payables		(20,524)	61,245
Advances from customers		(9,825)	80,948
Due from related parties		21,993	6,920,612
Due to related parties		(582,136)	(4,449,015)
		725,030	3,773,835
Payment of employees' end of service benefits	16	(227)	(352)
Net cash generated from operating activities		724,803	3,773,483
Cash flows from investing activities			
Movement in fixed deposits with maturities greater than three months		831,635	(506,635)
Payments for investment property, net of project and retention payables, and advances to contractors		(134,591)	(183,827)
Interest / profit received		15,466	40,729
Purchase of property and equipment and intangible assets	5, 6	(555)	(4,753)
Proceeds from disposal of property and equipment		-	1,269
Net cash generated from / (used in) investing activities		711,955	(653,217)

Cash flows from financing activities

Repayment of borrowings	15	(1,000,000)	(1,360,000)
Proceeds from borrowings, net of transaction costs	15	-	2,581,635
Reduction in restricted cash against borrowing facilities		-	27,781
Dividends paid	17	(550,000)	(1,221,000)
Interest / profit paid		(86,616)	(72,777)
Net decrease as a result of group reorganisation		-	(2,161,477)
Net cash used in financing activities		(1,636,616)	(2,205,838)
Net (decrease) / increase in cash and cash equivalents		(199,858)	914,428
Cash and cash equivalents at beginning of the year	11	1,136,837	222,409
Cash and cash equivalents at end of the year	11	936,979	1,136,837

Significant non-cash transactions during the year include:

	Note	Year ended 31 December	
		2025 AED'000	2024 AED'000
Unwinding of net related party balances	10(c)	-	115,705
Transfer of investment property from related parties	7,10(c)	-	224,306

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1.0 LEGAL STATUS AND ACTIVITIES

Dubai Residential REIT (“Dubai Residential” or the “Fund”) is a Real Estate Investment Trust (“REIT”) established as shariah-compliant income-generating closed-ended fund in the Emirate of Dubai, United Arab Emirates (“UAE”). Dubai Residential was granted license by Securities and Commodities Authority (SCA) on 23 May 2025 (date of incorporation), in accordance with the Federal Law No. (32) of year 2021 concerning the Commercial Companies and the SCA Board of Directors’ Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds. The Fund’s registered address is P.O. Box 66000, Dubai, United Arab Emirates.

The Fund was a wholly owned subsidiary of DHAM Investments LLC (the “Parent Company”) prior to the change in capital structure on account of the initial public offering (“IPO”), as described below. DHAM LLC and Dubai Holding Commercial Operations Group LLC are intermediate parent companies (herein referred individually to as the “Intermediate Parent Company”) and Dubai Holding LLC is the ultimate parent company (the “Ultimate Parent Company”). The “Ultimate Controlling Party” of the Fund is the Government of Dubai. The Fund and its subsidiaries (as listed below) are collectively referred to as the “Group”.

DHAM REIT Management LLC (the “Fund Manager”) was appointed to act as the fund manager of Dubai Residential with effect from the establishment of Dubai Residential. The Fund Manager is owned 99% by DHAM LLC (the “Intermediate Parent Company”) and 1% by DHAM FZ-LLC.

The Fund currently consolidates the following subsidiaries, which are incorporated and operating in Dubai, United Arab Emirates:

Name of the legal entity	Principal business activity	Place of business/ incorporation	Effective ownership*
Dubai Residential LLC (previously known as ‘Dubai Asset Management LLC’)	Leasing and property management	UAE	100%
Dubai Residential Assets LLC*	Leasing and property management	UAE	100%
BW Residences LLC*	Leasing and property management	UAE	100%
Al Khail Towers LLC*	Leasing and property management	UAE	100%
The Gardens Co. LLC*	Leasing and property management	UAE	100%
Nakheel Residential Properties LLC*	Leasing and property management	UAE	100%
DAM-FZ LLC (newly incorporated on 1 October 2024)	Leasing and property management	UAE	100%

* These are wholly owned subsidiaries of Dubai Residential LLC, except for a 1% shareholding by DAM-FZ LLC.

The Group is principally engaged in residential real estate leasing business.

On 28 May 2025, the Fund was admitted to be listed on the Dubai Financial Market (“DFM”) through an IPO whereby 15% of its unit capital were sold to the public.

2.0 MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS Accounting Standards”) issued by the International Accounting Standards Board (“IASB”), interpretations issued by the IFRS Interpretations Committee (“IFRIC”) applicable to companies reporting under IFRS and the applicable provisions by UAE Federal Decree-Law No. (32) of 2021, as amended (the “Companies Law”).

2.2 Basis of measurement

These consolidated financial statements have been presented on the historical basis, except for the following:

- Financial assets at fair value through other comprehensive income, including derivative financial instruments, that are measured at fair value; and
- Investment properties that are measured at fair value.

This is consistent with the measurement principles applied in audited special purpose carve-out financial statements of Dubai Residential LLC and its Subsidiaries (“Predecessor Business”) for the year ended 31 December 2024 issued on 28 March 2025 except for tax related policies for which the new judgment and policies described in Note 3.

2.3 Common control acquisition and predecessor accounting

On 25 April 2025, the Parent Company transferred Dubai Residential LLC and its subsidiaries, as listed in Note 1, to Dubai Residential in exchange for full unit capital of Dubai Residential. The difference between the carrying value of the subsidiaries transferred and units capital issued to the Parent Company was accounted within retained earnings. This transaction represents a business combination under common control, as Dubai Residential LLC and its subsidiaries were ultimately controlled by the same Ultimate Parent Company both before and after the acquisition by the Fund.

In addition, on 18 March 2024, the ownership of Nakheel PJSC and Meydan Group LLC (“NAM”) along with their respective subsidiaries were transferred by the Ultimate Controlling Party to certain entities owned by the Ultimate Parent Company. In turn, certain NAM subsidiaries and assets were transferred on 1 July 2024 to the Predecessor Business. Moreover, certain assets and entities have been carved-out to establish the Group. These carve-ins and carve-outs together with the transfer of Dubai Residential LLC and its Subsidiaries from the Parent Company to Dubai Residential are collectively referred to as the “Group Reorganisation”.

In the absence of specific guidance in IFRS 3 Business Combinations for transactions under common control, the Group has applied the guidance in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. As the Group Reorganisation did not result in any change of economic substance and it involved transfer of entities under common control both before and after the transfer, management has determined that the predecessor method of accounting provides the most relevant and reliable information and faithfully represents the economic substance of this transaction. Accordingly, the consolidated financial statements of the Group are prepared to reflect that the Group Reorganisation is in substance a continuation of the subsidiaries engaged in real estate residential leasing business as if the Fund has always owned them since the earliest period presented in these consolidated financial statements.

As these consolidated financial statements have been prepared on the basis that the Fund has existed since the earliest reporting period, these consolidated financial statements reflect adjustments to the special purpose carve-out financial statements of the Predecessor Business to eliminate the impact of current or deferred tax expense and associated assets and liabilities reflecting the expected tax exemption of the UAE Corporate Tax Law and the undertaking by the Immediate Parent Company as described in note 3 below.

2.4 Comparative information and prior common control combinations

The comparative information presented has been prepared to reflect the consolidated results and financial position of the Predecessor Business that ultimately comprise the Group as if all common control combinations had occurred at the beginning of the earliest period presented (1 January 2024).

These comparatives have been prepared on a consistent basis with the accounting policies applied in the current interim period, as detailed in Note 2 to the audited special purpose carve-out financial statements of the Predecessor Business.

Change in presentation of balance sheet

In accordance with IAS 1 Presentation of Financial statements, the presentation of the balance sheet has been changed from presentation based on liquidity to current/non-current classification presentation. Based on internal assessment and considering the nature of operations of the Fund, the current/non-current presentation basis of presentation provides information that is reliable and more relevant to the users of these financial statements.

2.5 Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's 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 on-going basis. Revisions to estimates are recognized prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

New standards and interpretations effective for periods beginning on or after 1 January 2025

In the current year, the Group has applied a number of amendments to IFRS Accounting standards and interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2025, including the amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability. Their adoption has not had any material impact on the disclosures or on the amounts reported in the consolidated financial statements of the Group.

New and revised IFRS Accounting Standards in issue but not yet effective nor early adopted.

(a) Subsidiaries

At the date of authorisation of these 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
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or contribution of Assets between and Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Available for optional adoption/ effective date deferred indefinitely

None of these are expected to have a significant effect on the consolidated financial statements of the Group.

2.6 Principles of consolidation

(a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the consolidated statement of income.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 'Financial Instruments' either in the consolidated statement of income or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of income.

Where settlement of any part of the net identifiable assets acquired is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowings could be obtained from independent financier under comparable terms and conditions.

(b) Transfer of businesses under common control

Business combinations involving entities under common control do not fall under the scope of IFRS 3 'Business Combinations'. Transfer of businesses under common control is accounted for under the uniting of interest method. Under the uniting of interest method, there is no requirement to fair value the assets and liabilities of the transferred entities and hence no goodwill is created as the balances remain at book value. The results and cash flows of the entities/businesses under common control are consolidated prospectively from the date of transfer without restatement of the consolidated income statement and the consolidated balance sheet comparatives.

(c) Eliminations on consolidation

Intercompany transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions; that is, as transactions with the owners in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired from the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(e) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated statement of income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated statement of income.

2.7 Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of income, except when deferred in other comprehensive income and accumulated in equity as qualifying cash flow hedges and qualifying net investment hedges.

Balances and transactions denominated in US dollars ("USD") have been translated into the presentation currency at a fixed rate as the exchange rate of AED to USD has been pegged since 1981.

Foreign exchange gains and losses are presented in the consolidated statement of income within 'Other operating income'.

Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income are analysed between translation differences resulting from changes in the amortised cost of the security and other

Translation differences related to changes in amortised cost are recognised in the consolidated statement of income, and other changes in carrying amount are recognised in other comprehensive income.

(b) Transactions and balances (continued)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in the consolidated statement of income as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are included in other comprehensive income.

2.8 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment, if any. The cost of property and equipment is its purchase cost together with any incidental costs of acquisition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance costs are charged to the consolidated statement of income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using straight-line method, at rates calculated to reduce the cost of assets to their estimated residual value over their expected useful lives, as follows:

Type of assets	Years
Building interior improvements, furniture, and fixtures	3 - 10
Computer hardware	3 - 5
Motor vehicles	5

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are recognised within 'Other operating income' in the consolidated statement of income.

Capital work-in-progress is stated at cost and includes property that is being constructed or developed for future use. When completed, capital work-in-progress is transferred to appropriate classifications within property and equipment and depreciated in accordance with the Group's policy.

2.9 Investment property

(i) Recognition and measurement

Investment properties comprises land, buildings, building interior improvements, furniture, fixtures and equipment, and infrastructure held for long-term rental yields and are not occupied by the Group. Investment properties are measured at fair value. Any changes in fair values are presented in the consolidated statement of income as "Gain / (loss) on fair value of investment property". Investment property also includes capital work-in-progress which relates to building improvements. Any expenditure that results in the maintenance of property to an acceptable standard or specification is treated as repairs and maintenance and is expensed in the period in which it is incurred.

(ii) Reclassification

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale or becomes owner-occupied, the property is transferred to property held for development and sale or property and equipment respectively. All transfers are made at carrying value.

(iii) De-recognition

When investment property is sold, gains and losses on disposal are determined by reference to its carrying amount and are recognised in the consolidated statement of income.

2.10 Intangible assets

(a) Computer software

Acquired computer software licenses are capitalised on the basis of the costs incurred to bring the specific software to use. These costs are amortised over their estimated useful lives of 3 to 5 years.

(b) Licenses and re-use rights

The total cost of acquiring the license and/or re-use right is capitalised as an intangible asset and is carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is calculated using the straight-line method to allocate the cost over the term of the licenses or rights.

2.12 Impairment of non-financial assets

Non-financial assets (or cash-generating units) that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. A reversal of an impairment loss is recognised in the consolidated statement of income so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised in prior years.

A reversal of impairment is recognised to the extent that it eliminates the impairment loss recognised in prior years. After a reversal of an impairment loss is recognised, the depreciation/amortisation charge of the asset shall be adjusted in the future period to allocate the asset's revised carrying amount, less residual value over the remaining useful life.

2.11 Investments and other financial assets

2.12.1 Classification

The Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through statement of income); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the consolidated statement of income or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt instruments only when its business model for managing those assets changes.

2.12.2 Recognition and derecognition

Purchases and sales of financial assets are recognised on the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive the contractual cash flows from the asset have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of income.

2.12.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of income.

(a) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest/profit are measured at amortised cost. Interest/profit income from these financial assets is included in finance income using the effective interest/profit rate method. Any gain or loss arising on derecognition is recognised directly in the consolidated income statement and presented in 'Other operating income'.

Impairment losses are presented under 'Impairments and other gains - net' in the consolidated statement of income.

Fair value through other comprehensive income

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest/profit, are measured at fair value through other comprehensive income.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest/profit income and foreign exchange gains and losses which are recognised in the consolidated statement of income.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the consolidated statement of income and recognised in 'Finance costs - net'. Interest/profit income from these financial assets is included in 'Finance income' using the effective interest/profit rate method. Exchange gains and losses and impairment losses are presented in 'Impairments and other gains - net' in the consolidated statement of income.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in the consolidated statement of income.

(b) Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income. Such gains and losses are not subsequently reclassified to profit or loss upon derecognition of the investment. Dividends from such investments continue to be recognised in consolidated statement of income as other operating income when the Group's right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated statement of income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

2.12.4 Impairment of financial assets

IFRS 9 requires the Group to record an allowance for expected credit losses ('ECLs') for all trade and unbilled receivables, contract assets, loans and other debt financial assets not held at fair value through profit or loss ('FVTPL'). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest/profit rate.

For trade and unbilled receivables and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtor's general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting day, including time value of money where appropriate.

(i) Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor.
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event (see (ii) above);
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write-off policy

The Group writes off a financial asset considering various factors which includes but not limited to the information indicating debtor's severe financial difficulty and no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of income.

(iv) Measurement and recognition of expected credit losses

The measurement of ECLs is a function of the probability of default, loss given default (i.e., the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount of guaranteed debt that has been drawn down as at the reporting date, together with any additional guaranteed amounts expected to be drawn down by the borrower in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest/profit rate. For a lease receivable, the cash flows used for determining the ECLs is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

The Group recognises an impairment gain or loss in the consolidated statement of income for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve and does not reduce the carrying amount of the financial asset in the consolidated balance sheet.

2.13 Financial liabilities and equity

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the consolidated statement of income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(c) Financial liabilities

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in the consolidated statement of income to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in the consolidated statement of income incorporates any interest/profit paid on the financial liability and is included in the 'Finance costs-net' line item in the consolidated statement of income.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest/profit method.

The effective interest/profit method is a method of calculating the amortised cost of a financial liability and of allocating interest/profit expense over the relevant period. The effective interest/profit rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest/profit rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of income.

2.14 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet 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 asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.15 Trade receivables

Trade receivables are amounts due from customers for lease of properties or services performed in the ordinary course of business. Trade receivables are recognised initially in accordance with IFRS 16 and subsequently measured at amortised cost using effective interest/profit method, less loss allowance for expected credit losses.

2.16 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances in current accounts, call accounts and term deposits with original maturity of three months or less with no withdrawal restrictions and which are subject to an insignificant risk of changes in value, and cash pledged against guarantees.

2.17 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less from the balance sheet date (or in the normal

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest/profit method.

2.18 Advances from customers

Advances from customers include instalments received from customers for lease of property and provision of services. These are subsequently released to the consolidated statement of income once the revenue recognition criteria are met.

2.19 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of income over the period of the borrowings using the effective rate of return method.

Fees paid on the establishment of finance facilities are recognised as transaction costs of the finance to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of income.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.20 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities (fair value hedge) or hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

Derivatives are only used by the Group for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria under IFRS, they are classified as 'held for trading' for accounting purposes only. The fair values of various derivative instruments used for hedging are disclosed in Note 4.3.

Movements in the hedging reserve is disclosed in the consolidated statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability when expected to be settled within 12 months; otherwise, they are classified as non-current.

The Group uses profit rate swaps for hedging, which are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of finance rates (for example, fixed rate for floating rate). No exchange of principal takes place.

The Group's credit risk represents the potential cost to replace the interest/profit rate swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market.

(a) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated statement of income within 'Finance costs - net'.

Amounts accumulated in equity are recycled in the consolidated statement of income in the periods when the hedged item affects statement of income (for instance when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest/profit rate swaps hedging variable rate borrowings is recognised in the consolidated statement of income within 'Finance costs - net'. However when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example fixed assets), the gains and losses previously recorded in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in direct costs.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss and deferred costs of hedging existing in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset (such as fixed assets) and is recognised when the forecast transaction is ultimately recognised in the consolidated statement of income. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated statement of income within 'Finance costs - net'.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any of these derivative instruments are recognised immediately in the consolidated statement of income within 'Finance income/costs'.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest/profit expense.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

2.22 Employee benefits

(a) End of service benefits to non-UAE nationals

Provision is made for the end of service benefits due to employees in accordance with the UAE Labour Law for their periods of service up to the balance sheet date.

(b) Pension and social security policy within the UAE

The Group is a member of the pension scheme operated by the Federal Pension General and Social Security Authority. Contributions for eligible UAE National employees are made and charged to the consolidated statement of income, in accordance with the provisions of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. The Group has no further payment obligations once the contributions have been paid.

2.23 Revenue recognition

The Group recognises revenue from contracts with customer based on five step model as outlined under IFRS 15 'Revenue from Contracts with Customers':

Step 1

Identify the contract with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2

Identify the performance obligations in the contract: A performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3

Determine the transaction price: Transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Step 4

Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5

Recognise revenue as and when the Group satisfies a performance obligation.

The Group recognises revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance obligation completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance – unbilled receivables. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability – contract advances.

Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment excluding taxes and duties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or an agent and has concluded that it is acting as a principal in all of its revenue arrangements.

Revenue is recognised in the consolidated financial statements to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if and when applicable, can be measured reliably.

(a) Operating lease income

Operating lease income is recognised on a straight-line basis over the lease term. When the Group provides operating lease incentives to its customers, the aggregate cost of incentives are recognised as a reduction of rental income over the lease term on a straight-line basis.

(b) Services income

Services revenue relates to outsourcing services provided to a government authority in relation to incorporation, government and other related services. The revenue is recognised at the point in time when the services are rendered.

(c) Interest / Profit income

Interest/profit income is recognised in the consolidated statement of income using the effective interest/profit method. When a financial asset is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest/profit rate of the instrument, and continues unwinding the discount as interest/profit income. Interest/profit income on impaired financial asset is recognised using the original effective interest/profit rate.

(d) Forfeited income

Forfeited income is an income resulting from non shariah compliant streams mainly interest income from conventional deposits, rental income from certain transactions as determined by the Internal Sharia Supervision Committee and the late payment fees by the tenants who delay in payment of their liabilities. In line with the guidance by the Internal Sharia Supervision Committee, the Group is required to identify these incomes and to set aside such amount to pay for charitable causes and activities.

2.24 Leases

(a) The Group as a Lessee

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for the Group for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

However, where the contract is not separable into lease and non-lease component then the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve (12) months or leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) The Group as a Lessor

The Group enters into lease arrangements as a lessor with respect to its investment property. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Operating leases

The Group earns revenue from acting as a lessor in operating leases which do not transfer substantially all the risks and rewards incidental to ownership of an investment property. In addition, the Group subleases investment property acquired under head leases with lease terms exceeding 12 months at commencement. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying investment property. All the Group's subleases are classified as operating leases.

Operating lease income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of income due to its operating nature.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the underlying asset and recognised as an expense over the lease term on the same basis as the lease income.

Lease incentives that are paid or payable to the lessee are deducted from lease payments. Accordingly, tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the consolidated statement of income when the right to receive them arises.

2.25 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its ordinary units. Basic earnings per unit is calculated by dividing the profit or loss attributable to ordinary unitholders of the Fund by the weighted average number of ordinary units outstanding during the year. Diluted earnings per unit is determined by adjusting the profit or loss attributable to ordinary unitholders and the weighted number of ordinary units outstanding for the effects of all dilutive potential ordinary units.

2.26 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the Managing Director of Fund Manager and Investment Committee Chairman of the Fund that makes strategic decisions.

2.27 Dividend distribution

Dividend distribution to the Fund's unitholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Fund's unitholders.

2.28 Management fee

The Fund entered into an agreement with the Fund Manager for the provision of services following the Global Offering. As per the agreement, the Fund Manager will be entitled to receive from the Fund on a semi-annual basis, a management fee, equal to 10 percent of profit for the relevant semi-annual period before gains on fair value of investment property and after deduction of any amounts already paid by the Group to the Fund Manager or an affiliate of the Fund Manager for services provided.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the Fund Manager's management to make judgements, estimates, and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant judgements made by Fund Manager's management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited special purpose carve-out financial statements of Predecessor Business, as included in the offering memorandum, except for common cost allocations which relate only to the comparative information and the application of tax exemption which are described below.

The significant judgement in these consolidated financial statements relate to the application of the predecessor accounting method for common control acquisitions and the Group Reorganisation which is disclosed in note 2 to this consolidated financial statements.

3.1 Judgement on application of tax exemption

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 became effective for accounting periods beginning on or after 1 June 2023.

The standard corporate tax rate under the CT Law is 9% for mainland UAE entities, while entities qualifying under the qualifying free zone regime are subject to 0%, provided they meet the relevant conditions.

According to Article 10 and Article 4(1)(f) of the CT Law provide for an exemption available to Qualifying Investment Funds, including REITs. Further, the Wholly Owned Subsidiaries of the REITs that undertake part or whole of the activity of the exempt REIT or are engaged exclusively in holding assets or investing funds for the benefit of the exempt REIT would also be exempt under Article 4(1)(h) of the CT Law.

The Fund was incorporated on 23 May 2025 and listed on the Dubai Financial Market on 28 May 2025. In accordance with Cabinet Decision No. 34 of 2025 and Ministerial Decision No. 96 of 2025, the REIT has met the criteria to qualify for REIT exemption from 28 May 2025 and obtained confirmation of exemption from Corporate Tax effective 1 May 2025. Further, the Wholly Owned Subsidiaries of the REIT are expected to be exempt under Article 4(1)(h) of the CT Law from 28 May 2025. The Fund Manager's management believes that the approval will be granted as the Wholly Owned Subsidiaries of the REIT have met all criteria stipulated by the federal tax authority and therefore have not recorded any corporate tax related adjustments in these consolidated financial statements from the earliest period presented.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Calculation of loss allowance

The Group assesses the impairment of its financial assets based on the ECL model. Under the ECL model, the Group accounts for ECLs and changes in those ECLs at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. The Group measures the loss allowance at an amount equal to lifetime ECL for its financial instruments.

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. There has been no change in the estimation techniques or significant assumptions made in assessing the ECL during the current year.

(b) Valuation of investment property

The Group engaged external, independent, and qualified valuers to determine the fair value of the Group's investment properties for each year end presented i.e., as at 31 December 2025 and 2024. At the end of each reporting year, management updates its assessment of the fair value of each property, taking into account the most recent independent valuations. Management determines a property's value within a range of reasonable fair value estimates.

A summary of the valuation technique adopted by the external independent valuer for determining the fair value of the investment properties have been explained and outlined in Note 7.

Management of the Group has reviewed the assumptions and methodology used by the independent registered valuer and in their opinion these assumptions and methodology seem reasonable as at the reporting date considering the current economic and real estate outlook in UAE.

4.0 FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest/profit rate risk, cash flow interest/profit rate risk and price risk), credit risk and liquidity risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Risk Management function of the fund manager under policies and framework approved by the Board of Directors of the REIT. The Risk Management function, in accordance with approved ERM Policy and Framework, coordinates and facilitates risk identification and assessment processes, monitors key risks against the approved risk appetite and tolerance, and consolidates risk reporting, working in close cooperation with management of the fund manager. The Board of Directors has established written principles and policies for overall risk management and approved risk tolerance for specific risks including market, credit and liquidity related risks.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. The Ultimate Parent Company has set up a policy to require Group companies to manage their foreign exchange risk against their functional currency. However, the Group has no

significant exposure to foreign exchange risk as majority of its transactions are in the respective functional currencies of the Group companies, which is AED.

(ii) Price risk

Price risk arises from changes in fair value of equity instruments. The Group is not exposed to any price risk as it does not have any equity securities or similar assets.

(iii) Cash flow and fair value interest/profit rate risk

The Group is exposed to interest/profit rate risk on its interest/profit bearing assets and liabilities. Borrowings at variable rates expose the Group to cash flow interest/profit rate risk.

Based on the various scenarios, the Group manages its cash flow interest/profit rate risk by using floating-to-fixed interest/profit rate swaps. Such interest/profit rate swaps have the economic effect of converting borrowings from floating to fixed rates. Under the interest/profit rate swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating-rate amounts calculated by reference to the agreed notional amounts.

At 31 December 2025, if interest/profit rates on interest/profit bearing financial assets had been 200 basis points (2024: 200 basis points) higher/lower with all other variables held constant, profit for the year would have been AED 14,063,000 (2024: AED 11,123,000) higher/lower, mainly as a result of higher/lower interest/profit income.

In addition, at 31 December 2025 had the Group not entered in any interest/profit rate swap agreements, if interest/profit rates on borrowings had been 200 basis points (2024: 200 basis points) higher/lower with all other variables held constant, profit for the year would have been AED 31,702,000 (2024: AED 30,597,000) lower/higher, mainly as a result of higher/lower interest/profit expense.

(b) Credit risk

The Group is exposed to credit risk in relation to its monetary assets, mainly trade receivables and other receivables, derivatives, due from related parties and bank balances.

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. When such an event happens it is considered as a default event. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established policies under which each new customer is analysed for creditworthiness before Group's standard payment and service delivery terms and conditions are offered.

The credit review can include customer reputation, customer segmentation, business plans, bank references and external credit worthiness databases when available.

Derivative financial instruments and bank deposits are limited to high-credit-quality financial institutions. The Group has policies that limit the amount of credit exposure to any financial institution.

The credit quality of cash and bank balances at the balance sheet date can be assessed by reference to external credit ratings as illustrated in the table below:

Rating	2025	2024
	AED'000	AED'000
A1	697,856	860,317
A2	96,590	645,230
A3	142,533	462,925
	936,979	1,968,472

With respect to the credit risk arising from other financial assets of the Group, which comprise due from related parties, other receivables and deposits and financial assets at fair value through other comprehensive income, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these assets. The Group's exposure to credit risk arising from trade and other receivables is disclosed in Note 9.

(c) 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.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 3 months	Between 3 months and 1 year	Between 1 year and 5 years	More than 5 years
	AED'000	AED'000	AED'000	AED'000
At 31 December 2025				
Borrowings	17,053	54,636	1,823,332	-
Trade and other payables	487,497	-	6,316	-
Due to related parties	104,355	-	-	-
At 31 December 2024				
Borrowings	33,272	105,171	3,139,242	-
Trade and other payables	518,056	-	7,003	-
Due to related parties	675,453	-	-	-

4.2 Capital risk management

Under the term of a major borrowing facility, the Group is required to comply with certain covenants. Below are major financial covenants as required by the terms of the Group's facilities:

- Leverage for each relevant period not to exceed 5:1;
- Ratio of adjusted EBITDA to net finance charges in respect of any relevant period is at least 2:1;
- Minimum Tangible Net Worth in respect of any relevant period is at least AED 2,000,000,000; and
- The aggregate revenue, aggregate earnings before interest/profit, tax, depreciation and amortization (calculated on the same basis as EBITDA), and aggregate gross assets of the Guarantors at all times exceeds 80% of consolidated revenue, 80% of the adjusted EBITDA, and 80% consolidated gross assets, respectively, of the Group.
- The Group has complied with these covenants in line with the borrowing facility agreement at each reporting date.
- The Group's gearing ratio is as follows:

	2025	2024
	AED'000	AED'000
Total borrowings	1,585,084	2,582,247
Less: Cash and bank balances	(936,979)	(1,968,472)
	648,105	613,775
Total equity	22,046,804	19,589,794
Total capital	22,694,909	20,203,569
Gearing ratio	3%	3%

4.3 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 fair value of financial instruments traded in active markets is based on quoted market prices at the consolidated balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price and are included in level 1. The Group did not hold any Level 1 financial instruments as at 31 December 2025 and 2024.

The fair value of financial instruments that are not traded in an active market is based on valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, these instruments are included in level 2. All derivative financial instruments held by the Group have been categorised as level 2 as shown below, where the fair valuation of such instruments has been determined based on discounting future cash flows using observable discount factors. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. There is no change in the valuation technique in comparison to prior years.

If one or more of the significant inputs is not based on observable market data, these instruments are included in level 3.

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2025 and 2024:

	Note	Level 2	Level 3
		AED'000	AED'000
As at 31 December 2025			
Assets			
Investment property	7	-	23,538,000
Derivatives designated as cash flow hedges	8	4,958	-

	Note	Level 2 AED'000	Level 3 AED'000
As at 31 December 2024			
Assets			
Investment property	7	-	21,633,000
Derivatives designated as cash flow hedges	8	19,558	-

There were no transfers between the levels for recurring fair value measured during the year.

The carrying value of trade receivables and other receivables, due from related parties, cash and bank balances, trade and other payables, borrowings and due to related parties are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest/profit rate that is available to the Group for similar financial instruments.

5. PROPERTY AND EQUIPMENT

	Note	Building interior improvements, furniture and fixtures AED'000	Computer hardware AED'000	Capital work in progress AED'000	Total AED'000
At 31 December 2025					
Cost		16,634	2,287	2,151	21,072
Accumulated depreciation		(2,718)	(1,019)	-	(3,737)
Net book amount		13,916	1,268	2,151	17,335

Movement in net book amount

At 1 January 2025					
Additions		428	-	127	555
Charge for the year	21	(910)	(132)	-	(1,042)
At 31 December 2025		13,916	1,268	2,151	17,335

	Note	Building interior improvements, furniture and fixtures AED'000	Computer hardware AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
At 31 December 2024						
Cost		16,206	2,287	218	2,024	20,735
Accumulated depreciation		(1,808)	(887)	(218)	-	(2,913)
Net book amount		14,398	1,400	-	2,024	17,822

Movement in net book amount

At 1 January 2024						
Additions		687	1,330	-	739	2,756
Charge for the year	21	(784)	(268)	-	-	(1,052)
Cost adjustment		(1,240)	-	-	-	(1,240)
Transfer to intangible assets - net	7	-	(1,390)	-	-	(1,390)
Disposal		(516)	(347)	(445)	-	(1,308)
At 31 December 2024		14,398	1,400	-	2,024	17,822

The depreciation charge for the year is recognised under general and administrative expenses amounting to AED 1,042,000 (2024: AED 1,052,000) (Note 21).

6.0 INTANGIBLE ASSETS

	Note	Computer software AED'000	Others AED'000	Total AED'000
At 31 December 2025				
Cost		15,973	5,773	21,746
Accumulated amortisation		(15,973)	(4,462)	(20,435)
Net book amount		-	1,311	1,311
Movement in net book amount				
At 1 January 2025				
Charge for the year	21	-	(1,217)	(1,217)
At 31 December 2025		-	1,311	1,311

	Note	Computer software AED'000	Others AED'000	Total AED'000
At 31 December 2024				
Cost		15,973	5,773	21,746
Accumulated amortisation		(15,973)	(3,245)	(19,218)
Net book amount		-	2,528	2,528
Movement in net book amount				
At 1 January 2024				
Additions		120	1,877	1,997
Transfers from / (to) property and equipment	5	1,409	(19)	1,390
Charge for the year	21	(1,529)	(1,474)	(3,003)
At 31 December 2024		-	2,528	2,528

The amortisation charge for the year is recognised under general and administrative expenses amounting to AED 1,217,000 (2024: AED 3,003,000) (Note 21).

7.0 INVESTMENT PROPERTY

	Note	AED'000
At 1 January 2025		
Additions		162,229
Net gain on fair valuations		1,742,771
At 31 December 2025		23,538,000
At 1 January 2024		
*Transfer of investment property from related parties	10(c)	224,306
Additions		183,827
Net gain on fair valuations		1,545,567
At 31 December 2024		21,633,000

*This includes AED 223,329,000 relating to investment property transferred from Meydan.

Nature, type, segment classification, occupancy rates and fair value of real estate assets and investments:

All investment properties presented below are located within Dubai, United Arab Emirates, and comprise land and buildings held to generate rental income. The table below summarises the segment classification, occupancy rates and fair values.

a) Premium segment:

Property name	Fair value	Year-to-date average occupancy rate		
	2025 AED'000	2024 AED'000	2025 %	2024 %
Bluewaters	938,000	784,000	95.0	89.1
Citywalk	1,294,500	1,181,000	98.5	98.1
Nad Al Sheba Villas	1,370,000	1,269,000	99.4	95.6
	3,602,500	3,234,000	98.4	95.4

b) Community segment:

Property name	Fair value		Year-to-date average occupancy rate	
	2025 AED'000	2024 AED'000	2025 %	2024 %
Al Barsha	214,000	207,000	100	98.9
Badrah	287,000	223,000	98.8	97.7
Dubai Wharf 1	220,000	188,000	100	100
Dubai Wharf 2 and 3	108,000	93,000	98.6	100
Dubai Wharf 4	144,000	124,000	100	100
Garden Apartments	760,000	643,000	96.0	88.7
Garden View Villas	1,090,000	1,006,000	99.4	98.4
Ghoroob	1,846,000	1,752,000	99.8	99.9
Ghoroob External	44,000	46,000	100	100
Layan	881,000	826,000	99.6	99.8
Manazel Al Khor	216,000	197,000	98.7	92.4
Meydan Heights - Residential	17,000	15,000	95.5	95.5
Meydan Residence 1	205,000	194,000	98.5	97.5
Remraam	979,000	904,000	99.8	99.9
Shorooq	2,202,000	2,140,000	99.7	99.9
The Gardens	3,287,000	2,816,000	94.9	98.5
	12,500,000	11,374,000	98.3	99.0

Nature, type, segment classification, occupancy rates and fair value of real estate assets and investments: (continued)

c) Affordable segment:

Property name	Fair value		Year-to-date average occupancy rate	
	2025 AED'000	2024 AED'000	2025 %	2024 %
Al Khail Gate Internal	106,000	97,000	100	100
Al Khail Gate 1	1,406,000	1,333,000	98.7	98.8
Al Khail Gate 2	2,409,000	2,244,000	99.3	92.9
Al Khail Tower	29,000	28,000	100	84.2
International City	1,904,000	1,699,000	99.1	97.4
	5,854,000	5,401,000	99.1	96.2

d) Corporate housing segment

Property name	Fair value		Year-to-date average occupancy rate	
	2025 AED'000	2024 AED'000	2025 %	2024 %
Al Qouz New	93,000	75,000	97.6	63.3
Al Qouz North	94,500	78,000	99.9	100
Al Qouz South	88,500	73,000	99.9	100
Nuzul	180,000	135,000	99.9	99.5
	456,000	361,000	99.5	93.1

e) Others segment:

Property name	Fair value		Year-to-date average occupancy rate	
	2025 AED'000	2024 AED'000	2025 %	2024 %
Bluewaters SA 2 Retail	34,000	43,000	-	-
Citywalk Retail	28,500	27,000	100	82.4
Garden Apartments – Retail*	46,000	59,000	100	100
International City – Retail*	924,000	1,058,000	88.7	95.2
Layan -Retail*	6,000	4,000	100	100
Meydan – Retail 1*	24,000	20,000	82.2	82.1
Meydan Heights Retail Centre*	46,000	46,000	74.9	75.7
North Camp Retail*	7,500	-	97.3	-
Shorooq – Retail*	6,000	6,000	95.0	100
South Camp Retail*	3,500	-	94.0	-
	1,125,500	1,263,000	88.4	94.3

*These properties do not have separate title deeds and therefore the values are provided as an apportionment of the market value.

North Camp Retail and South Camp Retail are included in portfolio effective 1 January 2025.

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

	Note	2025 AED'000	2024 AED'000
Operating lease income	18	1,943,815	1,781,867
Direct costs arising from investment property that generated rental income (excluding payroll and related costs)	19	(404,496)	(486,989)
Net gain on fair valuation		1,742,771	1,545,567

Valuation techniques underlying management's estimation of fair value

The following is a summary of the valuation technique adopted by the external independent valuer for determining the fair value of the investment properties:

Property category	Valuation method	Significant unobservable inputs
Buildings/ Compounds	Income approach or Discounted Cash Flows (DCF) approach: The property is valued by discounting the expected future net income for a holding period at an appropriate discount rate to produce a Present Value (PV) of expected cash flows. This method includes discounting the forecast disposal price/ exit value at the end of the cash flow period, by applying an exit yield to the forecast 6th year income, after a 5-year holding period. The sum of these discounted income streams is the fair market value.	Estimated rental rates, Let-up period, Growth rates, Project discount rate and Capitalisation rate/yield
	RERA rental caps, market rents and market rental growth rates are projected over the 5-year holding period and applied to the income stream whenever current leases end. Vacant units are leased at market rents in accordance with the market.	
Individual units / Unit titles	Market approach or Comparable approach: This approach entails benchmarking and analysis of comparable transactions, bids and asking prices, where available, for similar apartments, villas, townhouses and land plots. These values are adjusted for differences in key attributes such as size, gross floor area and location.	Discount applied in the market for tenanted properties

The valuation method adopted for these land plots fall under level 3. There were no changes to the valuation techniques during the year.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Buildings / Compounds – Estimated rental rates, Let-up period, Growth rates, Project discount rate and capitalization rate / yield are estimated by the independent valuers based on comparable transactions and industry data.
- Individual units / Unit titles – Discount applied in the market for tenanted properties is estimated by the independent valuers based on comparable transactions and industry data.

There were no changes to the valuation techniques during the periods presented.

For all investment properties valued under income approach or DCF approach, their current use approximately equates to the highest and best use. However, for investment properties valued under the market approach, their current use does not necessarily equate to the highest and best use.

The fair value measurement of investment properties valued using the income approach or DCF approach is sensitive to changes in:

- Estimaental rates (an increase in the input will increase fair value);
- Let-up period (an increase in the input will decrease fair value);
- Growth rates (an increase in the input will increase fair value);
- Project discount rate (an increase in the input will decrease fair value); and
- Capitalisation rate/yield (an increase in the input will decrease fair value).

For the income approach, there are interrelationships between the estimated rental rates, let-up period, growth rates, project discount rate, and capitalisation rate/yield. For example, an increase in the estimated rental rates may lead to a decrease in the capitalisation rate, and vice versa. An increase in the let-up period may lead to an increase in the project discount rate, and vice versa. An increase in the growth rates may lead to a decrease in the capitalisation rate, and vice versa. An increase in the project discount rate may lead to an increase in the capitalisation rate, and vice versa. These interrelationships may magnify or mitigate the effect of changes in the unobservable inputs on the fair value measurement.

In terms of investment properties valued using the comparable approach, the fair value measurement is sensitive to changes in the discounts applied in the market for tenanted properties derived from comparables. An increase in the discount applied would lead to a decrease in fair value.

As at 31 December 2025, there were no (2024: nil) investment properties that were pledged as securities against loans obtained by Group or any of its related parties.

8.0 DERIVATIVE FINANCIAL INSTRUMENTS

	Notional amount AED '000	Assets AED '000
At 31 December 2025		
Designated as cash flow hedges		
Interest/profit rate swap contracts	360,000	4,958
		4,958
Less: non-current portion		-
Current portion		4,958
<hr/>		
	Notional amount AED '000	Assets AED '000
At 31 December 2024		
Designated as cash flow hedges		
Interest/profit rate swap contracts	600,000	19,558
		19,558
Less: non-current portion		(19,558)
Current portion		-

Interest/profit rate swaps are commitments to exchange one set of cash flows for another. The swaps result in an economic exchange of interest/profit rates, no exchange of principal takes place.

These swap transactions entitle the Group to receive or pay amounts derived from interest/profit rate differentials between an agreed fixed interest/profit rate and the applicable floating rate prevailing at the beginning of each interest/profit period.

At 31 December 2025, the fixed interest/profit rates is 1.21% per annum (2024: 1.21% per annum). The floating rates are linked to Emirates Interbank Offered Rate ("EIBOR"). Changes in the fair market values of interest/profit 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 consolidated statement of income when the associated hedged transaction affects consolidated statement of income. There was no ineffectiveness to be recorded from the cash flow hedges in the current year. The change in fair values of interest/profit rate swaps designated as cash flow hedges for the year ended 31 December 2025 amounted to a loss of AED 14,600,000 (2024: loss of AED 22,041,000).

During the current year, the interest/profit income on derivatives recognised in 'Finance costs - net' amounts to AED 14,984,000 (2024: AED 29,815,000) (Note 24).

As at 31 December 2025, derivative financial instruments include interest/profit rate swaps entered into with a related party financial institution with a fair value of AED 2,538,000 (2024: AED 7,302,000).

9.0 TRADE AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Trade receivables	306,087	265,510
Less: loss allowance	(256,549)	(249,886)
	49,538	15,624
Unbilled receivables	10,480	5,114
Less: loss allowance	(4,609)	(4,609)
	5,871	505
Advances to contractors	4,265	34,163
Prepayments	5,935	6,222
Other receivables	4,477	11,984
	70,086	68,498
Less: non-current portion	-	-
Current portion	70,086	68,498

The fair values of trade and other receivables approximate their carrying amounts. The fair values are within level 3 of the fair value hierarchy.

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.

The Group has a broad base of customers with no concentration of credit risk within trade receivables at 31 December 2025 and 2024.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable.

	2025 AED'000	2024 AED'000
Trade receivables and unbilled receivables		
Not past due	10,480	5,114
Up to 3 months	57,804	20,390
3 to 6 months	9,277	16,744
Over 6 months	239,006	228,376
	316,567	270,624

	2025 AED'000	2024 AED'000
Loss allowance against trade receivables and unbilled receivables		
Not past due	4,609	4,609
Up to 3 months	10,655	13,244
3 to 6 months	7,017	8,266
Over 6 months	238,877	228,376
	261,158	254,495

The provision against not past due receivables reflect loss allowance against specific customers considered having a higher probability of default.

The movement in the Group's loss allowance on trade and unbilled receivables is as follows:

	Note	2025 AED'000	2024 AED'000
At 1 January		254,495	247,064
Charge for loss allowance on trade and unbilled receivables		7,722	7,427
Transfer (to) / from related party	10(c)	(1,059)	4
At 31 December		261,158	254,495

During the current year, the Group recognised provision for loss allowance on other receivables amounting to AED 400,000 (2024: Nil).

The creation and release of the loss allowance on receivables have been included in the consolidated statement of income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The Group's trade and other receivables are denominated in AED.

10.0 RELATED PARTY BALANCES AND TRASACTIONS

Related parties include the Ultimate Parent Company, Parent Company, key management personnel, and other subsidiaries of the Parent Company (fellow subsidiaries) and businesses, which are controlled directly by key management personnel. The related party transactions and balances arise in the normal course of business primarily on sale and purchase of goods and services and loan and treasury arrangements.

(a) Due from related parties

The receivables are classified as current, receivable on demand, unsecure in nature and bear no interest/profit. The maximum exposure to credit risk at the reporting date is the carrying value of each of the amount receivable from related parties.

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

Due from and due to related party balances are offset and the net amount is reported in the consolidated balance sheet 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.

	2025 AED'000	2024 AED'000
Fellow subsidiaries	1,055	23,717
Others	669	-
	1,724	23,717

(b) Due to related parties

The payables to related parties are classified as current, payable as per contract and unsecured in nature. These arise mainly from purchase of services and are non-interest/profit bearing.

	2025 AED'000	2024 AED'000
Fellow subsidiaries	99,355	674,059
Ultimate Parent Company	2,269	-
Others	2,731	1,394
	104,355	675,453

(c) Related party transactions

Transactions with related party entities

During the year, the Group entered into the following significant transactions with related parties:

	Note	2025 AED'000	2024 AED'000
Fellow subsidiaries			
Operation and maintenance costs		89,964	55,509
Management fee expense		83,448	-
Cost recharges from fellow subsidiaries		56,040	128,089
Operating lease income		44,486	48,870
Expenses recharged by fellow subsidiaries		20,287	37,031
Transfer of end of service benefits (to) / from related parties	16	(11,038)	2,366
Transfer of loss allowance (to) / from related party	9	(1,059)	4
Office rent	21	927	-
Funds transferred from a related party		-	635,838
Transfer of investment property from fellow subsidiaries	7	-	224,306
Unwinding of net related party balances		-	115,705
Other related parties			
Operation and maintenance costs		35,427	79,856
Finance income from derivative financial instruments		5,784	11,459
Operating lease income		733	800
Finance income from cash and bank balances		-	16,545
Finance cost and other bank charges on bank borrowings		-	31,880

During the previous year, the Group settled net payable balances with related parties in the form of capital contribution from the Parent Company amounting to AED 602,472,000.

During the previous year, an amount of AED 1,221,000,000 receivable from the Parent Company was settled through dividend (Note 17).

The Group is managed by the Parent Company and accordingly, no remuneration is paid to key management personnel.

11.0 CASH AND BANK BALANCES

	2025	2024
	AED'000	AED'000
Cash at bank		
- Current account	233,817	988,837
- Fixed deposits	703,162	979,635
	936,979	1,968,472

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

	2025	2024
	AED'000	AED'000
Cash and bank balances	936,979	1,968,472
Less: fixed deposits with maturities greater than three months	-	(831,635)
	936,979	1,136,837

Bank accounts are held with locally incorporated banks. Fixed deposits carry interest/profit in the range of 3.35% to 4.15% per annum (2024: 4.5% to 5.35% per annum). At 31 December 2025, cash and bank balances include AED 37,231,000 (2024: AED 640,263,000) held with a related party financial institution.

12.0 UNIT CAPITAL

On 23 May 2025, the total recognised and issued unit capital of the Fund is 13,000,000,000 units of AED 0.1 each.

All units were fully paid-up. As part of capital reorganisation, share capital and contributed capital amounting to

AED 300,000 and AED 2,560,134,000, respectively, were derecognised and net impact was realised by transferring the same to the retained earnings of the Group amounting to AED 1,260,434,000.

13.0 LEGAL RESERVE

In accordance with the Companies Law and Articles of Association, 5% of the profit for the year of each UAE limited liability registered company are transferred to a legal 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 subsidiaries of the Fund since there is no requirement to maintain legal reserve for the Fund.

14.0 TRADE AND OTHER PAYABLES

	2025	2024
	AED'000	AED'000
Trade payables	26,629	71,766
Accrued expenses	212,767	212,392
Refundable deposits	144,028	143,344
Retentions payable	34,747	52,068
Project payables	26,332	11,271
Other payables	49,310	34,218
	493,813	525,059
Less: non-current portion	(6,316)	(7,003)
Current portion	487,497	518,056

15.0 BORROWING

	2025	2024
	AED'000	AED'000
Bank borrowings	1,600,000	2,600,000
Unamortised transaction costs	(14,916)	(17,753)
Carrying amount	1,585,084	2,582,247

As at 31 December 2025, all bank borrowings are due after more than twelve months and are therefore, classified as non-current liabilities.

The movement in the Group's borrowings is as follows:

	2025	2024
	AED'000	AED'000
At 1 January	2,582,247	1,345,280
Repayments	(1,000,000)	(1,360,000)
Capitalization of transaction costs	(1,091)	(18,365)
Amortisation of transaction costs	3,928	15,332
Proceeds from borrowings	-	2,600,000
At 31 December	1,585,084	2,582,247

The Group has not had any defaults of principal, interest/profit or redemption amounts during the years on bank financing and has complied with the covenants required under the terms of the facilities. During the year, finance rates on the above bank borrowings ranged from 4.57% to 5.38% (2024: 5.38% to 6.99%) per annum.

On 8 November 2024, Dubai Residential LLC, a subsidiary of the Group entered into a five-year revolving facility financing agreement with Abu Dhabi Commercial Bank PJSC, Dubai Islamic Bank PJSC, and Mashreq Bank PJSC (the "Financing Agreement") to refinance a facility that was previously entered into by Dubai Residential LLC on 26 June 2019 with Emirates NBD Capital Limited and Dubai Islamic Bank PJSC.

In accordance with the Financing Agreement, Dubai Residential LLC utilized the facility under the new agreement to pay in full the outstanding amount owed under the previous facility agreement, in addition to fees, costs and expenses incurred and due from the Group to the respective banks before the effective date of the Financing Agreement. The remaining balance is intended to be used for general corporate purposes.

The new facilities comprise an:

- AED 2,423,000,000 conventional revolving credit facility for a term of 5 years provided by a syndicate of commercial banks, with a floating interest rate based on EIBOR plus 80 basis points, repayable in a lump sum on maturity; and
- AED 1,250,000,000 Islamic financing facility for a term of 5 years subject to a floating profit rate based on EIBOR plus 80 basis points, repayable in full on maturity.

On account of the refinancing, the Group derecognised the existing liability which resulted in the release of unamortised issue costs of AED 14,720,000 in finance cost in previous year. The unamortised issue costs incurred on the new facility, amounting to AED 19,456,000 are amortised over the term of the new facility, of which the unamortised portion as of 31 December 2025 is AED 14,916,000 (2024: AED 17,753,000).

As at 31 December 2025, the Group has undrawn floating rate borrowing amounting to AED 2,073,000,000 (2024: AED 1,073,000,000) from the above facilities.

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 31 December 2025.

Total borrowings of AED 1,600,000,000 (2024: AED 2,600,000,000) are subject to re-pricing within three months of the reporting date.

The maturity profile of the borrowings is as follows:

	2025	2024
	AED'000	AED'000
Within one year	-	-
After one year but not more than five years	1,600,000	2,600,000
More than five years	-	-
	1,600,000	2,600,000

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant. The borrowings is denominated in AED.

As at 31 December 2025, the Group had no borrowings obtained from related party financial institutions (2024: Nil).

16.0 EMPLOYEES' END OF SERVICE BENEFITS

The movement in provisions for employees' end of service benefits is as follows:

	Note	2025 AED'000	2024 AED'000
At 1 January		10,880	8,396
Charge during the year	23	385	470
Transfer (to) / from related parties	10(c)	(11,038)	2,366
Payments during the year		(227)	(352)
At 31 December		-	10,880

17.0 DIVIDENDS

On 5 August 2025, the Board of Directors has approved an interim cash dividends of AED 550,000,000 (AED 0.04 per unit) which had been paid in September 2025. During the previous year, dividends amounting to AED 1,221,000,000 (AED 0.09 per unit) were approved by the shareholders of the Company and have been adjusted against the balance receivable from the Parent Company [Note 10(c)].

18.0 REVENUE

	2025 AED'000	2024 AED'000
Operating lease income	1,943,815	1,781,867
Revenue from contracts with customers		
Service charges	9,659	10,944
	1,953,474	1,792,811

Operating lease income and service charges are presented net of forfeited income amounting to AED 4,502,000 and AED 20,000, respectively, in accordance with the guidance provided by the Internal Sharia Supervision Committee.

19.0 DIRECT COSTS

	Note	2025 AED'000	2024 AED'000
Operation and maintenance costs		404,496	424,338
Payroll and related costs	23	22,805	34,955
Cost recharges		-	62,651
		427,301	521,944

20.0 OTHER OPERATING INCOME

	2025 AED'000	2024 AED'000
Miscellaneous fees and charges	9,533	7,164

21.0 GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2025 AED'000	2024 AED'000
Payroll and related costs	23	24,624	44,223
Cost recharges		16,202	30,970
Information technology expenses		15,449	352
Legal and professional fees		5,350	1,498
Consultancy		4,625	3,292
Depreciation and amortization	5, 6	2,259	4,055
Rent	10(c)	927	-
Other administrative expenses		9,100	6,680
		78,536	91,070

22.0 MARKETING AND SELLING EXPENSES

	Note	2025 AED'000	2024 AED'000
Advertising		4,739	11,520
Payroll and related costs	23	2,777	5,245
Cost recharges		1,054	2,249
Other marketing expenses		6,597	2,636
		15,167	21,650

23.0 PAYROLL AND RELATED COSTS

	Note	2025 AED'000	2024 AED'000
Salaries and allowances		49,821	83,953
End of service benefits	16	385	470
		50,206	84,423
Payroll and related costs are split as follows:			
Direct costs	19	22,805	34,955
General and administrative expenses	21	24,624	44,223
Marketing and selling expenses	22	2,777	5,245
		50,206	84,423

24.0 FINANCE COSTS - NET

	Note	2025 AED'000	2024 AED'000
Finance costs on:			
Bank borrowings		(95,975)	(117,924)
Derivative financial instruments	8	14,984	29,815
Total finance costs		(80,991)	(88,109)
Finance income from:			
Short-term bank deposits		8,629	20,370
Bank balances		769	26,596
Total finance income		9,398	46,966

Finance income from short term bank deposits and bank balances are presented net of forfeited income amounting to AED 8,100,000 and AED 13,819,000 respectively, in accordance with the guidance provided by the Internal Sharia Supervision Committee.

25. FINANCIAL INSTRUMENTS BY CATEGORY

	Note	Financial assets at amortised cost AED'000	Financial assets at fair value through other comprehensive income AED'000	Total AED'000
At 31 December 2025				
Assets as per balance sheet				
Derivative financial instruments	8	-	4,958	4,958
Trade and other receivables	9	59,886	-	59,886
Due from related parties	10(a)	1,724	-	1,724
Cash and bank balances	11	936,979	-	936,979
Total		998,589	4,958	1,003,547

At 31 December 2024**Assets as per balance sheet**

Derivative financial instruments	8	-	19,558	19,558
Trade and other receivables	9	28,113	-	28,113
Due from related parties	10(a)	23,717	-	23,717
Cash and bank balances	11	1,968,472	-	1,968,472
Total		2,020,302	19,558	2,039,860

Note: Trade and other receivables exclude advances to suppliers and prepayments.

	Note	Financial liabilities at amortised cost AED'000	Total AED'000
At 31 December 2025			
Liabilities as per balance sheet			
Borrowings	15	1,585,084	1,585,084
Trade and other payables	14	491,682	491,682
Due to related parties	10(b)	104,355	104,355
Total		2,181,121	2,181,121

At 31 December 2024**Liabilities as per balance sheet**

Borrowings	15	2,582,247	2,582,247
Trade and other payables	14	524,750	524,750
Due to related parties	10(b)	675,453	675,453
Total		3,782,450	3,782,450

Note: Trade and other payables exclude value added tax payables.

26. EARNINGS PER UNIT

Basic earnings per unit amounts are calculated by dividing profit for the year attributable to ordinary unit holders of the Fund by the weighted average number of ordinary units outstanding during the year. As there are no dilutive instruments outstanding, basic and diluted earnings per unit are identical. The calculation of basic and diluted earnings per unit attributable to the owners of the Fund before change in fair value of investment property, and basic and diluted earnings per unit attributable to the owners of the Fund are based on the following data:

	Year ended 31 December	
	2025	2024
Earnings		
Earnings for the purpose of basic and diluted earnings per unit before change in fair value of investment property (profit for the year attributable to owners of the Fund before change in fair value of investment property) rounded to the nearest AED'000	1,278,839	1,116,741
Weighted average number of units:		
Weighted average number of ordinary units for the purpose of basic and diluted earnings per unit rounded to the nearest thousands	13,000,000	13,000,000
Basic and diluted earnings per unit attributable to Owners of the Fund before change in fair value of investment property rounded to the nearest Fils	0.10	0.09

	Year ended 31 December	
	2025	2024
Earnings		
Earnings for the purpose of basic and diluted earnings per unit (profit for the year attributable to owners of the Fund) rounded to the nearest AED'000	3,021,610	2,662,308
Weighted average number of units:		
Weighted average number of ordinary units for the purpose of basic and diluted earnings per unit rounded to the nearest thousands	13,000,000	13,000,000
Basic and diluted earnings per unit attributable to Owners of the Fund rounded to the nearest Fils	0.23	0.20

Since the Fund is incorporated on 23 May 2025 with 13,000,000,000 ordinary units, and application of predecessor accounting, the same have been considered as weighted average number of units for the purpose of earning per unit calculation for the year ended 31 December 2025 and 31 December 2024.

27.0 COMMITMENTS

(a) Capital commitments

The Group has capital commitments of AED 151,100,000 as at 31 December 2025 (2024: AED 68,163,000) for capital work related to building improvements included within investment property and Nil as at 31 December 2025 for property and equipment (2024: AED 90,000). These commitments represent the value of contracts issued as of 31 December 2025 and 31 December 2024, net of invoices received and accruals made at that date.

(b) Operating lease arrangements - the Group as lessor

Operating non-cancellable leases relate to the investment properties owned by the Group with lease terms of between one to six years. Future minimum rentals receivable under non-cancellable operating leases as at reporting date are as follows:

	2025	2024
	AED'000	AED'000
Within one year	999,170	750,138
After one year but not more than five years	131,569	179,827
More than five years	795	63
	1,131,534	930,028

28.0 SEGMENT REPORTING

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the Managing Director of Fund Manager and Investment Committee Chairman of the Fund that makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the Managing Director of Fund Manager and Investment Committee Chairman in making strategic decisions. Information reported to the Managing Director of Fund Manager and Investment Committee Chairman, as the chief operating decision maker, 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 are reported to the Managing Director of Fund Manager and Investment Committee Chairman.

The Group is organised into the following reportable segments based on the type of the leasing property: (i) Premium, (ii) Community, (iii) Affordable, (iv) Corporate Housing and (v) Others. The following describes the types of properties, products or services that fall within each of the reportable segments defined above:

- i. **Premium:** It includes premium developments in prime areas and lifestyle destinations, offering superior amenities and attractions.
- ii. **Community:** It includes family-friendly gated communities with specialized local retail centers and leisure / fitness facilities.
- iii. **Affordable:** It includes cost effective housing, providing value and accessibility.
- iv. **Corporate Housing:** It includes purpose-built properties for corporate and industrial staff.
- v. **Others:** It includes businesses that individually do not meet the criteria of a reportable segment.

The operating segments derive their revenue primarily from operating lease income. The Group operates only in Dubai, United Arab Emirates and accordingly no further geographical analysis of revenues, profit, assets and liabilities is given. Segment revenue reported represents revenue generated from external customers and there was no intersegment revenue.

Segment results represent the profit earned by each segment before interest/profit, and depreciation and amortisation.

The segment information for the operating segments for the year ended 31 December 2025 is as follows:

	Premium	Community	Affordable	Corporate Housing	Others	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	164,964	929,879	678,724	90,438	89,469	1,953,474
Direct costs*	(28,162)	(183,420)	(137,544)	(36,652)	(18,718)	(404,496)
Other operating income	528	7,299	2,830	(1,430)	306	9,533
Payroll and related costs	(4,194)	(23,866)	(18,674)	(2,352)	(1,120)	(50,206)
General and administrative*	(4,237)	(25,339)	(17,912)	(2,262)	(1,903)	(51,653)
Marketing and selling*	(777)	(6,792)	(4,001)	(476)	(344)	(12,390)
Management fee	(6,973)	(39,635)	(29,257)	(3,803)	(3,780)	(83,448)
Impairments and other gains - net	1,758	627	(4,078)	598	(7,028)	(8,123)
Segment results before interest/ profit and depreciation and amortisation	122,907	658,753	470,088	44,061	56,882	1,352,691
Depreciation and amortisation	(155)	(1,059)	(880)	(82)	(83)	(2,259)
Finance costs	-	-	-	-	(80,991)	(80,991)
Finance income	42	-	98	-	9,258	9,398
	122,794	657,694	469,306	43,979	(14,934)	1,278,839
Unallocated gain on fair value of investment property						1,742,771
Profit for the year						3,021,610

The segment information for the operating segments for the year ended 31 December 2024 is as follows:

	Premium	Community	Affordable	Corporate Housing	Others	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	144,828	854,791	626,643	81,857	84,692	1,792,811
Direct costs*	(38,844)	(221,445)	(160,758)	(41,736)	(24,206)	(486,989)
Other operating income	449	4,078	3,559	(922)	-	7,164
Payroll and related costs	(6,151)	(37,527)	(32,802)	(6,197)	(1,746)	(84,423)
General and administrative*	(2,641)	(19,839)	(15,217)	(2,390)	(2,705)	(42,792)
Marketing and selling*	(1,486)	(8,311)	(5,583)	(993)	(32)	(16,405)
Impairments and other gains - net	(542)	(182)	(8,608)	95	1,810	7,427)
Segment results before interest/profit and depreciation and amortisation	95,613	571,565	407,234	29,714	57,813	1,161,939
Depreciation and amortisation	(297)	(2,008)	(1,464)	(286)	-	(4,055)
Finance costs	-	-	-	-	(88,109)	(88,109)
Finance income	3,176	3,550	4,444	-	35,796	46,966
	98,492	573,107	410,214	29,428	5,500	1,116,741
Unallocated gain on fair value of investment property						1,545,567
Profit for the year						2,662,308

*Direct costs, general and administrative, and marketing and selling excludes payroll and related costs.

29.0 SUBSEQUENT EVENT

On 2 February 2026, the Board of Directors of the Fund proposed a final dividend for the year ended 31 December 2025 amounting to AED 550,000,000 (AED 0.04 per unit) to be approved by General Assembly.



The logo for Dubai Residential REIT is centered at the bottom of the page. It features the word "DUBAI" in a bold, white, sans-serif font. Above the letter "A" in "DUBAI" is a white, stylized chevron or arrow shape pointing upwards. Below "DUBAI" are the words "RESIDENTIAL" and "REIT" in a smaller, white, sans-serif font, stacked vertically.

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