ANAN INVESTMENT HOLDING PJSC
AND ITS SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2026

Anan Investment Holding PJSC and its Subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
As at and for the six months ended June 30, 2026

CONTENTS **PAGES**

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ANAN INVESTMENT HOLDING PJSC AND ITS SUBSIDIARIES

Report on Review of Interim Condensed Consolidated Financial Statements

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Anan Investment Holding PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”), comprising the interim consolidated statement of financial position as at 30 June 2026, and the related interim consolidated statements of profit or loss, other comprehensive income and the related statement of changes in equity and cash flows for the six-month period then ended and explanatory notes.

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting”.

Material Uncertainty Related to Going Concern

As stated in Note 2.2 to the interim condensed consolidated financial statements, for the six-month period ended 30 June 2026, the Group generated negative cash flows from operating activities of AED 89,312 thousand and, as of that date, the Group had accumulated losses of AED 62,730 thousand, and it had bank facilities of AED 473,066 thousand repayable on demand. These events and conditions indicate the existence of material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Notwithstanding this material uncertainty, the interim condensed consolidated financial statements of the Group have been prepared on a going concern basis given that the majority of shareholders have confirmed that they will continue to support the Group to meet its financial obligations as and when they fall due and given other factors as set forth in Note 2.2. Our conclusion is not modified with respect to this matter.

Other Matters

The comparative interim condensed consolidated financial statements for the six-month period ended 30 June 2025 and the comparative consolidated statement of financial position as at 31 December 2025 were reviewed and audited, respectively, by the predecessor auditor, who issued an unmodified conclusion dated 16 August 2025 and an unmodified opinion dated 31 March 2026, respectively, on the comparative information as originally reported.

As disclosed in Note 21, the comparative interim condensed consolidated financial statement for the six-month period ended 30 June 2025 has subsequently been restated by management. The predecessor auditor’s review conclusion did not cover the restated comparative information.

Forvis Mazars
Chartered Accountants -L.L.C

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فورفز مزارز محاسبون قانونيون ذ.م.م
Forvis Mazars Chartered Accountants LLC

Mohammed Abu Hijleh
Registered Auditor Number: 1010

12 August 2026
Abu Dhabi, United Arab Emirates

Forvis Mazars Chartered Accountants - L.L.C
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Anan Investment Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2026

	Notes	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited)
ASSETS			
Investment properties	3	2,345,008	2,345,008
Development properties	4	3,445,538	3,525,576
Cost to obtain contracts	4	148,871	170,142
Contract assets		603,573	346,074
Trade and other receivables	5	126,285	6,927
Cash and bank balances	6	199,279	288,591
TOTAL ASSETS		**6,868,554**	**6,682,318**
EQUITY AND LIABILITIES			
Equity			
Share capital		2,312,729	2,312,729
Legal reserve		12,216	12,216
Acquisition reserve		(755,909)	(755,909)
Foreign currency translation reserve		(23,592)	(23,592)
Accumulated losses		(62,730)	(96,402)
		1,482,714	**1,449,042**
Liabilities			
Provision for employees' end of service benefits	7	1,197	1,241
Bank borrowings	8	473,066	490,368
Other financial liabilities	9	275,658	372,716
Provisions and trade and other payables	10	2,587,857	1,821,884
Contract liabilities	11	2,038,690	2,516,220
Deferred tax liability	15	9,372	6,079
Due to related parties	16	-	24,768
		5,385,840	**5,233,276**
TOTAL EQUITY AND LIABILITIES		**6,868,554**	**6,682,318**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim condensed consolidated financial statements present fairly in all material respects the interim consolidated financial position, financial performance and cash flows of the Group.

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Mr. Salem Hadher Mubarak Hadher Almheiri

Chief Executive Officer

The accompanying notes 1 to 24 form part of these interim condensed consolidated financial statements.

Anan Investment Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the six months period ended June 30, 2026

		Six months ended	
			Restated*
		June 30, 2026	***June 30, 2025***
	Notes	***AED'000***	***AED'000***
		(Unaudited)	***(Unaudited)***
Revenue from contracts with customers		423,949	185,383
Direct costs		(268,593)	(158,472)
Gross profit		**155,356**	**26,911**
Selling, general and administrative expenses	*12*	(70,069)	(24,018)
Change in fair value of investment properties	*3*	-	44,200
Other income	*13*	10,001	1,891
Finance costs	*14*	(58,341)	(59,384)
Finance income		18	6
Profit/(loss) for the period before tax		**36,965**	**(10,394)**
Income tax	*15*	(3,293)	936
Profit/(loss) for the period		**33,672**	**(9,458)**
Earnings per share:			
Basic and diluted earnings per share (AED)	*17*	**0.015**	**(0.004)**

(*) Comparative figures have been restated. Refer to Note 21.

Anan Investment Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2026

		Six months ended	
	Notes	***June 30, 2026 AED'000 (Unaudited)***	***June 30, 2025 AED'000 (Unaudited)***
Profit/(loss) for the period		**33,672**	**(9,458)**
Other comprehensive income/(loss) for the period		**-**	**-**
Total comprehensive income/(loss) for the period		**33,672**	**(9,458)**

The accompanying notes 1 to 24 form part of these interim condensed consolidated financial statements.

Anan Investment Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2026

	Share capital	*Legal reserve*	*Acquisition reserve*	*Foreign currency translation reserve*	*Accumulated losses*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Balance at 1 January 2025 (audited) (restated)	2,312,729	7,456	(755,909)	(23,592)	(139,241)	1,401,443
Loss for the period (restated)	-	-	-	-	(9,458)	(9,458)
Other comprehensive (loss) for the period	-	-	-	-	-	-
Total comprehensive (loss) for the period					*(9,458)*	*(9,458)*
Balance at 30 June 2025 (unaudited)	**2,312,729**	**7,456**	**(755,909)**	**(23,592)**	**(148,699)**	**1,391,985**
Balance at 1 January 2026 (audited)	2,312,729	12,216	(755,909)	(23,592)	(96,402)	1,449,042
Profit for the period	-	-	-	-	33,672	33,672
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	**33,672**	**33,672**
Balance at 30 June 2026 (unaudited)	**2,312,729**	**12,216**	**(755,909)**	**(23,592)**	**(62,730)**	**1,482,714**

The accompanying notes 1 to 24 form part of these interim condensed consolidated financial statements.

Anan Investment Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months ended June 30, 2026

		Six months ended	
			Restated
		June 30,	***June 30,***
		2026	***2025***
	Notes	***AED'000***	***AED'000***
		(Unaudited)	***(Unaudited)***
Operating activities			
Profit/(loss) for the period before tax		36,965	(10,394)
Adjustments for:			
Fair value gain on investment properties	*3*	-	(44,200)
Provision for employees' end of service benefits		-	75
Finance income		(18)	(6)
Finance costs	*14*	58,341	59,384
		95,288	**4,859**
Changes in working capital:			
Trade and other receivables and contract assets		(133,640)	(196)
Development properties	*4*	(140,703)	(47,090)
Cost to obtain contracts	*4*	-	(51,269)
Advances from customers	*11*	53,334	119,481
Due to related parties	*16*	-	2,289
Provisions and trade and other payables	*10*	36,435	28,629
Cash (used in) /(generated from) operations		(89,286)	56,703
Employees' end of service benefits paid		(44)	(40)
Net cash flows from/(used in) operating activities		(89,330)	56,663
Financing activities			
Due to related parties		-	16,077
Finance income received		18	6
Net cash flows generated from financing activities		**18**	**16,083**
Net change in cash and cash equivalents		**(89,312)**	**72,746**
Cash and cash equivalents at the beginning of the period		288,553	169,866
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	*6*	**199,241**	**242,612**

(*) Comparative figure have been restated. Refer to Note 21

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Anan Investment Holding PJSC (the "Company") is a private joint stock company incorporated on December 21, 2008, and registered in Abu Dhabi, United Arab Emirates. The Company's shares are listed on the Abu Dhabi Securities Exchange.

The principal activities of the Company and its subsidiaries (collectively referred to as the "Group") are developing, investing in and managing real estate properties.

The registered address of the Company is P.O. Box 53351, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial statements include the financial performance and position of the Company and its subsidiaries as listed below (collectively the "Group").

Beneficial ownership:

Subsidiary	*Principal activities*	*2026*	*2025*	*Country of incorporation*
Arabian Hills Investment and Real Estate Development - Sole Proprietorship LLC	Real estate and master development	100%	100%	United Arab Emirates
Tasweek Real Estate Brokerage - Sole Proprietorship LLC	Real estate investment	100%	100%	United Arab Emirates
Tasweek (Malaysia) Sdn Bhd	Real estate investment	100%	100%	Malaysia
UAE Marketing Sdn Bhd	Real estate investment	100%	100%	Malaysia
Tasweek Pahang Sdn Bhd	Real estate investment	100%	100%	Malaysia
Anan services and project management llc spc (formerly Wahat Al Zaweya Services - Sole Proprietorship LLC)	Project management services	100%	100%	United Arab Emirates
Palma Real Estate development & investment LLC (formerly Oud & Misk Investment and Real Estate Development)	Real estate development and management	100%	100%	United Arab Emirates

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

This interim condensed consolidated financial statement for the six-month period ended 30 June 2026 has been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statement does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2025. In addition, the results for the six-month period ended June 30, 2026 may not be indicative of the results that may be expected for the financial year ending December 31, 2026.

The interim condensed consolidated financial statements has been prepared in United Arab Emirates Dirhams (AED), which is also the Company's functional currency, and all values are rounded to the nearest thousand except where otherwise indicated.

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

For the six-month period ended June 30, 2026, the Group had accumulated losses of AED 62,730 thousand and bank facilities amounting to AED 473,066 thousand that were repayable on demand due to breaches of loan repayment obligations (Note 8). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Group's ability to continue as a going concern is dependent upon its success in generating funds from future sales of properties under development and applying those funds toward the completion of its ongoing projects, while meeting its financial obligations as and when they fall due.

These interim condensed consolidated financial statements have been prepared on a going concern basis based on management's assessment of the Group's ability to continue as a going concern and after considering the following factors:

- During the period, the Group continued to implement its capital-raising strategy through a proposed capital increase of up to AED 350 million. Subsequent to the reporting date, in July 2026, the Group completed the capital increase and raised gross proceeds of AED 174.8 million, strengthening its capital base and liquidity position.

- The Group continued to progress its capital restructuring plan, including the proposed settlement of certain financial liabilities, trade payables and customer-related liabilities through the issuance of Mandatory Convertible Sukuk (MCS). Management expects the restructuring to reduce short-term liquidity pressures, improve working capital and strengthen the Group’s capital structure.

- As at 30 June 2026, the Group held cash balances in escrow accounts amounting to AED 188 million, representing customer collections available for payment to contractors in accordance with applicable regulations.

- The Group has awarded contracts to various contractors and subcontractors, and development activities across its projects continue to progress in line with management’s plans as at the date of approval of these interim condensed consolidated financial statements.

- Management remains confident in the Group’s ability to continue as a going concern. This assessment is supported by detailed budgets, projected cash flows and operational plans, which indicate that the Group will have sufficient resources to continue its operations and meet its obligations for at least twelve months from the date of approval of these interim condensed consolidated financial statements.

- The Group’s majority shareholders have confirmed that they will provide the necessary financial support to enable the Group to meet its obligations as they fall due and to continue operations sustainably for a period of at least twelve months from the date of the issuance of these interim condensed consolidated financial information.

Based on the above factors and management’s cash flow forecasts and operational plans, management considers the use of the going concern basis of accounting to remain appropriate. Nevertheless, the events and conditions described above indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (CONTINUED)

2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The following amendments apply for the first time in 2026 but do not have an impact on the interim condensed consolidated financial statements of the Group.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7
In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitutes 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Group's interim condensed consolidated financial statements.

Annual Improvements to IFRS Accounting Standards - Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed consolidated financial statements

Contracts Referencing Nature - dependent Electricity - Amendments to IFRS 9 and IFRS 7
In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in - scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows. The amendments had no impact on the Group's interim condensed consolidated financial statements.

New and amended IFRS Accounting Standards issued but not yet effective
The IASB has issued new standards and amendments that are not yet effective for the reporting period ended 30 June 2026 and have not been early adopted by the Group. These include IFRS 18 Presentation and Disclosure in Financial Statements, which introduces new requirements for presentation and disclosure in the financial statements, including specified subtotals in the statement of profit or loss, classification of income and expenses into defined categories and disclosures of management-defined performance measures. IFRS 18 also includes consequential amendments to other standards, including IAS 7 and IFRS 7. The Group is currently assessing the impact of IFRS 18 on the interim condensed consolidated financial statements.

Other new standards and amendments issued but not yet effective are not expected to have a material impact on the Group's interim condensed consolidated financial statements.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurement

All financial assets and liabilities are stated at amortized cost or historical cost except for investments in financial assets that are measured at fair value. The fair values of other financial assets and the financial liabilities are not materially different from their carrying values at the reporting date.

3. INVESTMENT PROPERTIES

The details of investment properties are as follows:

	Residential units *AED'000*	*Land under development* *AED'000*	*Total* *AED'000*
As at January 1, 2025	20,308	2,189,700	2,210,008
Change in fair value	-	135,000	135,000
As at December 31, 2025 (Audited)	**20,308**	**2,324,700**	**2,345,008**
Change in fair value	-	-	-
As at June 30, 2026 (Unaudited)	**20,308**	**2,324,700**	**2,345,008**

3.1 Land under development

Land under development comprises development land within the master community 'Arabian Hills' (previously 'Wahat Al Zaweya') located in Al Faqaa, Al Ain, UAE, to be developed mainly as residential units with the purpose of earning rentals in the future.

At 31 December 2025, the fair valuation of the land under development was performed by an external accredited independent valuer in accordance with RICS valuation standards using the residual value method. At 30 June 2026, management performed an internal assessment of the fair value of the land under development using the same valuation techniques as the external valuer. Considering current market conditions and project-specific factors, management determined that there was no material change in fair value compared to the valuation as at 31 December 2025. Consequently, no fair value gain or loss was recognized during the period (for the six months ended 30 June 2025: fair value gain of AED 44.2 million).

In assessing fair value, management considered estimated future development costs and other key assumptions consistent with the valuation methodology applied at 31 December 2025. Based on this assessment, management concluded that no material change in fair value was required at 30 June 2026.

The key valuation method used in the valuation of land under development is the residual value method with key inputs, which have been disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2025.

3.2 Residential units

Residential units comprise vacant residential apartments in Malaysia that are held for capital appreciation, which are mortgaged in favour of a bank in Malaysia against banking facilities. The fair valuation of these properties at the reporting date has been performed by management by reference to ask prices of similar properties in similar locations and conditions based on public information, as well as by reference to actual sales transactions entered into by the Group on these residential units up to the date of the issuance of these interim condensed consolidated financial statements. Based on its assessment of the property market in Malaysia, management believes that any difference between the carrying amounts of the properties at the reporting date and the expected future gains or losses is not expected to be material.

3.3 Restrictions and contractual obligations

The Group has no restrictions on the realisability of its investment properties, other than the properties that are pledged against bank borrowings. The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4. DEVELOPMENT PROPERTIES

Development properties comprise development land within the master community 'Arabian Hills' located in Al Faqaa, Al Ain, UAE, to be developed as plots of land mainly for residential sale and use as well as commercial units to serve the community.

The carrying amount of development properties comprises the initial cost of acquisition of land, cost of design and earth works, and infrastructure cost. Development properties are carried at the lower of the acquisition fair value of the land plus development costs, and the net realizable value.

The movement in development properties during the period is as follows:

	June 30, 2026 AED'000 (Unaudited)	***December 31, 2025 AED'000 (Audited)***
At the beginning of period/ year	3,525,576	3,663,618
Additions during the period/ year	151,205	206,753
Transferred to direct costs – net	(231,243)	(344,795)
At the end of period/ year	**3,445,538**	**3,525,576**

The Group expects to fund the completion of the master development from the instalments and advances from current buyers, future sales, bank facilities and shareholders' financial support.

Cost to obtain contracts

As at 30 June 2026, the Group had unamortised commissions paid to agents in connection with the sale of its development properties amounting to AED 148,871 thousand (31 December 2025: AED 170,142 thousand), which are classified as cost to obtain contracts in the interim condensed consolidated statement of financial position. These amounts are recognised in profit or loss as the related revenue from the sold properties is recognised, in accordance with the Group's accounting policies.

5. TRADE AND OTHER RECEIVABLES

	June 30, 2026 AED'000 (Unaudited)	***December 31, 2025 AED'000 (Audited)***
Trade receivable	113,778	243
Refundable deposits	681	681
Prepayments	1,510	1,054
Advances to suppliers	10,135	4,778
Other receivables	181	171
At the end of period/ year	**126,285**	**6,927**

Trade and other receivables are due within 12 months from the reporting date.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Cash in hand	448	268
Bank balances – current and Escrow accounts (1)	198,793	288,285
Bank balances – margin deposits (2)	38	38
Cash and bank balances	**199,279**	**288,591**
Less: margin deposits	(38)	(38)
Cash and cash equivalents	199,241	288,553

(1) As at 30 June 2026, an amount of AED 188,220 thousand (2025: AED 277,762 thousand) is held with banks for advances received from customers against sale of development properties which are deposited into Escrow accounts.

(2) Margin deposits represent non-interest-bearing deposits held with local banks against bank borrowings.

7. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Balance as at January 1	1,241	1,007
Provision provided during the period	-	274
Payments made during the period	(44)	(40)
Balance as at the end of the period/year	**1,197**	**1,241**

8. BANK BORROWINGS

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Term loan – local bank (8.1)	316,363	316,363
Term loan – foreign bank (8.2)	88,224	88,224
Murabaha facilities (8.3)	2,339	2,339
Accrued finance cost	66,140	83,442
Due within 12 months (on demand)	**473,066**	**490,368**

8.1 Term loan – local bank

The Group had obtained several term loan facilities during the years 2016 through 2019 from a local bank for the purpose of developing properties. In 2022, the loans were aggregated into a single term loan. As per the signed agreement with the bank, the loan is repayable over a period between 5 to 7 years on quarterly instalments, carrying variable interest rate of 6-month EIBOR plus 3.5% per annum (2025: 6-month EIBOR plus 3.5% per annum).

8. BANK BORROWINGS (CONTINUED)

8.1 Term loan – local bank (continued)

The Group had defaulted on payments of principal, and accordingly, on December 31, 2024, the entire balance of the term loan was classified as current liability repayable on demand. During the six-month period ended June 30, 2025, the Group signed an agreement with the bank and rescheduled the loan to be repaid in 41 monthly instalments commencing May 2025 for a total amount of AED 426 million including interest. During the period, an amount of AED 30 million was settled by way of a loan obtained from a third party, Al Ain Science & Technology University. No other repayment has been made to the bank against the loan, and accordingly, the loan continues to be classified as current liability repayable on demand. At the date of the issuance of these interim condensed consolidated financial statements, the Group is in discussions with the bank for the settlement of the overdue instalments.

8.2 Term loan – foreign bank

The Group obtained a term loan facility during 2017 from a foreign bank for the purpose of developing properties. As per the signed agreement with the bank, this loan is repayable over a period of 5 years on monthly instalments, carrying variable interest of LIBOR plus 5% per annum (2025: LIBOR plus 5% per annum). However, the Group did not make any payment to the bank on account that the bank ceased operations in 2020. Accordingly, the Group considers the balance to be repayable on demand and continues to accrue interest on the loan as per the contractual rate.

8.3 Murabaha facilities

The Murabaha facilities consist of four different loans with two Malaysian banks and carry interest ranging from 6.6% to 6.85% per annum (2025: 6.6% to 6.85%). These facilities are payable in monthly instalments and have maturities of eight to ten years. The Group has defaulted the payment of these facilities, and accordingly, has classified the facilities as current liabilities repayable on demand.

8.4 Securities

The above facilities are mainly secured by the following:

Term loans – local banks

- Guarantee amounting to nil (31 December 2025: AED 30 million) from Al Ain Science & Technology University;
- First degree mortgage on properties worth AED 578 million at the time of registration with the municipality;

Term loan – foreign bank

- Restriction on the sale, mortgage and pledge of properties owned by a related party.

Murabaha facilities

- Mortgage of properties with a carrying amount of AED 20,308 thousand (2025: AED 20,308 thousand)
- Assignment of rentals of the mortgaged properties.
- Corporate guarantees from several related parties of the Group.

9. OTHER FINANCIAL LIABILITIES

The Group has obtained financing from related parties and a third party for the purpose of making refunds against court orders (Note 19.3). The details of these financing arrangements are as follows:

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Due after 12 months		
Project financing from a third party (1)	-	97,058
Project financing from a previous related party (2.1)	-	100,000
Due within 12 months		
Project financing from a third party (2.1)	100,000	-
Non-interest-bearing loan (2.2)	175,658	175,658
	275,658	**372,716**

1. In March 2024, the Group entered into a project financing agreement under which the Group received AED 50 million in cash to be used for the development of one of the Group's projects and whereby the Group will repay an amount of AED 150 million after 3 years. The proceeds from this transaction have been recognized as a financial liability at amortized cost, which is being amortized over 3 years at the implicit interest rate of 38.06% compounded monthly.
The Group will also be liable to pay a portion of the profit it will earn from the project if such profit is in excess of the agreed repayment amount. In the event that the Group is unable to settle the repayment amount after 3 years, the financing party will be eligible to receive the settlement through transfer of properties owned by the Group.

   Finance cost for the period related to this financing amounted to AED 16,277 thousand (2025: AED 13,628 thousand).

   During the period, the Group and the finance provider agreed to settle the outstanding obligation through an alternative settlement arrangement. Accordingly, the outstanding balance of AED 113.3 million, including accrued finance costs for the period, was reclassified from other financial liabilities to trade and other payables as at 30 June 2026.

2.1 In May 2024, the Group entered into a project financing agreement with Aylah Investment LLC, under which the Group received AED 100 million in cash to be used for the development of one of the Group's projects and whereby the Group will repay an amount of AED 165 million after 3 years. In addition, the Group entered into another contract with the same party and agreed to settle the interest on the financial liability by transfer of properties upon completion of their development. Management assessed that the interest that will accrue on the liability, in substance, constitutes periodic payments for the sale of development properties, and accordingly, such interest is being accrued for as advances from customers (Note 11). The proceeds from this transaction have been recognized as a financial liability at amortized cost, which are being amortized over 3 years at the implicit interest rate of 13.9% compounded on monthly basis.

   Finance cost for the period related to this financing amounted to AED 7,368 thousand (2025: AED 7,683 thousand) recognized as finance cost in profit or loss against advances from customers.

   During the period, the Group reclassified the project financing arrangement as a current liability in accordance with the repayment terms.

2.2 During 2024, the Group also obtained an interest-free short-term loan of AED 150 million from Aylah Investment LLC, repayable either in cash or through the transfer of assets in kind. AED 6.925 million was repaid during 2024, reducing the outstanding balance to AED 143 million at 31 December 2024.

   During 2025, the Group obtained additional funding of AED 33,003 thousand under the same financing relationship and repaid AED 0.420 million. There was no movement during the six-month period ended 30 June 2026.

10. PROVISIONS AND TRADE AND OTHER PAYABLES

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Trade payables (1)	1,417,608	567,149
Accrued project expenses	140,155	154,347
Provisions (2)	195,579	192,465
Provisions for compensation on legal cases	7,709	10,000
Provisions for onerous contracts (3)	754,253	802,004
Retentions payable	29,533	25,327
Dividend payable (4)	26,000	26,000
Other accruals and payables	17,020	44,592
	2,587,857	**1,821,884**
Less: due within 12 months	(1,863,136)	(817,415)
Due after 12 months	**724,721**	**1,004,469**

1. Includes AED 508 million reclassified from contract liabilities during the period. Refer to Note 11 for further details

2. The provisions mainly relate to management's estimate of potential claims from contractors, consultants and non-certified investors arising in connection with the Group's project activities.

3. The provisions for onerous contracts include provisions recognized for projects where the estimated total costs to complete the contractual obligations exceed the expected economic benefits, including the expected cash inflows, from those projects. The provision represents management's best estimate of the unavoidable costs expected to be incurred in fulfilling the Group's obligations under the relevant contracts and has been recognized in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

4. Dividend payable represents the 50% unpaid portion of dividends declared in 2019.

In the condensed interim consolidated statement of financial position, certain provisions have been included within "Trade and other payables" as management determined that separate presentation is not material to an understanding of the Group's financial position. The Group continues to recognize and measure provisions in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

11. CONTRACT LIABILITIES

Contract liabilities represent advances received on sale of plots of land to customers. These will be recognized as revenue when the recognition criteria for the sale are met as per the requirements of IFRS 15. The movement in the advances from customers during the period was as follows:

	June 30, 2026 AED'000 (Unaudited)	***December 31, 2025 AED'000 (Audited)***
As at January 1	2,516,220	2,491,606
Advances received from customers	72,698	223,706
Finance cost on advance from a related party	7,368	49,097
Finance cost on other financial liability	-	16,163
Refunds against court orders**	(19,365)	(14,499)
Transferred to revenue	(30,231)	(249,853)
Transfer to trade and other payables*	(508,000)	-
As at the end of the period/ year	**2,038,690**	**2,516,220**

*During the period, the Group reclassified AED 508 million from advances received from customers to trade and other payables as follows:

(1) AED 479.84 million relates to advances received from Ara Real Estate Development LLC under a previously executed plot sale arrangement. The arrangement has been cancelled during the six-month period ended 30 June 2026, and, accordingly, the amount held in the advances from customers has been classified to trade and other payables upon entering into an agreement to cancel the original sale agreement and settle the outstanding balances. The Group is currently in the process of negotiating the mechanism for the settlement of the outstanding balances with Ara Real Estate Development LLC.

(2) Further included is the cancellation of balance of AED 28.16 million pertaining to Dar Al Maarefa under a previously executed plot sale arrangement. The arrangement has been cancelled during the six-month period ended 30 June 2026, and, accordingly, the amount held in advances has been classified to trade and other payables upon entering into an agreement to cancel the original sale agreement and settle the outstanding balance. The Group is currently in the process of negotiating the mechanism for the settlement of the outstanding balance with Dar Al Maarefa.

** Refunds against court orders represent amounts to be reimbursed to customers for advances already paid, following the cancellation of the associated sale contracts as ordered by the court.

12. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	June 30, 2026 AED'000 (Unaudited)	***June 30, 2025 AED'000 (Unaudited)***
Staff costs	6,879	6,389
Professional fees	543	2,455
Legal compensation to customers	271	1,777
Office expenses	215	513
Plot transfer related expenses	5,000	-
Marketing and agents' fees	23,072	311
Bank charges	340	74
Selling expenses - sales commission	33,319	11,620
Other expenses	430	879
	70,069	**24,018**

13. OTHER INCOME

	June 30, 2026 AED'000 (Unaudited)	*June 30, 2025 AED'000 (Unaudited)*
Revenue from cancellations*	7,291	14
Other miscellaneous income	701	25
Admin fees income	2,009	1,852
	10,001	**1,891**

*Revenue from cancellations represents customer advances forfeited following contract cancellations due to payment defaults. Any revenue previously recognised on the related plots is reversed upon cancellation, and the amounts retained are recognised as other income.

14. FINANCE COSTS

	June 30, 2026 AED'000 (Unaudited)	*June 30, 2025 AED'000 (Unaudited)*
Interest expense on bank borrowings	12,679	14,429
Unwinding of interest on customer advances	29,385	23,644
Interest expense on other financial liabilities	16,277	21,311
	58,341	**59,384**

15. INCOME TAX

The major components of income tax are as follows:

	June 30, 2026 AED'000 (Unaudited)	*June 30, 2025 AED'000 (Unaudited)*
Current income tax:		
Current income tax charge	3,293	(936)
	3,293	**(936)**

The net deferred tax liability comprises the following:

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Revaluations of investment properties to fair value	17,699	17,699
Non-deductible finance costs carried forward	(3,688)	(3,688)
Losses available for offsetting against future taxable income	(4,639)	(7,932)
Net deferred tax liability	**9,372**	**6,079**

16. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the major shareholders, directors, key management personnel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties

	June 30, 2026 AED'000 (Unaudited)	*June 30, 2025 AED'000 (Unaudited)*
Entities under common control		
Consultancy fees	-	(1,375)
Rent expense	(191)	(180)
Finance cost on other financial liability recognized as advance from customer	(7,368)	(7,683)
Finance cost on customer advances	-	(23,644)

Related party balances

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Due to related parties		
Entities under common control		
Bonyan International Investment Group Holding PSC*	-	23,211
Tabarak Commercial Investment LLC	-	1,557
	-	**24,768**

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Contract liabilities *(note 11)*		
Ara Real Estate Development LLC	-	453,027
Aylah Investment LLC	-	25,276

Dividends payable to the shareholders of the Group are disclosed in note 10.

* During the period, Bonyan International Investment Group Holding PJSC and ARA Real Estate Development L.L.C. ceased to be related parties of the Group. Accordingly, the outstanding balances with these entities are no longer presented as related-party balances and have been included within trade and other payables based on their nature.

Key management compensation
The remuneration of members of key management comprises short-term benefits of AED 3,708 thousand (2025: AED 721 thousand).

17. EARNINGS PER SHARE

Basic earnings per share for the period is calculated by dividing results for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the results for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments. As at June 30, 2026 and June 30, 2025, the Group did not have any dilutive instruments.

	June 30, 2026 AED'000 (Unaudited)	*June 30, 2025 AED'000 Restated (Unaudited)*
Profit/(loss) for the period attributable to the ordinary equity holders of the Company (AED'000)	33,672	(9,458)
Weighted average number of ordinary shares in issue ('000)	2,312,729	2,312,729
Basic and diluted earnings per share (AED)	**0.015**	**(0.004)**

18. SEGMENT REPORTING

The Group operates in the single reporting segment of developing, investing in and managing real estate properties. All the relevant information relating to this reporting/operating segment is disclosed in the interim consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and notes to the interim condensed consolidated financial statements.

IFRS Accounting Standards also require an entity to report its segment assets and revenue by geographical region. The majority of the activities of the Group are performed in the UAE.

There is no additional information required by IFRS 8 *Segment reporting* relevant to the Group as at and for the periods ended June 30, 2026 and 2025.

19. CONTINGENCIES AND COMMITMENTS

19.1 Capital expenditure commitments

Estimated capital expenditures contracted for at the reporting date but not provided for:

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Signed contracts for development properties (active contracts)	**1,815,669**	**1,956,136**

19.2 Sales commitments

	June 30, 2026 AED'000 (Unaudited)	*December 31, 2025 AED'000 (Audited)*
Total sales committed to customers	**3,262,525**	**3,595,378**

Sales commitments represent the total contracted consideration under signed sale agreements. Revenue is recognised over time as the related performance obligations are satisfied.

19. CONTINGENCIES AND COMMITMENTS (CONTINUED)

19.3 Legal cases

The Group is a defendant in a number of legal cases filed by customers, vendors and contractors in the ordinary course of business, mainly relating to delays in the Group's property development projects. Based on the legal opinions received from its legal advisors and the value of the claims, management believes that the provisions and liabilities recognised by the Group are sufficient to meet the obligations expected to arise from these legal cases.

During prior years, the Group settled a number of claims with customers and vendors, either directly or through the courts, and transferred funds to the courts for the settlement of certain ongoing cases. The remaining legal cases continue to be monitored by management based on the advice of its legal advisors.

19.4 Contingent Liability – Tax Penalty

In prior years, the Company identified that certain input VAT had been incorrectly claimed and submitted a voluntary disclosure to correct the relevant VAT returns. As at the reporting date, the tax authority has not issued any assessment or communication regarding any penalty that may be imposed in relation to the incorrect input VAT claims. Accordingly, no provision has been recognized, as the amount of any potential penalty cannot be measured reliably at the reporting date.

20. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets	***June 30, 2026 AED'000 (Unaudited)***	***December 31, 2025 AED'000 (Audited)***
Debt instruments at amortized cost		
Trade and other receivables	114,640	1,095
Cash and bank balances	199,279	288,591
Total financial assets realizable within 12 months	**313,919**	**289,686**

Financial liabilities	***June 30, 2026 AED'000 (Unaudited)***	***December 31, 2025 AED'000 (Audited)***
Interest-bearing loans and borrowings		
Bank borrowings	473,066	490,368
Other financial liabilities	275,658	372,716
	748,724	**863,084**

Financial liabilities at amortized cost	***June 30, 2026 AED'000 (Unaudited)***	***December 31, 2025 AED'000 (Audited)***
Trade and other payables	1,585,315	817,415
Due to related parties	-	24,768
	1,585,315	**842,183**
Total financial liabilities	2,334,039	1,705,267
Total due within 12 months	**2,028,847**	**1,508,209**
Total due after 12 months	**305,192**	**197,058**

21. IMPACT OF RESTATEMENT AND PRIOR YEAR ADJUSTMENTS

The comparative information for the six-month period ended 30 June 2025 has been restated to reflect the change in accounting policy for revenue recognition adopted in the Group's audited financial statements for the year ended 31 December 2025, under which revenue is recognized over time in accordance with IFRS 15 as the related performance obligation is satisfied over the development period.

The restatement had the following impact on the previous year interim condensed consolidated statement of profit or loss.

Impact on consolidated statement of profit or loss (increase/(decrease) in profit)

	Notes	*As previously reported AED'000*	*Prior period adjustments AED'000*	*As restated AED'000*
Revenue from contracts with customers		-	185,383	185,383
Direct costs		-	(158,472)	(158,472)
Gross Profit		-	26,911	26,911
Change in fair value of investment properties	*3*	44,200	-	44,200
Selling, general and administrative expenses	*12*	(12,398)	(11,620)	(24,018)
Other income		1,891	-	1,891
Finance costs	*14*	(59,384)	-	(59,384)
Finance income		6	-	6
Loss for the period before tax		**(25,685)**	**15,291**	**(10,394)**
Income tax	*15*	2,312	(1,376)	936
Loss for the period after tax		**(23,373)**	**13,915**	**(9,458)**

In addition, the Group assessed the presentation of bank balances held in escrow account and concluded that these balances meet the definition of cash and cash equivalents. Accordingly, an amount of AED 231,821 thousand previously excluded from cash and cash equivalents has been reclassified and included within cash and cash equivalents in the current interim consolidated restated comparatives.

The above restatement and reclassification of Escrow accounts have impacted the comparative interim consolidated statement of cash flows by decreasing the net cash flows used in operating activities for the six-month period ended 30 June 2025 by AED 80,818 thousand and increasing the balances of cash and cash equivalents at 30 June 2025 and 1 January 2025 by AED 231,821 thousand and AED 151,003 thousand, respectively.

22. EVENTS AFTER REPORTING PERIOD

According to the resolution passed at the General Assembly meeting held on 28 April 2026, the shareholders approved an increase in the Company's share capital. The capital increase became legally effective on 8 July 2026, and the Company's share capital was increased by AED 174.813 million through the issuance of 174,812,561 new ordinary shares at a nominal value of AED 1 per share.

23. SIGNIFICANT EVENTS

Regional geopolitical tensions that commenced on 28 February 2026 have continued during the period and resulted in increased uncertainty across the region. As at the date of approval of this interim condensed consolidated financial statement, management is not aware of any material adverse impact on the Group's operations, assets, or financial position. Management continues to monitor developments and assess any potential future implications on the Group.

24. APPROVAL OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements of the Group for the period ended 30 June 2026 was approved by the Board of Directors and authorised for issue on 12 August 2026.