Emaar Development PJSC and its Subsidiaries

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2025

Emaar Development PJSC and its Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
For the period ended 31 March 2025

Table of Contents

	Pages
Report on Review of Interim Condensed Consolidated Financial Statements	1 – 2
Interim Condensed Consolidated Statement of Comprehensive Income	3
Interim Condensed Consolidated Statement of Financial Position	4
Interim Condensed Consolidated Statement of Changes in Equity	5
Interim Condensed Consolidated Statement of Cash Flows	6
Notes to the Interim Condensed Consolidated Financial Statements	7 – 28

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

To the Shareholders of Emaar Development PJSC

Introduction

We have reviewed the accompanying 31 March 2025 interim condensed consolidated financial statements of Emaar Development PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the interim condensed consolidated statement of financial position as at 31 March 2025;
- the interim condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2025;
- the interim condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- the interim condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- notes to the interim condensed consolidated financial statements.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34, 'Interim Financial Reporting'. 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Maher AlKatout
Registration No.: 5453
Dubai, United Arab Emirates
Date: 14 May 2025

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2025 (Unaudited)

(US$ 1.00 = AED 3.673)

	Notes	***Three-month period ended***	
		31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Revenue	*4*	**5,024,312**	3,506,766
Cost of revenue	*4*	**(2,245,856)**	(1,618,570)
		2,778,456	1,888,196
GROSS PROFIT			
Selling, general and administrative expenses	*5*	**(379,722)**	(310,582)
Finance income	*6*	**304,189**	259,331
Finance cost	*7*	**(44,932)**	(91,067)
Other income		**37,457**	88,444
Share of results of joint ventures	*14*	**69,861**	24,542
PROFIT BEFORE TAX		**2,765,309**	1,858,864
Income tax expense	*8*	**(410,375)**	(164,991)
NET PROFIT FOR THE PERIOD		**2,354,934**	1,693,873
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**2,354,934**	1,693,873
Owners of the Company		**1,918,227**	1,293,406
Non-controlling interest		**436,707**	400,467
		2,354,934	1,693,873
Earnings per share attributable to the owners of the Company:			
-basic and diluted earnings per share (AED)		**0.48**	0.32

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Notes	*31 March 2025 AED'000 (Unaudited)*	*31 December 2024 AED'000 (Audited)*
		(US$ 1.00 = AED 3.673)	
ASSETS			
Bank and cash balances	9	29,845,428	23,569,621
Trade and unbilled receivables	10	10,257,064	11,457,373
Other assets, receivables, deposits and prepayments	11	6,203,781	6,091,832
Development properties	12	16,312,178	16,520,243
Loan to joint ventures	13	823,442	804,274
Investments in joint ventures	14	1,033,930	964,069
Property, plant and equipment		11,993	13,665
TOTAL ASSETS		64,487,816	59,421,077
LIABILITIES AND EQUITY			
Liabilities			
Trade and other payables	15	9,605,990	6,901,874
Advances from customers		21,440,370	19,210,472
Income tax payable	8	896,742	486,367
Retentions payable		1,269,252	1,176,424
Interest-bearing loans and borrowings	16	3,673	3,673
Provision for employees' end-of-service benefits		25,465	26,977
TOTAL LIABILITIES		33,241,492	27,805,787
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,000,000	4,000,000
Reserves	17	2,000,150	2,000,150
Retained earnings		21,582,745	22,388,418
		27,582,895	28,388,568
Non-controlling interests		3,663,429	3,226,722
TOTAL EQUITY		31,246,324	31,615,290
TOTAL LIABILITIES AND EQUITY		64,487,816	59,421,077

To the best of our knowledge, the interim condensed consolidated financial statements fairly present, in all material respects, the interim condensed consolidated financial position, results of operations and interim condensed consolidated cash flows of the Group as of, and for the period ended 31 March 2025.

Director

Director

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2025 (Unaudited)

	Attributable to the owners of the Company					
	Share capital AED'000	***Reserves AED'000***	***Retained earnings AED'000***	***Total AED'000***	***Non-controlling interests AED'000***	***Total equity AED'000***
Balance at 1 January 2025 *(Audited)*	**4,000,000**	**2,000,150**	**22,388,418**	**28,388,568**	**3,226,722**	**31,615,290**
Profit for the period	**-**	**-**	**1,918,227**	**1,918,227**	**436,707**	**2,354,934**
Total comprehensive income for the period	**-**	**-**	**1,918,227**	**1,918,227**	**436,707**	**2,354,934**
Director's bonus	-	-	**(3,900)**	**(3,900)**	**-**	**(3,900)**
Dividends declared to shareholders (note 22**)**	**-**	**-**	**(2,720,000)**	**(2,720,000)**	**-**	**(2,720,000)**
Balance at 31 March 2025 *(Unaudited)*	**4,000,000**	**2,000,150**	**21,582,745**	**27,582,895**	**3,663,429**	**31,246,324**

	Attributable to the owners of the Company					
	Share capital AED'000	*Reserves AED'000*	*Retained earnings AED'000*	*Total AED'000*	*Non-controlling interests AED'000*	*Total equity AED'000*
Balance at 1 January 2024 *(Audited)*	4,000,000	2,000,150	16,841,099	22,841,249	3,629,481	26,470,730
Profit for the period	-	-	1,293,406	1,293,406	400,467	1,693,873
Total comprehensive income for the period	-	-	1,293,406	1,293,406	400,467	1,693,873
Balance at 31 March 2024 *(Unaudited)*	4,000,000	2,000,150	18,134,505	24,134,655	4,029,948	28,164,603

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2025 (Unaudited)

		(US$ 1.00 = AED 3.673)	
	Notes	***1 January 2025 to 31 March 2025 AED'000 (Unaudited)***	*1 January 2024 to 31 March 2024 AED'000 (Unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**2,765,309**	1,858,864
Adjustments for:			
Share of results of joint ventures	*14*	**(69,861)**	(24,542)
Depreciation (*including right-of use assets)*	*5*	**2,023**	2,007
Provision for employees' end-of-service benefits, net		**(1,512)**	1,122
Finance costs	*7*	**44,932**	91,067
Finance income	*6*	**(304,189)**	(259,331)
Cash from operations before working capital changes		**2,436,702**	1,669,187
Trade and unbilled receivables		**1,240,553**	384,339
Other assets, receivables, deposits and prepayments		**(104,314)**	(147,108)
Development properties		**208,065**	(4,032,056)
Advances from customers		**2,217,040**	1,733,134
Trade and other payables		**(47,409)**	143,138
Retentions payable		**92,828**	73,248
Net cashflows from/(used in) operating activities		**6,043,465**	(176,118)
CASH FLOWS FROM INVESTING ACTIVITIES			
Finance income received		**256,310**	214,335
Loans repaid by joint ventures		**-**	36,000
Dividend received from joint venture	*14*	-	2,337
Amounts incurred on property, plant and equipment		**(351)**	(1,418)
Net cashflows from investing activities		**255,959**	251,254
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs paid		**(19,717)**	(30,301)
Director's bonus paid		**(3,900)**	-
Borrowings from Parent	*20*	**-**	5,220,000
Repayment of loans to Parent	*20*	**-**	(3,330,000)
Net cashflows (used in)/from financing activities		**(23,617)**	1,859,699
INCREASE IN CASH AND CASH EQUIVALENTS		**6,275,807**	1,934,835
Cash and cash equivalents at the beginning of the period		**23,569,621**	18,421,670
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	*9*	**29,845,428**	20,356,505

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

1 CORPORATE INFORMATION

The incorporation of Emaar Development PJSC (the "Company") as a Public Joint Stock Company was approved by the Securities and Commodities Authority according to Federal Law No.4 of 2000 on 20 November 2017 and the registration certificate was issued on 21 November 2017. The Company's registered office is at P.O. Box 9440, Dubai, United Arab Emirates ("UAE").

The Company is a subsidiary of Emaar Properties PJSC (the "Parent Company" or "Parent" or "Ultimate Parent"), a company incorporated in the UAE and listed on the Dubai Financial Market. The Company is also listed on the Dubai Financial Market. The Company and its subsidiaries constitute the Group (the "Group").

The principal activities of the Group are property development and development management services in the UAE.

The interim condensed consolidated financial statements were authorised for issue on 14 May 2025.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial statements of the Group for the period ended 31 March 2025 have been prepared in accordance with International Accounting Standard (IAS) 34: *Interim Financial Reporting* and applicable requirements of the UAE Federal Decree Law No. (32) of 2021

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements, except for the new standards, amendments and significant estimates and judgements adopted during the current period as explained below in notes 2.2 and 2.3.

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

The interim condensed consolidated financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of interim condensed consolidated financial statements on the basis described above requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which for the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Certain comparative amounts have been reclassified to conform to the presentation used in this interim condensed consolidated financial statements.

Results for the period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and the entities controlled by the Company as at 31 March 2025. Control is achieved where all the following criteria are met:

(a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);

(b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and

(c) the Group has the ability to use its power over the entity to affect the amount of the Company's returns.

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control (irrespective of percentage of shareholding), and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interest (NCI) are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Share of comprehensive income/loss within a subsidiary is attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group losses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences, recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in the interim condensed consolidated statement of comprehensive income; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to the interim condensed consolidated statement of comprehensive income or retained earnings, as appropriate.

Details of the Company's subsidiaries are as follows:

Subsidiaries	**Place of incorporation**	**Principal activities**	**Percentage of effective holding**
Dubai Hills Estate LLC	UAE	Property development	50%
Emaar Mina Rashid Development Owned By Emaar Development L.L.C	UAE	Buying, selling and development of real estate and leasing and management of self-owned property	100%
Mina Rashid Properties LLC*	UAE	Buying, selling and development of real estate	100%
Emaar Gardens LLC	UAE	Real Estate Development, Investment in Commercial Enterprises & Management	100%

**Also refer note 19.*

2.1 BASIS OF PREPARATION *(continued)*

Basis of consolidation *(continued)*

Joint ventures

Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities even if the shareholding is 50% or more.

The Group's investment in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are carried in the interim condensed consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture companies, less any impairment in value.

The interim condensed consolidated statement of comprehensive income reflects the Group's share of results of its joint ventures. Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of these interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities at the reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

The key judgments and estimates and assumptions that have a significant impact on the interim condensed consolidated financial statements of the Group are discussed below:

Judgments

Timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into, to provide real estate assets to customers, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognises revenue over time. Where this is not the case, revenue is recognised at a point in time.

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment, the Group assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 *Revenue from Contracts with Customers* whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the asset, that is the subject of the contract, is transferred to the customer. In the case of contracts to sell real estate assets, this is generally when the consideration for the unit has been substantially received and there are no impediments in the handing over of the unit to the customer. The title will be transferred to the customer only upon 100% collection, resulting in a low risk of default and loss thereof.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

Estimations and assumptions

Consolidation of a subsidiary

The Group has evaluated all the investee entities including special purpose entities to determine whether it controls the investee as per the criteria laid out by IFRS 10: *Consolidated Financial Statements*. The Group has evaluated, amongst other things, its ownership interest, the contractual arrangements in place and its ability and the extent of its involvement with the relevant activities of the investee entities to determine whether it controls the investee.

Split of real estate components

The interim condensed consolidated financial statements of the Group include certain assets, liabilities, income, expenses and cash flows which are allocated to the Group based on management assumptions and estimates. This mainly includes development properties, trade and other payables, retention payable, advance from customers and selling, general and administrative expenses. These are allocated based on evaluation by project consultant and management's best estimate of use of corporate resources by the Group.

Recognition of forfeiture income from sales cancellation

Upon termination or cancellation of contracts with customers, amounts received from customers become refundable subject to forfeiture clauses contained in the original sale contract documents and as per local real estate regulations. Forfeited amounts are carried as liability on the interim condensed consolidated statement of financial position upon cancellation/ termination of the contract. Amounts forfeited on cancelled/terminated property units (net of customer refunds, where applicable) are subsequently recognised in the Interim condensed consolidated statement of comprehensive income based on management's judgment on whether the Group expects any future / continuing association with the erstwhile customer whose amounts are being forfeited.

Measurement of progress when revenue is recognised over time

The Group has elected to apply the input method to measure the progress of performance obligations where revenue is recognised over time. The Group considers that the use of the input method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of the performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Group estimates the cost to complete the projects in order to determine the amount of revenue to be recognised.

Cost to complete the projects and Project cost accruals

The Group estimates the cost to complete of the projects and project cost accruals in order to determine the cost attributable to revenue being recognised. These estimates include the value attributable to work done till date, cost of providing infrastructure, potential claims by contractors as evaluated by the project consultant and the cost of meeting other contractual obligations to the customers.

Management reassessed the adequacy of project accruals when projects get fully completed, wherein final settlement is either obtained or management estimates no further contractor claims.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. The non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating a unit and chooses a suitable discount rate in order to calculate the present value of those cash flows.

Development properties are stated at the lower of cost and estimated net realisable value. The cost of work-in-progress comprises construction costs and other related direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less cost of completion and selling expenses.

2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

Estimations and assumptions *(continued)*

As at 31 December 2024, the external valuer report on the valuation of the Group's development properties has drawn attention to the fact that a combination of global inflationary pressures, higher interest rates and recent geopolitical events have heightened the potential for greater volatility in property markets over the short-to-medium term, requiring management to closely monitor the valuation and track how market participants respond to current market volatility.

Management has critically assessed asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported. Management will continue to closely monitor the impact of this evolving situation to assess its impact to the Group, if any.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the interim condensed consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

2.3 CHANGES IN THE ACCOUNTING POLICIES AND DISCLOSURES

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these interim condensed consolidated financial statements. The following new or amended standards that are adopted in annual periods beginning on 1 January 2025:

(a) New standards, interpretations and amendments adopted by the Group	**Effective date**
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

This amendment has no material impact on the interim condensed consolidated financial statements of the Group.

(b) Standards, amendments and interpretations in issue but not effective

The following amended standards and interpretations are not expected to have a significant impact on the Group's interim condensed consolidated financial statements:

Forthcoming requirements	**Effective date**
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards (IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS7)	1 January 2026
Contracts Referercing Nature-dependant Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Presentation and Disclosure in Financial Statements issued (IFRS 18) **	1 January 2027
Subsidiaries with Public Accountability: Disclosures (IFRS 19)	1 January 2027
Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associate and Joint Ventures)	Effective date deferred indefinitely

**IFRS 18 Presentation and Disclosure in Financial Statements - The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements in April 2024. IFRS 18 aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from 1 January 2027. IFRS 18 replaces IAS 1 *Presentation of Financial Statements* and will affect the presentation and disclosure of financial performance in the Group’s interim condensed consolidated financial statements when adopted.

The Group does not expect the adoption of the above new standards, amendments and interpretations to have a material impact on the future interim condensed consolidated financial statements of the Group.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The same accounting policies, methods of computation, significant accounting judgments and estimates and assumptions are followed in these interim condensed consolidated financial statements as compared with the most recent annual consolidated financial statements for the year ended 31 December 2024, except for the new standards and amendments adopted during the current period as explained in note 2.3.

Revenue recognition

Revenue from contracts with customers

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify the contract(s) 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 every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or 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 amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

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

For performance obligations where one of the above conditions are not 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 asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. Revenue is recognised in the interim condensed consolidated statement of comprehensive income to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Revenue from sale of land
The performance obligation with regards to sale of land is satisfied at a point in time when customer has access to the plot. Upon recognition of revenue against a certain plot, the infrastructure cost allocated to the plot of land is released to the statement of comprehensive income, as cost of revenue.

Development services
Revenue from rendering of development management services is recognised when the outcome of the transaction can be estimated reliably, by reference to the stage of completion of the development obligation at the reporting date. Where the outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Interest income

Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

All other borrowing costs are recognised in the interim condensed consolidated income statement in the period in which they are incurred.

Income tax

Taxation is provided in accordance with the relevant fiscal regulations of the jurisdiction in which the Group operates. Current tax is the expected tax on the taxable income for the year, using tax rates enacted or substantially enacted as at the reporting date, and any adjustments to the tax receivable/payable in respect of prior years. Income tax relating to items recognised directly in other comprehensive income or equity is recognised directly in other comprehensive income or equity and not in the consolidated statement of comprehensive income.

Deferred income tax is provided, using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted as at the reporting date.

Deferred income tax assets are recognised for all deductible temporary differences and carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or liability is settled, based on tax rates that have been enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Income tax *(continued)*

Global Minimum Top-up Tax

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two). Various countries have either enacted or are in the process of enacting tax legislation to fully or partially comply with Pillar Two. The United Arab Emirates (UAE) substantively enacted Cabinet Decision No. 142 of 2024, which introduces a Domestic Minimum Top-up Tax (DMTT) applicable to certain multinational enterprises. The Group's Parent Entity, domiciled in the UAE, falls within the scope of these rules effective 1 January 2025.

Property, plant and equipment

Property, plant and equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Sales centers (included in land and buildings)	1 - 10 years
Computers and office equipment	2 - 5 years
Motor vehicles	3 - 5 years
Furniture and fixtures	2 - 5 years

No depreciation is charged on land and capital work-in-progress. The useful lives, depreciation method and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the interim condensed consolidated statement of comprehensive income as the expense is incurred.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognised in the condensed consolidated statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.
Reversal of impairment losses other than goodwill impairment recognised in the prior years are recorded when there is an indication that the impairment losses recognised for the property, plant and equipment no longer exist or have reduced.

Development properties

Properties acquired, constructed or in the course of construction for sale in the ordinary course of business are classified as development properties and are stated at the lower of cost or net realisable value. Cost includes:

- Freehold rights for land;
- Amounts paid to contractors and project cost accrual for construction; and
- Borrowing cost, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other directly attributable costs.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Development properties *(continued)*

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sale.

The cost of development properties recognised in the interim condensed consolidated statement of comprehensive income on sale is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

Common infrastructure cost is allocated to various projects and forms part of the estimated cost to complete a project in order to determine the cost attributable to revenue being recognised. The development span of some of the development properties is estimated to be over 10 years.

The management reviews the carrying values of the development properties on an annual basis.

Investment in joint ventures

The interim condensed consolidated statement of comprehensive income reflects the Group's share of the results of operations of its joint ventures. Where there has been a change recognised directly in the other comprehensive income, the Group recognises its share of any changes, when applicable, in the interim condensed consolidated statement of comprehensive income or the interim condensed consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the interest in the joint venture.

The financial statement of joint ventures are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture, and its carrying value and recognises the impairment losses in the interim condensed consolidated statement of comprehensive income.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any differences between the carrying amount of the joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the interim condensed consolidated statement of comprehensive income. When the remaining investment in joint venture constitutes significant influence, it is accounted for as an investment in associate.

Financial assets

All financial assets are recognised and derecognised on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified as at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. Trade receivables are initially recognised when they are originated. Trade and unbilled receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

The fair value of floating rate and overnight deposits with credit institutions is their carrying value. The carrying value is the cost of the deposit and accrued interest. The fair value of fixed interest-bearing deposits is estimated using discounted cash flow techniques. Expected cash flows are discounted at current market rates for similar instruments at the reporting date.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Financial assets *(continued)*

Classification of financial assets

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

For the purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under IAS 32: Financial Instruments: Presentation) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are 'debt instruments'.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

Trade and unbilled receivables

Trade receivables are stated at original invoice amount (unless there is a significant financing component) less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the interim condensed consolidated statement of comprehensive income.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements as unbilled receivables.

Derecognition of financial assets

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:

    - has transferred substantially all the risks and rewards of the asset, or
    - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments and contract assets not held at fair value through profit or loss. 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 rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Impairment of financial assets (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

For trade and unbilled receivables and other receivables, the Group applies a simplified approach in calculating 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 debtors and the economic environment. The expected credit losses are recognised in the interim condensed consolidated statement of comprehensive income.

The Group consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that a non-financial asset (other than inventories, contract assets and deferred tax assets) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

Impairment losses are recognised in the interim condensed consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the interim condensed consolidated statement of comprehensive income.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Financial liabilities and equity instruments issued by the Group

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the interim condensed consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in interim condensed consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the interim condensed consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

End-of-service benefits

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is usually based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its eligible UAE and GCC national employees, the Group makes contributions to a pension fund established by the UAE General Pension and Social Security Authority calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

2.4 SUMMARY OF MATERIAL ACCOUNTING POLICIES *(continued)*

Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised

as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the interim condensed consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Fair value measurement

The Group measures financial instruments, such as investment in securities and hedges, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

Fair value of interest rate swap contract is determined by reference to market value for similar instruments.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the interim condensed consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Fair value measurements are those derived from quoted prices in an active market (that are unadjusted) for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3 SEGMENT INFORMATION

For management purposes, the Group is organised into one segment based on its products and services, which is the real estate development business. Accordingly, the Group only has one reportable segment. Management monitors the operating results of the business as a single unit for the purpose of making decisions about resource allocation and performance assessment.

Business segments
Revenue, operating results, assets and liabilities presented in the interim condensed consolidated financial statements relates to the real estate development business of the Group.

Geographic segment
The Group is currently operating only in the UAE, hence the operating results, assets and liabilities presented it the interim condensed consolidated financial statements relates to its operation in the UAE.

4 REVENUE AND COST OF REVENUE

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Revenue		
Sale of residential units	**4,638,720**	3,180,721
Sale of commercial units, plots of land and income from development services *(note 20)*	**385,592**	326,045
	5,024,312	3,506,766
Cost of revenue		
Cost of residential units	**2,204,739**	1,560,529
Cost of commercial units and plots of land	**41,117**	58,041
	2,245,856	1,618,570

Trade and unbilled receivables are included in note 10.

Below is the split of revenue recognised over a period of time and single point in time:

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
- Over a period of time	**5,024,312**	3,450,097
- Single point in time	**-**	56,669
	5,024,312	3,506,766

5 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Sales and marketing expenses	**133,204**	116,334
Payroll and related expenses	**43,570**	43,697
Property management expenses	**16,111**	18,409
Depreciation (*including right-of use assets)*	**2,023**	2,007
Other expenses *(note 20)*	**184,814**	130,135
	379,722	310,582

6 FINANCE INCOME

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Finance income on fixed and call deposits with banks	**263,945**	220,107
Other finance income (i)	**40,244**	39,224
	304,189	259,331

(i) This relates to finance income on unwinding of long-term receivable.

7 FINANCE COST

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Finance cost - bank and related party borrowings *(note 20)*	**3,744**	53,412
Other finance costs (i)	**41,188**	37,655
	44,932	91,067

(i) During the period, the Group has recorded finance cost on unwinding of long-term payable amounting to AED 12,371 thousands *(31 March 2024: AED 18,273 thousands).*

8 INCOME TAX

Following the enactment of the domestic minimum top-up tax (DMTT), the Group has recognised an additional DMTT expense to ensure compliance with 15% global minimum effective tax rate. The average annual effective tax rate (ETR) used for the period ended 31 March 2025 is 14.8% (period ended 31 March 2024 – 8.9%).

The major components of income tax expense in the interim condensed consolidated statement of comprehensive income are:

	31 March 2025 AED'000 **(Unaudited)**	*31 March 2024 AED'000 (Unaudited)*
Interim condensed consolidated statement of comprehensive income		
Current income tax expenses*	**410,375**	164,991

* This include an amount of AED 255,867 thousands relating to DMTT (31 March 2024: Nil).

The movement in the income tax payable is given below:

	31 March 2025 AED'000 **(Unaudited)**	*31 December 2024 AED'000 (Audited)*
Interim condensed consolidated statement of financial position		
Income tax payable balance at the beginning of the period/year	**486,367**	-
Charge for the period/year, net	**154,508**	486,367
DMTT tax for the period/year, net	**255,867**	-
Income tax payable balance at the end of the period/year	**896,742**	486,367

9 BANK AND CASH BALANCES

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Cash in hand	**1,031**	1,346
Current and call bank deposit accounts	**26,353,300**	23,568,275
Fixed deposits maturing within three months	**3,491,097**	-
	29,845,428	23,569,621

As at 31 March 2025, cash and cash equivalents amounts to AED 29,845,428 thousands *(31 December 2024: AED* 23,569,621 *thousands.)*

Cash at banks earn interest at fixed rates based on prevailing bank deposit rates. Short-term fixed deposits are made for varying periods between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

As at 31 March 2025, balances amounting to AED 25,113,997 thousands *(31 December 2024: AED* 22,885,896 *thousands)* are with banks against advances received from customers on sale of development properties which are deposited into escrow accounts. These deposits/balances are not under lien.

10 TRADE AND UNBILLED RECEIVABLES

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Trade receivable		
Amounts receivable within 12 months	**905,856**	541,593
Unbilled receivables		
Unbilled receivables within 12 months	**5,515,849**	7,537,731
Unbilled receivables after 12 months	**3,835,359**	3,378,049
	9,351,208	10,915,780
Total trade and unbilled receivables	**10,257,064**	11,457,373

The above trade and unbilled receivables are net of AED 20,977 thousands *(31 December 2024: AED 20,977 thousands)* relating to provision for doubtful debts representing management's best estimate of loss on trade receivables which are past due for more than 90 days. All other receivables are considered recoverable.

11 OTHER ASSETS, RECEIVABLES, DEPOSITS AND PREPAYMENTS

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Deferred sales commission (i)	**2,374,962**	1,940,493
Due from related parties *(note 20)*	**2,251,148**	2,361,972
Advances to contractors and others (ii)	**1,267,877**	1,401,327
Value added tax recoverable*(net)*	**215,037**	304,694
Prepayments	**4,206**	4,543
Other receivables and deposits	**90,551**	78,803
	6,203,781	6,091,832

Other assets, receivables, deposits and prepayments are due within 12 months from the reporting date.

(i) The deferred sales commission expense incurred to obtain or fulfil a contract with the customers is amortised over the period of satisfying performance obligations, where applicable.
(ii) Advance paid to contractors at the commencement are adjusted against progress billings issued by the contractors throughout the project construction period.

12 DEVELOPMENT PROPERTIES

	31 March 2025 AED'000 (Unaudited)
Balance at the beginning of the period (Audited)	**16,520,243**
Add: Costs incurred during the period	**2,037,280**
Less: Costs transferred to cost of revenue during the period	**(2,245,345)**
Balance at the end of the period	**16,312,178**

13 LOAN TO JOINT VENTURES

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Emaar Dubai South DWC LLC*	**689,192**	671,331
Zabeel Square LLC*	**133,173**	131,775
Old Town Views LLC	**1,077**	1,168
	823,442	804,274

Loans to joint ventures are unsecured and are repayable as per the terms of the agreement and do not carry any interest.

* This includes AED 676,178 thousands *(31 December 2024: AED 675,137 thousands)* which is expected to be recovered after 12 months from the reporting date.

14 INVESTMENT IN JOINT VENTURES

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Emaar Dubai South DWC LLC	**736,165**	677,811
Zabeel Square LLC	**281,466**	272,901
Old Town Views LLC	**16,299**	13,357
Net investment in joint ventures as at period/year end	**1,033,930**	964,069

The Group has the following effective ownership interest in its joint ventures:

	Country of Incorporation	*Ownership* **2025**	*2024*
Emaar Dubai South DWC LLC	UAE	50.00%	50.00%
Zabeel Square LLC	UAE	50.00%	50.00%
Old Town Views LLC	UAE	61.25%	61.25%

During the period, the Group recognised AED 69,861 thousand (31 March 2024: AED 24,542 thousand) as its share of profit from joint ventures. No dividend income was received from joint ventures during the period (31 March 2024: AED 2,337 thousand).

15 TRADE AND OTHER PAYABLES

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Project contract cost accruals	**2,906,784**	2,919,610
Dividend payable*	**2,720,000**	-
Creditors for land purchase	**1,073,535**	1,065,242
Payable to related parties *(note 20)*	**1,057,670**	1,489,890
Trade payables	**638,707**	655,979
Sales commission payable	**569,211**	377,868
Payable to authorities	**273,692**	87,960
Other payables and accruals	**366,391**	305,325
	9,605,990	6,901,874

* This includes AED 2,180,352 thousand payable to the Parent company. (Refer note 22).

16 INTEREST-BEARING LOANS AND BORROWINGS

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Balance at the beginning of the period/year	**3,673**	3,673
Add: Borrowings drawn down during the period/year	-	-
Less: Repaid during the period/year	-	-
Balance at the end of the period/year	**3,673**	3,673
Less: Unamortised portion of directly attributable costs	-	-
Net interest-bearing loans and borrowings at the end of the period/year	**3,673**	3,673
Interest-bearing loans and borrowings maturity profile:		
Within 12 months	**-**	-
After 12 months	**3,673**	3,673
	3,673	3,673

During 2022, the Group had obtained two new facilities aggregating to AED 3,673,000 thousands. The tenure of these new facilities is for a period of six years from the date of the agreements and carry profit rates of 1 or 3 month EIBOR plus a margin of 1%. These facilities are guaranteed by the Parent Company. The outstanding amount from these facilities as at 31 March 2025 is AED 3,673 thousands *(31 December 2024: AED 3,673 thousands).*

During 2022, the Group also executed short term facility of AED 600,000 thousands. This facility carries interest of EIBOR plus 1% per annum and is secured by a corporate guarantee from the Parent Company. As at 31 March 2025 and as at 31 December 2024, the Group has neither drawn down nor availed any amount from the facility.

17 RESERVES

(i) According to Article 61 of the Articles of Association of the Company and Article 241 of the UAE Federal Decree Law No. (32) of 2021, 10% of the annual net profit shall be allocated to legal reserve until it reaches 50% of the paid-up share capital. The legal reserve as at 31 March 2025 is AED 2,000,000 thousands *(31 December 2024: AED 2,000,000 thousands).*

(ii) The General Reserve as at 31 March 2025 is AED 150 thousands *(31 December 2024: AED 150 thousands).*

18 GUARANTEES AND CONTINGENCIES

The Group has provided a performance guarantee of AED 5,813,162 thousand *(31 December 2024: AED* 4,841,207 *thousand)* to the Real Estate Regulatory Authority (RERA), Dubai for its projects as per RERA regulations.

19 COMMITMENTS

At 31 March 2025, the Group had commitments of AED 15,416,242 thousands *(31 December 2024: AED* 13,374,020 *thousands)*. This represents the value of contracts entered into by the Group including contracts entered into for purchase of plots of land at period/year end, net of invoices received and accruals made at that date.

Furthermore, in accordance with the Joint Development Agreement entered by the Group relating to Mina Rashid Properties LLC, the Group has a commitment to pay 30% of future profits over the project life cycle of Mina Rashid Properties LLC to the non-controlling shareholder.

There are certain claims submitted by contractors relating to various projects of the Group in the ordinary course of business from which it is anticipated that no material unprovided liabilities will arise.

20 RELATED PARTY DISCLOSURES

For the purpose of these interim condensed consolidated financial statements, parties are related to the Group, if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control (Affiliated entities). Related parties may be individuals or other entities.

The Group in the normal course of business enters into transactions with individuals and other entities that falls within the definition of related party. The Group's related parties include key management personnel, entities held under common control, joint ventures and others.

The Group's parent company is partly owned by Investment Corporate of Dubai ("ICD"), an entity owned by the Government of Dubai ("Government"). The Group enters into transactions, in the normal course of business, with Government-owned entities and entities wherein ICD has control, joint control or significant influence. In accordance with the exemption available in IAS 24, management has elected not to disclose such transactions, which are primarily in nature of financing and operational (power, utilities, land purchases, contracting and infrastructure service) related activities and entered in the normal course of business at commercial terms.

Related party transactions
During the period, the following were the significant related party transactions, which were carried out in the normal course of business on terms agreed between the parties:

	Three-month period ended	
	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Parent:		
Revenue	**35,041**	-
Selling, general and administrative expenses (refer (i) below)	**157,474**	110,710
Finance cost (refer (iii) below)	**-**	49,628
Borrowing (refer (iii) below)	**-**	5,220,000
Repayment of borrowing (refer (iii) below)	-	(3,330,000)
Affiliated entities:		
Revenue (refer (ii) below)	**286,892**	176,457
Selling, general and administrative expenses	**7,855**	14,618
Property development expenses	**49,449**	55,921
Joint Ventures:		
Revenue	**5,194**	2,718
Directors, Key management personnel and their related parties:		
Selling, general and administrative expenses	-	76

Related party balances (and the interim condensed consolidated statement of financial position captions within which these are included) are as follows:

	31 March 2025 AED'000 (Unaudited)	*31 December 2024 AED'000 (Audited)*
Parent:		
Other assets, receivables, deposits and prepayments (refer (ii) below)	**120,147**	51,749
Trade and other payables	**1,021,240**	1,455,085

20 RELATED PARTY DISCLOSURES *(continued)*

Affiliated entities:		
Other assets, receivables, deposits and prepayments	**2,131,001**	2,310,223
Trade and other payables	**36,430**	34,805

(i) Allocation of corporate expenses:

The Parent Company has provided certain corporate functions to the Group and costs associated with these functions were allocated to the Group. These functions included human resources, treasury, investor relations, finance and accounting, compliance, information technology, corporate and legal compliance, business development and marketing. As per Relationship Agreement, corporate expenses are allocated by the Parent on the basis of 3% of revenue of the Group. This net balance is recoverable on demand.

(ii) Recoverable from the Parent Company:

This mainly represents balances recoverable from the Parent Company with respect to the development costs incurred for the Build-to-sell (BTS) developments in Dubai Creek Harbour project (DCH project). As agreed in the Master Transfer Agreement (MTA), the Parent Company had transferred the development services and profit relating to the BTS development in DCH project to the Company, for which the development costs including infrastructure costs were incurred by the Company prior to acquisition.

Subsequent to the Parent Company's acquisition of 100% shareholding in Dubai Creek Harbour LLC in 2022, the aforesaid arrangement was amended during the year 2023, wherein the transactions for development services and entitlement of profits are now directly between the Company and Dubai Creek Harbour LLC, a wholly owned subsidiary of the Parent Company and a related party of the Company.

(iii) Payable to the Parent Company:

Amount due to the Parent Company is unsecured and is repayable on demand. The Group has total credit facility of AED 7,000,000 thousand *(31 December 2024: AED 7,000,000 thousand)* and this carries interest rate at 3 months EIBOR plus 1% per annum. The entire amount was repaid during the previous year.

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	31 March 2025 AED'000 (Unaudited)	*31 March 2024 AED'000 (Unaudited)*
Short-term benefits	**2,721**	6,834
Employees' end-of-service benefits	**133**	124
	2,854	6,958

During the period, the number of key management personnel is 9 *(31 March 2024: 9).*

Similar to year ended 31 December 2024, the Company has considered key roles as key management personnel's (KMPs). Accordingly, comparative financial information also been updated to confirm to the presentation in the current period.

21 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include bank balances and cash, trade and unbilled receivables, loans to joint ventures, other receivables, deposits and due from related parties. Financial liabilities of the Group include interest-bearing loans and borrowings, customer deposits, accounts payable, retentions payable, payable to related parties and other payables.

Fair value of the financial instruments is included at the amounts at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the financial assets and liabilities approximate same as their carrying values, largely due to short term maturities of these instruments.

22 DIVIDEND

A cash dividend of AED 2,720,000 thousand (AED 0.68 per share) for the year ended 31 December 2024 was approved by the shareholders of the Company at the Annual General Meeting held on 26 March 2025 and it was paid on 16 April 2025. (Refer note 15).