



TECOM GROUP PJSC AND ITS SUBSIDIARIES

**Condensed interim consolidated
financial statements**

For the three-month period ended 31 March 2025

**Condensed interim consolidated financial statements
For the three-month period ended 31 March 2025**

Contents	Pages
Independent auditor's review report on condensed interim consolidated financial statements	1
Condensed interim consolidated statement of financial position	2 - 3
Condensed interim consolidated statement of income	4
Condensed interim consolidated statement of comprehensive income	5
Condensed interim consolidated statement of changes in equity	6
Condensed interim consolidated statement of cash flows	7
Notes to the condensed interim consolidated financial statements	8 - 32



Review report on condensed interim consolidated financial statements to the board of directors and shareholders of TECOM Group PJSC

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Tecom Group PJSC ("the Company") and its subsidiaries (together, "the Group") as at 31 March 2025 and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ('IAS 34'). Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

PricewaterhouseCoopers Limited Partnership Dubai Branch
1 May 2025

A blue ink handwritten signature, appearing to read 'Murad Alnsour', with a stylized, wavy line extending from the end.

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates

Condensed interim consolidated statement of financial position

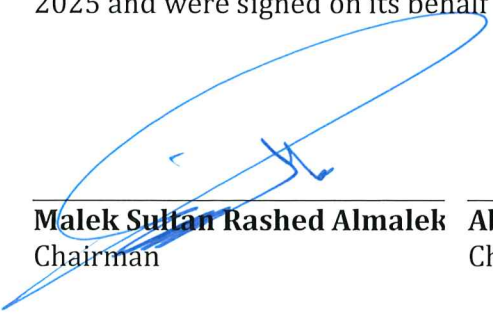
		31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
	Note		
ASSETS			
Non-current assets			
Property and equipment	5	87,121	90,893
Intangible assets		16,455	16,688
Investment property	6	13,851,406	13,819,597
Derivative financial instruments	7	117,782	165,440
Other receivables	8	11,010	11,347
Unbilled receivables	9	855,176	821,126
Deferred tax assets	7	9,419	4,922
		14,948,369	14,930,013
Current assets			
Other receivables	8	104,608	106,814
Trade and unbilled receivables	9	176,677	181,757
Due from related parties	10	31,175	54,990
Cash and bank balances	11	925,147	1,017,039
		1,237,607	1,360,600
Total assets		16,185,976	16,290,613

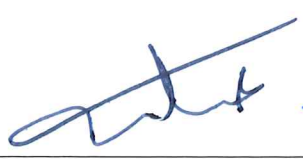
Condensed interim consolidated statement of financial position

(continued)

	Note	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	500,000	500,000
Statutory reserve	13	482,696	482,696
Hedge reserve		123,763	169,231
Retained earnings		5,516,629	5,555,767
Total equity		6,623,088	6,707,694
LIABILITIES			
Non-current liabilities			
Trade and other payables	18	2,497	2,728
Borrowings	14	5,215,963	5,213,253
Advances from customers	15	602,395	606,757
Project liabilities	16	794,494	786,913
Due to related parties	10	48,486	92,766
Derivative financial instruments	7	3,438	1,131
Employees' end-of-service benefits		47,085	46,733
Provision for other liabilities and charges	17	902,807	902,807
		7,617,165	7,653,088
Current liabilities			
Trade and other payables	18	300,433	330,330
Advances from customers	15	993,280	969,223
Current tax liabilities	23	48,659	38,222
Project liabilities	16	457,496	473,596
Due to related parties	10	117,999	90,604
Provisions for other liabilities and charges	17	27,856	27,856
		1,945,723	1,929,831
Total liabilities		9,562,888	9,582,919
Total equity and liabilities		16,185,976	16,290,613

To the best of our knowledge, the condensed interim consolidated financial statements are prepared, in all material aspects, in accordance with IAS 34. The condensed interim consolidated financial statements were approved by the Board of Directors on 1 May 2025 and were signed on its behalf by:


Malek Sultan Rashed Almalek
Chairman


Abdulla Belhouli
Chief Executive Officer


Haissam Baydoun
Acting Chief Financial Officer

Condensed interim consolidated statement of income

		Three-month period ended 31 March	
	Note	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Revenue	20	679,733	564,038
Direct costs		(215,050)	(185,381)
Gross profit		464,683	378,657
Other operating income	21	15,634	13,157
		480,317	391,814
Expenses			
General and administrative	22	(44,812)	(44,533)
Marketing and selling		(12,124)	(8,989)
Other operating		-	(3,685)
		(56,936)	(57,207)
Operating profit		423,381	334,607
Finance income		10,524	19,236
Finance costs		(62,606)	(49,624)
Finance costs - net		(52,082)	(30,388)
Profit before tax for the period		371,299	304,219
Income tax expense	23	(10,437)	(11,691)
Profit for the period		360,862	292,528
Earnings per share attributable to the owners of the company			
Basic and diluted (AED)	24	0.07	0.06

Condensed interim consolidated statement of comprehensive income

	Note	Three-month period ended 31 March	
		2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Profit for the period		360,862	292,528
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Fair value (loss)/gain on cash flow hedges, net of tax	7	(45,468)	23,274
Other comprehensive income for the period, net of tax		(45,468)	23,274
Total comprehensive income for the period		315,394	315,802

Condensed interim consolidated statement of changes in equity

			Attributable to owners of the Company			
	Note	Share capital AED'000	Statutory reserve AED'000	Hedge reserve AED'000	Retained earnings AED'000	Total equity AED'000
At 1 January 2024 (audited)		500,000	458,410	218,995	5,151,602	6,329,007
Profit for the period		-	-	-	292,528	292,528
Other comprehensive income for the period		-	-	23,274	-	23,274
Total comprehensive income for the period		-	-	23,274	292,528	315,802
Transactions with owners:						
Dividends declared	19	-	-	-	(400,000)	(400,000)
At 31 March 2024 (reviewed)		500,000	458,410	242,269	5,044,130	6,244,809
At 1 January 2025 (audited)		500,000	482,696	169,231	5,555,767	6,707,694
Profit for the period		-	-	-	360,862	360,862
Other comprehensive income for the period		-	-	(45,468)	-	(45,468)
Total comprehensive income for the period		-	-	(45,468)	360,862	315,394
Transactions with owners:						
Dividends declared	19	-	-	-	(400,000)	(400,000)
At 31 March 2025 (reviewed)		500,000	482,696	123,763	5,516,629	6,623,088

Condensed interim consolidated statement of cash flows

		Three-month period ended 31 March	
	Note	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Cash flows from operating activities			
Cash generated from operations	25	538,369	425,352
Payment of employees' end of service benefits		(1,139)	(87)
Net cash generated from operating activities		537,230	425,265
Cash flows from investing activities			
Purchase of property and equipment	5	(4,443)	(751)
Payments for investment property, net of advances to contractors, project liabilities and related provisions		(178,203)	(110,897)
Purchase of intangible assets		(2,177)	(1,360)
Movement in fixed deposits with maturities greater than three months	11	-	140,000
Interest received		7,857	15,751
Net cash (used in)/generated from investing activities		(176,966)	42,743
Cash flows from financing activities			
Interest paid		(52,156)	(39,670)
Payment for dividends	19	(400,000)	(400,000)
Net cash used in financing activities		(452,156)	(439,670)
Net (decrease)/increase in cash and cash equivalents			
		(91,892)	28,338
Cash and cash equivalents, beginning of the period		638,361	669,882
Cash and cash equivalents, end of the period		546,469	698,220

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025

1 Legal status and activities

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

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

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

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

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

The Group consolidates investments in the following principal subsidiaries:

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

1 Legal status and activities (continued)

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

The Group has not purchased or invested in any shares for the three-month period ended 31 March 2025.

2 Material accounting policy information

2.1 Statement of compliance

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

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

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

2.2 Basis of preparation

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

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

2 Material accounting policy information (continued)

2.2 Basis of preparation (continued)

As at 31 March 2025, the Group's current liabilities exceeded its current assets. A significant portion of these current liabilities comprises non-financial liabilities, including operating lease advances and contract advances. Excluding these, the Group's current assets exceed current liabilities.

Certain comparative amounts have been reclassified in the notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 to conform to the presentation used in these condensed interim consolidated financial statements.

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

2.3 Application of new and revised IFRS Accounting Standards

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

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

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

2 Material accounting policy information (continued)

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

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

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

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

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

3 Financial risk management

3.1 Financial risk factors

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

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

3 Financial risk management (continued)

3.2 Liquidity risk

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

3.3 Fair value estimation

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

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

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

	Level 2 AED'000 (Reviewed)
Assets	
Derivatives designated as cash flow hedges	117,782
Liabilities	
Derivatives designated as cash flow hedges	3,438

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)**4 Critical accounting estimates and judgements**

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's consolidated financial statements for the year ended 31 December 2024.

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

5 Property and equipment

	Note	Buildings AED'000	Building interior improvements, furniture and fixtures AED'000	Computer hardware AED'000	Motor vehicles AED'000	Other assets AED'000	Capital work in progress AED'000	Total AED'000
Cost								
At 1 January 2024 (audited)		137,840	128,315	46,181	1,364	19,077	154	332,931
Additions		-	4,425	534	-	1,364	-	6,323
Transfers from/(to) investment property	6	-	395	-	-	-	(154)	241
Disposals		-	-	(20)	-	-	-	(20)
Reclassifications		(2,783)	2,783	-	-	-	-	-
Write-off		-	-	-	-	(1,167)	-	(1,167)
At 31 December 2024		135,057	135,918	46,695	1,364	19,274	-	338,308
Additions		-	4,229	214	-	-	-	4,443
Transfers to investment property	6	-	(32,759)	-	-	(3,011)	-	(35,770)
At 31 March 2025		135,057	107,388	46,909	1,364	16,263	-	306,981
Accumulated depreciation								
At 1 January 2024 (audited)		55,611	123,195	44,775	986	14,905	-	239,472
Depreciation charge for the period		3,496	2,056	865	378	2,153	-	8,948
Transfers to investment property	6	-	182	-	-	-	-	182
Disposals		-	-	(20)	-	-	-	(20)
Write-off		-	-	-	-	(1,167)	-	(1,167)
At 31 December 2024		59,107	125,433	45,620	1,364	15,891	-	247,415
Depreciation charge for the period		874	287	201	-	190	-	1,552
Transfers to investment property	6	-	(28,048)	-	-	(1,059)	-	(29,107)
At 31 March 2025		59,981	97,672	45,821	1,364	15,022	-	219,860
Net book value at 31 March 2025 (reviewed)		75,076	9,716	1,088	-	1,241	-	87,121
Net book value at 31 December 2024 (audited)		75,950	10,485	1,075	-	3,383	-	90,893

The depreciation charge for the three-month period ended 31 March 2025 is recognised under general and administrative expenses amounting to AED 1,552,000 (for the three-month period ended 31 March 2024: AED 2,477,000).

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

6 Investment property

	Notes	Land AED'000	Buildings and improvements AED'000	Infrastructure AED'000	Right of use - land AED'000	Capital work in progress AED'000	Total AED'000
Cost							
At 1 January 2024 (audited)		3,687,468	10,521,991	3,244,663	-	3,599,897	21,054,019
Additions		414,162	1,353,806	-	-	619,901	2,387,869
Transfers to related parties	10	-	-	-	-	(23,335)	(23,335)
Transfers to property and equipment	5	-	(395)	-	-	154	(241)
Transfers within other captions of investment property		-	60,188	54,718	-	(114,906)	-
At 31 December 2024		4,101,630	11,935,590	3,299,381	-	4,081,711	23,418,312
Additions		-	42,684	-	-	95,223	137,907
Transfers from property and equipment	5	-	32,759	-	3,011	-	35,770
Transfers within other captions of investment property		-	277,183	2,929	-	(280,112)	-
At 31 March 2025		4,101,630	12,288,216	3,302,310	3,011	3,896,822	23,591,989
Accumulated depreciation and impairment							
At 1 January 2024 (audited)		1,946,344	4,614,437	1,102,968	-	1,525,728	9,189,477
Depreciation charge for the period		-	357,229	52,191	-	-	409,420
Transfers to property and equipment	5	-	(182)	-	-	-	(182)
At 31 December 2024		1,946,344	4,971,484	1,155,159	-	1,525,728	9,598,715
Depreciation charge for the period		-	99,823	12,854	84	-	112,761
Transfers from property and equipment	5	-	28,048	-	1,059	-	29,107
At 31 March 2025		1,946,344	5,099,355	1,168,013	1,143	1,525,728	9,740,583
Net book value at 31 March 2025 (reviewed)		2,155,286	7,188,861	2,134,297	1,868	2,371,094	13,851,406
Net book value at 31 December 2024 (audited)		2,155,286	6,964,106	2,144,222	-	2,555,983	13,819,597

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

The depreciation charge for the three-month period ended 31 March 2025 is recognised under direct costs amounting to AED 112,761,000 (for the three-month period ended 31 March 2024: AED 98,494,000).

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

No impairment indicators were observed for any classes of investment property during the three-month period ended 31 March 2025.

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

6 Investment property (continued)

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

	Three-month period ended 31 March	
	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Operating lease income (Note 20)	591,412	496,185
Direct costs (including depreciation) arising from investment property that generated operating lease income	189,755	163,688

7 Derivative financial instruments

	Notional amount AED'000	Asset AED'000	Liabilities AED'000
At 31 March 2025 (Reviewed)			
Designated as cash flow hedges			
Interest rate swap contracts	3,415,992	117,782	3,438
At 31 December 2024 (Audited)			
Designated as cash flow hedges			
Interest rate swap contracts	3,531,268	165,440	1,131

The Group uses derivatives only for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedging criteria under IFRS Accounting Standards, they are classified as 'held for trading' for accounting purposes as required by IFRS Accounting Standards. In particular, the Group uses interest rate swaps to minimise the effect of interest rate fluctuations on its borrowings. The contracts entered into by the Group are principally denominated in AED. The fair values of these contracts are recorded in the condensed interim consolidated statement of financial position and is determined by reference to valuations by reputable external financial institutions.

Interest rate swaps are commitments to exchange one set of cash flows for another. The swaps result in an economic exchange of interest rates, no exchange of principal takes place. These swap transactions entitle the Group to receive or pay amounts derived from interest rate differentials between an agreed fixed interest rate and the applicable floating rate prevailing at the beginning of each interest period.

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

7 Derivative financial instruments (continued)

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

Changes in the fair market values of interest rate swaps that are considered effective and designated as cash flow hedges are recognised in the hedge reserve in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss. There was no ineffectiveness to be recorded from the cash flow hedges. The change in fair values of interest rate swaps designated as cash flow hedges for the three-month period ended 31 March 2025 amounted to a loss of AED 49,965,000 (for the three-month period ended 31 March 2024: a gain of AED 25,576,000). The related tax on the gain for the period is AED 4,497,000 (for the three-month period ended 31 March 2024: AED 2,302,000), which has been set off against the fair value loss/gain disclosed in the other comprehensive income.

As at 31 March 2025, derivative financial instruments include interest rate swaps entered into with a related party financial institution, with a fair value of AED 44,691,000 (31 December 2024: AED 64,689,000).

8 Other receivables

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Advances to contractors and suppliers	54,230	53,035
Finance lease receivables	15,132	15,468
Prepayments	28,833	36,711
Other receivables	17,423	12,947
	115,618	118,161
Less: non-current	(11,010)	(11,347)
Current	104,608	106,814

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

9 Trade and unbilled receivables

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Trade receivables	156,575	172,516
Less: loss allowance	(76,924)	(77,939)
	79,651	94,577
Less: non-current	-	-
Current	79,651	94,577
Unbilled receivables - operating leases	1,007,671	963,331
Less: loss allowance	(55,469)	(55,025)
	952,202	908,306
Less: non-current	(855,176)	(821,126)
Current	97,026	87,180
Trade and unbilled receivables		
Current	176,677	181,757
Non-current	855,176	821,126
	1,031,853	1,002,883

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

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

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

10 Balances and transactions with related parties

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

(a) Due from related parties

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Parent Company	1,413	1,413
Other subsidiaries of the Parent Company	10,631	26,370
Other related parties	19,131	27,207
	31,175	54,990

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

10 Balances and transactions with related parties (continued)

(b) Due to related parties

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Ultimate Parent Company	8,648	16,042
Other subsidiaries of the Parent Company	124,470	130,381
Other related parties	33,367	36,947
	166,485	183,370
Less: non-current	(48,486)	(92,766)
Current	117,999	90,604

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

As at 31 March 2025, the amount due to related parties includes AED 96,026,000 (31 December 2024: AED 113,141,000), which pertains to obligations arising from the acquisition of investment property from fellow subsidiaries (Note 6). Of this amount, AED 48,486,000 (31 December 2024: AED 92,766,000) is classified as a non-current liability, representing the net present value of obligations with a repayment term of three years. This classification reflects the long-term nature of the liability, consistent with the terms of the underlying agreements, as repayment extends beyond one year.

(c) Related party transactions

Break up of other significant transactions with related parties in the normal course of the business is as follows:

	Three-month period ended 31 March	
	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Transactions between related parties:		
Dividends declared to Parent Company	350,000	350,000
Transfer of investment property to fellow subsidiaries	-	23,335
Settlement of outstanding balances to Ultimate Parent Company and fellow subsidiary	38,751	13,033

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

10 Balances and transactions with related parties (continued)

(c) Related party transactions (continued)

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Services provided to related parties included in revenue:		
Operating lease income from fellow subsidiaries and others	7,409	7,455
Services income from the Parent Company and fellow subsidiaries	1,301	1,384
Services provided by related parties included in expenses:		
Direct costs - operation and maintenance costs		
- Entities under common control	30,940	25,410
- Other related parties	11,392	8,795
<i>General and administrative expenses - cost recharged</i>		
- Ultimate Parent Company	79	2
- Fellow subsidiaries	11,979	12,225
- Other related parties	563	-
Transactions with related party institution		
Finance income	311	5,868
Finance costs and other bank charges	21,957	16,972

(d) Remuneration of key management personnel

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

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Salaries and other short-term employee benefits	10,496	9,519
End of service, termination and other post-employment benefits	490	180
Board of Directors' remuneration	790	1,250
	11,776	10,949

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

11 Cash and bank balances

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Cash on hand	545	594
Cash at banks		
- Current account	235,924	437,767
- Fixed deposits	688,678	578,678
	925,147	1,017,039

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

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Cash and bank balances	925,147	1,017,039
Fixed deposits with maturities greater than 3 months	(378,678)	(378,678)
	546,469	638,361

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

As at 31 March 2025, cash and bank balances include AED 208,508,000 (31 December 2024: AED 222,192,000) held with a related party financial institution.

12 Share capital

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

13 Statutory reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021 and Articles of Association, 10% of the profit for the year of the public joint stock company and 5% of the profit for the year of each UAE limited liability registered company are transferred to a statutory reserve, which is not distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the respective companies. Accordingly, for the year ending 31 December 2025, transfers to the statutory reserve are expected to be made by the individual entities within the Group at the end of the year in line with the aforementioned policy.

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

14 Borrowings

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Bank borrowings	5,250,000	5,250,000
Unamortised transaction costs	(34,037)	(36,747)
Carrying amount	5,215,963	5,213,253
Less: non-current	(5,215,963)	(5,213,253)
Current	-	-

As at 31 March 2025, the unamortised transaction costs amounted to AED 34,037,000 (31 December 2024: AED 36,747,000).

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

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

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

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

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

The Group has complied with all covenants in line with the borrowing facility agreements at each reporting period. The Group has not had any defaults of principal, interest or redemption amounts during the periods on its borrowed funds. Interest rates on the above bank borrowings ranged from 5.23% to 5.38% (31 December 2024: ranged from 5.59% to 6.35%) per annum.

Total borrowings of AED 5,250,000,000 (31 December 2024: AED 5,250,000,000) are subject to re-pricing within three months of the condensed interim consolidated balance sheet date. The Group's borrowings are denominated in AED.

As at 31 March 2025, borrowings include AED 2,086,385,000 (31 December 2024: AED 2,085,301,000) obtained from a related party financial institution.

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

15 Advances from customers

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Operating lease advances	1,294,323	1,269,066
Contract advances	44,294	44,154
Refundable deposits	257,058	262,760
	1,595,675	1,575,980
Less: non-current	(602,395)	(606,757)
Current	993,280	969,223

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

16 Project liabilities

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Project payables	1,123,295	1,133,821
Retentions payable	128,695	126,688
	1,251,990	1,260,509
Less: non-current	(794,494)	(786,913)
Current	457,496	473,596

Project payables include amounts contracted with a government authority to cover the Group's share of costs for roadworks serving the Group's developments. The present value of these payables is AED 888,593,000 (31 December 2024: AED 876,502,000). These costs are settled through agreed annual fixed installments and are recognized at the present value of the expected cash outflows, discounted at a rate of 6.49% (31 December 2024: 6.49%).

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

17 Provisions for other liabilities and charges

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Provision for infrastructure cost	902,807	902,807
Provision for terminations and legal claims	27,856	27,856
	930,663	930,663
Less: non-current	(902,807)	(902,807)
Current	27,856	27,856

18 Trade and other payables

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Trade payables	90,554	89,494
Accrued expenses	180,363	216,218
Other payables	32,013	27,346
	302,930	333,058
Less: non-current	(2,497)	(2,728)
Current	300,433	330,330

19 Dividends

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

20 Revenue

	Three-month period ended 31 March	
	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Operating lease income (Note 6)	591,412	496,185
Service income	88,321	67,853
	679,733	564,038

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

The aggregate amount of sale price allocated to performance obligations that are unsatisfied/partially satisfied as at 31 March 2025 amounted to AED 44,294,000 (31 December 2024: AED 44,154,000). The Group expects to recognise revenue from these unsatisfied performance obligations over a period of 2 years.

21 Other operating income

	Three-month period ended 31 March	
	2025 AED'000 (Reviewed)	2024 AED'000 (Reviewed)
Cost recovery	8,665	7,856
Liabilities written back	5,898	4,481
Lease termination and other penalties	149	645
Others	922	175
	15,634	13,157

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

22 General and administrative expenses

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Payroll and related costs	21,251	17,376
Management fees and consultancy	10,264	11,283
Information technology charges	4,711	4,423
Depreciation and amortisation	3,962	5,994
Administration fees	1,856	1,289
Communication	1,219	1,217
Reversal of loss allowance on receivables - net	(571)	(2,422)
Professional memberships	380	2,425
Others	1,740	2,948
	44,812	44,533

23 Current income tax

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

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

The tax charge for the three-month period ended 31 March 2025 is AED 10,437,000 (for the three-month period ended 31 March 2024: AED 11,691,000), representing an Effective Tax Rate ("ETR") of 2.81% (for the three-month period ended 31 March 2024: 3.84%). The deviation from the UAE statutory tax rate (i.e. 9%) is primarily driven by subsidiaries operating in free zones that are subject to 0%.

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

24 Earnings per share

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

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

	Three-month period ended 31 March	
	2025	2024
	(Reviewed)	(Reviewed)
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company) rounded to the nearest AED'000	360,862	292,528
Weighted average number of shares		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	5,000,000,000	5,000,000,000
Basic and diluted earnings per share attributable to Owners of the Company rounded to the nearest Fil	0.07	0.06

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

25. Cash generated from operations

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(Reviewed)	(Reviewed)
Profit for the period	360,862	292,528
Adjustments for:		
Depreciation and amortisation	116,723	104,488
Reversal of loss allowance on receivables - net	(571)	(2,422)
Provisions for end of service benefits and other liabilities	1,491	4,397
Liabilities written back	(5,898)	(4,481)
Finance income	(10,524)	(19,236)
Finance costs	62,606	49,624
Income tax expense	10,437	11,691
	535,126	436,589
Changes in operating assets and liabilities:		
Trade and other receivables, before provision and write-offs and excluding advances to contractors	(16,277)	(65,025)
Trade and other payables excluding project liabilities	(4,524)	32,990
Due from related parties	23,815	10,733
Due to related parties	229	10,065
Cash generated from operations	538,369	425,352

26 Commitments

(a) Capital commitments

	31 March	31 December
	2025	2024
	AED'000	AED'000
	(Reviewed)	(Audited)
Property and equipment	5,879	9,804
Intangible assets	7,940	10,332
Investment properties	541,247	496,655

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

26 Commitments (continued)

(b) Operating lease arrangements - the Group as lessor

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

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

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Later than 5 years	15,058,409	13,953,659
Later than 1 year and not later than 5 years	3,010,998	2,727,581
Not later than 1 year	841,040	762,767
	18,910,447	17,444,007

(c) Operating lease arrangements - the Group as lessee

	31 March 2025 AED'000 (Reviewed)	31 December 2024 AED'000 (Audited)
Later than 1 year and not later than 5 years	2,765	3,043
Not later than 1 year	1,215	1,265
	3,980	4,308

(d) Contingencies

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

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

27 Segment reporting

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

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

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

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

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

Notes to the condensed interim consolidated financial statements for the three-month period ended 31 March 2025 (continued)

27 Segment reporting (continued)

Information regarding these segments are as follows:

	Commercial leasing AED'000	Land leasing AED'000	Industrial leasing AED'000	Services and others AED'000	Total AED'000
31 March 2025 (Reviewed)					
Revenue	348,311	140,746	102,355	88,321	679,733
Direct cost	(58,664)	-	(17,522)	(14,628)	(90,814)
Other operating income	14,576	133	16	909	15,634
Other expenses	(43,803)	(8,482)	(6,820)	(5,344)	(64,449)
Segment results before interest and depreciation and amortisation	260,420	132,397	78,029	69,258	540,104
Depreciation and amortisation	(92,214)	-	(23,257)	(1,252)	(116,723)
Income tax expense	(1,762)	(6,681)	(1,994)	-	(10,437)
	166,444	125,716	52,778	68,006	412,944
Unallocated net finance cost					(52,082)
Profit for the period					360,862
31 March 2024 (Reviewed)					
Revenue	286,972	127,214	81,999	67,853	564,038
Direct cost	(49,544)	(502)	(14,749)	(10,063)	(74,858)
Other operating income	12,548	586	-	23	13,157
Other expenses	(44,450)	(7,677)	(6,600)	(4,515)	(63,242)
Segment results before interest and depreciation and amortisation	205,526	119,621	60,650	53,298	439,095
Depreciation and amortisation	(79,877)	-	(23,063)	(1,548)	(104,488)
Income tax expense	(1,313)	(6,909)	(1,576)	(1,893)	(11,691)
	124,336	112,712	36,011	49,857	322,916
Unallocated net finance cost					(30,388)
Profit for the period					292,528

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

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