

# **ESHRAQ INVESTMENTS PJSC**

Reports and the consolidated financial statements  
for the year ended 31 December 2025

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**for the year ended 31 December 2025**

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# ESHRAQ INVESTMENTS PJSC

## Board of Directors' report for the year ended 31 December 2025

The Directors present their annual report together with the audited consolidated financial statements of Eshraq Investments PJSC and its subsidiaries (the "Group") for the year ended 31 December 2025.

### Principal activities

The Group is principally engaged in commercial enterprise investments and real estate business, which includes development, sale, investment, construction, management and associated services.

### Results for the year

During the year, the Group earned revenues of AED 15,883 thousand (2024: AED 16,331 thousand) and incurred profit after tax for the year amounted to AED 64,040 thousand (2024: loss of AED 565,393 thousand).

As part of its year-end assessment of the Group's investment in Goldilocks Investment Company Limited (the "Fund"), the Board considered the net asset value information provided by the Fund administrator as at 31 December 2025. Based on the information available to the Group at the reporting date and at the date of approval of the consolidated financial statements, the reported net asset value was not adopted for the purposes of the Group's financial statements for the year ended 31 December 2025.

This reflects the fact that the Group did not have sufficient reliable and timely underlying information in relation to the Fund's assets and the basis of the reported valuation movement to enable an independent assessment to be completed at that time. The Group continues to pursue redemption of its investment in the Fund, which, if completed, is expected to provide direct visibility and control over the underlying assets and support a fuller assessment of their carrying values. Any resulting accounting impact will be recognised in the appropriate reporting period once sufficient reliable information becomes available.

### Directors


The Directors who served during the year and as of the reporting date is as follows:

H.E. Nasser Hassan AlShaikh (Elected with effect from 7 May 2025)	Chairman
Mr. Matar Hamdan Sultan Al Ameri	Vice Chairman
Mr. Wafik Ben Mansour	Director
Mr. Mohamed Hamad Al Shehi (Elected with effect from 11 December 2025)	Director
Mrs. Raysa Abdulla Darwish Alketbi (Elected with effect from 11 December 2025)	Director
Mr. Fahad Abdul Qader Al Qassim (Resigned with effect from 5 May 2025)	Chairman
Mrs. Maha Abdulmajeed Alfahim (Resigned with effect from 31 October 2025)	Director
Mr. Jacques E. Fakhoury (Resigned with effect from 31 October 2025)	Director

### Release

The Directors release from liabilities management and the external auditor in connection with their duties for the year ended 31 December 2025.

### On behalf of the Board of Directors

Signed by:  
  
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**Chairman**  
Abu Dhabi, UAE

## Independent Auditor’s Report To the Shareholders of Eshraq Investments PJSC

### Report on the Audit of the Consolidated Financial Statements

#### Qualified Opinion

We have audited the consolidated financial statements of Eshraq Investments PJSC (the “Company”) and its subsidiaries (together, the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025 and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

#### Basis for Qualified Opinion

The Group’s investments in financial assets measured at fair value through profit or loss include an investment in an open-ended fund (the “Fund”) amounting to AED 817 million as at 31 December 2025, which includes a fair value gain of AED 44.73 million recorded during the year. We were unable to obtain sufficient appropriate audit evidence regarding the fair value of the underlying investments in the Fund and the related fair value gain as at and for the year ended 31 December 2025. We were also unable to determine whether the valuation methodology and inputs used by the Group in determining the fair value of the Fund were appropriate. Consequently, we were unable to determine any adjustments that may have been necessary to these amounts.

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

## **Independent Auditor's Report To the Shareholders of Eshraq Investments PJSC**

### **Report on the Audit of the Consolidated Financial Statements (continued)**

#### **Key Audit Matters**

Except for the matter described in the Basis for Qualified Opinion section, we have determined that there are no other key audit matters to communicate in our report.

#### **Other Matter**

The financial statements for the year ended 31 December 2024 were audited by another auditor who expressed a qualified opinion on those consolidated financial statements on 24 March 2025.

#### **Other Information**

The Board of Directors is responsible for the other information. The other information comprises the annual report of the Group. We obtained the Board of Directors' report that forms part of the annual report prior to the date of our auditor's report, and the remaining information of the annual report is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

#### **Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

## **Independent Auditor's Report To the Shareholders of Eshraq Investments PJSC**

### **Report on the Audit of the Consolidated Financial Statements (continued)**

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

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

## **Independent Auditor's Report To the Shareholders of Eshraq Investments PJSC**

### **Report on the Audit of the Consolidated Financial Statements (continued)**

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)**

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


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

#### **Report on Other Legal and Regulatory Requirements**

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

- i) We have obtained all the information we considered necessary for the purposes of our audit;
- ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 (as amended);
- iii) The Group has maintained proper books of account;
- iv) The financial information included in the Board of Directors' Report is consistent with the books of account and records of the Group;
- v) Notes 7 and 9 to the consolidated financial statements disclose the Group purchases or investments in shares during the year ended 31 December 2025;
- vi) Note 20 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- vii) The Group has not made any social contribution during the financial year ended 31 December 2025; and
- viii) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 (as amended), or in respect of the Group, its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 December 2025.

**GRANT THORNTON UAE**

  
**Dr. Osama El-Bakry**  
**Registration No: 935**  
**Abu Dhabi, United Arab Emirates**



**Date: 13 March 2026**

## Eshraq Investments PJSC

### Consolidated financial statements

#### Consolidated statement of financial position

##### As at 31 December 2025

	Notes	31 December 2025 AED'000	31 December 2024 AED'000 <i>Restated</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	2,814	3,363
Right-of-use assets	19	2,736	3,550
Investment properties	6	215,818	699,868
Financial assets at fair value through other comprehensive income	7	44,048	50,576
Wakala investments	12, 20	-	12,312
Trade and other receivables – net of current portion	10	102,939	33,418
<b>Total non-current assets</b>		<b>368,355</b>	<b>803,087</b>
<b>Current assets</b>			
Inventories		-	25
Trade and other receivables	10	401,365	65,593
Financial assets at fair value through profit or loss	9, 20	872,051	785,340
Wakala investment	12, 20	12,312	-
Debt investment at amortised cost	8, 20	-	7,859
Due from related parties	20	320	624
Cash and bank balances	11	118,458	65,368
<b>Total current assets</b>		<b>1,404,506</b>	<b>924,809</b>
<b>Total assets</b>		<b>1,772,861</b>	<b>1,727,896</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	2,685,286	2,685,286
Share discount	13	(623,283)	(623,283)
Statutory reserve	14	65,686	58,979
Accumulated losses		(469,215)	(526,548)
Investment revaluation reserve	15	(27,852)	(20,114)
<b>Total equity</b>		<b>1,630,622</b>	<b>1,574,320</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Eshraq Investments PJSC Consolidated financial statements

### Consolidated statement of financial position (continued) As at 31 December 2025

	Notes	31 December 2025 AED'000	31 December 2024 AED'000 <i>Restated</i>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	16	788	921
Bank borrowings	17	110,751	117,232
Lease liability	19	1,797	2,612
<b>Total non-current liabilities</b>		<b>113,336</b>	<b>120,765</b>
<b>Current liabilities</b>			
Trade and other payables	18	17,322	24,123
Bank borrowings	17	5,270	4,804
Lease liability	19	816	762
Tax liability	33	5,495	3,122
<b>Total current liabilities</b>		<b>28,903</b>	<b>32,811</b>
<b>Total liabilities</b>		<b>142,239</b>	<b>153,576</b>
<b>Total equity and liabilities</b>		<b>1,772,861</b>	<b>1,727,896</b>

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group as of, and for, the periods presented therein.

Signed by:  
  
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Chairman

Signed by:  
  
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Acting Chief Executive  
Officer

Signed by:  
  
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Director, Finance

The accompanying notes form an integral part of these consolidated financial statements.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Consolidated statement of profit or loss

#### For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 AED'000	Year ended 31 December 2024 AED'000 <i>Restated</i>
Revenue from commercial operations	21	15,883	16,331
Direct operating expenses	22	(4,989)	(4,704)
<b>Gross profit from commercial operations</b>		<b>10,894</b>	<b>11,627</b>
Finance income	23	8,948	8,208
Finance costs	24	(8,235)	(9,675)
<b>Net finance income/(costs)</b>		<b>713</b>	<b>(1,467)</b>
Dividend income		302	-
Net changes in fair value of financial assets at fair value through profit or loss	9	32,711	(567,191)
<b>Net income/(loss) from investments</b>		<b>33,013</b>	<b>(567,191)</b>
Net gain on disposal of investment properties	6	43,300	-
Change in fair value of investment properties	6	9,700	8,066
<b>Net income from investment properties</b>		<b>53,000</b>	<b>8,066</b>
<b>Total operating income/(loss)</b>		<b>97,620</b>	<b>(548,965)</b>
General and administrative expenses	25	(30,608)	(16,062)
Other income		58	65
<b>Profit/(loss) before tax</b>		<b>67,070</b>	<b>(564,962)</b>
Tax expense	33	(3,030)	(431)
<b>Profit/(loss) after tax</b>		<b>64,040</b>	<b>(565,393)</b>
<b>Basic and diluted earnings/(loss) per share (AED)</b>	26	<b>0.0238</b>	<b>(0.2106)</b>

The accompanying notes form an integral part of these consolidated financial statements.

**Eshraq Investments PJSC**  
**Consolidated financial statements**

**Consolidated statement of comprehensive income**  
**For the year ended 31 December 2025**

	Notes	Year ended 31 December 2025 AED'000	Year ended 31 December 2024 AED'000 <i>Restated</i>
<b>Profit/(loss) for the year</b>		<b>64,040</b>	(565,393)
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net changes in the fair value of equity instruments designated at fair value through other comprehensive income	7	(8,393)	29,703
Income tax	33	655	(2,691)
<b>Total other comprehensive (loss)/income for the year</b>		<b>(7,738)</b>	27,012
<b>Total comprehensive income/(loss) for the year</b>		<b>56,302</b>	(538,381)

The accompanying notes form an integral part of these consolidated financial statements.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Consolidated statement of changes in equity

##### For the year ended 31 December 2025

	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Accumulated loss AED'000	Investment revaluation reserve AED'000	Total Equity AED'000
Balance at 1 January 2024	2,820,433	(623,283)	(73,000)	58,979	(23,222)	(47,126)	2,112,781
Loss for the year (restated)	-	-	-	-	(565,393)	-	(565,393)
Other comprehensive income for the year, net of tax	-	-	-	-	-	27,012	27,012
Total comprehensive (loss)/ income for the year	-	-	-	-	(565,393)	27,012	(538,381)
Treasury shares purchased (Note 14)	-	-	(80)	-	-	-	(80)
Treasury shares cancelled (Note 14)	(135,147)	-	73,080	-	62,067	-	-
Balance at 1 January 2025 (restated)	<b>2,685,286</b>	<b>(623,283)</b>	-	<b>58,979</b>	<b>(526,548)</b>	<b>(20,114)</b>	<b>1,574,320</b>
Profit for the year	-	-	-	-	<b>64,040</b>	-	<b>64,040</b>
Other comprehensive loss for the year, net of tax	-	-	-	-	-	<b>(7,738)</b>	<b>(7,738)</b>
Total comprehensive income for the period	-	-	-	-	<b>64,040</b>	<b>(7,738)</b>	<b>56,302</b>
Transfer to statutory reserve	-	-	-	<b>6,707</b>	<b>(6,707)</b>	-	-
<b>Balance at 31 December 2025</b>	<b>2,685,286</b>	<b>(623,283)</b>	-	<b>65,686</b>	<b>(469,215)</b>	<b>(27,852)</b>	<b>1,630,622</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Consolidated statement of cash flows

#### For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 AED'000	Year ended 31 December 2024 AED'000 <i>Restated</i>
<b>Cash flows from operating activities</b>			
Profit/(loss) before tax for the year		67,070	(564,962)
<i>Adjustments for:</i>			
Change in fair value of financial assets at fair value through profit or loss	9	(32,711)	567,191
Depreciation of property and equipment	5	618	866
Depreciation of right of use assets	19	814	723
Impairment of property and equipment	5	-	411
Interest expense on lease liability		249	-
Amortisation of borrowing cost	24	81	81
Net fair value gain on investment properties	6	(9,700)	(8,066)
(Gain) on disposal of investment properties	6	(43,300)	-
Finance income	23	(8,948)	(8,208)
Finance cost	24	7,903	9,594
Dividend income		(302)	-
Provision for employees' end of service benefits	16	232	313
<b>Operating cash flows before changes in working capital</b>		<b>(17,994)</b>	<b>(2,057)</b>
Decrease/(increase) in trade and other receivables		(398,239)	37,262
Decrease in inventories		25	24
Decrease in due from related parties		303	8
Decrease in trade and other payables		(6,800)	(5,168)
<b>Cash (used in)/generated from operating activities</b>		<b>(422,705)</b>	<b>30,069</b>
Employees' end of service benefits paid	16	(365)	(568)
<b>Net cash (used in)/generated from operating activities</b>		<b>(423,070)</b>	<b>29,501</b>

The accompanying notes form an integral part of these consolidated financial statements.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Consolidated statement of cash flows (continued)

##### For the year ended 31 December 2025

	Notes	Year ended 31 December 2025 AED'000	Year ended 31 December 2024 AED'000 <i>Restated</i>
<b>Cash flows from investing activities</b>			
Purchase of financial assets at fair value through profit or loss	9	(54,000)	(1,642)
Purchase of financial assets at fair value through other comprehensive income	7	(2,964)	
Interest received		431	2,204
Dividends received		302	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	7	1,099	577
Payments for purchase of property and equipment	5	(69)	(2,000)
Proceed from disposal of debt investments at amortised cost		9,321	-
Proceed from disposal of investment properties	6	537,050	-
Term deposits matured	11	3,350	3,202
Term deposits placed	11	(3,482)	(3,350)
<b>Net cash generated from investing activities</b>		<b>491,038</b>	<b>(1,009)</b>
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings	17	(6,096)	(11,425)
Repayment of lease liability	19	(1,010)	(1,010)
Payment of borrowing finance cost	17	-	(52)
Finance costs paid		(7,904)	(9,477)
Treasury shares purchased		-	(80)
<b>Net cash used in financing activities</b>		<b>(15,010)</b>	<b>(22,044)</b>
<b>Net increase in cash and cash equivalents</b>		<b>52,958</b>	<b>6,448</b>
Cash and cash equivalents at the beginning of the year		61,990	55,542
<b>Cash and cash equivalents end of the year</b>	11	<b>114,948</b>	<b>61,990</b>
<b>Non-cash transactions:</b>			
Acquisition of Wakala investment on settlement of related party receivables	12	-	12,312
Disposal of Wakala investment	12	-	11,400

The accompanying notes form an integral part of these consolidated financial statements.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements

#### For the year ended 31 December 2025

#### 1 General information

Eshraq Investments PJSC (the “Company”) was initially registered as a private joint stock company in the Emirate of Abu Dhabi on 24 December 2006. On 7 July 2011, the Company converted to a public joint stock company. The Company is listed on the Abu Dhabi Securities Exchange.

The Company is registered under commercial license No. 1005631 and Abu Dhabi Chamber of Commerce and Industry membership No. 223393. The registered head office of the Company is at P.O. Box 108737, Abu Dhabi, United Arab Emirates (“UAE”).

The Company and its subsidiaries (together referred to as the “Group”) are principally engaged in commercial enterprise investment and real estate business which includes development, sale, investment, construction, management and associated services.

The details of principal activities, country of incorporation and operation, and ownership interest of the Company in its subsidiaries are set out below:

Name of the subsidiary	Country of incorporation	Legal % of holding		Principal activities	Classification
		2025	2024		
Eshraq International Company LLC	Cayman Islands	100	100	Real estate	Subsidiary
Beans and Pages Café*	UAE	100	100	Library and café	Subsidiary
Goldilocks Investment Holding-Sole Proprietorship L.L.C.**	UAE	100	100	Investment, institution and management	Subsidiary
Qanat View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	0	100	Real estate development construction	Subsidiary
Bayfront Waves View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Garden Meadows View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Heights View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Paradise Empire View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary
Seascape Oasis View Real Estate Development Construction – Sole Proprietorship L.L.C.	UAE	100	100	Real estate development construction	Subsidiary

\* Entity ceased its operation and was undergoing liquidation during the period. The liquidation was completed in April 2025.

\*\*Dormant entity acquired from a related party.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 1 General information (continued)

Subsidiary under Eshraq International Company LLC	Country of incorporation	Legal % of holding	Beneficial % of holding	Principal activities	Classification
Nuran Marina Serviced Residence LLC*	UAE	49%	100	Hotel apartments	Subsidiary

\*Eshraq International Company LLC has a 49% ownership in Nuran Marina Serviced Residence LLC and the remaining 51% is held by the heirs of a former board member on behalf of the Company who had irrecoverably assigned the beneficial ownership to Eshraq International Company LLC. The subsidiary is undergoing liquidation which is expected to be completed in 2026.

#### Social contribution

During the year ended 31 December 2025, the Group has not made any social contributions (2024: Nil).

#### 2 Application of new and revised IFRS Accounting Standards

##### 2.1 New and amended standards adopted by the Group

The following new and revised IFRS Accounting Standards as issued by International Accounting Standards Board (IASB), which became effective for annual periods beginning on or after 1 January 2025, have been applied in these consolidated financial statements. The application of these revised IFRS accounting standards has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 Lack of Exchangeability
- Amendments to the SASB standards to enhance their international applicability

##### 2.2 Standards and interpretations in issue but not yet effective and not early adopted

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

<u>New and revised standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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## **2 Application of new and revised IFRS Accounting Standards (continued)**

### **2.2 Standards and interpretations in issue but not yet effective and not early adopted (continued)**

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period of initial application. Management is in process of carrying out an impact assessment with respect to the adoption of these new standards, interpretations and amendments in the consolidated financial statements of the Group in the period of initial application.

## **3 Summary of material accounting policies**

### **Statement of compliance**

These consolidated financial statements have been prepared in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and comply with the requirements of applicable laws in the UAE.

The Group is in compliance of the applicable provisions of Federal Law No. 32 of 2021, as amended on Commercial Companies.

### **Basis of preparation**

The consolidated financial statements have been prepared on the going concern basis and under the historical cost convention except for financial assets measured at fair value, and investment properties which are carried at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of a financial asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- Level 1 input are quoted price (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

These consolidated financial statements are presented in UAE Dirhams (AED) which is the functional currency of the Group.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries made up to 31 December each year. Control is achieved when the Company:

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Basis of preparation (continued)

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interest having deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interest of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Basis of consolidation (continued)

When the Group loses control of a subsidiary, the gain or losses on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or joint venture.

#### Business combination

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange of control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in profit or loss.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that, together, significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to shared-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquired are measured in accordance with IFRS 2 at the acquisition date and;
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Business combination (continued)**

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interests (including joint operations) in the acquired entity is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period ends as soon as the Group receives the necessary information about the facts and circumstances that existed as of the acquisition date or learns that the information is not obtainable. However, the measurement period cannot exceed one year from the acquisition date.

#### **Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

#### Revenue recognition

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

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

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

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

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-based asset 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. Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Revenue recognition (continued)**

The Group recognises revenue from the following major sources:

- Rental income
- Hospitality revenues
- Finance income
- Dividend income
- Sale of real estate properties

#### **Rental income**

Rental income represents income from commercial and residential apartments rented out by the Group during the year. The Group's policy for recognition of revenue from operating leases is described below under "Leases".

#### **Hospitality revenues**

Hotel revenue corresponds to revenues received from guests of the hotels. The services rendered (including room rentals, food and beverage sales and other ancillary services) are distinct performance obligations, for which prices invoiced to the guests are representative of their stand-alone selling prices. These obligations are fulfilled over time when they relate to room rentals, that is over the stay within the hotel, and at a point in time for other goods or services, when they have been delivered or rendered.

#### **Finance income**

Finance income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset net carrying amount on initial recognition.

#### **Dividend income**

Dividend income from investments is recognised when the rights to receive payments have been established, provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

#### **Sale of real estate properties**

Revenue from sale of real estate properties is recognised when the Group has transferred the control to the customer and has right to receive the consideration for the sale. This is determined in reference to the terms and condition stated in the contracts signed with customers.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Inventories

Inventories comprise consumables used in the Group's hotel operations, including guest supplies, cleaning supplies, office supplies, and engineering and maintenance materials. Inventories are stated at the lower of cost and net realisable value, in accordance with IAS 2 Inventories. Cost includes all purchase costs and is determined using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business, less applicable selling and distribution expenses.

Inventories are expensed to the consolidated statement of profit or loss when issued for consumption in the rendering of hotel services, including room operations, food and beverage services, and other ancillary activities. Slow-moving, damaged, or obsolete items are written down based on management's assessment of their condition and expected usage.

#### Leases

##### The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

##### Rental income

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

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

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

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when the right to receive them arises.

Amounts from leases under finance lease are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Leases (continued)

##### The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Leases (continued)**

##### **The Group as lessee (continued)**

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented under the property and equipment in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the Property and equipment policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'General and administrative expenses' in the consolidated statement of profit or loss.

As a practical expedient, IFRS16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. There are no material non-lease components applicable to the Group.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

#### **Foreign currencies**

For the purpose of these consolidated financial statements, the UAE Dirham (AED) is functional and presentation currency of the Group.

Transactions in currencies other than AED (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

#### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Property and equipment

Property and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Expenditure incurred to replace a component of an item of property 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 and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as incurred.

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives, residual values and depreciation methods are reviewed at each consolidated statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	<b>Years</b>
Buildings	16-25
Right to use assets of building	5
Leasehold improvements	5
Motor vehicle	4
Software and computers	2-4
Furniture and office equipment–	2-3

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

Properties or assets in the course of construction for production, supply or administrative purposes, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the acquisition of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property and equipment category and is accounted in accordance with the Group's policies.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Investment properties

Investment properties comprise completed properties. Completed properties are held to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in the consolidated profit or loss in the period in which they arise.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use. If a property and equipment becomes an investment property, the difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss. The Group considers as evidence the commencement of development with a view to sale/use for earn income (for a transfer from investment property to property under development).

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefits are expected from the disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration to be included in the gain or loss arising from the derecognition of investment property, the Group considers the effects of variable consideration, the existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any) in accordance with the requirements for determining the transaction price in IFRS 15.

The carrying values of investment properties are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

#### Income tax

Income taxes have been provided for in the consolidated financial statements in accordance with legislation enacted or substantively enacted by the end of the reporting period. The income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised in directly in equity or in other comprehensive income (OCI).

#### Current tax

Current income tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  - is not a business combination; and
  - at the time of the transaction
- (i) affects neither accounting nor taxable profit or loss and
- (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

#### Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Impairment of non-financial assets (continued)**

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Classification and measurement of financial assets and liabilities**

##### **Initial recognition**

On initial recognition, a financial asset is classified as measured at: amortised cost, fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”).

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Financial instruments (continued)

#### Classification and measurement of financial assets and liabilities (continued)

##### Financial assets at amortised cost

Financial assets at amortised cost include cash and bank balances, investment in debt instruments, wakala investments, trade receivables and due from related parties. These financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as at fair value through profit or loss account:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Equity instruments designated as at FVOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination. Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. These equity instruments include investment in an equity stake in a special-purpose vehicle and investment in quoted equity securities of a local company (Note 7).

##### Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. Investments at FVTPL include investment in an unquoted fund and certain quoted equity securities.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Financial instruments (continued)**

#### **Classification and measurement of financial assets and liabilities (continued)**

#### **Initial recognition (continued)**

##### **Wakala**

A contract between the Group and a customer whereby one party (the principal, the Muwakkil) appoints the other party (the agent, the Wakil) to invest certain funds according to the terms and conditions of the Wakala for a fixed fee, in addition to any profit exceeding the expected profit as an incentive for the Wakil for good performance. Any losses resulting from misconduct, negligence, or violation of the terms of the Wakala are borne by the Wakil; otherwise, they are borne by the principal.

##### **Business model assessment**

The Group entities make an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the frequency, volume and timing of trades of financial assets in prior periods, the reasons for such trades and its expectations about the future trading activity. However, information about trading activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised;
- how the performance of the portfolio is evaluated and reported to the management; and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed. Financial assets that are held for trading and whose performance is evaluated on a fair value basis are measured at FVTPL because they are neither held to collect contractual cash flows, nor held both to collect contractual cash flows and to sell financial assets.

##### **Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

'Interest' is defined as consideration for the time value of money and for the credit risk associated with the outstanding principal.

In assessing whether the contractual cash flows are solely payments of principal and interest on the outstanding principal, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Financial instruments (continued)**

#### **Classification and measurement of financial assets and liabilities (continued)**

#### **Initial recognition (continued)**

#### **Financial liabilities (continued)**

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities at amortised cost include bank borrowings, trade and other payables and lease liability. Further, there are no liabilities measured at FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities, at initial recognition, may be designated at FVTPL if the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis;
- the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or
- the financial liability contains an embedded derivative that would otherwise need to be separately recorded.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in consolidated statement of profit or loss.

#### **Subsequent measurement and gain or losses**

#### **Financial assets at amortised cost:**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on derecognition is recognised in the consolidated income statement.

#### **Financial assets at FVTPL**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the consolidated income statement.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Financial instruments (continued)**

#### **Classification and measurement of financial assets and liabilities (continued)**

#### **Subsequent measurement and gain or losses (continued)**

#### **Equity instruments designated as at FVOCI**

These assets are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in financial assets are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

#### **Financial liabilities at amortised cost**

Mainly includes borrowings and trade and other payables. After initial recognition, the aforementioned liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated income statement.

#### **Reclassification**

#### **Financial assets**

Group only reclassify financial assets if, and only if, the objective of the business model for managing those financial assets is changed. Such changes are expected to be very infrequent as these changes must be significant to the Group's operations and demonstrable to external parties.

#### **Financial liabilities**

Group determines the classification of financial liabilities on initial recognition. Subsequent reclassification is not permitted.

#### **Modifications of financial assets and financial liabilities**

#### **Financial assets**

If the terms of a financial asset are modified, the Group evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognised and a new financial asset is recognised at fair value.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Financial instruments (continued)

#### Modifications of financial assets and financial liabilities (continued)

##### Derecognition

##### Financial assets (continued)

If the cash flows of the modified asset carried at amortised cost are not substantially different, then the modification does not result in derecognition of the financial asset. In this case, the Group recalculates the gross carrying amount of the financial asset and recognises the amount arising from adjusting the gross carrying amount as a modification gain or loss in the consolidated income statement.

##### Financial liabilities

If the terms of a financial liability are modified and the cash flows of the modified liability are substantially different then, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in the consolidated statement of profit or loss.

A financial asset (or, where 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 assumes an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

The Group enters into transactions whereby it transfers assets recognised on its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

In transactions in which the Group neither retains nor transfers substantially all of the risks and rewards of ownership of a financial asset and it retains control over the asset, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

##### Measured at amortised cost

Any gain or loss on derecognition of financial assets measured at amortised cost is recognised in the consolidated statement of profit or loss.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### 3 Summary of material accounting policies (continued)

#### Financial instruments (continued)

#### Modifications of financial assets and financial liabilities (continued)

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

#### Impairment of financial assets

In relation to the impairment of financial assets, the Group applies the Expected Credit Loss (“ECL”) model. Under the expected credit loss model, the Group accounts for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition of the financial assets. It is not necessary for a credit event to have occurred before credit losses are recognised.

The Group recognises loss allowances for ECLs on the following instruments that are not measured at FVTPL:

- financial assets measured that are debt instruments carried at amortised cost or FVOCI; and
- financial guarantee contracts issued.

The Group measures loss allowances either using general or simplified approach as considered appropriate.

Under general approach, loss allowances are measured at an amount equal to 12-month expected credit loss except when there has been a significant increase in credit risk since inception. In such cases, the Group measures loss allowances at an amount equal to lifetime expected credit loss.

Under simplified approach, loss allowances are always measured at an amount equal to lifetime expected credit loss.

*Lifetime ECL:* These losses are the ECL that result from all possible default events over the expected life of a financial instrument, if there is significant increase in credit risk or under simplified approach.

*12-month ECL:* These losses are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

#### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. It is measured as follows:

- financial assets that are not credit-impaired: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive); and
- financial assets that are credit-impaired: as the difference between the gross carrying amount and the present value of estimated future cash flows.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### **3 Summary of material accounting policies (continued)**

#### **Financial instruments (continued)**

#### **Modifications of financial assets and financial liabilities (continued)**

#### **Definition of default**

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

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

#### **Reversals of impairment**

If the amount of an impairment loss decreases in a subsequent period, and the decrease can be related objectively to an event occurring after the impairment was recognised, the excess is written back by reducing the loan impairment allowance account accordingly. The write-back is recognised in the consolidated statement of profit or loss.

#### **Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### **4 Critical accounting judgements and key sources of estimation uncertainty**

While applying the accounting policies as stated in note 3, Management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

# Eshraq Investments PJSC

## Consolidated financial statements

### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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#### **4 Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### **Critical judgements in applying the Group's accounting policies**

###### **Classification of properties**

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, and equipment and/or property held for sale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property and equipment and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, and in particular, the intended usage of property as determined by management.

###### **Business model assessment**

Classification and measurement of financial assets depends on the results of the Solely Payments of Principal and Interest (SPPI) and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

###### **Unconsolidated investment vehicles**

The Group's direct interests in unconsolidated structured entities comprise investments in open-ended Investment Fund a total carrying value of AED 817,285 thousand at 31 December 2025 (2024: AED 722,557 thousand), included within financial assets designated at fair value through profit and loss. This investment is being managed by a related party, SHUAA GMC Limited.

Structured entities are entities that are designed so that their activities are not governed by way of voting rights. In assessing whether the Group has power over such entities in which it has an interest, the Group considers factors such as the purpose and design of the entity; its practical ability to direct the relevant activities of the entity; the nature of the relationship with the entity; and the size of its exposure to the variability of returns of the entity.

###### **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 for recognising revenue. Accordingly, the Group has evaluated the timing of revenue recognition on the sale of properties based on a careful analysis of the rights and obligations under the terms of the contract and legal advice from the Group's legal counsel.

## Eshraq Investments PJSC Consolidated financial statements

### Notes to the consolidated financial statements (continued) For the year ended 31 December 2025

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#### **4 Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### **Critical judgements in applying the Group's accounting policies (continued)**

###### **Satisfaction of performance obligations (continued)**

The Group has generally concluded that contracts relating to the sale of completed property are recognised at a point in time when control transfers. For unconditional exchanges of contracts, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

###### **Key estimates in applying the Group's accounting policies**

###### **Fair value of investment properties**

The fair value of investment properties is determined by independent real estate valuation experts using market comparable approach for lands classified as investment properties and income capitalisation approach for investment properties currently being used for income generation (2024: market comparable approach for lands classified as investment properties and income capitalisation approach for investment properties currently being used for income generation). These valuation approaches are suitable methods of valuation that is normally used to value investment property and approaches those would be adopted for use in the local market. The fair value is determined in comparing the property's characteristics with those of comparable properties which recently have been sold in similar transactions in the market. Adjustments are made to reflect the period of time that has passed between the transaction date and the date of valuation, or the price that is expected to be achieved following a negotiated sale. Data source of market evidence has been obtained from sources such as anecdotal information/evidence obtained from various sources and real estate brokers active in the locality, the expert's internal research/enquiries and personal knowledge of certain sales transactions that have taken place.

Such estimations are based on certain assumptions, which are subject to uncertainty, however, management does not expect such assumptions to materially differ from the actual results. During the year, the Group recorded an increase in fair value of AED 9,700 thousand (2024: increase of AED 8,066 thousand) for investment properties.

###### **Valuation of financial assets at FVTOCI and FVTPL**

Valuation of financial assets at FVTOCI and FVTPL is normally based on recent market transactions on an arm's length basis, fair value of another instrument that is substantially the same, expected cash flows discounted at current rates for similar instruments or other valuation models. In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses its own valuation models which are usually based on valuation methods and techniques generally recognised as standard within the industry including Net Asset Value (NAV) method and other methods allowed as per International Private Equity and Venture Capital Valuation (IPEV) Guidelines and IFRS 13 Fair Value Measurement.

The valuations of unquoted equity and debt investments and private equities are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year. Further information on the carrying amounts of these assets and the sensitivity of those amounts to changes in unobservable inputs are provided in Note 30.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 5 Property and equipment

	Building AED'000	Leasehold improvement AED'000	Motor vehicles AED'000	Software and computers AED'000	Furniture décor and office equipment AED'000	Construction work-in- progress AED'000	Total AED'000
<b>Cost</b>							
At 1 January 2024	4,760	-	155	2,579	3,326	1,316	12,136
Additions	-	1,521	-	186	293	-	2,000
Transfer to investment property (Note 6)	(4,760)	-	-	(1,392)	(933)	-	(7,085)
Impairment	-	-	-	(602)	(754)	-	(1,356)
At 1 January 2025	-	1,521	155	771	1,932	1,316	5,695
Additions	-	-	-	12	57	-	69
Transfer to investment property (Note 6)	-	-	-	-	-	-	-
Disposals	-	-	(155)	-	-	-	(155)
<b>At 31 December 2025</b>	<b>-</b>	<b>1,521</b>	<b>-</b>	<b>783</b>	<b>1,989</b>	<b>1,316</b>	<b>5,609</b>
<b>Accumulated depreciation and impairment</b>							
At 1 January 2024	326	-	155	2,162	2,569	-	5,212
Charge for the year	150	83	-	163	470	-	866
Transfer to investment property (Note 6)	(476)	-	-	(1,392)	(933)	-	(2,801)
Impairment	-	-	-	(360)	(585)	-	(945)
At 1 January 2025	-	83	155	573	1,521	-	2,332
Charge for the year	-	332	-	69	217	-	618
Disposals	-	-	(155)	-	-	-	(155)
<b>At 31 December 2025</b>	<b>-</b>	<b>415</b>	<b>-</b>	<b>642</b>	<b>1,738</b>	<b>-</b>	<b>2,795</b>
<b>Carrying amount</b>							
<b>At 31 December 2025</b>	<b>-</b>	<b>1,106</b>	<b>-</b>	<b>141</b>	<b>251</b>	<b>1,316</b>	<b>2,814</b>
At 31 December 2024	-	1,438	-	198	411	1,316	3,363

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

##### 5 Property and equipment (continued)

All of the Group's property and equipment are located in the UAE.

The depreciation charge has been allocated in the consolidated statement of comprehensive income as follows:

	2025 AED'000	2024 AED'000
Direct operating expenses (Note 22)	93	463
General and administrative expenses (Note 25)	525	403
	618	866

##### 6 Investment properties

Investment properties represent certain plot of land located in the UAE, a building in the UAE and a building in the United States of America ("USA").

Movement in investment properties is as follows:

	2025 AED'000	2024 AED'000
Balance at 1 January	699,868	687,518
Disposal (a)	(493,750)	-
Transfer from property and equipment (b), (Note 5)	-	4,284
Net increase in fair value	9,700	8,066
<b>Balance at 31 December</b>	<b>215,818</b>	<b>699,868</b>

Investment properties are carried at fair value. The fair value of the investment properties has been arrived at on the basis of valuations carried out by accredited independent valuers not related to the Group in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors ("RICS"). The valuers are members of professional valuers' associations and have appropriate qualifications and experience in the valuation of properties at the relevant locations. In estimating the revalued amounts of the investment properties, the highest and best use of the land has been considered.

The fair value was determined using the market comparable approach and income capitalisation approach. The approaches involve measuring the present value of the business resources based on the flow of prices of these resources on the free market and exchange between willing persons (seller and buyer) on such market. The valuation has been conducted as at 31 December 2025 and further reviewed by the accredited independent valuers not related to the Group. There were no changes to the valuation techniques adopted to the investment properties during the year (2024: Nil). As of 31 December 2025 and 2024, all significant changes have been observed and taken in the valuation of the properties.

The inputs used in the valuation are not based on observable market data, and thus, the valuation techniques were considered to be Level 3 fair value measurement.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 6 Investment properties (continued)

Significant unobservable inputs used in determining the fair value of the properties are as follows:

	2025	2024
Net average sales price/sq. ft for vacant plots	N/A	AED 187 - AED 287
Net average sales price/sq. ft for developed property valued using income capitalisation method	AED 1,054	AED 975
Discount rate for developed property valued using income capitalisation method	7.5%	7.5%
Exit yield for developed property valued using income capitalisation method	7.5%	7.5%
Rental rates for residential units for developed property valued using income capitalisation method	AED 55,000 – 180,000 per annum	AED 55,000 – 225,000 per annum
Rental rates for retail units for developed property valued using income capitalisation method	AED 125 per sq ft AED 160 per sq ft	AED 150 per sq. ft AED 175 per sq. ft

The Group conducted a sensitivity analysis for its investment properties on the average sales price, capitalisation rates and rental rates. Based on this sensitivity analysis:

- an increase in average sales price per square meter by 10% would result in AED 92 thousand (2024: AED 49,467 thousand) increase in the valuation, whilst a decrease of 10% would result in AED 92 thousand (2024: AED 49,467 thousand) decrease in properties valued using comparable method.
- a decrease of capitalisation rates by 50 bps would result in AED 15,350 thousand (2024: AED 15,100 thousand) increase in the valuation, whilst an increase of 50 bps would result in AED 13,431 thousand (2024: AED 13,200 thousand) decrease in valuation of those properties valued using income capitalisation method; and
- An increase in expected rental rates by 10% would result in AED 21,490 thousand (2024: AED 20,300 thousand) increase in the valuation, whilst a decrease of 10% would result in AED 21,490 thousand (2024: 20,300 thousand) decrease in valuation of those properties valued using income capitalisation method.

Included in investment properties, a building with a fair value of AED 214,900 thousand are mortgaged as securities for loans obtained by the Group from local banks (2024: a building and a land with a fair value of AED 205,200 thousand are mortgaged as securities for loans obtained by the Group from local banks).

During 2025, the Group recognised rental income amounting to AED 15,818 thousand (2024: AED 15,055 thousand) from letting investment properties.

In September 2022, the Board of Directors approved the monetization of the Group's land bank in accordance with the Group's business plan. The following transactions demonstrate the Group's progress towards monetizing its land bank:

- In September 2022, the Group entered into a sale and purchase agreement ("SPA") with a third party in the UAE for the sale of two plots of land located in Jumeirah Village Circle ("JVC")-Dubai, UAE for a total consideration of AED 33,134 thousand and an earnout amount upon completion of the project by the third party. The consideration is interest-bearing and will be payable after 2 to 4 years (Note 10). In 2022, the sales transaction was completed and the parties finalised the performance of the terms and conditions, and legal procedures as stated in the SPA and property development agreement for handing over the plots to the third party. Interest income during the year amounted to AED 3,313 thousand (2024: AED 3,313 thousand).

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 6 Investment properties (continued)

In November 2022, the Group entered into a SPA with a third party for the sale of one plot in Abu Dhabi, UAE for a total consideration of AED 126,620 thousand. The consideration was payable over the next 5 years in periodic cash payments (66% of consideration) and completed units (34% of consideration) by the third party. In 2023, the Group and the third party finalised the performance of the terms and conditions, and legal procedures as stated in the sales and purchase agreement (SPA) dated November 2022, and property development agreement for handing over the plot of land in Abu Dhabi, UAE to the third party. Further, the Group discounted total consideration using three-month EIBOR+ spread of 2.25% to convert into present value of AED 100,065 thousand. In December 2024, the Group agreed with the third party for early buyout plan, and settling the full amount. The consideration finalised in cash payment only, and completed units removed from the settlement. As at 31 December 2025, no receivable was outstanding pertaining to this sale (2024: AED 29,721 thousand). Interest income during the year amounted to AED 279 thousand (2024: AED 1,003 thousand).

During the year, the Group entered into a SPA with third parties for sale of four plots in Al Reem Island Abu Dhabi, UAE having a carrying value of AED 246,750 thousand for consideration of AED 263,995 thousand. The consideration is payable over a period of twelve months in accordance with the terms of the SPAs. These transactions resulted in a gain of AED 17,246 thousand.

In December 2025, the Group entered into a SPA with a third party for the sale of one plot in Abu Dhabi, UAE for a total consideration of AED 300,000 thousand. The consideration is payable over the next 2 years in periodic cash payments. The Group has discounted total consideration using three-month EIBOR+ spread of 2.25% to convert into present value of AED 282,355 thousand. As at 31 December 2025, the net receivable balance amounted to AED 222,655 thousand (Note 10). Interest income during the year amounted to AED 300 thousand (2024: Nil). This transaction resulted in a gain of AED 26,054 thousand.

- b) During 2024, the Group relocated its head office to Capital Plaza Office Tower, Corniche. The new office setup costs were capitalised as part of property and equipment and will be depreciated over their useful lives. As a result of the relocation, the Group's previous head office space, which was classified under property, and equipment, has been reclassified as investment property. The carrying amount of the property at the date of reclassification was AED 4,284 thousand.

#### 7 Financial assets at fair value through other comprehensive income

The Group's financial assets at fair value through other comprehensive income ("FVOCI") comprise of strategic investments in equity securities that were irrevocably designated as measured at FVOCI.

Financial assets at FVOCI breakdown as at the end of the reporting period comprises the following:

	2025 AED'000	2024 AED'000
Unquoted funds (i)	43,688	50,113
Quoted equity security	360	463
	<u>44,048</u>	<u>50,576</u>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 7 Financial assets at fair value through other comprehensive income (continued)

- (i) Comprised of an investment in an equity stake in a special-purpose vehicle established to develop a plot of land as a hospitality asset or a luxury branded residence in the UAE.

Movement in the financial assets at fair value through other comprehensive income is as follows:

	2025 AED'000	2024 AED'000
Balance at 1 January	50,576	21,450
Additions during the year	2,964	-
Disposals	(1,099)	(577)
Net change in fair value recognised in other comprehensive Income	(8,393)	29,703
<b>Balance at 31 December</b>	<b>44,048</b>	<b>50,576</b>

Refer to note 30 for the fair value hierarchy classification of the equity instruments held as FVTOCI.

#### 8 Debt investments at amortised cost

Movement in the debt investment at amortised cost is as follows:

	2025 AED'000	2024 AED'000
Balance at 1 January	7,859	7,859
Additions	-	-
Matured	(7,859)	-
<b>Balance at 31 December</b>	<b>-</b>	<b>7,859</b>

During the year, the above investment matured and amount (principal plus interest) was fully received on 14 February 2025.

Finance income on debt investment at amortised cost for the year ended 31 December 2025 amounted to AED 86 thousand (2024: AED 786 thousand). As the investment was matured the accrued interest on debt investment at amortised cost was nil as at year end (2024: AED 1,375 thousand).

#### 9 Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss ("FVTPL") comprise financial assets that are held for trading. The financial assets at FVTPL breakdown at the end of the reporting period comprise the following:

	2025 AED'000	2024 AED'000
Quoted equity securities (i)	54,765	<i>Restated</i> 12,783
Unquoted funds (ii)	817,286	772,557
	<b>872,051</b>	<b>785,340</b>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 9 Financial assets at fair value through profit or loss (continued)

- (i) Comprised of sharia-compliant equity shares quoted in UAE and denominated in UAE Dirhams (AED) in the amount of AED 17,265 thousand (2024: AED 12,783 thousand).

Further, during the year, the Group invested AED 50,000 thousand in Shuaa Capital PJSC through a Mandatory Convertible Bond (MCB). As per the agreed terms, the MCB was to be converted into shares as per the Capital Market Authority (CMA) (previously called as "Securities and Commodities Authority") Certificate with a lock in period of 14 months from the conversion date, at a conversion price of 32 fils per share. The MCB was converted into 156,250 thousand shares of Shuaa Capital PSC on 11 April 2025.

As at the year end, the share price of Shuaa Capital PSC was 24 fils per share that resulted in a fair value loss of AED 12,500 thousand (2024: Nil).

- (ii) Comprised of an investment in an open-ended fund (Goldilocks Investment Company Limited ("Goldilocks", or the "Fund")) incorporated in the UAE with the objective to generate return from Middle East region-based instruments.

In 2022, the Company completed the acquisition of the Fund. The acquisition was completed through a share swap transaction at an agreed swap ratio of 12.61 Company shares to 1 shares of the Fund by issuing 1,385,073 thousand new shares of the Company at par. The Group has 99.485% (31 December 2024: 99.485%) investment in the Fund and designated at financial assets at FVTPL. The Group does not control the Fund and as such, the Group is not involved in the investment decision-making process of the Fund. The Fund is independently managed by its Fund Manager, SHUAA GMC Limited. The Fund Manager is not liable for any losses to the Fund. The Group will remain a Limited Partner in the Fund and has no power over the terms of the management agreement including the valuation of the Fund.

The Group has been made aware that a significant number of the shares in Goldilocks have been subject to a pledge in favour of a local bank since 2019, provided as security for credit facilities obtained by the previous owners of Goldilocks. Based on management's assessment as at the reporting date the probability of liquidation of these shares is considered to be remote.

Movement in the balance of financial assets at FVTPL is as follows:

	2025	2024
	AED'000	AED'000
		<i>Restated*</i>
Balance at 1 January	785,340	1,350,889
Additions	54,000	1,642
Net change in fair value recognised in profit or loss	32,711	(567,191)
<b>Balance at 31 December</b>	<b>872,051</b>	<b>785,340</b>

\*Please refer note 34

Net change in fair value recognized by the Group during the period in profit or loss includes a gain of AED 44,729 thousand (31 December 2024: loss of AED 564,138 thousand) from the net change in fair value of investment in Goldilocks Fund which continues to be managed by Fund Manager SHUAA GMC Limited.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 10 Trade and other receivables

	2025 AED'000	2024 AED'000
Trade receivables (i, ii, iii and iv)	431,784	63,262
Unsecured loan (v)	27,000	-
Accrued interest	18,309	11,534
Prepayments	192	327
Other receivables (vi)	27,019	23,888
	<b>504,304</b>	99,011
Less: non-current portion	<b>(102,939)</b>	(33,418)
	<b>401,365</b>	65,593

- i. In September 2022, the Group entered into a sale and purchase agreement (“SPA”) with a third party in the UAE for the sale of two plots of land located in Jumeirah Village Circle (“JVC”)-Dubai, UAE for a total consideration of AED 33,134 thousand and an earnout amount upon completion of the project by the third party. The consideration is interest-bearing and will be payable after 2 to 4 years. In 2022, the sales transaction was completed and the parties finalised the performance of the terms and conditions, and legal procedures as stated in the SPA and property development agreement for handing over the plots to the third party. As at 31 December 2025, the outstanding balance amounted to AED 33,134 thousand (2024: AED 33,134 thousand). Interest income during the year amounted to AED 3,313 thousand (2024: AED 3,313 thousand).
- ii. At 31 December 2025, the net receivables from Reportage Prime Properties LLC-Branch of Abu Dhabi 1 amounted to Nil (31 December 2024: AED 29,721 thousand). This receivable was discounted using three-month EIBOR+ spread of 2.25%. The interest income on the receivable balance amounted to AED 279 thousand during the year. (31 December 2024: AED 1,003 thousand) (Note 6).
- iii. In December 2025, the Group entered into a SPA with a third party for the sale of one plot in Abu Dhabi, UAE for a total consideration of AED 300,000 thousand. The consideration is payable over the next 2 years in periodic cash payments by the third party. Further, the Group has discounted total consideration using three-month EIBOR+ spread of 2.25% resulting in a present value of AED 282,355 thousand. As at 31 December 2025, the net receivable balance amounted to AED 222,655 thousand. Interest income on receivable balance amounted AED 300 thousand (2024: AED nil thousand) (Note 6).
- iv. During the year, the Group entered into a SPA with a third party for sale of two plots in Al Reem Island, Abu Dhabi, UAE having a carrying value of AED 107,500 thousand for a consideration of AED 114,988 thousand. As at year end, the outstanding consideration against this sale of plots amounted to AED 76,658 thousand that would be received over the period of twelve months as per the SPA (Note 6). Furthermore, the Group entered into a separate SPA with a third party for sale of two plots in Al Reem Island Abu Dhabi, UAE having a carrying value of AED 139,250 thousand for a consideration of AED 149,008 thousand. At the year end, the outstanding consideration against this sale of plots amounts to AED 99,338 thousand that would be received over period of twelve months as per SPA (Note 6)

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 10 Trade and other receivables (continued)

- v. During October 2025, the Group provided three short-term loans of AED 9 million each to individuals who are not related to the Group. All three loans were approved by the Board of Directors. Each loan earns a fixed interest of 15% per annum and is repayable in a single lump-sum payment, including both principal and interest, in March 2026. The loans are unsecured and remained outstanding as at 31 December 2025.
- vi. Other receivables include Murabaha facility entered between the Group and Goldilocks amounted to AED 26,500 thousand (2024: AED 23,000). The fund is managed by a related party (Note 20). The Murabaha carries a profit rate of 12% per annum (2024: 12% per annum). The Group received UAE quoted equity shares as collateral amounted to AED 32,030 thousand (2024: AED 33,149 thousand). The profit which is also accrued at the reporting date on Murabaha for the year ended 31 December 2025 amounted AED 2,964 thousand (31 December 2024: AED 1,994 thousand).

The Group has adopted a policy of dealing with only creditworthy counterparties. An adequate credit assessment is made before accepting a new customer. Out of the trade receivables balance at the year end, AED 431,784 thousand (2024: AED 62,855 thousand) representing 86% (2024: 63%) of the total trade receivables is due from 4 (2024: 2) major customers of the Group.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL in accordance with the simplified approach under IFRS 9. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. There are no write-off of unrecoverable receivable balances during 2025 (2024: nil).

#### 11 Cash and bank balances

Cash and cash equivalents are comprised of the following:

	2025 AED'000	2024 AED'000
Cash on hand	23	37
Cash at bank	114,953	61,981
Term deposits	3,482	3,350
	<b>118,458</b>	<b>65,368</b>
Less: short-term deposits with an original maturity of more than three months	<b>(3,482)</b>	<b>(3,350)</b>
Less: restricted cash	<b>(28)</b>	<b>(28)</b>
<b>Cash and cash equivalents</b>	<b>114,948</b>	<b>61,990</b>

Term deposits represent deposits held with financial institutions in the UAE and denominated in AED. These deposits carry an interest at the rate ranging between 3.45% to 3.9% (2024: 3.9% to 4.54%) per annum.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 11 Cash and bank balances (continued)

Finance income on term deposits for the year ended 31 December 2025 amounted to AED 131 thousand (2024: AED 146 thousand). Accrued interest on term deposits amounted to AED 12 thousand as at 31 December 2025 (2024: AED 13 thousand)

Restricted cash include restricted cash placed in a local bank amounting to AED 28 thousand (2024: AED 28 thousand).

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the UAE. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due, and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

#### 12 Wakala investment

	2025 AED'000	2024 AED'000
Balance at 1 January	12,312	11,400
Additions	-	12,312
Matured	-	(11,400)
<b>Balance at 31 December</b>	<b>12,312</b>	<b>12,312</b>

In 2023, the Group invested AED 11,400 thousand in Wakala deposits held with non-financial institutions in the UAE and denominated in AED. These investments carry interest rates of 8% per annum and maturity date of 25 March 2024. After maturity, the Group has further reinvested principal plus interest amounted AED 12,312 thousand in Wakala deposits carry interest rate of 8% per annum and maturity date of 29 March 2026.

Finance income on Wakala investments for the year ended 31 December 2025 amounted to AED 985 thousand (2024: AED 965 thousand). Accrued interest on Wakala deposits amounted to AED 1,741 thousand as of 31 December 2025 (2024: AED 756 thousand).

#### 13 Share capital

	2025 AED'000	2024 AED'000
<b><i>Authorised, issued and paid-up capital (note 1)</i></b>		
2,685,285,986 (2024: 2,685,285,986) ordinary shares of AED 1 each	<b>2,685,286</b>	<b>2,685,286</b>

#### Treasury shares

On 18 August 2022, the Group obtained an approval from Capital Market Authority (CMA) to proceed with the buy-back of the Group's shares in accordance with the laws of the UAE and CMA regulations. During the General Assembly held on 8 February 2024 through Special Resolution, the Shareholders approved to cancel the shares buy-back program which was approved by the Group's general assembly on 1 August 2022.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 13 Share capital (continued)

The movement of treasury shares is as follows:

	2025		2024	
	Units'000	AED'000	Units'000	AED'000
Balance at the beginning of the year	-	-	134,967	73,000
Additional shares purchased during the year	-	-	180	80
Cancellation of shares during the year (i)	-	-	(135,147)	(73,080)
Balance at the end of the year	-	-	-	-

- (i) During the prior year, General Assembly held on 8 February 2024 through Special Resolution, the Shareholders approved to amend Article 6 of the Articles of Association to reflect the reduction of Share Capital by authorising the Board of Directors and appointment of the Board of Directors to undertake all the necessary procedures to reduce the Share Capital of the Group. On 5 April 2024, the Capital Market Authority (CMA) has cancelled treasury shares totalling 135,147 thousand. After the reduction of the Share Capital, the issued Share Capital of the Group changed to AED 2,685,286 thousand (31 December 2024: AED 2,685,286 thousand).

### Shares discount

In 2022, the acquisition of Goldilocks Class A shares resulted in a net increase of the capital of the Company in an amount of AED 761,790 thousand against the shares in Goldilocks by virtue of which the owners of Goldilocks received 1,385,073 thousand new shares in the capital of the Company, each proportionally to their ownership in the Goldilocks.

In 2022, share discount amounting to AED 623,283 thousand is recognised for the difference of the fair value of the shares issued by the Group to the new shareholders and fair value of the 99.2% total shares of the Fund.

### 14 Statutory reserve

In accordance with the Articles of Association of the Company and in line with the provisions of the UAE Federal Law No. 32 of 2021, as amended, the Company is required to transfer annually to a statutory reserve account an amount equal to 10% of its annual profit, until such reserve reaches 50% of the share capital of the Company. This reserve is not available for distribution.

### 15 Investments revaluation reserve

Investments revaluation reserve represents the net unrealised gains or losses that are recognised on the financial assets at fair value through other comprehensive income (Note 7).

### 16 Provision for employees' end of service benefits

	2025	2024
	AED'000	AED'000
Balance at 1 January	921	1,176
Charge for the year	232	313
Paid during the year	(365)	(568)
<b>Balance at 31 December</b>	<b>788</b>	<b>921</b>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 17 Bank borrowings

	2025 AED'000	2024 AED'000
Term loan	116,021	122,036
Less: Amount due for settlement after 12 months from the end of reporting year (classified under non-current liabilities)	(110,751)	(117,232)
Amount due for settlement within 12 months from the end of reporting year (classified under current liabilities)	<u>5,270</u>	<u>4,804</u>

In 2021, the Group obtained a Sharia-compliant term loan facility from a local bank (First Abu Dhabi Bank PJSC) amounting to AED 140,000 thousand under the terms and conditions defined in the agreement to settle the existing debt exposure of its project loan and to finance general corporate purposes. The loan is repayable in quarterly instalments over a period of 10 years and carries a variable profit rate. The loan is secured by a mortgage over the land and building of the Group located in Al Reem Island, Abu Dhabi, UAE (Note 6) and a reserved account maintained in the name of the Group with an amount equal to at least one quarterly instalment of the term loan. The loan was fully drawn as of the reporting date.

For the year ended 31 December 2025, the Group has recognised finance costs of AED 7,903 thousand (2024: AED 9,483 thousand) in relation to this facility.

Reconciliation of term loan movement to the cash flows arising from financing activities is as follows:

	2025 AED'000	2024 AED'000
At 1 January	122,036	133,432
<i>Cash flows</i>		
Loan repaid	(6,096)	(11,425)
Payment of accrued interest	-	(52)
<i>Other non-cash items</i>		
Unwinding of prepaid fees	81	81
<b>At 31 December</b>	<u><b>116,021</b></u>	<u><b>122,036</b></u>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 18 Trade and other payables

	2025 AED'000	2024 AED'000
Trade payables	-	184
Advances from customers (i)	6,373	6,496
Retention payables	-	7,041
Accruals	1,047	3,578
Board of directors' remuneration	1,169	1,169
Provision for Municipal fees on disposal of Investment Properties	3,000	-
Settlement payable to heirs of former late Board member	1,500	2,000
Other payables	4,233	3,655
	<u>17,322</u>	<u>24,123</u>

- (i) Advances from customers include amounts received in advance from tenants of commercial and residential apartments rented out by the Group, amounting to AED 2,334 thousand (31 December 2024: AED 1,978 thousand).

#### 19 Right-of use assets and lease liabilities

##### Right-of-use assets

During 2024, the Group relocated its head office, resulting in the recognition of right-of-use assets and corresponding lease liabilities. The new office space has been leased for a term of 5 years.

	2025 AED'000	2024 AED'000
<b>Cost</b>		
At 1 January	4,273	-
Additions during the year	-	4,273
<b>At 31 December</b>	<u>4,273</u>	<u>4,273</u>
<b>Accumulated depreciation</b>		
At 1 January	723	-
Charge for the year (Note 25)	814	723
<b>At 31 December</b>	<u>1,537</u>	<u>723</u>
<b>Net carrying amount</b>	<u>2,736</u>	<u>3,550</u>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 19 Right-of use assets and lease liabilities (continued)

#### Lease liabilities

Set below are the carrying amount of lease liability and movement during the year:

	2025 AED'000	2024 AED'000
At 1 January	3,374	-
Additions	-	4,273
Interest expense (Note 24)	249	111
Payment of lease liabilities	(1,010)	(1,010)
<b>At 31 December</b>	<b>2,613</b>	<b>3,374</b>

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 AED'000	2024 AED'000
Current liability	816	762
Non-current liability	1,797	2,612
<b>At 31 December</b>	<b>2,613</b>	<b>3,374</b>

#### Maturity analysis:

	2025 AED'000	2024 AED'000
Year 1	816	762
Year 2	874	815
Year 3	923	874
Year 4	-	923
<b>Total lease liability</b>	<b>2,613</b>	<b>3,374</b>

### 20 Related party balances and transactions

In the ordinary course of business, the Group enters into transactions at agreed terms and conditions which are carried out on commercially agreed terms, with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24. Related parties comprise shareholders, directors, key management staff, and business entities in which they have the ability to control or exercise significant influence in financial and operating decisions.

#### **Terms and conditions of transactions with related parties**

The services to and from related parties are made at normal market prices.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 20 Related party balances and transactions (continued)

##### Terms and conditions of transactions with related parties (continued)

Balances with these related parties generally arise from commercial transactions on terms mutually agreed between both parties. Balances with related parties reflected in the consolidated statement of financial position at the reporting date comprised:

	2025 AED'000	2024 AED'000
<b>Financial assets at FVTPL:</b>		
Equity shares of Shuaa Capital PJSC	37,500	-
<b>Due from a related party:</b>		
Entities under common control	6	19
Advance to a director	314	605
	<u>320</u>	<u>624</u>

The following balances are related to the entities under common directorship or with common key management personnels:

	2025 AED'000	2024 AED'000
Financial assets at FVTPL	<u>13,265</u>	<u>12,783</u>

The following balances are managed by a Fund Manager that is a related party to the Group:

	2025 AED'000	2024 AED'000 <i>Restated</i>
Wakala investment	12,312	12,312
Financial assets at FVOCI	43,688	50,113
Financial assets at FVTPL	817,285	772,557
Debt investments at amortised cost	-	7,859
Interest receivables	6,557	3,984
Other receivables	26,500	23,000

Significant transactions with related parties during the year were as follows:

	2025 AED'000	2024 AED'000
<b>Broker fees paid to related parties:</b>		
Shareholder	1	9

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 20 Related party balances and transactions (continued)

Significant transactions with the entities under common shareholding/directorship are as follows:

	2025 AED'000	2024 AED'000
Purchase of financial assets at FVTPL	50,000	-

Transactions with the Fund Manager that is a related party to the Group were as follows:

	2025 AED'000	2024 AED'000
Purchase of wakala investment	-	12,312
Disposal of wakala investment	-	11,400
Purchase of financial assets at FVTPL	4,000	-
Disposal of debt investments at amortised cost	7,859	-
Interest income	4,035	3,746

#### Key management compensation

	2025 AED'000	2024 AED'000
Short term benefits and fees	5,672	3,983
Board of Directors' remuneration	1,000	1,000
Long term end of service benefits	501	350
Committee member fees*	600	60
	<u>7,483</u>	<u>5,393</u>

\* This includes AED 290 thousand relating to services for the year ended 31 December 2024, which was approved subsequent to the approval of the financial statements for that year.

#### 21 Revenue from commercial operations

	2025 AED'000	2024 AED'000
Rental income	15,819	15,083
Food and beverages	-	25
Hospitality revenue	64	1,220
Other	-	3
	<u>15,883</u>	<u>16,331</u>

#### Timing of revenue recognition

	2025 AED'000	2024 AED'000
Overtime	15,819	15,083
At a point in time	64	1,248
	<u>15,883</u>	<u>16,331</u>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 22 Direct operating expenses

	2025 AED'000	2024 AED'000
Rooms, food, beverages and other	-	22
Property operation and maintenance expenses	3,096	2,760
Utilities	1,800	1,459
Depreciation (Note 5)	93	463
	4,989	4,704

#### 23 Finance income

	2025 AED'000	2024 AED'000
Interest income/profit on term deposits and wakala investments	4,080	3,106
Interest income on debt investments at amortised cost	86	786
Unwinding of trade receivables (Note 6)	3,893	4,316
Interest income on loan	889	-
	8,948	8,208

#### 24 Finance costs

	2025 AED'000	2024 AED'000
Interest expense on borrowings	7,984	9,564
Interest expense on leases (Note 19)	249	111
Exchange loss	2	-
	8,235	9,675

#### 25 General and administrative expenses

	2025 AED'000	2024 AED'000
Legal and professional fees	17,291	5,232
Staff costs	8,028	6,130
Board of Directors' remuneration	1,000	1,000
Audit fees	455	400
Depreciation (Note 5)	525	403
Depreciation on right of use assets (Note 19)	814	723
Others	2,495	2,174
	30,608	16,062

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 26 Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of shares outstanding during the year.

Diluted earnings/(loss) per share is calculated by dividing the profit/(loss) for the year by the weighted average number of shares outstanding during the year, adjusted for the effects of dilutive instruments. The following reflects the earnings and share data used in the earnings per share calculation:

	2025	2024 <i>Restated</i>
Profit/(loss) for the year (AED'000)	<b>64,040</b>	(565,393)
Weighted average number of ordinary shares outstanding (thousand)	<b>2,685,287</b>	2,685,287
Basic and diluted loss per share (AED)	<b>0.0238</b>	(0.2106)

Weighted average number of ordinary shares outstanding have been adjusted for treasury shares, which are issued shares but not outstanding.

As of 31 December 2025, and 2024, the Group has not issued any instruments which would have a diluting impact on earnings per share when converted or exercised.

#### 27 Segment reporting

The Group's operating segments are established on the basis of those components that are evaluated regularly by Board of Directors (the chief operating decision-maker or "CODM"). They monitor the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenues, gross profit and a broad range of key performance indicators in addition to segment profitability.

For management purposes, at 31 December 2025 and 2024, the Group is organised into five major segments, as follows:

- Property development
- Investment properties
- Hospitality and leisure
- Investment and asset management
- Holding

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit or loss earned by each segment without allocation of central administration, directors' salaries, finance income and finance costs. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance. The Group operated mainly in one geographical segment, i.e., United Arab Emirates.

Information regarding these segments is presented below.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 27 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and assets management AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
<b>31 December 2025</b>							
Revenue							
<i>Timing of revenue recognition</i>							
Overt time	-	15,819	-	-	-	-	15,819
At a point in time	-	-	64	-	-	-	64
	-	15,819	64	-	-	-	15,883
Direct operating expenses	-	(4,896)	-	-	-	-	(4,896)
Depreciation	-	(93)	-	-	-	-	(93)
<b>Gross profit</b>	-	10,830	64	-	-	-	10,894
<b>Net finance income</b>	-	-	-	-	713	-	713
Dividend income	-	-	-	302	-	-	302
Changes in fair value of financial assets at FVTPL	-	-	-	32,711	-	-	43,121
Net gain on disposal of investment properties	-	43,300	-	-	-	-	43,300
Gain on the valuation of investment properties	-	9,700	-	-	-	-	9,700
<b>Total operating income</b>	-	63,830	64	33,013	713	-	97,620
General and administrative expenses	-	-	-	-	(29,269)	-	(29,269)
Depreciation	-	-	-	-	(1,339)	-	(1,339)
Other income	-	58	-	-	-	-	58
<b>Profit for the year</b>	-	63,888	64	33,013	(29,895)	-	67,070
<b>At 31 December 2025</b>							
<b>Total assets</b>	-	215,818	53	928,411	628,515	64	1,772,861
<b>Total liabilities</b>	-	116,021	(397)	-	26,101	514	142,239

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 27 Segment reporting (continued)

	Property development AED'000	Investment properties AED'000	Hospitality and leisure AED'000	Investment and assets management AED'000	Holding AED'000	Eliminations AED'000	Total AED'000
31 December 2024 (restated)							
Revenue							
<i>Timing of revenue recognition</i>							
Overt time	-	15,083	-	-	-	-	15,083
At a point in time	-	-	1,248	-	-	-	1,248
	-	15,083	1,248	-	-	-	16,331
Direct operating expenses	-	(4,219)	(22)	-	-	-	(4,241)
Depreciation	-	-	(463)	-	-	-	(463)
Gross profit	-	10,864	763	-	-	-	11,627
Net finance income	-	-	-	-	(1,467)	-	(1,467)
Dividend income	-	-	-	-	-	-	-
Changes in fair value of financial assets at FVTPL	-	-	-	(567,191)	-	-	(567,191)
Gain on the valuation of investment properties	-	8,066	-	-	-	-	8,066
Total operating income/(loss)	-	18,930	763	(567,191)	(1,467)	-	(548,965)
General and administrative expenses	-	-	(112)	-	(15,547)	-	(15,659)
Depreciation	-	-	-	-	(403)	-	(403)
Other income	-	65	-	-	-	-	65
Profit/(loss) for the year	-	18,995	651	(567,191)	(17,417)	-	(564,962)
At 31 December 2024 (restated)							
Total assets	-	767,765	6,637	868,009	85,935	(450)	1,727,896
Total liabilities	7,086	128,686	5,246	-	12,558	-	153,576

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

#### 28 Seasonality of results

The seasonal nature of the Group's activities only concerns the serviced apartments division, whose revenue has variability during the first and last quarters of the year. In 2023, the serviced apartment divisions has been considered discontinued operations (Note 31).

#### 29 Contingent liabilities and commitments

##### Contingencies

The Group has no contingencies as at 31 December 2025 (31 December 2024: AED 3,575 thousand).

##### Commitments

	2025 AED'000	2024 AED'000
Commitments for fixed assets	1,883	14,516

#### 30 Financial instruments

##### Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies, or processes during the years ended 31 December 2025 and 2024.

##### Classes of financial instruments

	2025 AED'000	2024 AED'000 <i>Restated</i>
<b>Financial assets</b>		
Financial assets at FVTPL	872,051	785,340
Financial assets at FVOCI	44,048	50,576
Trade and other receivables	504,304	98,670
Cash and bank balances	118,458	65,368
Due from a related party	320	624
Wakala investments	12,312	12,312
Debt investment at amortised cost	-	7,859
	<b>1,551,493</b>	<b>1,020,749</b>

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 30 Financial instruments (continued)

#### Classes of financial instruments (continued)

	2025 AED'000	2024 AED'000
<b>Financial liabilities</b>		
Bank borrowings	116,021	122,036
Lease liability	2,613	3,374
Trade and other payables	10,949	17,627
	129,583	143,037

#### Financial risk management objectives

The Group is exposed to the following risks related to financial instruments - credit risk, liquidity risk, foreign currency risk and price risk. The Group has not framed formal risk management policies, however, the risks are monitored by management on a continual basis.

The Group does not enter into or trade in financial instruments for speculation.

The Group has not entered into option trading in order to economically hedge its prices of its quoted equity securities.

#### Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern while maximising the return to its shareholders through the optimisation of the debt and equity balances. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The Group's overall strategy remains unchanged from the prior year.

#### Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Group. Key areas where the Group is exposed to credit risk are trade and other receivables and cash and bank balances (liquid assets).

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties.

For trade and other receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

## Eshraq Investments PJSC Consolidated financial statements

### Notes to the consolidated financial statements (continued) For the year ended 31 December 2025

#### 30 Financial instruments (continued)

##### Credit risk (continued)

	Days past due						Total AED'000
	Not past due AED'000	< 60 days AED'000	61-90 days AED'000	91-180 AED'000	181-365 AED'000	Over 365 days AED'000	
<i>31 December 2025</i>							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	
Gross carrying amount	472,824	430	379	30,479	-	-	504,112
Loss allowance	-	-	-	-	-	-	-
							<u>504,112</u>
<i>31 December 2024</i>							
Expected credit loss rate	0%	0%	0%	0%	0%	-	
Gross carrying amount	98,533	89	10	52	-	-	98,684
Loss allowance	-	-	-	-	-	-	-
							<u>98,684</u>

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. Details on concentration of trade receivable balances are disclosed in Note 10. Management believes that the concentration of credit risk is mitigated by high credit rating and financial stability of its trade customers.

Balances with banks are assessed to have low credit risk of default since these banks are among the major banks operating in the UAE and are highly regulated by the central bank. The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value.

##### Maximum exposure to credit risk:

The Group's maximum exposure to credit risk is represented by the carrying amounts of its financial assets. There are no agreements concluded or collateral held which reduced the maximum exposure to credit risk as at 31 December 2025 and 2024.

##### Credit quality per class of financial asset:

The Group used the credit ratings for those counter parties available externally to manage the credit quality of financial assets.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

##### For the year ended 31 December 2025

### 30 Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its net funding requirements. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, management has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash, cash equivalents, and readily marketable securities.

The table below summarises the maturities of the Group's undiscounted financial liabilities as of 31 December 2025 and 2024 based on contractual payment dates and current market interest rates.

	Weighted average effective interest rate	On demand AED'000	Less than 6 months AED'000	6 to 12 months AED'000	1 to 5 years AED'000	More than 5 years AED'000	Total AED'000
<b>At 31 December 2025</b>							
Bank borrowings	6.42%	-	1,113	4,157	25,526	85,225	116,021
Lease liability		-	401	415	1,797	-	2,613
Trade and other payables		-	10,949	-	-	-	10,949
<b>Total</b>		<b>-</b>	<b>12,463</b>	<b>4,572</b>	<b>27,323</b>	<b>85,225</b>	<b>129,583</b>
<b>At 31 December 2024</b>							
Bank borrowings	7.37%	-	924	3,880	23,272	93,960	122,036
Lease liability		-	374	388	2,612	-	3,374
Trade and other payables		-	15,627	500	1,500	-	17,627
<b>Total</b>		<b>-</b>	<b>16,323</b>	<b>4,768</b>	<b>27,384</b>	<b>93,960</b>	<b>143,037</b>

#### Market risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market. The Group is indirectly exposed to market price risk with respect to quoted investment in funds. The Group limits market risk by maintaining a diversified portfolio and by continuous monitoring of developments in the market. In addition, the Group actively monitors the key factors that affect stock and market movements, including analysis of the operational and financial performance of investees.

The Group is exposed to equity price risks arising from unquoted equity investments. Equity investments are held for strategic as well as trading purposes. The Group actively trades in certain equity investments

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

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### 30 Financial instruments (continued)

#### Equity price sensitivity analysis

The sensitivity analyses have been determined based on the exposure to equity price risks at the reporting date. At the end of the reporting period, if the equity prices are 5% higher/lower as per the assumptions mentioned below and all the other variables were held constant, the Group's financial assets at fair value through profit or loss would increase/decrease by AED 2,738 thousand (2024: increase/decrease by AED 639 thousand) and financial assets at fair value through other comprehensive income and investment revaluation reserve would increase/decrease by AED 18 thousand (2024: AED 23 thousand) as a result of the movement in market price.

#### Foreign currency risk

The Group's transactions are principally in UAE Dirhams or US Dollars, to which the UAE Dirham is pegged, and therefore the Group does not face any foreign currency risks.

#### Interest rate risk management

Interest rate risk arises from the possibility that changes in interest rates will affect the finance income or finance cost of the Group. The Group is exposed to interest rate risk on its financial assets at fair value through profit or loss, term deposits, and bank borrowings that carry both fixed and floating interest rates, which are detailed in Notes 9, 11 and 17 respectively.

#### Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to variable interest rates mainly arising from bank borrowings, assuming the amount of liability at the end of the reporting period was outstanding for the whole year.

At 31 December 2025, if interest rates on borrowings had been 10 basis points higher/lower with all other variables held constant, profit for the year would have been AED 123 thousand (2024: AED 129 thousand) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

The Group's borrowings are denominated in UAE Dirhams.

#### Fair value of financial instruments

The Group's management considers that the carrying amount of financial assets and financial liabilities approximates their fair value.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- **Level 1** – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** – fair value measurements are those derived from inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **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).

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 30 Financial instruments (continued)

	Carrying value AED'000	Fair Value			Total AED'000
		Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	
<b>At 31 December 2025</b>					
Financial assets at FVTPL	872,051	54,765	-	817,286	872,051
Financial assets at FVOCI	44,048	360	-	43,688	44,048
	<b>916,099</b>	<b>55,125</b>	<b>-</b>	<b>860,974</b>	<b>916,099</b>
<b>At 31 December 2024</b>					
Financial assets at FVTPL	785,340	12,783	-	772,557	785,340
Financial assets at FVOCI	50,576	463	-	50,113	50,576
	<b>835,916</b>	<b>13,246</b>	<b>-</b>	<b>822,670</b>	<b>835,916</b>

During the year, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

There were no transfers between any levels during the year.

Movements in the fair value of investments categorised within Level 3 is as follows:

	2025 AED'000	2024 AED'000
At 1 January	822,670	1,357,600
Additions	2,964	-
Disposals	(1,099)	(577)
Change in fair value	36,439	(534,353)
<b>At 31 December</b>	<b>860,974</b>	<b>822,670</b>

### Fair value of financial assets and financial liabilities that are not measured at fair value

The Group consider that the carrying amounts of those financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

### 31 Discontinued operations

On 10 September 2023, the Group signed a sale and purchase agreement with the third party for the sale of Nuran Marina Serviced Residences building ("Hotel") located in Dubai, UAE. The legal title and benefits were transferred on 23 October 2023. In 2023, the transaction was completed whereas Nuran Marina Serviced Residence LLC was considered as a discontinued operation.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 31 Discontinued operations (continued)

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	2025 AED'000	2024 AED'000
Revenue from commercial operations	-	1,220
Direct operating expenses	-	-
Gross profit from commercial operations	-	1,220
General and administrative expenses	-	(1,220)
Selling and marketing expenses	-	-
Profit for the year from discontinued operations	-	-
Profit/(loss) for the year from continuing operations	64,040	(565,393)
<b>Profit/(loss) for the year</b>	<b>64,040</b>	<b>(565,393)</b>

The net cash flows incurred by the assets are as follows:

	2025 AED'000	2024 AED'000
Net cash generated from operations	-	1,220
Net cash used in financing activities	-	-
<b>Net increase in cash and cash equivalents</b>	<b>-</b>	<b>1,220</b>

### 32 Fiduciary activities

The Group acts as a trustee and in other capacities that result in holding of assets listed below in a fiduciary capacity on behalf of a related party where ownership is yet to be transferred by the Group to the beneficiary (Note 9). Such assets and income arising thereon are not included in the Group's consolidated financial statements.

	2025 AED'000	2024 AED'000
Unquoted security	103	2,740

Pertains to an investment in a financial institution in the UAE that provides Islamic financing, corporate financing and asset management services. The entity is currently under the liquidation where the Group is receiving the recoveries in tranches as per the final settlement plan received from the investee.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 33 Corporate income tax

The major components of income tax expense in the consolidated statement of profit or loss are:

	2025 AED'000	2024 AED'000
<b>Profit and loss:</b>		
Current tax expense	2,062	-
Deferred tax expense	968	431
	<u>3,030</u>	<u>431</u>
<b>Other comprehensive income:</b>		
Current year tax expense	(98)	(18)
Deferred tax expense	753	(2,673)
	<u>655</u>	<u>(2,691)</u>

The Group has recognized a deferred tax liability in 2025 amounting to AED 5,495 thousand (2024 AED 3,122 thousand).

The Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses became effective on 1 June 2023, and 2024 represented the first full year of implementation. The Group's accounting year ends on 31 December, and the tax period from 1 January 2025 to 31 December 2025 has to be filed on or before 30 September 2026. The taxable income of the entities that are in scope for UAE CT purposes is subject to the corporate tax rate of 9%.

### 34 Restatement

As at 31 December 2024, certain financial assets at fair value through profit or loss (FVTPL) held by Goldilocks, amounting to AED 497 million, were not measured using consistent valuation methodologies and inputs in accordance with IFRS 13 Fair Value Measurement. This resulted in a qualified opinion by the independent auditors on the consolidated financial statements of the year ended 31 December 2024.

In the current year, in line with management's commitment to shareholders to address the matter conclusively, an independent valuation of the underlying investments as at 31 December 2024 was commissioned. This valuation has resulted in an increase in carrying amount of the underlying assets, as at 31 December 2024, by AED 113.98 million.

In accordance with the requirements of 'IAS 1 Presentation of Financial Statements' and 'IAS 8 Accounting policies, Changes in Accounting Estimates and Errors', the amounts reported in the consolidated financial statements as at and for the year ended 31 December 2024 have been restated to reflect the revised fair values of these financial assets. The restatement has been incorporated in the current consolidated financial statements, and the comparative amounts as at 31 December 2024 have been restated accordingly.

## Eshraq Investments PJSC

### Consolidated financial statements

#### Notes to the consolidated financial statements (continued)

#### For the year ended 31 December 2025

### 34 Restatement (continued)

Details of restatement are as follows:

#### Consolidated statement of financial position as at 31 December 2024

Financial statement line item	As previously reported AED'000	Adjustment AED'000	Restated AED'000
Financial assets at fair value through profit or loss	671,360	113,980	785,340
Total assets	1,613,916	113,980	1,727,896
Accumulated losses	(640,528)	113,980	(526,548)
Total equity	1,460,340	113,980	1,574,320

#### Consolidated statement of profit or loss for the year ended 31 December 2024

Financial statement line item	As previously reported AED'000	Adjustment AED'000	Restated AED'000
Net changes in fair value of financial assets at fair value through profit or loss	(681,171)	113,980	(567,191)
Loss for the year	(679,373)	113,980	(565,393)
Basic and diluted loss per share (AED)	(0.2530)	0.0424	(0.2106)

### 35 Events after reporting period

- Subsequent to year end, the Company invested AED 66,825 thousand in the Mandatory Convertible Sukuk ("MCS") issued by Amana SPV Ltd, a special purpose vehicle established in the Abu Dhabi Global Markets with Islamic Arab Insurance Company PJSC ("Salama") as the obligor. The Company's subscription in the MCS will be converted into newly issued shares of Salama calculated at a conversion price of AED 0.46 per share and, a pre-agreed conversion formula, subject to Salama obtaining the required regulatory approvals, in accordance with the terms and conditions of the MCS.

The newly issued shares will be subject to a 12 month lock up period from the conversion date, restricting the ability to sell or otherwise dispose of the newly issued shares.

- Subsequent to the year end, in light of the geopolitical conditions, the management has assessed that the Group's core operations continue without any material interruption and that the Group remains financially sound. The Group also continues to adhere to prudent governance standards, disciplined risk management practices, and full compliance with all applicable regulatory requirements. The management confirms that as at the date of approval of these consolidated financial statements, no material financial impact has resulted from this incident.

There have been no other events after the reporting date that would significantly affect the amounts reported in the financial statements as at and for the period ended 31 December 2025.

### 36 Approval of consolidated financial statements

These consolidated financial statements were approved by the Board of Directors and authorised for issue on 13 March 2026.