

**NATIONAL CORPORATION FOR  
TOURISM AND HOTELS**

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

# **NATIONAL CORPORATION FOR TOURISM AND HOTELS**

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

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## **NATIONAL CORPORATION FOR TOURISM AND HOTELS**

### **Director's report for the year ended 31 December 2025**

The Directors have pleasure in submitting their report together with the audited consolidated financial statements of National Corporation for Tourism and Hotels (the “Company” or “NCTH”) and its subsidiaries (together referred to as the “Group”) for the year ended 31 December 2025.

#### **Principal activities**

The Group is a hospitality investment and operating platform managing hotels and tourism assets across the UAE and select international markets, while supporting Abu Dhabi’s positioning as a premier global destination through disciplined asset stewardship and long-term value creation.

During the year 2025, NCTH completed the acquisition of the entire shareholding of Alpha Dhabi Holding PJSC’s subsidiaries namely Alpha Dhabi Hospitality Holding LLC (“ADHH”) and Murban Energy Limited in the following companies:

- ADH Hospitality RSC LTD
- Murban (BVI) Holdings Inc
- Hill View Resorts (Seychelles) Ltd.

The acquisition is a testament to the Group’s commitment to further solidify its position and presence in the hospitality industry, both inside and outside the UAE. Moreover, the acquisition further diversifies the Group’s portfolio of businesses, that includes catering services and retail sales, facilities management and real estate.

#### **Results**

Revenue for the year ended 31 December 2025 reached AED 2,182.6 million (2024: AED 1,144.8 million) and net profit for the year was AED 401.0 million (2024: AED 157.0 million). The major movements in retained earnings for the year were:

	<b>AED '000</b>
At 1 January 2025	357,817
Profit for the year	400,972
Retrospective adjustment arising from business combinations under reverse acquisition	430,081
Transfer to statutory reserve	(40,097)
At 31 December 2025	<b>1,148,773</b>

# NATIONAL CORPORATION FOR TOURISM AND HOTELS

## Director's report for the year ended 31 December 2025 (continued)

### Directors

The Directors of the Company are as follows:

HE Sultan Dahi Sultan Maasam Alhemeiri	Chairman
Mr. Shaheen Mohamed Abdulaziz Rubayea Almheiri	Vice Chairman
Mr. Mohamed Ahmed Abdulrazzaq Aqeel Alkhoori	Member
Mr. Mohamed Sheliaweh Khalifa Yaaqoub Al Qubaisi	Member
Sheikh Sultan Bin Mohamed Bin Sultan Bin Surour Aldhaheri	Member
Ms. Sofia Abdellatif Lasky	Member
Mr. Jasim Hussain Ahmed Al Ali	Member
HE Tareq Abdul Raheem Rashed Al Hosani	Chairman (resigned on 04 March 2025)

### Release

The Directors release the management and the external audit firm from any liability in connection with their duties for the year ended 31 December 2025.

### Auditors

A resolution proposing the appointment of the auditors of the Group for the year ending 31 December 2026 will be put to the shareholders at Annual General Meeting.

### For and on behalf of the Board of Directors

  
Chairman  
06 February 2026

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL CORPORATION FOR TOURISM AND HOTELS

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

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

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

#### Basis for Opinion

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in United Arab Emirates. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<b>Business combination and related purchase price allocation</b>	
The Group acquired all of the shares of ADH Hospitality RSC LTD, Murban (BVI) Holding Inc, and Hill View Resort (Seychelles) Limited (together, the “Target Companies”) with effect from 6 January 2025 for a total consideration of AED 2,292 million. The purchase price was satisfied through the issuance of 1.3 billion ordinary shares to the Ultimate Parent Company.	<p>We performed the following procedures, <i>inter alia</i>, to address the key audit matter:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the process adopted by management over the accounting for the acquisitions, including the process over the determination of the purchase price allocation and the key controls in this process.</li><li>• Assessed the controls over the accounting of the transaction to determine if they had been appropriately designed and implemented;</li></ul>

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NATIONAL CORPORATION FOR TOURISM AND HOTELS (continued)

### Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matter
<p><b>Business combination and related purchase price allocation</b></p> <p>IFRS Accounting Standards requires that the fair value of all assets acquired and liabilities assumed by the Group in a business combination be measured and recognised at the date of acquisition. The acquisition resulted in customer contracts and customer relationships being recognised at acquisition which were not recognised in the accounting records of the Target Companies. In addition, a bargain purchase gain of AED 97 million was recognized as a result of this acquisition. This gain represents the excess of the fair value of identifiable net assets acquired of AED 2,389 million over the total consideration of AED 2,292 million.</p> <p>This transaction requires management to apply significant judgment in determining the acquisition-date fair values of identifiable assets acquired and liabilities assumed.</p> <p>Independent external valuation specialists (“valuers”) were engaged by the Group to perform the purchase price allocation exercise, which required them to determine the fair value of assets acquired and liabilities assumed. This included identifying and determining the fair value of any assets and liabilities that were not recorded in the accounting records of the Target Companies.</p> <p>We have identified the acquisition of Target Companies as a key audit matter due to the quantitative significance of the transaction, in the context of the consolidated financial statements, the level of audit effort required and the following significant judgements applied and estimates made by management:</p> <ul style="list-style-type: none"> <li>• discount rates, revenue growth rates, gross margins and useful life of assets.</li> <li>• allocation of purchase price to the identifiable assets acquired and liabilities assumed; and</li> <li>• fair valuation of the assets acquired including the valuation of intangible assets which directly impacts the bargain purchase gain recognised.</li> </ul>	<p><b>Business combination and related purchase price allocation</b></p> <ul style="list-style-type: none"> <li>• Assessed whether management's assumptions in relation to the accounting for the transactions are in accordance with the requirements of IFRS Accounting Standards;</li> <li>• We reviewed the purchase agreement to obtain an understanding of the transactions and assess if the determination of the acquisition date was in accordance with the requirements of IFRS Accounting Standards;</li> <li>• Assessed the competence, independence and qualifications of the independent valuers engaged by management in relation to this matter; and reviewed their terms of the engagement with the Group to determine if the scope of their work was sufficient for audit purposes;</li> </ul> <p>As part of our audit procedures in respect of the provisional purchase price allocation, we have:</p> <ul style="list-style-type: none"> <li>• assessed the completeness and accuracy of the assets acquired and liabilities assumed in the purchase price allocation;</li> <li>• evaluated, with the involvement of our internal experts, the methodologies and significant inputs used by the Group including the identification of intangible assets and the determination of the useful lives of the identified intangible assets;</li> <li>• assessed, with the involvement of our internal experts, the fair values of a sample of the assets acquired and liabilities assumed. Where we identified estimates that were outside acceptable parameters, we discussed these with the valuers and management to understand the rationale behind the estimates made;</li> <li>• analysed the fair value adjustments recognised by management and evaluated whether the adjustments made were in accordance with the requirements of IFRS Accounting Standards;</li> <li>• reperformed the mathematical accuracy of the determination of the fair values of assets acquired and liabilities assumed;</li> <li>• agreed the fair values of assets acquired and liabilities assumed that were determined by the professional valuers to the amounts disclosed in the consolidated financial statements;</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL CORPORATION FOR TOURISM AND HOTELS (continued)****Key Audit Matters (continued)**

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<b>Business combination and related purchase price allocation</b>	
Refer to note 3 in the consolidated financial statements for the accounting policy and note 1 for related disclosures related to this matter.	<ul style="list-style-type: none"><li>assessed, with involvement of our internal experts, the bargain purchase gain and evaluated whether it was accounted for in accordance with the requirements of IFRS Accounting Standards; and</li><li>assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.</li></ul>

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the Directors' Report, which we obtained prior to the date of this auditor's report, and the Group's Annual Report, which 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 we do not and will not express any form of assurance conclusion thereon.

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

If, based on the work we have performed on the other information that we obtained prior to the date of this 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 Management and Those Charged with Governance for the Consolidated Financial Statements**

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
NATIONAL CORPORATION FOR TOURISM AND HOTELS (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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

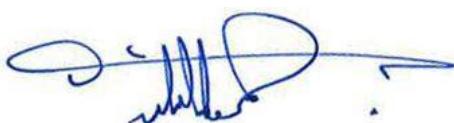
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- We have obtained all the information we considered necessary for the purposes of our audit.
- The consolidated financial statements of the Group have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended;
- The Company has maintained proper books of account.
- The financial information included in the Chairman's Report is consistent with the Company's books of account;
- Note 1, 9 and 11 to the consolidated financial statements discloses the purchases and investments in shares made by the Group during the financial year ended 31 December 2025;
- Note 15 to the consolidated financial statements of the Group discloses material related party balances, transactions and the terms under which they were conducted;
- Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended, or of its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- Note 26 reflects the disclosures relating to social contributions made during the year.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration No. 717  
6 February 2026  
Abu Dhabi  
United Arab Emirates

**Consolidated statement of financial position  
as at 31 December 2025**

	Notes	2025 AED '000	2024 AED '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,820,631	1,687,471
Intangible assets	6	142,754	1,516
Goodwill	7	451,672	451,672
Investment properties	8	302,515	309,379
Investment in joint ventures	9	295,268	-
Right-of-use assets	10	137,270	52,715
Deferred tax assets	12	9,221	10,666
<b>Total non-current assets</b>		<b>5,159,331</b>	<b>2,513,419</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	11	37,991	14,203
Trade and other receivables	13	560,944	292,153
Inventories	14	49,280	24,867
Due from related parties	15	126,433	82,177
Cash and bank balances	16	805,965	339,913
<b>Total current assets</b>		<b>1,580,613</b>	<b>753,313</b>
<b>Total assets</b>		<b>6,739,944</b>	<b>3,266,732</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17	2,176,933	474,455
Share premium	17	1,980,256	-
Merger reserve	18	(327,850)	985,772
Statutory reserve	19	40,247	150
Retained earnings		1,148,773	357,817
<b>Total equity</b>		<b>5,018,359</b>	<b>1,818,194</b>

**Consolidated statement of financial position  
as at 31 December 2025 (continued)**

	Notes	2025 AED '000	2024 AED '000
<b>Non-current liabilities</b>			
Lease liabilities	10	127,198	42,562
Provision for employees' end of service benefits	20	62,030	21,605
Borrowings	21	658,476	-
Deferred tax liabilities	12	12,760	-
Loans from shareholder	15	-	615,113
<b>Total non-current liabilities</b>		<b>860,464</b>	<b>679,280</b>
<b>Current liabilities</b>			
Current tax liabilities	12	39,114	18,419
Lease liabilities	10	3,457	3,129
Due to related parties	15	92,747	49,072
Borrowings	21	113,559	216,237
Loans from shareholder	15	-	143,164
Contract liabilities	22	149,648	88,311
Trade and other payables	23	462,596	250,926
<b>Total current liabilities</b>		<b>861,121</b>	<b>769,258</b>
<b>Total liabilities</b>		<b>1,721,585</b>	<b>1,448,538</b>
<b>Total equity and liabilities</b>		<b>6,739,944</b>	<b>3,266,732</b>

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



Chairman



Finance Director

**Consolidated statement of profit or loss and other comprehensive income  
for the year ended 31 December 2025**

	Notes	2025 AED '000	2024 AED '000
Revenue	24	2,182,592	1,144,844
Direct operating expenses	25	(1,310,297)	(651,502)
<b>Gross profit</b>		<b>872,295</b>	493,342
General, administrative and selling expenses	26	(532,342)	(314,134)
Share of results of joint ventures accounted for using the equity method		4,115	-
Fair value gains on financial assets at fair value through profit or loss	11	1,108	7,209
Finance costs, net	27	(23,638)	(13,031)
Gain on bargain purchase	1	97,014	-
Other income		25,243	4,417
<b>Profit before tax</b>		<b>443,795</b>	177,803
Income tax expense	12	(42,823)	(20,846)
<b>Profit for the year</b>		<b>400,972</b>	156,957
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>400,972</b>	156,957
<b>Basic and diluted earnings per share</b>	28	<b>0.18</b>	0.12

**Consolidated statement of changes in equity**  
**for the year ended 31 December 2025**

	Share capital AED '000	Share premium AED '000	Statutory reserve AED '000	Contributed capital AED '000	Restricted reserve AED '000	Merger reserve AED '000	Retained earnings AED '000	Total equity AED '000
Balance at 1 January 2024	474,455	-	150	818,861	120,000	-	200,860	1,614,326
Additional capital contributed during the year	-	-	-	46,911	-	-	-	46,911
Total comprehensive income for the year	-	-	-	-	-	-	156,957	156,957
Transfer	-	-	-	(865,772)	(120,000)	985,772	-	-
<b>At 31 December 2024</b>	<b>474,455</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>985,772</b>	<b>357,817</b>	<b>1,818,194</b>
<b>Balance at 1 January 2025</b>	<b>474,455</b>	<b>-</b>	<b>150</b>	<b>-</b>	<b>-</b>	<b>985,772</b>	<b>357,817</b>	<b>1,818,194</b>
Retrospective adjustment relating to the share capital of the Company (Note 17)	899,026	-	-	-	-	(899,026)	-	-
Retrospective adjustment arising from business combinations under reverse acquisition (Note 1)	803,452	1,980,756	-	-	-	(414,596)	430,081	2,799,693
Total comprehensive income for the year	-	-	-	-	-	-	400,972	400,972
Share issuance costs	-	(500)	-	-	-	-	-	(500)
Transfer to statutory reserve (Note 19)	-	-	40,097	-	-	-	(40,097)	-
<b>At 31 December 2025</b>	<b>2,176,933</b>	<b>1,980,256</b>	<b>40,247</b>	<b>-</b>	<b>-</b>	<b>(327,850)</b>	<b>1,148,773</b>	<b>5,018,359</b>

**Consolidated statement of cash flows**  
**for the year ended 31 December 2025**

	Notes	2025 AED '000	2024 AED '000
<b>Cash flows from operating activities</b>			
Profit before tax		<b>443,795</b>	177,803
<b>Adjustment for non-cash charges:</b>			
Depreciation of property, plant and equipment	5	<b>93,939</b>	57,318
Amortisation of intangible assets	6	<b>24,460</b>	544
Depreciation of right-of-use assets	10	<b>4,344</b>	3,335
Depreciation of investment properties	8	<b>6,864</b>	6,864
Provision for employees' end of service benefits	20	<b>18,544</b>	7,955
Finance costs	27	<b>48,674</b>	23,330
Fair value gains on financial assets at fair value through profit or loss	11	<b>(1,108)</b>	(7,209)
Provision for impairment losses on financial assets	13	<b>1,333</b>	1,224
Gain on sale of property, plant and equipment		<b>(416)</b>	(175)
Share of results of joint ventures accounted for using the equity method	9	<b>(4,115)</b>	-
Finance income	27	<b>(25,036)</b>	(10,299)
(Gain)/loss from lease modification		<b>(809)</b>	107
Gain on bargain purchase	1	<b>(97,014)</b>	-
<b>Operating cash flows before employees' end of service benefits payment, income taxes paid and changes in working capital</b>		<b>513,455</b>	260,797
Employees' end of service benefits paid	20	<b>(12,932)</b>	(2,953)
Income tax paid		<b>(28,769)</b>	(6,877)
<b>Changes in working capital:</b>			
Inventories		<b>(3,322)</b>	(6,678)
Trade and other receivables		<b>(119,266)</b>	7,260
Due from related parties		<b>32,839</b>	(66,619)
Contract liabilities		<b>61,337</b>	3,897
Trade and other payables		<b>(19,988)</b>	50,487
Due to related parties		<b>43,732</b>	(22,468)
<b>Net cash generated from operating activities</b>		<b>467,086</b>	226,676

**Consolidated statement of cash flows**  
**for the year ended 31 December 2025 (continued)**

	Notes	2025 AED '000	2024 AED '000
<b>Cash flows from investing activities</b>			
Net redemption of deposits with original maturity of more than three months		<b>77,056</b>	28,517
Purchases of property, plant and equipment	5	(275,845)	(318,607)
Purchases of intangible assets	6	(135)	(558)
Proceeds from sale of property, plant and equipment		421	267
Finance income received		22,449	10,299
Return of capital from joint venture	9	6,996	-
Proceeds from sale of financial assets at fair value through profit or loss		1,650	-
Cash and cash equivalents acquired from business combinations under reverse acquisition	1	<b>166,519</b>	-
<b>Net cash used in investing activities</b>		<b>(889)</b>	(280,082)
<b>Cash flows from financing activities</b>			
Repayment of borrowings	21	(457,274)	(34,803)
Receipt of borrowings	21	318,532	-
Receipt of loans from shareholder	15	-	121,193
Finance costs paid		(45,237)	(13,956)
Payment of lease liabilities	10	(5,596)	(4,658)
Payment of share issuance costs		(500)	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(190,075)</b>	67,807
<b>Net increase in cash and cash equivalents</b>		<b>276,122</b>	4,571
Foreign currency translation		-	397
Cash and cash equivalents at the beginning of the year		<b>174,649</b>	169,681
<b>Cash and cash equivalents at the end of the year</b>	16	<b>450,771</b>	174,649

***Non-cash transactions***

	Notes	2025 AED '000	2024 AED '000
Waiver of loans from shareholders	15	<b>758,277</b>	-
Borrowings assumed from shareholders	21	<b>326,259</b>	-
Finance cost payable and other liabilities assumed from shareholders		<b>1,937</b>	-

**Notes to the consolidated financial statements  
for the year ended 31 December 2025****1 General information**

National Corporation for Tourism and Hotels (“NCTH”, the “Company” or the “Corporation”), a public shareholding company, was incorporated in Abu Dhabi, United Arab Emirates (“UAE”) on 11 December 1996 by Law No. (7) of 1996, to own, manage and invest in hotels and leisure complexes and to undertake other related business. The Company’s shares are listed on Abu Dhabi Securities Exchange. The Company’s registered address is P.O. Box 6942, Abu Dhabi, UAE.

The principal activities of the Company and its subsidiaries (together referred to as “the Group”) carried out both in the UAE and abroad include:

- Hotels ownership and management, restaurant management and tourism and hospitality-related investments;
- Hospitality services, cleaning services, facility management services and catering services; and
- Retail services and sale of goods.

In 2024, the shareholders of NCTH approved to acquire the entire shareholding of Alpha Dhabi Holding PJSC’s subsidiaries namely Alpha Dhabi Hospitality Holding LLC and Murban Energy Limited in the following companies:

1. ADH Hospitality RSC LTD;
2. Murban (BVI) Holding Inc; and
3. Hill View Resort (Seychelles) Limited (together referred to as the “Target Companies”)

in consideration of the issuance of newly issued shares in NCTH share capital to Alpha Dhabi Holding PJSC, or any of its subsidiaries, related, allied or sister companies, as determined by Alpha Dhabi Holding PJSC (the “Ultimate Parent Company”), and approved to increase the Company’s capital from AED 899,026,128 to AED 2,176,933,385 through the issuance of 1,277,907,257 shares with a nominal value of AED 1 each.

On 6 January 2025, NCTH obtained approval from the Securities & Commodities Authority for the issuance of 1,277,907,257 shares with a nominal value of AED 1 each and the shares issuance to Alpha Dhabi Hospitality Holding LLC was completed and the acquisition of the Target Companies was concluded.

As a result of this transaction, Alpha Dhabi Hospitality Holding LLC (“ADHH”) received 1,277,907,257 shares of NCTH securing 58.70% stake in NCTH.

The primary reasons for the business combination include:

- Strategic consolidation of Alpha Dhabi’s hospitality assets under NCTH.
- Leveraging potential operational efficiencies and synergies.
- Utilising NCTH’s listed platform for future growth and value creation.
- Strengthening the market position of the combined hospitality portfolio.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**1 General information (continued)**

**Business combination accounted for as reverse acquisition**

IFRS 3 requires the identification of the accounting acquirer being the entity that obtains control of the acquiree, and in some cases, the accounting acquirer may not be the same as the legal acquirer. The overall transaction is deemed to have substance, given different businesses are coming together. IFRS 3 provides guidance on the considerations that are relevant for identifying the acquirer. As per the standard, the acquirer is usually the combining entity whose relative size is significantly greater than that of the other combining entities. In this transaction, the Target Companies was determined to be the accounting acquirer (or the legal acquiree) given its relative size within the combining entities and NCTH was determined to be the accounting acquiree (or the legal acquirer) resulting in a reverse acquisition.

The principles of reverse acquisition were used to reflect the acquisition of NCTH by the Target Companies, effective 6 January 2025. As a result, the information presented in these consolidated financial statements - in the comparative period and the period prior to the acquisition were those of the accounting acquirer, the Target Companies and not NCTH, the legal acquirer. Furthermore, the number of shares as required under IFRS 3 is that of NCTH (as legal acquirer) and not the Target Companies and therefore the share capital in the consolidated statement of changes in equity is that of NCTH. This resulted in an adjustment within equity of AED 803,452 thousand. This also resulted in adjustment to earnings per share for the previous year. These consolidated financial statements are therefore a continuation of the financial statements of the Target Companies (the accounting acquirer) and the comparatives in these consolidated financial statements are also of the Target Companies. Despite the Target Companies being deemed as the accounting acquirer, NCTH will be used to refer to the Group throughout these consolidated financial statements.

In accordance with IFRS 3 *Business Combinations*, the transaction is accounted for as a reverse acquisition with the Target Companies being deemed the accounting acquirer and NCTH is deemed the accounting acquiree for accounting purposes.

**1.1 Consideration transferred**

The transaction is considered a reverse acquisition, and the consideration transferred under this reverse acquisition should be the fair value of the equity interests that the Target Companies (the accounting acquirer) would have issued to give the owners of the NCTH (accounting acquiree) the same ownership interest in the combined entity. However, in a business combination, the consideration effectively transferred should be based on the most reliable measure. Given that the shares of NCTH are quoted in an active market, the consideration transferred is determined based on the fair value of the outstanding shares of NCTH before the reverse acquisition.

Based on the above, the market capitalisation of NCTH (with pre-reverse acquisition number of shares outstanding) as on the transaction date is considered as deemed consideration transferred.

	Amount AED '000
Market capitalization of NCTH before the reverse acquisition (899,026,128 outstanding shares at market price per share of AED 2.55)	2,292,517
<b>Consideration transferred for the reverse acquisition</b>	<b>2,292,517</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**1 General information (continued)**

**1.2 Consideration and purchase price allocation**

The consideration paid to effect the business combination was based on the report of an external appraisal of the businesses taken as a whole. The accounting for acquisition of the Target Companies (which was assessed as a business acquisition in line with IFRS 3) was completed as at 31 December 2025.

	Attributed fair value as at 6 January 2025 AED '000
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	1,958,589
Intangible assets	165,563
Right-of-use assets	236
Investment in joint ventures	298,149
	<hr/>
	2,422,537
<b>Current assets</b>	
Financial assets at fair value through profit or loss	24,330
Inventories	21,091
Trade and other receivables	148,468
Cash and bank balances	433,505
	<hr/>
	627,394
<b>Total Assets Acquired</b>	<hr/> 3,049,931
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Borrowings	317,419
Provision for employees' end of service benefits	34,813
Lease liabilities	210
Deferred tax liabilities	14,900
	<hr/>
	367,342
<b>Current liabilities</b>	
Borrowings	49,972
Current tax liabilities	5,946
Trade and other payables	237,078
Lease liabilities	62
	<hr/>
	293,058
<b>Total Liabilities Acquired</b>	<hr/> 660,400
<b>Fair value of identifiable net assets acquired</b>	<hr/> 2,389,531
<b>Gain on bargain purchase</b>	<hr/> (97,014)
<b>Consideration transferred for the reverse acquisition</b>	<hr/> 2,292,517

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**1 General information (continued)**

**1.3 Goodwill**

No goodwill arose from this specific reverse acquisition transaction. The goodwill amounting to AED 451,672 thousand recognised in the consolidated statement of financial position relates to historical acquisitions undertaken by the Target Companies (accounting acquirer) prior to the reverse acquisition with NCTH. This pre-existing goodwill continues to be recognised in the consolidated financial statements.

**1.4 Impact on equity structure**

The adjustments recorded in the consolidated statement of changes in equity reflect the elimination of the accounting acquirer's pre-acquisition equity and the recognition of the legal capital structure of NCTH, including the deemed share issuance, in accordance with reverse acquisition accounting principles.

The consolidated financial statements includes the results of operations and financial position of the Company, its subsidiaries and its interests in equity accounted investees. The Company has investments in the following entities:

**Subsidiaries:**

<b>Name</b>	<b>Country of operation</b>	<b>Principal activity</b>	<b>Ownership Interest</b>	
			<b>31 December 2025</b>	<b>31 December 2024</b>
ADH Hospitality RSC Limited	UAE	Hospitality	<b>100%</b>	100%
Abu Dhabi United Hospitality - SP LLC	UAE	Hospitality	<b>100%</b>	100%
Al Wathba A Luxury Collection Desert Resort & Spa - SP LLC	UAE	Hospitality	<b>100%</b>	100%
Sophia Restaurant - LLC - SPC <i>(Formerly Mazi Restaurant - SP LLC)</i>	UAE	Cafe and restaurants	<b>100%</b>	100%
Buddha Bar Beach Restaurant - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Terra Secca Restaurant - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Al Mesayan Restaurant - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Panache Restaurant - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Al Mabeet Restaurant - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Hayaakom Restaurant - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Bait Al Hanine - SP LLC	UAE	Cafe and restaurants	<b>100%</b>	100%
Ginori Café - LLC - S.P.C.	UAE	Cafe and restaurants Retail sale of food and beverages	<b>100%</b>	-
Le Noir Café - SP LLC	UAE		<b>100%</b>	100%
Ethiad International Hospitality (EIH) LLC - SP LLC	UAE	Hospitality and cleaning services	<b>100%</b>	100%
Intl Fresh Harvest Fruits and Vegetables Trading - SP LLC	UAE	Trading of fresh food stuff	<b>100%</b>	100%
Murban (BVI) Holding Inc.	British Virgin Islands	Hospitality	<b>100%</b>	100%
Hill View Resorts (Seychelles) Limited	Seychelles	Hospitality	<b>100%</b>	100%
Sitax Holding Ltd	British Virgin Islands	Hospitality	<b>100%</b>	100%
Sitax Investment Ltd	British Virgin Islands	Hospitality	<b>100%</b>	100%

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**1 General information (continued)**

**1.4 Impact on equity structure (continued)**

**Subsidiaries: (continued)**

Name	Country of operation	Principal activity	Ownership Interest	
			31 December 2025	31 December 2024
I&T Management Pvt Ltd	Maldives	Hospitality	<b>100%</b>	100%
Intercontinental Hotel Abu Dhabi – Sole Proprietorship LLC*	UAE	Hospitality	<b>100%</b>	-
Danat Al Ain Resort – Sole Proprietorship LLC*	UAE	Hospitality	<b>100%</b>	-
Danat Jabal Al Dhanna Resort – Sole Proprietorship LLC*	UAE	Hospitality	<b>100%</b>	-
Al Dhafra Beach Hotel – Sole Proprietorship LLC*	UAE	Hospitality	<b>100%</b>	-
Intercontinental Residences Abu Dhabi Hotel Apartments – Sole Proprietorship LLC*	UAE	Hospitality	<b>100%</b>	-
Porto Gina Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Jones Social Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Sea Lounge Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Rose Lounge Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
The Old Fox Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Zaitoun Jebel Dhanna Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Waves Jebel Al Dhanna Café – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Tides Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Latitude Jebel Dhanna Bar – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
C View Caffe – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Al Bahar Tourist Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Mayadeen Al Dhafra Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Blue Pool Aldhafra Restaurant – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Hana Aldhafra Bar – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-
Café at the Lobby – Sole Proprietorship L.L.C.*	UAE	Café & Restaurants	<b>100%</b>	-

**Joint ventures**

Name	Country of operation	Principal activity	Ownership Interest	
			31 December 2025	31 December 2024
National Transportation Company L.L.C (“NTC”)*	UAE	Transport services	<b>50%</b>	-
Velocity Property Development LLC*	UAE	Real Estate	<b>63.86%</b>	-

\*Acquired during the period as part of business combination.

As at 31 December 2025, the Corporation also operates four hotel properties and rest houses through management agreements along with one hotel property through asset management agreement, all owned by other parties.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies**

**2.1 Basis of preparation**

**Statement of compliance**

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) and the applicable provisions of U.A.E. Federal Decree Law No. (32) of 2021 (as amended).

**Basis of preparation**

These consolidated financial statements have been prepared on the historical cost basis except for financial assets carried at fair value through profit and loss at the end of each reporting period, as explained in the accounting policies given below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements have been prepared on a historical cost basis, except for the revaluation of the financial assets at fair value through profit or loss at the end of each reporting period, as explained in the respective accounting policies given 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. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

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 inputs 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 (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 inputs are unobservable inputs for the asset or liability that are derived from valuation techniques.

The consolidated financial statements are presented in UAE Dirhams (AED), which is the presentation currency of the Group. Foreign operations are included in accordance with the policies set out later in this document.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****2.1 Basis of preparation (continued)****Going concern**

The director has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

**2.2 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The size of the group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- Potential voting rights held by the group, other vote holders or other parties
- Rights arising from other contractual arrangements
- 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.

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 elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests 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.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****2.2 Basis of consolidation (continued)**

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. 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 noncontrolling interests 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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

When the Group loses control of a subsidiary, the gain or loss 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 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Details of the Company's significant operating subsidiaries and effective ownership interest are given in Note 1.

**2.3 Business combinations**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in 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 administrative expenses.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****2.3 Business combinations (continued)**

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. 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.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

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 interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value 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 (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but tested for impairment at least annually. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

When the Group reorganises its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill shall be reallocated to the units affected. This reallocation is performed using a relative value approach similar to that used when the Group disposes of an operation within a cash-generating unit.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment is its purchase cost together with any incidental expense of acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**Property, plant and equipment (continued)**

Depreciation is charged so as to write off the cost of the property, plant and equipment using the straight-line method over their estimated useful lives as follows:

	<b>Years</b>
Building	15 - 50
Leasehold improvements	3 - 15
Machinery and equipment	5 - 20
Computers and equipment	2 - 10
Furniture, fittings and fixtures	5 - 10
Motor vehicles and boats	4 - 10

The estimated useful lives, residual values and depreciation methods are reviewed annually, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

**Capital work-in-progress**

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the asset 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 its intended use, the cost is transferred to the appropriate asset category and is depreciated in accordance with the Group's accounting policies.

**Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised on a straight-line basis over the assets estimated useful lives as follows:

	<b>Years</b>
Software	5-10

The estimated useful life and amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are tested for impairment and carried at cost less accumulated impairment losses, if any.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date. Amortisation is recognised on a straight-line basis over the assets estimated useful lives as follows:

	<b>Years</b>
Customer contracts	8
Customer relationships	6-7

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.

**Investment properties**

Investment property, which is property held to earn rental income and / or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the straight-line method over their expected useful life which ranges from 15 to 47 years. The estimated useful life, residual value and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the combined statement of profit or loss.

**Leases**

*The Group as a lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises 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 recognises 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.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Leases (continued)***Lease liabilities*

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.

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.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- 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 subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures 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 significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured 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 re-measured 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 re-measured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**Leases (continued)**

*Right-of-use assets*

The value right-of-use assets comprise the initial measurement of the corresponding lease liability, plus lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the asset. If a lease transfers ownership of the underlying asset or the cost of the 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.

Depreciation is charged using the straight-line method over their estimated useful lives or lease term, whichever is shorter, as follows:

	<b>Years</b>
Buildings	5-15
Land	21-50

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, plant 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.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

*The Group as a 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.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Leases (continued)***The Group as a lessor (continued)*

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases 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.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses ("ECL") on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e., after a deduction of the loss allowance).

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.

**Impairment of non-financial assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets including property, plant and equipment, investment property, right-of-use assets and intangible assets to determine whether there is any indication that those non-financial 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.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated statement of 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 with any excess impairment loss recognised in the consolidated statement of profit or loss.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Impairment of non-financial assets excluding goodwill (continued)**

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 in prior years. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. 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 consolidated statement of profit or loss.

*Financial assets*

Purchases or sales of financial assets are recognised or derecognised on a trade date basis. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification of financial assets*

Financial assets that meet the following conditions are measured subsequently at amortised cost:

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

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss ("FVTPL").

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Classification of financial assets (continued)*

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

*(i) Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**(i) Amortised cost and effective interest method (continued)*

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognised in the consolidated statement of profit or loss.

*Cash and short-term deposits*

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

*(ii) Debt instruments classified as at FVTOCI*

Debt instruments that meet the following conditions are measured subsequently at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

(ii) *Debt instruments classified as at FVTOCI (continued)*

By default, all other financial assets are measured subsequently at FVTPL. For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

(iii) *Equity instruments designated as at FVTOCI*

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI 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 FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to the consolidated statement of profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognised in the consolidated statement of profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

The Group designated all investments in equity instruments that are not held-for-trading as at FVTOCI on initial recognition. A financial asset is held-for-trading if either:

- It has been acquired principally for the purpose of selling it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

(iv) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) 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 FVTOCI on initial recognition (see (iii) above); and

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

(v) *Financial assets at FVTPL (continued)*

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI 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 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 the consolidated statement of profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in the consolidated statement of profit or loss includes any dividend or interest earned on the financial asset and is included in ‘Dividend income’. Fair value is determined in the manner described in Note 32.

*Foreign exchange gains and losses*

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in the consolidated statement of profit or loss in the foreign exchange gain;
- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in the consolidated statement of profit or loss in foreign exchange gain. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in the investment revaluation reserve;
- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in the consolidated statement of profit or loss as foreign exchange gain; and
- For equity instruments measured at FVTOCI, exchange differences are recognised in the consolidated statement of comprehensive income in the investment revaluation reserve.

*Impairment of financial assets*

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables, contract assets, and other financial assets as well as on financial guarantee contracts. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)*

The Group always recognises lifetime ECL for trade receivables, contract assets, and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months from the reporting date.

*i) Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; and

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**2 Material accounting policies (continued)**

**Financial instruments (continued)**

*Financial assets (continued)*

*Impairment of financial assets (continued)*

*i) Significant increase in credit risk (continued)*

- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contract, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

*i) Definition of default*

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

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

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is past due for 365 days unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)**iii) Credit-impaired financial assets*

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

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

*iv) Write-off policy*

The Group writes off a financial asset 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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

*v) Measurement and recognition of ECL*

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

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

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial assets (continued)**Impairment of financial assets (continued)*v) *Measurement and recognition of ECL (continued)*

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

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

*Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the consolidated statement of profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to the consolidated statement of profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to the consolidated statement of profit or loss but is transferred to retained earnings.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial liabilities and equity**Classification as debt or equity*

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

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

*Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held-for-trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term;
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; and
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held-for-trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial liabilities and equity (continued)**Financial liabilities at FVTPL (continued)*

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

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in the consolidated statement of profit or loss. The remaining amount of change in the fair value of liability is recognised in the consolidated statement of profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in the consolidated statement of comprehensive income are not subsequently reclassified to the consolidated statement of profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognised in the consolidated statement of profit or loss.

Fair value is determined in the manner described in Note 32.

*Financial liabilities measured subsequently at amortised cost*

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

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

*Financial guarantee contract liabilities*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Financial instruments (continued)***Financial guarantee contract liabilities (continued)*

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9 (see financial assets above); and
- The amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

*Foreign exchange gains and losses*

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the consolidated statement of profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, exchange gains and losses are recognised in the consolidated statement of comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the consolidated statement of profit or loss for financial liabilities that are not part of a designated hedging relationship.

*Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss. When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in the consolidated statement of profit or loss.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Offsetting of financial instruments**

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

**Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

*Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, a deferred tax liability is not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Taxation (continued)***Deferred tax (continued)*

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

*Current tax and deferred tax for the year*

Current and deferred tax are recognised in the consolidated statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also recognised in the consolidated statement of comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

*Value added tax (VAT)*

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

**Fair value measurement**

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Fair value measurement (continued)**

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in Note 32.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method and includes import duty, freight and handling charges. Net realizable value is the estimated selling prices in the ordinary course of business less applicable variable selling expenses.

**Employee benefits**

An accrual is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the year.

A provision is also made for the full amount of end of service benefit due to non-UAE national employees in accordance with the UAE Labour Law, for their period of service up to the end of the year. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision relating to end of service benefit is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to consolidated statement of profit or loss during the employees' period of service.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****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 that 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 reporting date, 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 the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a 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.

**Contingencies**

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date.

At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IAS 37 and the amount recognised initially less cumulative amount of income recognised in accordance with IFRS 15.

**Current versus non-current classification**

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

An asset is classified as 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 of 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.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Current versus non-current classification (continued)**

A liability is classified as 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 of 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. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring to the customer.

The Group recognises revenue from the following major sources:

*Revenue from hotel operations*

Hotel operations represents the sale of hotel rooms, food and beverages, catering and other ancillary services. These are invoiced upon provision of the service or delivery of goods. Revenue is stated net of allowances and rebates and recognized at a point in time.

*Revenue from facilities management and related services*

Revenue is recognised in the period in which facilities management, maintenance and other services are provided in accordance with the terms of the contractual relationships with third parties. Revenue represents the fair value of the consideration received or receivable for services provided in the normal course of business, excluding value added tax. Revenue from such services are recognised as a performance obligation satisfied at a point in time or over the contract period or period of service, as applicable in accordance with the requirements of IFRS 15.

*Revenues from retail services*

For sales of goods to retail customers, revenue is recognised when control of the goods has transferred, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Revenue recognition (continued)***Revenues from catering services*

Revenue is recognised in the period in which food and support services are provided in accordance with the terms of the contractual relationships with third parties. Revenue represents the fair value of the consideration received or receivable for food and support services provided in the normal course of business, excluding, value added tax and similar sales taxes.

*Management fee*

Management fee is related to the provision of management and asset management services to the managed hotels and is recognised when the services are performed.

*Contract assets and liabilities*

Contract assets represent amounts relating to work performed which is yet to be billed to customers. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability. The Group classifies its contract assets and liabilities as current and non-current based on the timing and pattern of flow of economic benefits.

**Foreign currencies**

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are 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 translated at the rates prevailing at the date when the fair value was determined. Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on transactions entered into to hedge certain foreign currency risks (see below under financial instruments / hedge accounting); and
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit or loss on disposal or partial disposal of the net investment.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****2 Material accounting policies (continued)****Foreign currencies (continued)**

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognized in consolidated statement of profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to the consolidated statement of profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in consolidated statement of comprehensive income.

**3 Application of new and revised IFRS Accounting standards (IFRSs)****3.1 New and revised IFRSs applied with no material effect on the consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs 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 *The Effects of Changes in Foreign Exchange Rates* relating to Lack of Exchangeability

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**3 Application of new and revised IFRS Accounting standards (IFRSs) (continued)**

**3.2 New and revised IFRSs in issue but not yet effective**

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 9 Financial Instruments and IFRS 7 <i>Financial Instruments: Disclosures</i> regarding the classification and measurement of financial instruments	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	
Annual improvements to IFRS Accounting Standards - Volume 11	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none"> <li>• IFRS 1: Hedge accounting by a first-time adopter</li> <li>• IFRS 7: Gain or loss on derecognition</li> <li>• IFRS 7: Disclosure of deferred difference between fair value and transaction price</li> <li>• IFRS 7: Introduction and credit risk disclosures</li> <li>• IFRS 9: Lessee derecognition of lease liabilities</li> <li>• IFRS 9: Transaction price</li> <li>• IFRS 10: Determination of a “de facto agent”</li> <li>• IAS 7: Cost method</li> </ul>	
IFRS 18 <i>Presentation and Disclosures in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Effective date not yet decided
<i>Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)</i>	1 January 2027
The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	
IFRS S1 <i>General Requirements for Disclosure of Sustainability-related Financial Information</i>	Effective date not yet decided by the regulator in the United Arab Emirates)
IFRS S2 <i>Climate-related Disclosures</i>	Effective date not yet decided by the regulator in the United Arab Emirates)

The above stated new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the Group.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****3 Application of new and revised IFRS Accounting standards (IFRSs) (continued)****3.2 New and revised IFRSs in issue but not yet effective**

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

**4 Critical accounting judgments and key sources of estimation of uncertainty**

In applying the Group's accounting policies in the preparation of the Group's consolidated financial statements, management is required to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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 and the uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future period.

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

**4.1 Critical judgment in applying accounting policies**

The following are the critical judgements, apart from those involving estimates (which are presented below separately), that management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

*Identifying whether an acquisition is a business or an asset*

For acquisitions made by the Group, the Group needs to make significant judgement to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making this assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

*Consolidation of subsidiaries*

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

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

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

**4.1 Critical judgment in applying accounting policies (continued)**

*Classification of properties*

In the process of classifying properties, the Group makes judgments. Judgment is needed to determine whether a property qualifies as an investment property, property plant and equipment and / or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of those asset categories. In making its judgment, the Group considers the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16 and IAS 40, in particular, the intended usage of property at the reporting date.

*Determining the lease term*

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**4.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Group bases its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about the future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

*Calculation of loss allowance*

The Group assesses the impairment of its financial assets based on the expected credit loss ("ECL") model. Under the ECL 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. The Group measures the loss allowance at an amount equal to the lifetime ECL for its financial instruments.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

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

**4.2 Key sources of estimation uncertainty (continued)**

*Calculation of loss allowance (continued)*

When measuring ECL, the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

*Fair value of investment properties*

The fair value of investment properties is determined by independent real estate valuation experts using recognised valuation methods. These methods mainly comprise the income capitalisation method and comparable market method.

Under the income capitalisation method, the income receivable under existing lease agreements and projected future rental streams are capitalised at appropriate rates to reflect the investment market conditions at the valuation dates. The comparable market approach involves 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 Group's undiscounted future cash flows analysis and the assessment of expected remaining holding period, income projections and market comparable prices on the investment properties requires management to make significant estimates and judgements related to future rental capitalisation rates and capital value applied per area of the investment properties.

The key assumptions used are as follows:

Capitalisation rates	8.00%
Average capital value per sq. ft.	AED 3,440

*Allowance for slow moving and obsolete inventories*

When inventories become old or obsolete, an estimate is made of their NRV. Inventory items are categorised based on their movements during the year, their physical condition and their expected future use, and accordingly an allowance for impairment is estimated. Revisions to the allowance for slow moving inventories would be required if the outcome of these indicative factors differ from earlier estimates.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****4 Critical accounting judgments and key sources of estimation of uncertainty (continued)****4.2 Key sources of estimation uncertainty (continued)***Impairment of property, plant and equipment and capital work in progress*

Properties classified under property, plant and equipment and capital work in progress are assessed for impairment when there is an indication that those assets have suffered an impairment loss. An impairment loss recognised in prior periods for property, plant and equipment and capital work in progress is reversed when a change has been made to estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment review or the reversal of impairment is carried out by determining the recoverable amount which takes into account the fair value of the property under consideration. The fair value of hotel properties classified under property, plant and equipment is determined by an independent real estate valuation expert using Discounted Cash Flow method.

Cash flows are determined with reference to recent market conditions, prices existing at the end of the reporting period, contractual agreements and estimations over the useful lives of the assets and discounted using a range of discount rates that reflects current market assessment of the time value of money and the risks specific to the asset. The net present values are compared to the carrying amounts to assess any probable impairment.

*Useful lives of property, plant and equipment and intangible assets*

Management reviews the residual values and estimated useful lives of property, plant and equipment and intangible assets at the end of each annual reporting period in accordance with IAS 16 and IAS 38. Management determined that current year expectations do not differ from previous estimates based on its review.

*Income taxes*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group may also have unrecognised deferred tax asset (deductible temporary differences, tax losses carried forward and corporate interest restriction disallowances carried forward). These losses relate to subsidiaries that have a history of losses, these losses do not expire and may not be used to offset taxable income elsewhere in the Group. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses or deductible temporary differences as deferred tax assets. On this basis, the Group determines that it cannot recognise deferred tax asset on the tax losses carried forward and deductible temporary differences.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

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

**4.2 Key sources of estimation uncertainty (continued)**

*Discount rate used for initial measurement of lease liability*

The Group, as a lessee, measures a lease liability at the present value of the unpaid lease payments at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If not on initial recognition of the lease, the Group uses its incremental borrowing rate. Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment.

*Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material.

The Group has conducted a sensitivity analysis of the impairment test by changing key assumptions used to determine the recoverable amount of cash-generating units to which goodwill is allocated. It concluded that any reasonably possible change in the key assumptions on which the recoverable amount of Goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash-generating units.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**5 Property, plant and equipment**

	Land AED '000	Buildings AED '000	Lease improvements AED'000	Machinery and equipment AED'000	Computers and equipment AED'000	Furniture, fittings and fixtures AED'000	Motor vehicles and boats AED'000	Capital work- in-progress AED '000	Total AED '000
<b>Cost</b>									
At 01 January 2024	225,209	925,659	5,011	110,163	52,848	151,833	40,469	514,222	2,025,414
Additions	-	3,120	264	5,204	7,655	5,356	1,028	303,756	326,383
Transfers	-	321,928	-	8,988	1,445	110,319	1,696	(444,376)	-
Disposals	-	-	-	(48)	(2,428)	(87)	(2,339)	-	(4,902)
Exchange differences	-	(602)	-	(45)	(31)	(54)	(42)	(1)	(775)
At 31 December 2024	225,209	1,250,105	5,275	124,262	59,489	267,367	40,812	373,601	2,346,120
Additions	-	3,402	2,491	7,590	9,219	38,950	13,252	200,941	275,845
Recognised as part of business combination (Note 1)	1,162,925	1,032,327	-	236,930	-	395,135	20,018	915	2,848,250
Transfers	-	21,741	-	-	-	4,828	-	(26,569)	-
Disposals	-	-	-	(2,831)	(984)	(1,682)	(691)	-	(6,188)
Write-off	-	(3,333)	-	(3,683)	-	(19,479)	-	-	(26,495)
<b>At 31 December 2025</b>	<b>1,388,134</b>	<b>2,304,242</b>	<b>7,766</b>	<b>362,268</b>	<b>67,724</b>	<b>685,119</b>	<b>73,391</b>	<b>548,888</b>	<b>5,437,532</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**5 Property, plant and equipment (continued)**

	Land AED '000	Buildings AED '000	Lease improvements AED'000	Machinery and equipment AED'000	Computers and equipment AED'000	Furniture, fittings and fixtures AED'000	Motor vehicles and boats AED'000	Capital work- in-progress AED '000	Total AED '000
<b>Accumulated depreciation</b>									
At 1 January 2024	-	306,723	1,512	89,891	44,651	137,501	26,240	-	606,518
Charge for the year	-	35,717	456	5,979	4,129	7,404	3,633	-	57,318
Disposals	-	-	-	(45)	(2,428)	(87)	(2,250)	-	(4,810)
Exchange differences	-	(245)	-	(32)	(29)	(48)	(23)	-	(377)
At 31 December 2024	-	342,195	1,968	95,793	46,323	144,770	27,600	-	658,649
Charge for the year	-	41,059	587	12,714	5,580	29,337	4,662	-	93,939
Assets arising as part of business combination (Note 1)	-	431,269	-	145,810	-	295,302	17,280	-	889,661
Disposals	-	-	-	(2,831)	(984)	(1,682)	(686)	-	(6,183)
Write-off	-	(908)	-	(1,647)	-	(16,610)	-	-	(19,165)
<b>At 31 December 2025</b>	<b>-</b>	<b>813,615</b>	<b>2,555</b>	<b>249,839</b>	<b>50,919</b>	<b>451,117</b>	<b>48,856</b>	<b>-</b>	<b>1,616,901</b>
<b>Carrying amount</b>									
<b>At 31 December 2025</b>	<b>1,388,134</b>	<b>1,490,627</b>	<b>5,211</b>	<b>112,429</b>	<b>16,805</b>	<b>234,002</b>	<b>24,535</b>	<b>548,888</b>	<b>3,820,631</b>
At 31 December 2024	225,209	907,910	3,307	28,469	13,166	122,597	13,212	373,601	1,687,471

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**5 Property, plant and equipment (continued)**

5.1 Land and buildings include hotel properties having a carrying amount of AED 1,375 million and AED 1,477 million, respectively as at 31 December 2025 (2024: AED 225 million and AED 908 million, respectively).

5.2 Capital work in progress mainly represents the cost incurred on the development of mixed-use building properties which were under progress at the reporting date and will be transferred to the relevant asset category of property, plant and equipment when ready for intended use.

5.3 The additions during the year mainly pertains to cost incurred on the development of mixed-use building properties amounting to AED 145,232 thousand.

5.4 During the year, the Group sold property, plant and equipment resulting in a net gain on disposal of AED 416 thousand (2024: AED 175 thousand).

5.5 During the year, the Group conducted an impairment assessment which resulted in no impairment (2024: Nil). Note 4 highlights significant estimation uncertainty related to determination of the fair value less costs to sell and significant assumptions used.

During the year, the Group carried out a review of recoverable amount of its hotel properties. The review resulted in the recoverable value in excess of carrying value. The recoverable value of relevant assets is based on fair value less cost to sell determined by independent valuer and has been determined by reference to the discounted cash flow method using exit yield of 7.00% to 8.50% (2024: 7.75% to 8.00%) and a discount rate of 9.46% to 11.25% (2024: 9.75% to 10.75%).

5.6 The Group conducted a sensitivity analysis for all its major hotel properties in the UAE classified under property, plant and equipment. The sensitivity has been conducted on the average daily rate (ADR), occupancy, discount rate and exit yield. Based on this sensitivity analysis:

- A decrease in the discount rates and exit yields by 5% would result in AED 227,300 thousand or 7.0% increase in the recoverable value, whilst an increase in the discount rates and exit yields by 50% would result in AED 199,100 thousand or 6.2% decrease in the recoverable value; and
- An increase in the ADR by 5% would result in AED 246,700 thousand or 7.6% increase in the recoverable value, whilst a decrease in the ADR by 5% would result in AED 245,400 thousand or 7.6% decrease in the recoverable value.
- An increase in occupancy by 5% would result in AED 287,800 thousand or 8.9% increase in the recoverable value, whilst a decrease in the occupancy by 5% would result in AED 272,100 thousand or 8.4% decrease in the recoverable value.

5.7 Land and buildings are located as:

	2025 AED'000	2024 AED'000
Within UAE	<b>2,285,684</b>	541,461
Outside UAE	<b>593,077</b>	591,658
	<hr/> <b>2,878,761</b> <hr/>	<hr/> 1,133,119 <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**5 Property, plant and equipment (continued)**

5.8 Depreciation for the year has been allocated as follows:

	2025 AED'000	2024 AED'000
Direct operating expenses (Note 25)	91,974	56,804
General, administrative and selling expenses (Note 26)	1,965	514
	<hr/>	<hr/>
	93,939	57,318
	<hr/>	<hr/>

5.9 Freehold land, buildings, and vehicles with a carrying amount of AED 2,502,872 thousand (2024: AED 168,984 thousand) have been pledged to secure borrowings of the Group (Note 21).

**6 Intangible assets**

	Software AED '000	Customer related intangibles AED '000	Total AED '000
<b>Cost</b>			
At 1 January 2024	2,110	-	2,110
Additions	558	-	558
	<hr/>	<hr/>	<hr/>
At 31 December 2024	2,668	-	2,668
Additions	135	-	135
Recognised as part of business combination (Note 1)	-	165,563	165,563
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2025</b>	<b>2,803</b>	<b>165,563</b>	<b>168,366</b>
	<hr/>	<hr/>	<hr/>
<b>Accumulated amortisation</b>			
At 1 January 2024	608	-	608
Charge for the year	544	-	544
	<hr/>	<hr/>	<hr/>
At 31 December 2024	1,152	-	1,152
Charge for the year	666	23,794	24,460
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2025</b>	<b>1,818</b>	<b>23,794</b>	<b>25,612</b>
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
<b>At 31 December 2025</b>	<b>985</b>	<b>141,769</b>	<b>142,754</b>
	<hr/>	<hr/>	<hr/>
At 31 December 2024	1,516	-	1,516
	<hr/>	<hr/>	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**6 Intangible assets (continued)**

Amortisation for the year has been allocated as follows:

	<b>2025</b> AED'000	2024 AED'000
Direct operating expenses (Note 25)	198	106
General, administrative and selling expenses (Note 26)	24,262	438
	<hr/>	<hr/>
	24,460	544
	<hr/>	<hr/>

**7 Goodwill**

	<b>2025</b> AED'000	2024 AED'000
Goodwill	451,672	451,672
	<hr/>	<hr/>

For impairment testing goodwill acquired through business combination is allocated to cash generating units ('CGU') as follows:

	<b>2025</b> AED'000	2024 AED'000
I&T Management Pvt Limited	404,761	404,761
Hill View Resorts (Seychelles) Limited	46,911	46,911
	<hr/>	<hr/>
	451,672	451,672
	<hr/>	<hr/>

The recoverable amounts have been computed based on value in use approach derived from financial projections made for a 6 to 10-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

The following key assumptions were used in the discounted cash flow model:

	<b>2025</b>
Terminal growth rate	2.0% – 3.0%
Discount rate	15.3%

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**8 Investment properties**

	Land AED '000	Buildings AED '000	Total AED '000
<b>Cost</b>			
At 1 January 2024	62,431	357,909	420,340
Additions	-	-	-
At 31 December 2024	62,431	357,909	420,340
Additions	-	-	-
<b>At 31 December 2025</b>	<b>62,431</b>	<b>357,909</b>	<b>420,340</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	-	104,097	104,097
Charge for the year	-	6,864	6,864
At 31 December 2024	-	110,961	110,961
Charge for the year	-	6,864	6,864
<b>At 31 December 2025</b>	<b>-</b>	<b>117,825</b>	<b>117,825</b>
<b>Carrying amount</b>			
<b>At 31 December 2025</b>	<b>62,431</b>	<b>240,084</b>	<b>302,515</b>
At 31 December 2024	62,431	246,948	309,379

Amounts recognized in relation to investment properties in the consolidated statement of profit or loss during the year are as follows:

	2025 AED'000	2024 AED'000
Rental income	46,545	42,576
Depreciation under: Direct operating expenses (Note 25)	6,864	6,864

Apartments/buildings with a carrying amount of AED 240,084 thousand (2024: AED 246,948 thousand) have been pledged to secure borrowings of the Group (note 21).

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****8 Investment properties (continued)**

The Group carried fair valuation for its certain major investment properties as at reporting date. As at 31 December 2025, the fair value of the investment properties amounted to AED 1,259,761 thousand (2024: AED 1,153,565 thousand).

The fair values of those investment properties are arrived at on the basis of a valuation carried out by accredited independent valuers not connected with the Group. 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 fair value of the investment properties, the highest and best use of the properties is their current use. The valuations were mainly determined by using the income capitalisation method and comparable market approach. The valuation has been conducted as at 31 December 2025. There has been no material change to the valuation techniques during the year. Refer to note 4 for the key assumptions used in determination of fair value of investment properties and significant estimation uncertainty related to determination of fair value.

The valuation models in accordance with those recommended by the International Valuation Standards Committee have been applied and are consistent with the principles in IFRS 13. The investment properties are categorised under Level 3 in the fair value hierarchy. There were no transfers between Levels 1, 2 or 3 during 2025 or 2024.

The Group conducted a sensitivity analysis for the largest assets in its investment property portfolio with an aggregate value of AED 1,195,860 thousand (2024: AED 1,089,620 thousand). The sensitivity has been conducted on the capitalisation rates, rental rates and average capital value per square foot. Based on this sensitivity analysis:

- a decrease in the capitalisation rates by 50bps would result in a AED 4,500 thousand or 6.6% increase in the valuation, whilst an increase in the capitalisation rates by 50bps would result in AED 4,000 thousand or 5.9% decrease in the valuation;
- an increase in the rental rates by 10.0% would result in an AED 5,800 thousand or 8.5% increase in the valuation, whilst a decrease in the rental rates by 10.0% would result in AED 5,800 thousand or 8.5% decrease in the valuation; and
- an increase in the average capital value per square foot by 5.0% would result in an AED 56,383 thousand increase in the valuation, whilst a decrease in the average capital value per square foot by 5.0% would result in AED 56,383 thousand decrease in the valuation.

Discount rates and capitalisation rates are different than interest rates as commonly applied to borrowing rates or cost of short term and long-term debt. Discount rates and capitalization rates are carefully derived by professional valuers in determining the fair market value of properties by using multiple valuation factors. There are interrelationships between the unobservable inputs which are generally determined by market conditions. The valuation may be affected by the interrelationship between the two noted unobservable inputs; for example, an increase in rent may be offset by an increase in the capitalisation rate, thus resulting in no net impact on the valuation. Similarly, an increase in rent in conjunction with a decrease in the capitalisation rate would amplify an increase in the value.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**9 Investment in joint ventures**

	2025 AED '000	2024 AED '000
National Transport Company LLC	33,772	-
Velocity Property Development LLC	<b>261,496</b>	-
 Balance at the end of the year	 <b>295,268</b>	 -
	 <hr/> <hr/>	 <hr/> <hr/>

Investment in joint ventures includes the Group's investment in National Transport Company LLC and Velocity Property Development LLC of 50.0% and 63.86%, respectively.

Movements in the investment in joint ventures are as follows:

	2025 AED '000	2024 AED '000
At 1 January	-	-
Recognised as part of business combination (Note 1)	<b>298,149</b>	-
Share of results for the year	<b>4,115</b>	-
Return of capital contribution	<b>(6,996)</b>	-
 Balance at the end of the year	 <b>295,268</b>	 -
	 <hr/> <hr/>	 <hr/> <hr/>

In 2025, the Board of Directors of Velocity Property Development LLC ("Velocity") has reviewed the financial position of Velocity and has determined that it has sufficient surplus funds to return cash advances previously provided by its shareholders.

The latest available financial information in respect of the Group's joint ventures up to the year ended 31 December 2025 are recognised below:

	2025 National Transport Company LLC AED '000	Velocity Property Development LLC AED '000
Non-current assets	65,471	743,025
Current assets	22,851	35,408
Non-current liabilities	(2,571)	(361,290)
Current liabilities	(18,207)	(39,302)
 Net assets	 <b>67,544</b>	 <b>377,841</b>
	 <hr/> <hr/>	 <hr/> <hr/>
Group's share of net assets	33,772	241,289
Goodwill	-	20,207
 At 31 December 2025	 <b>33,772</b>	 <b>261,496</b>
	 <hr/> <hr/>	 <hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**9 Investment in joint ventures (continued)**

The share of results of the Group's joint ventures recognised during the year are as follows:

	<b>2025</b>	
	<b>National Transport Company LLC</b> AED '000	<b>Velocity Property Development LLC</b> AED '000
Revenue	<b>55,974</b>	63,381
Profit/(loss) for the year	<b>9,315</b>	(850)
Group's share of profit/(loss) for the year	<b>4,658</b>	(543)

**10 Right-of-use assets and lease liabilities**

The Group leases several assets including land and buildings in the UAE and Maldives. The approximate lease terms range from 5 to 50 years. The major leases of the Group pertain to the leases of land properties in Maldives whereby hotel properties and building accommodation were constructed thereon.

The associated right-of-use assets were measured at the amount equal to the lease liability. There were no onerous lease contracts that would have required an adjustment to any right-of-use assets at the date of initial application.

Set out below are the carrying amounts and movement of right-of-use assets:

	<b>Land</b> AED '000	<b>Building</b> AED '000	<b>Total</b> AED '000
<b>Cost</b>			
At 1 January 2024	58,989	10,871	69,860
Lease modifications and cancellations for the year	(1,876)	2,605	729
At 31 December 2024	57,113	13,476	70,589
Additions	3,671	84,637	88,308
Lease modifications and cancellations for the year	532	(177)	355
Recognised as part of business combination (Note 1)	-	2,838	2,838
<b>At 31 December 2025</b>	<b>61,316</b>	<b>100,774</b>	<b>162,090</b>
<b>Accumulated depreciation</b>			
At 1 January 2024	7,891	6,648	14,539
Charge for the year	1,577	1,758	3,335
At 31 December 2024	9,468	8,406	17,874
Charge for the year	2,041	2,303	4,344
Recognised as part of business combination (Note 1)	-	2,602	2,602
<b>At 31 December 2025</b>	<b>11,509</b>	<b>13,311</b>	<b>24,820</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**10 Right-of-use assets and lease liabilities (continued)**

	Land AED '000	Building AED '000	Total AED '000
<b>Carrying amount</b>			
<b>At 31 December 2025</b>	<b>49,807</b>	<b>87,463</b>	<b>137,270</b>
At 31 December 2024	47,645	5,070	52,715

Depreciation for the year has been allocated as follows:

	2025 AED'000	2024 AED'000
Direct operating expenses (Note 25)	3,562	3,087
General, administrative and selling expenses (Note 25)	782	248
	<b>4,344</b>	<b>3,335</b>

Set below are the carrying amount of lease liabilities and movements during the year:

	2025 AED '000	2024 AED '000
At the beginning of the year	45,691	46,846
Additions	88,108	-
Lease modifications and cancellations	(454)	838
Finance cost	2,634	2,665
Recognised as part of business combination (Note 1)	272	-
Payment of lease payments	(5,596)	(4,658)
<b>At the end of the year</b>	<b>130,655</b>	<b>45,691</b>

The maturity profile of lease payments are as under:

	2025	2024		
	Minimum lease payments AED (000)	Present value of minimum lease payments AED (000)	Minimum lease payments AED (000)	Present value of minimum lease payments AED (000)
Within one year	8,207	3,165	5,679	3,124
After one year but not more than five years	36,878	7,182	14,974	5,847
More than 5 years	306,351	120,308	72,409	36,720
Total minimum lease payments	<b>351,436</b>	<b>130,655</b>	93,062	45,691
Less: amount representing finance charges	(220,781)	-	(47,371)	-
Present value of minimum lease payments	<b>130,655</b>	<b>130,655</b>	45,691	45,691

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**10 Right-of-use assets and lease liabilities (continued)**

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

	2025 AED '000	2024 AED '000
Current	3,457	3,129
Non-current	127,198	42,562
	<hr/>	<hr/>
	130,655	45,691
	<hr/>	<hr/>

Amounts recognized in relation to right-of-use assets in the consolidated statement of profit or loss during the year is as follows:

	2025 AED '000	2024 AED '000
Depreciation	4,344	3,335
Interest on lease liabilities (Note 27)	2,634	2,665
Short term leases	19,236	6,351
	<hr/>	<hr/>
	26,214	12,351
	<hr/>	<hr/>

**11 Financial assets at fair value through profit or loss**

	2025 AED '000	2024 AED '000
Investments in quoted equity instruments	37,991	-
Investment in unquoted equity instruments	-	14,203
	<hr/>	<hr/>
	37,991	14,203
	<hr/>	<hr/>
<b><u>Quoted securities</u></b>		
<b><i>FVTPL investments</i></b>		
At the beginning of the year	-	6,994
Recognised as part of business combination (Note 1)	24,330	-
Fair value gain	602	-
Reclassification	14,709	-
Disposal	(1,650)	7,209
	<hr/>	<hr/>
<b>At 31 December</b>	<b>37,991</b>	14,203
	<hr/>	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**11 Financial assets at fair value through profit or loss (continued)**

	2025 AED '000	2024 AED '000
<b><u>Unquoted securities</u></b>		
<b><i>FVTPL investments</i></b>		
At the beginning of the year	14,203	6,994
Fair value gain on financial assets as fair value through profit or loss	506	7,209
Reclassification	(14,709)	-
<b>At 31 December</b>	<hr/> <hr/> <hr/> <b>-</b>	<hr/> <hr/> <hr/> <b>14,203</b>

During the year, the investment in unquoted securities became listed in a securities exchange and are therefore reclassified from unquoted securities to quoted securities.

Financial assets at fair value through profit or loss are as follows:

	2025 AED '000	2024 AED '000
<b><u>Quoted securities</u></b>		
Equity instruments	<hr/> <hr/> <b>37,991</b>	<hr/> <hr/> <b>-</b>
<b><u>Unquoted securities</u></b>		
Equity instruments	<hr/> <hr/> <b>-</b>	<hr/> <hr/> <b>14,203</b>

All financial assets at fair value through profit or loss are classified as current.

	2025 AED '000	2024 AED '000
<b>Geographical markets:</b>		
UAE	<hr/> <hr/> <b>27,360</b>	<hr/> <hr/> <b>-</b>
Outside the UAE	<hr/> <hr/> <b>10,631</b>	<hr/> <hr/> <b>14,203</b>
	<hr/> <hr/> <b>37,991</b>	<hr/> <hr/> <b>14,203</b>

**12 Taxation**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“CT Law”) to implement a new Federal Corporate Tax (“CT”) regime in the UAE.

Generally, UAE businesses will be subject to a 9% CT rate, however a 0% CT rate will be applied to taxable income not exceeding AED 375,000 as well as to certain types of entities, as prescribed by way of a Cabinet Decision. The 0% CT rate will also apply to the qualifying income of Free Zone entities.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**12 Taxation (continued)**

For the purpose of determining the taxable results for the year, the accounting profit of the Group was adjusted for tax purposes.

On 11 February 2025, the Ministry of Finance (MoF) of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 on the Imposition of Top-Up Tax on Multinational Enterprises (Cabinet Decision), introducing a Domestic Minimum Top-Up Tax (DMTT) on multinational enterprises (MNEs), which is applicable from 1 January 2025. The Group falls within the scope of DMTT based on the applicable revenue threshold.

The Pillar Two regime recently adopted by the United Arab Emirates (UAE), will significantly influence the tax landscape for multinational enterprises. This regime, introduced as part of the OECD's efforts to address base erosion and profit shifting (BEPS), imposes new global minimum tax standards.

The Group calculates income tax expense using the tax rate that would be applicable to the expected total annual earnings. The Group has recognised an additional top-up tax expense to ensure compliance with 15% global minimum effective tax rate.

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

	<b>2025</b> AED '000	2024 AED '000
<b>Income tax</b>		
Current tax charge	35,810	21,698
Deferred tax	(695)	(852)
Domestic minimum top up tax	7,708	-
	<hr/> <b>42,823</b> <hr/>	<hr/> 20,846 <hr/>

The movement in the income tax payable is given below:

	<b>2025</b> AED '000	2024 AED '000
Balance at the beginning of the year	18,419	3,598
Charge for the year	35,810	21,698
Domestic minimum top up tax	7,708	-
Recognised as part of business combination (Note 1)	5,946	-
Paid during the year	(28,769)	(6,877)
	<hr/> <b>39,114</b> <hr/>	<hr/> 18,419 <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**12 Taxation (continued)**

The movement in the deferred tax asset is given below:

	2025 AED '000	2024 AED '000
Balance at the beginning of the year	10,666	9,814
Net movement during the year	(1,445)	852
	<hr/> <b>9,221</b>	<hr/> 10,666
	<hr/> <hr/>	<hr/> <hr/>

The movement in the deferred tax liabilities is given below:

	2025 AED '000	2024 AED '000
Balance at the beginning of the year	-	-
Recognised as part of business combination (Note 1)	14,900	-
Net movement during the year	(2,140)	-
	<hr/> <b>12,760</b>	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

The charge for the year can be reconciled to the profit before tax as follows:

	2025 AED '000	2024 AED '000
Profit before tax for the year	<hr/> <b>443,795</b>	<hr/> 177,803
At statutory income tax rate	39,942	16,002
Tax effect of different tax rate of subsidiaries operating in foreign jurisdiction	2,699	4,294
Effect of standard exemption	(68)	(34)
Domestic minimum top up tax	7,708	-
Tax effect of expenses / income not considered in determining taxable profit	(7,458)	584
	<hr/> <b>42,823</b>	<hr/> 20,846
	<hr/> <hr/>	<hr/> <hr/>
<b>Effective tax rate</b>	<b>9.6%</b>	11.7%
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**12 Taxation (continued)**

The deferred tax assets position comprises of the following temporary differences:

	<b>Consolidated statement of financial position</b>		<b>Consolidated statement of profit or loss</b>	
	<b>2025</b> <b>AED '000</b>	<b>2024</b> <b>AED '000</b>	<b>2025</b> <b>AED '000</b>	<b>2024</b> <b>AED '000</b>
Depreciation expense	<b>8,778</b>	<b>10,556</b>	<b>1,778</b>	<b>(742)</b>
Others	<b>443</b>	<b>110</b>	<b>(333)</b>	<b>(110)</b>
	<b>9,221</b>	<b>10,666</b>	<b>1,445</b>	<b>(852)</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

The deferred tax liabilities position comprises of the following temporary differences:

	<b>Consolidated statement of financial position</b>		<b>Consolidated statement of profit or loss</b>	
	<b>2025</b> <b>AED '000</b>	<b>2024</b> <b>AED '000</b>	<b>2025</b> <b>AED '000</b>	<b>2024</b> <b>AED '000</b>
Intangible assets	<b>12,759</b>	-	<b>2,141</b>	-
Others	<b>1</b>	-	<b>(1)</b>	-
	<b>12,760</b>	-	<b>2,140</b>	-
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**13 Trade and other receivables**

	<b>2025</b> AED '000	2024 AED '000
Trade receivables	<b>251,419</b>	115,179
Less: allowance for ECL	<b>(12,293)</b>	(3,903)
<b>Net trade receivables</b>	<b>239,126</b>	111,276
Prepayments and advances	<b>153,452</b>	55,149
Deposits	<b>63,506</b>	55,833
Contract assets	<b>46,052</b>	20,720
VAT and GST receivables	<b>24,505</b>	22,892
Interest receivable	<b>12,759</b>	8,936
Insurance receivable	<b>7,173</b>	3,346
Others	<b>14,371</b>	14,001
	<b>560,944</b>	292,153

The average credit period on sale of goods and rendering of services is 30 to 90 days. Before accepting new customers, the Group generally assesses their credit quality.

The following table shows the movement in the lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9:

	<b>2025</b> AED '000	2024 AED '000
At 1 January	<b>3,903</b>	2,696
Net re-measurement of ECL	<b>1,333</b>	1,224
Written off	<b>(508)</b>	(17)
Recognised as part of business combination (Note 1)	<b>7,565</b>	-
	<b>12,293</b>	3,903

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**13 Trade and other receivables (continued)**

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments.

	Collective and individual assessment					Total
	Not past due	31-60 days	61-90 days	91-120 days	> 120 days	
<b>31 December 2025</b>						
ECL rate	1.2%	0.1%	0.1%	4.1%	30.4%	4.9%
Estimated total gross carrying amount at default (AED '000)	132,503	40,251	30,647	15,113	32,905	251,419
<b>Lifetime ECL (AED '000)</b>	<b>1,585</b>	<b>56</b>	<b>23</b>	<b>623</b>	<b>10,006</b>	<b>12,293</b>
31 December 2024						
ECL rate	0%	0.8%	1.9%	4.8%	15.4%	3.4%
Estimated total gross carrying amount at default (AED '000)	38,522	37,738	12,163	7,322	19,434	115,179
<b>Lifetime ECL (AED '000)</b>	<b>-</b>	<b>319</b>	<b>236</b>	<b>354</b>	<b>2,994</b>	<b>3,903</b>

**14 Inventories**

	2025 AED '000	2024 AED '000
Food, beverages, and tobacco items	29,815	10,643
Operating supplies	8,357	5,185
Maintenance supplies	8,510	6,588
Fuel and oil	648	486
Merchandises	839	1,202
Spa inventories	1,142	794
	49,311	24,898
Less: allowance for obsolescence	(31)	(31)
	49,280	24,867

There is no movement in allowance for inventories obsolescence during the current and previous years.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**15 Related party balances and transactions**

Related parties are the Ultimate Parent Company and its affiliates, major shareholders, associated companies, directors, key management personnel of the Group and their related entities which have the ability to control or exercise significant influence in operating and financial decisions. The Group maintains balances with related parties as follows that arise from transactions at rates agreed between the parties.

	2025 AED '000	2024 AED '000
<b>Due from related parties:</b>		
Parent company	367	367
Entities under common control	94,493	54,896
Joint venture	3,479	-
Associates of the Ultimate Parent Company	24,422	24,487
Others	3,672	2,427
	<b>126,433</b>	82,177
	<b>=====</b>	<b>=====</b>
<b>Due to related parties:</b>		
Ultimate Parent Company	-	57
Entities under common control	87,078	49,015
Joint venture	1,181	-
Associates of the Ultimate Parent Company	4,488	-
	<b>92,747</b>	49,072
	<b>=====</b>	<b>=====</b>
Loans from shareholder are classified as follows:		
	2025 AED '000	2024 AED '000
Non-current	-	615,113
Current	-	143,164
<b>At 31 December</b>	<b>-</b>	<b>758,277</b>
	<b>=====</b>	<b>=====</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**15 Related party balances and transactions (continued)**

Movement in loans from shareholder during the year is as follows:

	<b>2025</b> AED '000	2024 AED '000
At 1 January	<b>758,277</b>	469,279
Received during the year	-	121,193
Finance cost during the year	-	14,516
Reclassification from related party payables	-	153,502
Settlement	<b>(758,277)</b>	-
Other movement	-	(213)
At 31 December	-	758,277

Loans from shareholders are denominated in US Dollars and were provided for construction of property, plant and equipment and general corporate purposes. The loans carry interest rates ranging from 4.0% to 6.0% and originally repayable between 2025 and 2031. The loans from shareholders balance of AED 758,277 thousand outstanding at 31 December 2024 was settled during the period as part of the business combination, against the assumption by the Group of third party borrowings amounting to AED 326,259 thousand (Note 1).

The finance costs from loans from shareholder are recorded as:

	<b>2025</b> AED '000	2024 AED '000
Finance costs in profit or loss (Note 27)	-	6,740
Capitalised as borrowing costs	-	7,776
	-	14,516

Significant transactions with related parties include:

	<b>2025</b> AED '000	2024 AED '000
<b>Revenue:</b>		
Entities under common control	<b>16,662</b>	26,662
Associates of parent company	<b>72,485</b>	66,620
Joint venture	<b>148</b>	-
Managed hotels	<b>8,452</b>	-
Others	<b>16,970</b>	14,781

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**15 Related party balances and transactions (continued)**

Significant transactions with related parties include:

	2025 AED '000	2024 AED '000
<b>Expenses:</b>		
Entities under common control	63,524	48,696
Associates of parent company	12,468	564
Joint venture	6,560	-
Others	16	-
	<hr/>	<hr/>

Director's remuneration paid	2,500	2,500
	<hr/>	<hr/>

Return of capital contribution from joint venture (Note 9)	6,996	-
	<hr/>	<hr/>

	2025 AED '000	2024 AED '000
<b>Key management personnel compensation</b>		
Short term benefits	7,912	8,166
Post-employment benefits	1,082	695
	<hr/>	<hr/>
8,994	8,861	
	<hr/>	<hr/>

Number of key management personnel	8	7
	<hr/>	<hr/>

**16 Cash and cash equivalents**

	2025 AED '000	2024 AED '000
Cash in hand and bank	197,099	180,614
Short term deposits and treasury bills	-	18,363
Wakala/fixed deposits	608,866	140,936
	<hr/>	<hr/>
Cash and bank balances	805,965	339,913
	<hr/>	<hr/>
Less: short term deposit having maturity more than three months	(355,194)	(93,669)
Less: bank overdraft	-	(71,595)
	<hr/>	<hr/>
<b>Cash and cash equivalents</b>	<b>450,771</b>	<b>174,649</b>
	<hr/>	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**16 Cash and cash equivalents (continued)**

Interest earned on wakala and fixed deposits are at market rates. As as 31 December 2025, these deposits carry interest rates of 2.98% to 4.75% (31 December 2024: 4.00% to 5.70%) per annum and are placed for varying periods between one and twelve months.

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. 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 have assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

Cash and bank balances are located at:

	2025 AED '000	2024 AED '000
Within UAE	738,811	230,404
Outside UAE	67,154	109,509
	<hr/>	<hr/>
	805,965	339,913
	<hr/>	<hr/>

**17 Share capital and share premium**

**(i) Share capital**

The transaction between NCTH and the Target Companies (Note 1) was effected by the issuance of 1,277,907,257 ordinary shares of AED 1.0 par value by the Company to the existing shareholders of the Target Companies. The newly issued shares added to the existing share capital of the Company (i.e. 899,026,128 shares) constitutes the share capital of the legal entity / acquirer after the merger. The table below represents the effect of the transaction on the share capital of the Group as of the date of the transaction:

	Shares	%
Number of shares issued by NCTH to the existing shareholders of the Target Companies	1,277,907,257	58.7
Initial share capital of NCTH	899,026,128	41.3
	<hr/>	<hr/>
<b>Total shares of NCTH post combination</b>	<b>2,176,933,385</b>	<b>100.0</b>
	<hr/>	<hr/>

	2025 AED '000	2024 AED '000
<b>Share capital</b>		
Authorized, issued and fully paid		
2,176,933,385 ordinary shares of AED 1 each (31 December 2024: 474,455,000 ordinary shares of AED 1 each)	2,176,933	474,455
	<hr/>	<hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**17 Share capital and share premium (continued)**

**(i) Share capital (continued)**

As described in note 1 to these consolidated financial statements, the transaction between NCTH and the Target Companies is recognised as a reverse acquisition as per IFRS 3 *Business Combination*. Accordingly, the share capital is adjusted retroactively to reflect the number of shares of NCTH.

	<b>Amount AED '000</b>
Share capital of accounting acquirer	474,455
Retrospective adjustment as per IFRS 3	803,452
	<hr/>
Retrospective adjusted share capital of the Company	1,277,907
	<hr/>
Previous share capital of accounting acquiree	899,026
	<hr/>
<b>Adjusted share capital as of acquisition date</b>	<b>2,176,933</b>
	<hr/>

**(ii) Share premium**

The share premium represents the difference between the fair value of AED 2.55 and the par value of AED 1.0 of the 1,277,907,257 shares issued by NCTH to the existing shareholders of the Target Companies.

	<b>Amount AED '000</b>
1,277,907,257 shares issued at a premium of AED 1.55 per share	1,980,756
Share issuance costs	(500)
	<hr/>
	1,980,256
	<hr/>

**18 Merger reserve**

In accordance with IFRS 3 and per the principles of reverse acquisition, the equity structure appearing in these consolidated financial statements reflects the capital structure (number of shares) of the Accounting Acquiree (NCTH), including the shares issued by NCTH to the shareholders of the Target Companies to effect the business combination. This results in the creation of a 'Merger reserve'.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**18 Merger reserve (continued)**

The Merger reserve is calculated as below:

	<b>Amount AED '000</b>
Share issued to the existing shareholders of the Target Companies at par value	1,277,907
Share premium to the existing shareholders of the Target Companies	1,980,756
Less: Purchase consideration (Note 1)	(2,292,517)
Less: Share capital of the legal acquirer	(474,455)
Less: Additional receivable from existing shareholders of the Target Companies	(77,095)
<b>Net merger reserve required to be created for the reverse acquisition</b>	<b>414,596</b>

**19 Statutory reserve**

In accordance with Articles of Association of the Company and the UAE Federal Law No. (32) of 2021 (as amended), 10% of the annual profits are transferred to the statutory reserve that is non-distributable. Transfers to this reserve may be suspended whenever the reserve reaches 50% of the paid-up share capital of the Company. During the year, the Company transferred an amount of AED 40,097 thousand into statutory reserve.

**20 Provision for employees' end of service benefits**

Movements in provision for employee's end of service benefits are as follows:

	<b>2025 AED '000</b>	<b>2024 AED '000</b>
At the beginning of the year	21,605	16,603
Charge for the year	18,544	7,955
Recognised as part of business combination (Note 1)	34,813	-
Paid during the year	(12,932)	(2,953)
<b>At the end of the year</b>	<b>62,030</b>	21,605

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**21 Borrowings**

Movement in the borrowings during the year is as follows:

	2025 AED '000	2024 AED '000
At 1 January	216,237	179,445
Recognised as part of business combination (Note 1)	367,391	-
Contribution from the shareholder as part of business combination	326,259	-
Receipt of borrowings	318,532	71,595
Repayment of borrowings	(457,274)	(34,803)
Amortisation of transaction costs	890	-
<b>At 31 December</b>	<b>772,035</b>	216,237

Borrowings are classified as follows:

	2025 AED '000	2024 AED '000
Non-current	658,476	-
Current	113,559	216,237
<b>At 31 December</b>	<b>772,035</b>	216,237

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**21 Borrowings (continued)**

Details of borrowings of the Group are as follows:

Loan type	Security	Annual interest rates	Currency	Year of maturity	2025 AED '000	2024 AED '000
Term loan 1	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 2.50%	AED	2032	<b>288,776</b>	-
Term loan 2	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 2.50%	AED	2026	<b>22,933</b>	-
Term loan 3	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 2.50%	AED	2026	<b>3,000</b>	-
Term loan 4	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 2.50%	AED	2028	<b>3,600</b>	-
Term loan 5	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 1.45%	AED	2031	<b>267,842</b>	-
Term loan 6	Property, plant and equipment and investment property (notes 5 and 8)	3 months LIBOR + 2.25%	AED	2032	<b>185,884</b>	-
Term loan 7	Property, plant and equipment and investment property (notes 5 and 8)	3 months LIBOR + 2.75%	AED	2025	-	-
Term loan 8	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 2.50%	AED	2025	-	-
Term loan 9*	Property, plant and equipment and investment property (notes 5 and 8)	3 months EIBOR + 1.85%	AED	2028	-	144,642
Bank overdraft	Wakala Deposit from ADCB	5.75%	AED	2025	-	71,595
					<b>772,035</b>	<b>216,237</b>

\* In 2024, the management decided to settle the above loan within 12 months from the date of reporting date, hence the entire loan balance has been classified as current. The loan has been settled by the Group in 2025.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**22 Contract liabilities**

	2025 AED '000	2024 AED '000
Amounts received in advances from customers	115,132	72,728
Deferred revenue	33,516	15,583
Amounts related to construction contracts	1,000	-
	<hr/>	<hr/>
	149,648	88,311
	<hr/>	<hr/>

**23 Trade and other payables**

	2025 AED '000	2024 AED '000
Trade payables	184,506	88,792
Accrued liabilities	206,144	96,597
Management fees payable	17,636	9,931
Finance cost payable	5,815	3,320
Retentions payable	4,423	14,436
Other payables	44,072	52,286
	<hr/>	<hr/>
	462,596	250,926
	<hr/>	<hr/>

The average credit period on purchases ranges between 30 to 90 days. The Group has financial risk management policies in place to ensure that payables are paid within agreed timeframes. Generally, no interest is charged on trade and other payables.

During previous years, the Maldives Inland Revenue Authority (“MIRA”) in their several notices of assessment of business profit tax has instructed I&T Management Pvt Ltd (“I&T”), a subsidiary of the Company, to pay an additional business profit tax based on inadmissibility of certain expenses related to interest on a loan from a related party and capital allowance for reclamation of land pertaining to the tax years from 2014 till 2019. I&T appealed the assessments for the tax years 2014 and 2015 to The Tax Appeal Tribunal of Maldives and High Court of Maldives, both of which ruled in favor of MIRA. I&T has since filed further appeals with the Supreme Court of the Maldives, where preliminary hearings have taken place and additional hearings scheduled subsequent to the reporting date. Appeals relating to tax years 2016 to 2019 have also been filed with the Tax Appeal Tribunal of Maldives and the High Court of Maldives, with hearings held to date and further hearings scheduled subsequent to the reporting date.

As at 31 December 2025, management has assessed the probable outcome of the case and recognised a provision included under “Trade and other payables” in the consolidated statement of financial position.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**24 Revenue**

	2025 AED '000	2024 AED '000
Revenue from hotel operations	999,272	578,820
Catering services	479,791	-
Facilities management and related services	538,958	447,752
Rental revenue	60,041	48,269
Revenue from sale of goods	92,032	57,689
Others	12,498	12,314
	<hr/> <b>2,182,592</b>	<hr/> 1,144,844
	<hr/> <hr/>	<hr/> <hr/>

The transaction price allocated to partially unsatisfied performance obligations are as set out below:

	2025 AED '000	2024 AED '000
Within one year	230,694	169,392
In the second year	96,252	88,133
Future periods	13,725	1,554
	<hr/> <b>340,671</b>	<hr/> 259,079
	<hr/> <hr/>	<hr/> <hr/>

**25 Direct operating expenses**

	2025 AED '000	2024 AED '000
Staff costs	494,056	280,588
Material costs	419,886	121,572
Depreciation of property and equipment (Note 5)	91,974	56,804
Cost of food and beverages	80,782	54,669
Subcontracting cost	88,204	78,858
Transfer and transport costs	40,728	30,580
Rent	12,975	586
Depreciation of investment properties (Note 8)	6,864	6,864
Depreciation of right of use assets (Note 10)	3,562	3,087
Amortization of intangible assets (Note 6)	198	106
Others direct costs	71,068	17,788
	<hr/> <b>1,310,297</b>	<hr/> 651,502
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**26 General, administrative and selling expenses**

	2025 AED '000	2024 AED '000
Staff costs	174,538	102,557
Utilities	75,597	46,968
Management and incentive fees	49,695	40,666
Maintenance expense	40,793	25,664
Marketing, selling and sales promotions	38,350	20,615
Amortisation of intangible assets (Note 6)	24,262	438
Operating supplies and expenses	17,723	18,078
Bank charges	17,917	10,505
Insurance	12,055	6,765
Consultancy and professional fee	11,353	6,325
Licenses and registration	9,349	8,184
Depreciation of property and equipment (Note 5)	1,965	514
Depreciation of right-of-use assets (Note 10)	782	248
Others	57,963	26,607
	<hr/>	<hr/>
	532,342	314,134
	<hr/>	<hr/>

Other general, administrative and selling expenses include social contributions amounting to AED 126 thousand (2024: Nil).

**27 Finance costs, net**

	2025 AED '000	2024 AED '000
<i>Finance costs</i>		
Interest on borrowings (note 21)	45,844	13,925
Interest on loans from shareholder (note 15)	-	6,740
Interest on lease liabilities (note 10)	2,634	2,665
Others	196	-
	<hr/>	<hr/>
	48,674	23,330
<i>Finance income</i>		
Bank deposits	(25,036)	(10,299)
Net finance costs	23,638	13,031
	<hr/>	<hr/>

**28 Basic and diluted earnings per share**

Earnings per share amounts are calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**28 Basic and diluted earnings per share (continued)**

The following reflects the profit and share data used in the earnings per share computations:

	<b>2025</b>	2024
Profit for the year (AED '000)	<b>400,972</b>	156,957
Weighted average number of shares in issue ('000)	<b>2,176,933</b>	1,277,907
Basic and diluted earnings per share (AED)	<b>0.18</b>	0.12

As at 31 December 2025 and 2024, the Company has not issued any instruments that have an impact on earnings per share when exercised.

**29 Segment information**

The primary segment reporting format is determined to be operating segments as the Company's risks and rates of return are affected predominantly by differences in the products and services produced. The operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic operating unit that offers different products and serves different markets.

***Operating segments***

During the period, the Group realigned its operating segments to reflect the changes made in the internal reporting as a result of the reverse acquisition (Note 1). Accordingly, the Group is organised into six major operating segments. These segments are the basis on which the Group's reports its primary segmental information. These are:

- Hotels – provision of lodging accommodation and hospitality-related amenities
- Retail services – sale of beverages to direct consumers and restaurant businesses
- Catering services – provision of catering services and manpower to public and private organizations
- Investment properties – operates residential and commercial properties for earning rental income
- Facility management and other services – which include provision of facilities services and foodstuff trading and wholesale of fresh fruits, vegetables and juice trading and importing
- Holding company – responsible for managing investments held by the Group and general coordination of Group activities

Segment performance is measured based on profit or loss.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**29 Segment information (continued)**

Information regarding these segments is presented below:

	Hotels AED '000	Retail services AED '000	Catering services AED '000	Investment properties AED '000	Facility management and other services AED '000	Holding company AED '000	Eliminations AED '000	Total AED '000
<b>31 December 2025</b>								
Revenue								
<i>Timing of revenue recognition</i>								
Over time	741,113	-	-	46,546	539,833	-	(11,121)	1,316,371
At a point in time	294,253	62,634	482,459	816	40,713	-	(14,654)	866,221
	1,035,366	62,634	482,459	47,362	580,546	-	(25,775)	2,182,592
Direct operating expenses	(280,034)	(44,421)	(398,017)	-	(505,443)	-	20,216	(1,207,699)
Depreciation	(90,357)	(487)	(2,859)	(6,864)	(2,031)	-	-	(102,598)
	(370,391)	(44,908)	(400,876)	(6,864)	(507,474)	-	20,216	(1,310,297)
<b>Gross profit</b>	<b>664,975</b>	<b>17,726</b>	<b>81,583</b>	<b>40,498</b>	<b>73,072</b>	<b>-</b>	<b>(5,559)</b>	<b>872,295</b>
General and administrative expenses	(397,305)	(4,825)	(17,310)	(20,551)	(43,631)	(66,072)	17,352	(532,342)
Share of results of joint ventures accounted for using the equity method	-	-	-	-	-	4,115	-	4,115
Fair value gains on financial assets at fair value through profit or loss	-	-	-	-	-	1,108	-	1,108
Other income	5,308	-	76	-	138	31,532	(11,811)	25,243
Interest income	1,131	46	1,092	364	7,119	31,617	(16,333)	25,036
Finance costs	(18,166)	-	-	-	(1,006)	(45,860)	16,358	(48,674)
Gain on bargain purchase	-	-	-	-	-	97,014	-	97,014
Income tax expense	(23,449)	-	-	-	(3,761)	(15,613)	-	(42,823)
<b>Profit for the year</b>	<b>232,494</b>	<b>12,947</b>	<b>65,441</b>	<b>20,311</b>	<b>31,931</b>	<b>37,841</b>	<b>7</b>	<b>400,972</b>
<b>At 31 December 2025</b>								
<b>Total assets</b>	<b>4,286,944</b>	<b>24,409</b>	<b>211,979</b>	<b>272,154</b>	<b>448,994</b>	<b>1,942,840</b>	<b>(447,376)</b>	<b>6,739,944</b>
<b>Total liabilities</b>	<b>714,219</b>	<b>31,550</b>	<b>127,788</b>	<b>31,714</b>	<b>164,594</b>	<b>997,544</b>	<b>(345,824)</b>	<b>1,721,585</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**29 Segment information (continued)**

	Hotels AED '000	Retail services AED '000	Catering services AED '000	Investment Properties AED '000	Facility management and other services AED '000	Holding AED '000	Eliminations AED '000	Total AED '000
31 December 2024								
Revenue								
<i>Timing of revenue recognition</i>								
Over time	591,699	-	-	41,651	448,462	-	(12,563)	1,069,249
At a point in time	11,834	-	-	925	62,836	-	-	75,595
	603,533	-	-	42,576	511,298	-	(12,563)	1,144,844
Direct operating expenses	(154,148)	-	-	-	(438,349)	-	7,856	(584,641)
Depreciation	(57,800)	-	-	(6,864)	(2,197)	-	-	(66,861)
	(211,948)	-	-	(6,864)	(440,546)	-	7,856	(651,502)
Gross profit	391,585	-	-	35,712	70,752	-	(4,707)	493,342
General and administrative expenses	(252,887)	-	-	(15,530)	(41,825)	(9,982)	6,090	(314,134)
Share of results of joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-
Fair value gains on financial assets at fair value through profit or loss	-	-	-	-	-	7,209	-	7,209
Other income	2,367	-	-	-	238	2,853	(1,041)	4,417
Interest income	410	-	-	274	11,310	2,119	(3,814)	10,299
Finance costs	(9,354)	-	-	-	(3,866)	(13,956)	3,846	(23,330)
Income tax expense	(8,222)	-	-	-	(3,267)	(9,357)	-	(20,846)
Profit/(loss) for the year	123,899	-	-	20,456	33,342	(21,114)	374	156,957
At 31 December 2024								
Total assets	2,199,002	-	-	270,817	463,025	502,029	(168,141)	3,266,732
Total liabilities	1,030,141	-	-	21,496	210,558	292,054	(105,711)	1,448,538

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**29 Segment information (continued)**

The Group has aggregated its geographical segments into the UAE and overseas. Overseas includes operations in Maldives and Seychelles.

	UAE AED '000	Overseas AED '000	Total AED '000
<b>31 December 2025</b>			
<b>Revenue</b>	<b>1,813,180</b>	<b>369,412</b>	<b>2,182,592</b>
<b>Gross Profit</b>	<b>589,008</b>	<b>283,287</b>	<b>872,295</b>
<b>31 December 2024</b>			
Revenue	879,408	265,436	1,144,844
Gross Profit	361,956	131,386	493,342
<b>31 December 2025</b>			
<b>Non-current assets</b>	<b>3,706,436</b>	<b>1,452,895</b>	<b>5,159,331</b>
<b>31 December 2024</b>			
Non-current assets	1,169,471	1,343,948	2,513,419

**30 Board of Directors remuneration**

During 2025, the remuneration of the Board of Directors for the year ended 31 December 2024 amounting to AED 2.5 million was approved in the Annual General Meeting held on 17 April 2025 (31 December 2024: remuneration of the Board of Directors for the year ended 31 December 2023 amounting to AED 2.5 million was approved in the Annual General Meeting held on 17 April 2024).

**31 Contingent liabilities and commitments**

	2025 AED '000	2024 AED '000
Bank guarantees	80,191	44,630
<i>Capital commitments</i>		
Approved and contracted for	19,342	38,791
	19,342	38,791

The above bank guarantees are issued in the normal course of business.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**32 Fair value measurement**

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices at the close of the business on the reporting date.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

**Fair value of the Group's assets that are measured at fair value on recurring basis**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined:

- 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 included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table gives information about how the fair value of the Group's assets are determined.

	Significant input	Quoted prices in active markets (Level 1) AED '000	Significant observable inputs (Level 2) AED '000	Significant unobservable inputs (Level 3) AED '000	2025 AED '000	2024 AED '000
<b>Financial assets</b>						
Investment in financial assets at FVTPL	None	37,991	-	-	37,991	14,203
<b>Non-financial assets</b>						
Investment properties					1,259,761	1,153,565
- Plots of land	Comparable transactions.					
	Current market prices of similar assets	-	-	63,901	63,901	63,945
- Apartments / buildings	Capitalization approach, annual market rent, discount rate	-	-	1,195,860	1,195,860	1,089,620

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**32 Fair value measurement (continued)**

**Fair value of the Group's assets that are measured at fair value on recurring basis (continued)**

During the year, financial assets at fair value through profit or loss amounting to AED 14.7 million were transferred to Level 1 from Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

**33 Financial instruments**

**Material accounting policies**

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2.

**Categories of financial instruments:**

	<b>FVTPL – mandatorily measured AED '000</b>	<b>Amortised cost AED '000</b>	<b>Total AED '000</b>
<b>Financial assets</b>			
<b>31 December 2025</b>			
Investment in financial assets	<b>37,991</b>	-	<b>37,991</b>
Trade and other receivables, excluding prepayments, advances and tax receivables	-	<b>382,987</b>	<b>382,987</b>
Due from related parties	-	<b>126,433</b>	<b>126,433</b>
Cash and bank balances	-	<b>805,965</b>	<b>805,965</b>
	<b>37,991</b>	<b>1,315,385</b>	<b>1,353,376</b>
<hr/> <b>31 December 2024</b>			
Investment in financial assets	14,203	-	14,203
Trade and other receivables, excluding prepayments, advances and tax receivables	-	214,112	214,112
Due from related parties	-	82,177	82,177
Cash and bank balances	-	339,913	339,913
	<b>14,203</b>	<b>636,202</b>	<b>650,405</b>

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**33 Financial instruments (continued)**

**Categories of financial instruments (continued)**

	<b>Amortised cost</b>
<b>Financial liabilities</b>	
<b>31 December 2025</b>	
Borrowings	772,035
Loan from shareholder	-
Lease liabilities	130,655
Trade and other payables	462,596
Due to related parties	92,747
Contract liabilities	145,755
	<hr/>
	1,603,788
	<hr/> <hr/>
<b>Financial liabilities</b>	<b>Amortised cost</b>
<b>31 December 2024</b>	
Borrowings	216,237
Loan from shareholder	758,277
Lease liabilities	45,691
Trade and other payables	250,926
Due to related parties	49,072
Contract liabilities	88,311
	<hr/>
	1,408,514
	<hr/> <hr/>

**Capital risk management**

The Group manages its capital structure to ensure that entities in the Group will be able to continue as a going concern while maximising return to shareholders through the optimisation of the debt and equity balance. No major changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The capital structure of the Group comprises share capital, share premium, statutory reserve, merger reserve and retained earnings as disclosed in the consolidated statement of changes in equity.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of financial covenants with a view to promote the long-term success of the business while maintaining sustainable returns for shareholders. This is achieved through a combination of risk management actions including monitoring solvency, maintaining ample liquidity, minimising financing costs, rigorous investment appraisals and maintaining high standards of business conduct.

Key financial measures that are subject to regular review include cash flow projections and assessment of their ability to meet contracted commitments, projected leverage levels and compliance with borrowing covenants.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)****33 Financial instruments (continued)****Financial risk management objectives**

The Group monitors and manages the financial risks relating to the operations of the Group. These risks include market risks, credit risk, insurance risk, and liquidity risk. The Group does not enter into or trade in derivative financial instruments for speculative or risk management purposes.

The Group does not have significant exposure to foreign currency risk as all of its monetary assets and liabilities are denominated in UAE Dirhams.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

**Interest rate risk**

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 cash flow interest rate risk on its bank borrowings at floating interest rates.

**Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for interest bearing financial instruments at the end of the reporting year. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year.

If interest rates had been 100 basis points higher / lower throughout the year and all other variables were held constant, the Group's profit and equity for the year ended 31 December 2025 would decrease / increase by approximately AED 7,720 thousand (2024: decrease / increase by approximately AED 1,446 thousand).

**Foreign currency risk**

The Group could incur foreign currency risk on transactions that are denominated in a currency other than UAE dirhams or United States Dollar (USD). The Group majority of the transactions are carried out in UAE Dirhams or USD, considering this management believes foreign currency risk is minimal.

**Equity price risk**

The Group is exposed to equity price risks arising from equity investments.

Equity investments in listed entities (see Note 11) are held for strategic rather than trading purposes. The Group does not actively trade these investments.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**33 Financial instruments (continued)**

**Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimize credit risk, the management develop and maintain the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. The tables below detail the credit quality of the Group's financial assets, contract assets and financial guarantee contracts, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount AED '000	Loss allowance AED '000	Net carrying amount AED '000
<b>31 December 2025</b>							
Trade and other receivables, excluding prepayments, tax receivables and advances	13	N/A	(i)	Lifetime ECL	395,280	(12,293)	382,987
Due from related parties	15	N/A	(i)	12-month ECL	126,433	-	126,433
Cash and bank balances	16	BB	N/A	12-month ECL	805,965	-	805,965
<b>31 December 2024</b>							
Trade and other receivables, excluding prepayments, tax receivables and advances	13	N/A	(i)	Lifetime ECL	218,015	(3,903)	214,112
Due from related parties	15	N/A	(i)	12-month ECL	82,177	-	82,177
Cash and bank balances	16	BB	N/A	12-month ECL	339,913	-	339,913

(i) For trade receivables the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group 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 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. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

**Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)**

**33 Financial instruments (continued)**

**Liquidity risk**

Ultimate responsibility for liquidity risk rests with the management, which has built an appropriate liquidity risk management framework for the planning of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	<b>Current less than 1 year AED '000</b>	<b>Non-current greater than 1 year AED '000</b>	<b>Total AED '000</b>
<b>31 December 2025</b>			
Trade and other payables	462,596	-	462,596
Borrowings	113,559	658,476	772,035
Loan from shareholder	-	-	-
Due to related parties	92,747	-	92,747
Lease liabilities	8,353	343,459	351,812
	<b>677,255</b>	<b>1,001,935</b>	<b>1,679,190</b>
<b>31 December 2024</b>			
Trade and other payables	250,926	-	250,926
Borrowings	216,237	-	216,237
Loan from shareholder	143,164	615,113	758,277
Due to related parties	49,072	-	49,072
Lease liabilities	3,129	42,562	45,691
	<b>662,528</b>	<b>657,675</b>	<b>1,320,203</b>

**34 Approval of consolidated financial statements**

The consolidated financial statements were approved by the Directors and authorised for issue on 6 February 2026.