

MAJID AL FUTTAIM PROPERTIES LLC AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025



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Managers' report

The Managers' report and the consolidated financial statements of Majid Al Futtaim Properties LLC ('MAFP' or 'the Company') and its subsidiaries (collectively referred to as 'MAFP Group') are presented for the year ended 31 December 2025. The consolidated financial statements were prepared by the Management.

Activities

MAFP Group is a leading shopping mall, residential community, and leisure pioneer across the Middle East. Through its investment in various subsidiaries, the Group:

- Owns, develops and operates 28 destination shopping malls across 5 countries, 7 hotels that are operated by international hotel brands and 5 mixed used communities in UAE, Oman and Lebanon, including the iconic Tilal Al Ghaf and Ghaf Woods Communities in Dubai. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, Mall of Oman, City Centre malls and My City Centre neighbourhood centres, and 5 community malls which are in joint venture with the Government of Sharjah.
- Owns the iconic leisure and entertainment facilities such as Ski Dubai, Ski Egypt and Snow Oman, among others.
- Operates Enova, a facility and energy management company, through a joint arrangement with Veolia, a global leader in optimized environment resource management.

Financial Results

In 2025, MAFP Group delivered strong financial results, achieving record revenue of AED 10,853 million, up 19% vs 2024, amid ongoing geopolitical challenges in the Middle East, increased competition in the UAE retail sector, and supported by a modest strengthening of the Egyptian Pound (EGP). This growth was driven by the robust performance of our Communities business, notably continued construction at Tilal Al Ghaf and the ramp-up of Ghaf Woods, alongside sustained growth in Shopping Malls and steady performance in Hotels. EBITDA reached a record AED 4,865 million (+15% vs 2024) and NOPAT AED 4,097 million (+7%), supported by strong revenue growth and operational efficiencies. Net profit increased to AED 5,050 million (+23%), reflecting higher property sales, increased lease income, higher valuation gains coupled with reduced foreign exchange losses due to strengthening of EGP, partially offset by higher income taxes. Free cash flow (net of lease payments) rose to AED 4,177 million (2024: AED 3,541 million), while the net debt-to-equity ratio improved to 13.2% (2024: 24.5%), highlighting disciplined balance sheet and better cash management. The Shopping Malls business welcomed 239 million visitors and achieved AED 32 billion in tenant sales (+8% vs 2024), with occupancy at 98.4% on a like-for-like basis. This translated into revenue of AED 4,161 million (+8%), EBITDA of AED 3,146 million (+9%), and NOPAT of AED 2,694 million (-2%). The Development business remained a key driver, recording revenue of AED 5,832 million (+33%), EBITDA of AED 1,471 million (+36%), and NOPAT of AED 1,254 million (+2%), supported by revenue recognition from new communities in Tilal Al Ghaf and Ghaf Woods. Tilal Al Ghaf and Ghaf Woods communities now comprise approximately 6,500 units and have sold approximately 6,000 units, with almost 2,500 units successfully handed over as of 31 December 2025.

Dividend

During the year, the Company declared a coupon of AED 175 million (2024: AED 175 million) to MAFH in relation to the subordinated capital loan instrument, carrying a coupon rate of 6.35% (2024: 6.35%) per annum. Furthermore, a subsidiary of the Company declared and paid dividends to the non-controlling interest amounting to AED 13 million (31 December 2024: AED 10 million) from retained earnings available for distribution.

Auditors

A resolution dealing with the reappointment of the auditors shall be proposed at the forthcoming general meeting.

The consolidated financial statements were signed and approved by the Statutory Managers of the Company on 27-Feb-2026.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM PROPERTIES LLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Majid Al Futtaim Properties LLC (the "Company") and its subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, 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 conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA) as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities in the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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**INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF
MAJID AL FUTTAIM PROPERTIES LLC (continued)**

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

Key Audit Matters (continued)

Key Audit Matter	How the Key Audit Matter was addressed in our Audit
<p>The Group’s properties includes shopping malls, hotels and certain parcels of land. These properties are classified as investment properties and property, plant and equipment based on its underlying purpose and use.</p> <p>As at 31 December 2025, the carrying value of the investment properties amounts to AED 42,553 million and property, plant and equipment amounts to AED 2,985 million.</p> <p>In accordance with the Group’s accounting policy, such properties are carried at fair value as at each reporting date based on fair values as determined by an independent real estate valuer (“the valuer”) engaged by the Group.</p> <p>The valuation process involves significant judgements and estimates in determining the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving at the significant unobservable inputs and changes in such assumptions can have a significant impact to the valuation of the underlying properties.</p> <p>As part of our risk assessment, we determined that the valuation of properties has a high degree of estimation uncertainty, with a potentially significant range of reasonable outcomes on the underlying valuation.</p>	<p>We performed the following procedures:</p> <ul style="list-style-type: none"> - Obtained and understood the Group’s processes and underlying controls to undertake valuation of investment properties and certain categories of property, plant and equipment. We performed walkthrough over the process and design of those controls. - We assessed the competence and capabilities of the external valuers engaged by the Group and considered their objectivity, independence and scope of work to determine whether the valuation approach and methodology was appropriate in determining the fair value of those properties. - We read the valuation reports for the properties and assessed that the valuation approach was in accordance with RICS Valuation – Global Standards. - We involved our internal valuation specialists to review the valuation methodology, key assumptions and critical judgements used in determining the fair value. - On a sample basis, we performed testing on the data inputs provided to the external valuers for the investment properties and certain categories of property, plant and equipment by agreeing the inputs to the underlying property records,. Where applicable, we agreed the tenancy information to supporting evidence on a sample basis. For those properties subject to fair valuation which are under development, we tested the supporting information for construction contracts and budgets, on a sample basis, which was supplied to the external valuers, to the Group’s records. - We agreed the amounts per the valuation reports to the accounting records. - We evaluated the year on year movements of significant valuation assumptions with reference to published benchmarks, if any. Where assumptions were outside the expected range or showed unexpected movements based on our knowledge, we undertook further investigations, held further discussions with the Group’s management and external valuers and obtained evidence to understand the rationale and support the explanations received. - Assessed the adequacy of the disclosures in the consolidated financial statements in accordance with the requirements of IFRSs.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM PROPERTIES LLC (continued)

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

Other Information

Other information consists of the information included in the Manager's Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information 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, 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 the Managers' 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, and in compliance with the applicable provisions of the Company's Memorandum of Association and the UAE Federal 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.

The Managers' are responsible for overseeing the Group's financial reporting process.

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.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAJID AL FUTTAIM PROPERTIES LLC (continued)

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

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

- 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 consolidated 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 Managers' 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.

We also provide the Managers' 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 the Managers', 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.



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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
MAJID AL FUTTAIM PROPERTIES LLC (continued)**

Report on Other Legal and Regulatory Requirements

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

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021, as amended;
- iv) the financial information included in the Managers' report is consistent with the books of account of the Company;
- v) there are no investments in shares and stocks during the year ended 31 December 2025;
- vi) note 30 reflects material related party transactions and the terms under which they were conducted;
- vii) 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 Law No. 32 of 2021, as amended, or of its Memorandum of Association which would have a material impact on its activities or its consolidated financial position as at 31 December 2025; and
- viii) note 11 reflects the social contributions, if any, made during the year ended 31 December 2025.

Ernst & Young Middle East (Dubai Branch)

Thodla Hari Gopal
Registration No: 689

27 February 2026

Dubai, United Arab Emirates

Consolidated statement of financial position as at 31 December

(AED in millions)

	Note	2025	2024
Non-current assets			
Property, plant and equipment	16.2	2,985	2,998
Investment property	17.2	42,553	40,633
Investments in equity accounted investees	8.1	772	841
Long term receivables	19.2	2,107	2,240
Term loan to a related party	30.2.1	1,972	-
Intangible assets	18	62	73
Deferred tax assets	20.4	66	71
Right-of-use assets	31.2.1	35	46
Total non-current assets		50,552	46,902
Current assets			
Inventories	21	1,759	2,220
Trade and other receivables	19.1	4,101	3,106
Due from related parties	30.2	41	26
Loan to related parties	30.2	-	24
Restricted cash	22(b)	3,452	3,762
Cash and cash equivalents	22	476	434
Total current assets		9,829	9,572
Total assets		60,381	56,474
Non-current liabilities			
Term loan from a related party	30.2.1	-	1,613
Loans and borrowings	25	8,398	6,584
Other liabilities	26	163	358
Retirement benefit obligation	27	153	128
Deferred tax liabilities	20.3	588	358
Provisions	24	-	49
Total non-current liabilities		9,302	9,090
Current liabilities			
Trade and other payables	23	5,592	5,676
Tax payable		597	304
Provisions	24	238	122
Loans and borrowings	25	-	1,832
Due to related parties	30.2	107	130
Total current liabilities		6,534	8,064
Total liabilities		15,836	17,154
Equity			
Share capital	28.1	3,500	3,500
Shareholder contribution	28.2	2,938	2,938
Revaluation reserve		13,966	13,933
Retained earnings		25,820	20,748
Other reserves		(1,860)	(1,974)
Equity attributable to owners of the Company		44,364	39,145
Non-controlling interests	7.2	181	175
Total equity		44,545	39,320
Total equity and liabilities		60,381	56,474

The consolidated financial statements were signed and approved by the Statutory Managers of the Company on 27-Feb-2026


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The notes on pages 15 to 59 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 4 to 9.

Consolidated statement of cash flows for the year ended 31 December

(AED in millions)

	Notes	2025	2024
Cash flows from operating activities:			
Net profit after tax for the year		5,050	4,120
Adjustments for:			
Net valuation gain on land and buildings	15	(1,430)	(1,099)
Finance income	12	(146)	(154)
Share of results of equity accounted investees – net of tax	8.1	(145)	(135)
Accrued income on operating leases		(49)	(27)
Loss/(gain) on disposal of property, plant and equipment and investment property - net		19	(6)
Income tax expense	20.1	812	438
Finance costs	12	366	552
Depreciation	11	298	300
Impairment loss on non-financial assets - net	13	34	18
Discount from property sales	10.1(a)	36	32
Retirement benefit obligations - net		16	11
Foreign exchange loss – net	14	5	292
Impairment loss on financial assets	13	12	36
Development expenses		13	11
Amortization	18	11	11
Gain on disposal - net	14	-	(64)
Insurance claim income	14	(7)	(56)
Other income		-	(2)
Operating profit before working capital changes		4,895	4,278
Changes in:			
Inventories		649	688
Trade and other receivables		(754)	(1,488)
Restricted cash		310	(139)
Trade and other payables		(382)	(160)
Provisions		8	(24)
Due from/to related parties - net		(58)	63
Cash from operating activities		4,668	3,218
Income taxes paid		(294)	(23)
Net cash from operating activities		4,374	3,195
Cash flows from investing activities:			
Additions to investment property		(745)	(784)
Additions to property, plant and equipment		(210)	(188)
Additions to intangible assets		(12)	(12)
Proceeds from the sale of property, plant and equipment and investment property		294	33
Dividends from equity accounted investees		177	84
Interest received		120	154
Collection of other long-term receivable		108	108
Reduction of investment in equity accounted investees		60	30
Insurance claim proceeds		35	31
Proceeds from disposal of subsidiaries and assets held for sale		-	925
Liquidation of non-controlling interest		-	(1)
Net cash (used in)/generated from investing activities		(173)	380
Cash flows from financing activities:			
Proceeds from loans and borrowings and term loan from a related party		3,831	1,997
Repayment of loans and borrowings and term loan from a related party		(7,556)	(5,000)
Payment of finance costs		(402)	(376)
Payment of lease liabilities		(24)	(366)
Dividend payments to non-controlling interests		(13)	(34)
Acquisition of a non-controlling interest		-	(10)
Net cash used in financing activities		(4,164)	(3,789)
Net increase/(decrease) in cash and cash equivalents		37	(214)
Cash and cash equivalents at beginning of the year		434	799
Effect of movements in exchange rates on cash held		5	(151)
Cash and cash equivalents at end of the year		476	434

The notes on pages 15 to 59 are an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 4 to 9.

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

(AED in millions)

	Attributable to the Owners of the Company									
	Share capital	Shareholder contribution	Revaluation reserve, net of tax	Retained earnings	Other reserves			Total	Non-controlling interests	Total equity
					Statutory reserve	Currency translation reserve	Other			
Balance at 1 January 2025	3,500	2,938	13,933	20,748	1,750	(3,740)	16	39,145	175	39,320
Comprehensive income for the year:										
Net profit for the year	-	-	-	5,031	-	-	-	5,031	19	5,050
Other comprehensive income for the year:										
<i>Items that will not be reclassified to profit or loss:</i>										
- Net revaluation gain on property, plant and equipment (note 16.2(b))	-	-	33	-	-	-	-	33	-	33
- Re-measurement of defined benefit liability	-	-	-	-	-	-	1	1	-	1
<i>Items that are or may be reclassified subsequently to profit or loss:</i>										
- Foreign operations - foreign currency translation differences (note 28.4)	-	-	-	-	-	113	-	113	-	113
Total comprehensive income for the year	-	-	33	5,031	-	113	1	5,178	19	5,197
Transactions with owners of the Company:										
Coupon declared (note 28.2(a))	-	-	-	(175)	-	-	-	(175)	-	(175)
Dividends declared (note 7.2(b))	-	-	-	-	-	-	-	-	(13)	(13)
Waiver of term loan from a related party (note 30.2(d))	-	-	-	143	-	-	-	143	-	143
Waiver of liability due to a related party (note 34)	-	-	-	73	-	-	-	73	-	73
Total transactions with owners of the Company	-	-	-	41	-	-	-	41	(13)	28
Balance at 31 December 2025	3,500	2,938	13,966	25,820	1,750	(3,627)	17	44,364	181	44,545

The notes on pages 15 to 59 are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2024

(AED in millions)

	Attributable to the Owners of the Company								Non-controlling interests	Total equity
	Share capital	Shareholder contribution	Revaluation reserve, net of tax	Retained earnings	Other reserves			Total		
					Statutory reserve	Currency translation reserve	Other			
Balance at 1 January 2024	3,500	2,938	14,157	16,876	1,750	(3,106)	-	36,115	278	36,393
Comprehensive income for the year:										
Net profit for the year	-	-	-	4,088	-	-	-	4,088	32	4,120
Other comprehensive income for the year:										
<i>Items that will not be reclassified to profit or loss:</i>										
- Net revaluation loss on property, plant and equipment (note 16.2(b))	-	-	(6)	-	-	-	-	(6)	-	(6)
- Re-measurement of defined benefit liability	-	-	-	-	-	-	16	16	-	16
- Revaluation reserve reclassified due to disposal of subsidiaries (note 14 (b))	-	-	(218)	218	-	-	-	-	-	-
<i>Items that are or may be reclassified subsequently to profit or loss:</i>										
- Foreign operations - foreign currency translation differences (note 28.4)	-	-	-	-	-	(634)	-	(634)	-	(634)
Total comprehensive income for the year	-	-	(224)	4,306	-	(634)	16	3,464	32	3,496
Transactions with owners of the Company:										
Coupon declared (note 28.2(a))	-	-	-	(175)	-	-	-	(175)	-	(175)
Dividends declared (note 7.2(b))	-	-	-	-	-	-	-	-	(10)	(10)
Beneficial ownership transfer of a related party under common control transaction (note 30.1(b))	-	-	-	(17)	-	-	-	(17)	-	(17)
Loss on acquisition of NCI without a change in control (note 7.2(a))	-	-	-	(242)	-	-	-	(242)	(124)	(366)
Other	-	-	-	-	-	-	-	-	(1)	(1)
Total transactions with owners of the Company	-	-	-	(434)	-	-	-	(434)	(135)	(569)
Balance at 31 December 2024	3,500	2,938	13,933	20,748	1,750	(3,740)	16	39,145	175	39,320

The notes on pages 15 to 59 are an integral part of these consolidated financial statements.

Notes to consolidated financial statements

1. Reporting entity

Majid Al Futtaim Properties LLC ('the Company') is a Limited Liability Company in the Emirate of Dubai, United Arab Emirates ('UAE') incorporated on 5 February 1994. The registered address of the Company is P.O. Box 60811, Dubai, UAE. Its parent is Majid Al Futtaim Holding LLC ('MAFH') and ultimate parent is Majid Al Futtaim Capital PSC ('MAFC'). The registered address of MAFC is P.O. Box 91100, Dubai, UAE.

These consolidated financial statements comprise the financial information of the Company and its subsidiaries (together referred to as 'the Group') and its share of interests in equity accounted investees.

The Group is primarily involved in investing in and operating and managing commercial projects including shopping malls, hotels, leisure and entertainment and development and sale of residential communities.

The Group's sukuk certificates (issued by a structured entity in the Cayman Islands) are listed on the NASDAQ Dubai and the Euronext Dublin, except for the USD 100 million private placement sukuk (note 25.2).

Effective 1 May 2025, the Company has transferred its ownership in wholly owned subsidiary, Majid Al Futtaim City Centre Al Shindagha Co. LLC, to its sister company, Majid Al Futtaim Retail LLC (note 34).

2. Basis of preparation

These consolidated financial statements have been prepared on a going concern basis and in accordance with IFRS accounting standards and applicable requirement of the UAE Federal Decree Law No. (32) of 2021 (as amended). They are presented in United Arab Emirates Dirhams ('AED') (rounded to the nearest million unless otherwise stated), which is the functional currency of the Company.

These consolidated financial statements have been prepared under the historical cost convention, with the exception of investment property and land and buildings (under property, plant and equipment), which are stated at fair value.

The consolidated financial statements were signed and approved by the Statutory Managers of the Company on 27-Feb-2026.

3. Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to estimates are recognized prospectively.

3.1 Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 7 - Interest in other entities
- Note 10.1 - Satisfaction of performance obligations
- Note 10.1 - Determination of transaction price
- Note 10.1 – Existence of a significant financing component in the contract
- Note 10.1 - Transfer of control in contracts with customers
- Note 16.1.2 - Apportionment of fair values between land and buildings
- Note 17.1 - Accounting for dual use property
- Note 21.1 - Net realizable value of development property and real estate inventory
- Note 28.2(a) - Subordinated capital loan instruments
- Note 31.1 - Determining the lease term as lessee: Whether the Group is reasonably certain to exercise option to renew

3.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments to the amounts recognized in the consolidated financial statements is included in the following notes:

- Note 6.2 - Measurement of fair values and valuation process: key inputs and assumptions underlying fair values.
- Note 10.1 - Measurement and recognition of revenue on property sales: key assumptions and estimation uncertainties such as allocation of transaction price to performance obligation in contracts with customers, and cost to complete the projects.
- Note 17.2(v) - Recognition of lease liability based on presumed renewal terms.

- Note 19 - Measurement of loss allowances on trade and other receivables: key assumptions in determining the loss rate, including assessment of facts and circumstances such as liquidation, bankruptcy, litigation, financial difficulties, etc.
- Note 20 - Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and unused tax losses/credits carried forward can be utilized.
- Note 27.1 – Measurement of retirement benefit obligation: key valuation assumptions underlying discount rate, service period and salary increase.
- Note 33.1 – Contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Useful lives of property, plant and equipment, investment properties and intangible assets:

Management determines the estimated useful lives of its property, plant and equipment, investment properties, and intangible assets for calculating depreciation/amortization. Management periodically reviews estimated useful lives and the depreciation/amortisation method to ensure that the method and period of depreciation/amortisation are consistent with the expected pattern of economic benefits from these assets.

4. Material accounting policies

4.1 New Standards and Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the following standard and amendment to IFRSs that are mandatorily effective for accounting period that begins on or after 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21) (1 January 2025)

The standard and amendment do not have a significant impact on the Group's consolidated financial statements as at 31 December 2025.

The Group has consistently applied the accounting policies to all periods presented in these consolidated financial statements which is consistent with the amendments.

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4.2 Standards issued but not yet effective

The Group has not early adopted the following new and revised IFRSs that have been issued but are not yet effective as at the reporting date, with the corresponding effectivity date:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (1 January 2026)
- Annual Improvements to IFRS Accounting Standards - Volume 11 (1 January 2026)
- IFRS 18 Presentation and Disclosure in Financial Statements (1 January 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (1 January 2027)
- Sale or contribution of assets between an investor and its associate or joint venture (Amendments to IFRS 10 and IAS 28) (Effective date deferred indefinitely).

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. Management is currently assessing the impact of these new and amended standards.

5. General accounting policies

5.1 Foreign currency

Foreign currency transactions

Transactions denominated in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rates at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the functional currency at the average exchange rates during the year.

Foreign currency differences on translation are recognized in OCI and accumulated in the translation reserve in equity, except to the extent that the translation difference is attributable to NCI. When a foreign operation is disposed such control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes a part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes only a part of an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

If the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, then foreign currency differences arising from such a monetary item are considered to form a part of the net investment in the foreign operation. Accordingly, such differences are recognized in other comprehensive income, and accumulated in the currency translation reserve in equity and reclassified to profit or loss on disposal of the net investment in the foreign operation.

In 2020, Lebanon became a hyperinflationary economy. Management performed a detailed assessment of the impact of applying IAS 29 *Financial Reporting in Hyperinflationary Economies*. During the year, management determined that the impact of applying IAS 29 is not material to the Group.

5.2 Borrowing costs

Borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs continues until the assets are substantially ready for the intended use. The capitalization rate is arrived at by reference to the actual rate payable on borrowings for development purposes or, with regard to that part of the development cost financed out of general funds.

5.3 Properties under construction

Work in progress in respect of capital expenditure including land is classified as properties under construction.

Interest and other overheads directly attributable to the projects are included in properties under construction until completion thereof.

Properties under construction with an intention of building an investment property is carried at fair value. When the fair value is not reliably determinable due to the projects being in various stages of construction, the capital expenditure and land are carried at cost less impairment if any until the fair value of the property is reliably determinable.

For other properties that are developed with an intention of constructing an owner-occupied property, both the capital expenditure and land are carried at cost, less impairment, if any, until a stage at which the fair value can be reliably determined and as such will be recorded at fair value.

Development costs are capitalized after a successful initial feasibility is conducted and before a site is acquired, subject to an approved budget and formal sign-off of a summary scoping document by the management. These development costs are shown as assets under properties under construction and development property. Development costs carried forward are reviewed in subsequent periods to ensure that circumstances have not changed such that the criteria for capitalization still holds good. However, in circumstances

where the criteria has changed, the costs are written-off or provided for to the extent they are believed to be irrecoverable. Regardless of the foregoing, if the management has not obtained the approval of the Parent Company's Board of Directors to proceed to the next development stage within 24 months after its inception, the project will be deemed impaired and the full accumulated work in progress balance of that project (excluding land value, if land has been acquired) will be written off and charged to profit or loss. In order to carry forward such development expenses, it is required to substantiate that these costs are relevant to the project and the Company's Board of Directors approve these costs.

6. Fair value measurement

6.1 Accounting Policy

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 in the principal or in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

When it is available, the Group measures the fair value using the quoted price in an active market. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Determination of fair value hierarchy

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets. An 'active market' is a market in which transactions for the asset take place with sufficient frequency and volume for pricing information to be provided on an ongoing basis.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset, either directly (i.e., as prices) or indirectly (i.e., derived from prices). An example of a Level 2 category would be the observable

sales price of a similar sized asset during the normal course of business.

Level 3: Inputs for the asset that are not based on observable market data (unobservable inputs). This category includes instruments whose inputs are not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. For example, discount rates, growth rates, net equivalent yield etc.

If the inputs used to measure the fair value of an asset might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

A number of the Group's accounting policies and disclosures require the measurement of fair values, mainly for non-financial assets.

6.2 Measurement of fair values and valuation process

Non-financial assets

The fair value of the investment properties and land and buildings included within property, plant and equipment is determined twice a year at 31 December and 30 June by independent external valuer with sufficient current local and international knowledge of the respective property markets and member of the Royal Institution of Chartered Surveyors (RICS). The valuation has been prepared in accordance with RICS Professional Standards and the RICS Valuation Global Standards-2025 (the 'Red Book'), in conjunction with the International Valuations Standards.

The key drivers of the property valuations in relation to the shopping malls are the discount rates applied and the leases that are in place at the valuation date. Current leases determine the secured cash flow profile of the property and therefore form the base of the valuation. The valuations assume market rent is achieved on expiry of the contractual term of each lease. The market rent is calculated based on market evidence and recent leasing transactions, which is based on evidence available at the date of valuation.

The key driver of the property valuations in relation to the hotels are the discount rates applied as well as the forecasted EBITDA generated from its operations.

A summary of valuations of the Group's investment property and land and buildings, including capital work in progress, is given below:

	(AED in millions)	
	2025	2024
Assets valued by independent external valuers	43,679	41,650
Assets valued internally	1,497	1,494
	45,176	43,144

The following table shows the valuation technique used in measuring the fair value of investment property and land and buildings included within property, plant and equipment:

Class of asset	Valuation technique	Description
Shopping malls (stabilized)	Discounted cash flows ('DCF')	The gross fair value (net of capital expenditure and costs to complete) is derived using DCF and is benchmarked against net initial yield and comparable transactions.
Shopping malls [fair value is reliably determinable (non-operational)/ newly operational]	Income capitalization approach	Where the external valuer can reliably determine the fair value of the asset, the gross fair value (net of capital expenditure and costs to complete) is derived by applying asset specific capitalization rates on the net operating income streams of the property benchmarked to market rates. Following a period of operation (stabilization) the asset is valued using DCF.
Hotels	Discounted cash flows	The fair value is derived using DCF for Hotels and is benchmarked against capital value per key and net initial yield.
Offices	Income capitalization approach	Fair value is derived by applying asset specific capitalization rate on the net operating income of the property benchmarked to market rates.
Land	Comparable market transactions approach	Properties held for future development ('land bank') are valued using comparable methodology which involves analysing other relevant market transactions. Comparable methodology can involve a parcelisation approach where it is assumed a larger plot is subdivided and sold in smaller lot sizes over a period of time.

Financial liability

The following table shows the valuation technique used in measuring the fair value of the sukuk certificates included within 'loans and borrowings':

Class of asset	Description
Sukuk certificates (except for the USD 100 million private placement sukuk) (note 25.2)	The fair value for sukuk certificates is benchmarked against the quoted market price (Level 2).

6.3 Assumptions and determination of fair value hierarchy

Further information about the assumptions made in measuring fair values and determination of fair value hierarchy is included in the following notes:

- Note 16 – Property, plant and equipment
- Note 17 – Investment property
- Note 29 – Financial instruments

7. Subsidiaries

Accounting Policy

The consolidated financial statements incorporate the financial information of the Company and entities (including a structured entity) controlled by the Company and its subsidiaries.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of the subsidiaries is consolidated on a line by line basis (including adjustments to align the accounting policies to the Group's accounting policies, when necessary), from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

Non-controlling interests ('NCI') are measured at their proportionate share of the acquiree's identifiable net assets at the acquisition date.

Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Business combinations

All business combinations are accounted for by applying the purchase method except for acquisition of entities

under common control. The excess of cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities at the date of acquisition is recorded as goodwill. Negative goodwill arising on acquisition is immediately recognized in the profit or loss. Goodwill is tested annually for impairment and is carried at cost less accumulated impairment losses, if any. On disposal of a subsidiary / joint venture / associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Business combinations involving entities under common control

Business combinations arising from transfer of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition has occurred at the beginning of the earliest comparative year presented or, if later, at the date that common control was established. The Group applies the book value measurement method to all common control transactions. The assets and liabilities acquired or transferred are recognized or derecognized at the carrying amounts recognized or derecognized previously in the ultimate holding entity's consolidated financial statements. The components of OCI of the acquired entities are added to the same components within the Group's OCI. Any gain/loss arising is recognized directly in OCI. When a common control entity is sold or transferred, the cumulative amount in the currency translation reserve related to that entity is reclassified to profit or loss in line with the accounting policy on foreign operations (note 5.1).

Interest in other entities

The Group does not hold any direct ownership interest in MAF Sukuk Ltd. (a limited liability company incorporated in the Cayman Islands) which is a structured entity. However, based on the terms of the agreement under which this entity is established, the Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct this entity's activities that most significantly affect these returns. MAF Sukuk Ltd. has issued Sukuk Certificates which are listed on NASDAQ Dubai and Euronext Dublin, except for the USD 100 million. Accordingly, the results and the financial position of the structured entity are included in these consolidated financial statements.

7.1 Details of the Group's material subsidiaries:

Name of material subsidiary	Principal activity	Country of incorporation	Proportion of ownership and voting rights held (%)	
			2025	2024
Majid Al Futtaim Shopping Malls LLC ^a	Shopping malls	UAE	100%	100%
Majid Al Futtaim Hospitality LLC ^a	Hotels	UAE	100%	100%
Majid Al Futtaim Properties Lebanon LLC ^{a, b}	Shopping malls/Mixed use communities	UAE	100%	100%
Majid Al Futtaim Development LLC ^a	Mixed use communities	UAE	100%	100%
Majid Al Futtaim Properties Saudia LLC ^a	Shopping malls/Mixed use communities/Hotels	UAE	100%	100%
Majid Al Futtaim Properties Co. Oman LLC	Shopping malls	Oman	100%	100%
City Centre Almaza S.A.E.	Shopping malls	Egypt	100%	100%
Majid Al Futtaim Properties Egypt SAE	Shopping malls/L&E	Egypt	100%	100%
Majid Al Futtaim Real Estate Investments LLC	Investment in commercial enterprises	UAE	100%	100%
MAF Sukuk Ltd. ^c	Issuing sukuku under the Trust Certificate Issuance Program	Cayman Islands	100%	100%
Majid Al Futtaim Tilal Al Ghaf Phase A LLC	Mixed use communities	UAE	100%	100%
Majid Al Futtaim Ghaf Woods LLC	Mixed use communities	UAE	100%	100%
Fujairah City Centre Investment Company LLC	Shopping mall	UAE	62.5%	62.5%

- a) Certain subsidiaries owned by these entities are material to the Group.
- b) Certain % of the Group's ownership stake, including in some subsidiaries, is held through beneficial ownership arrangement with the legal owner and the Group is working to remove such arrangements where possible.
- c) MAF Sukuk Ltd. is a subsidiary of the Company by virtue of control exercised over it.

7.2 Details of NCI in non-wholly-owned subsidiaries:

(AED in millions)

Name of subsidiary	Country of incorporation and principal place of business	Proportion of ownership and voting rights held by NCI		Profit / (loss) allocated to NCI		Accumulated NCI	
		2025	2024	2025	2024	2025	2024
Fujairah City Centre Investment Company LLC ('FCC') ^b	UAE	37.50%	37.50%	17	35	183	179
Suburban Development Company S.A.L ('SDC')	Lebanon	3.18%	3.18%	2	(2)	(2)	(4)
Aswaq Al Emarat Trading Closed Joint Stock Co. ('AAET') ^a	Kingdom of Saudi Arabia	-	-	-	(1)	-	-
Total				19	32	181	175

- a) Effective 1 July 2024, the Group acquired the remaining 13.6% shareholding in AAET, from a non-controlling interest for a total consideration of SAR 374 million (AED 366 million). This acquisition was made against the related carrying amount of SAR 127 million (AED 124 million), resulting in a loss on acquisition of SAR 247 million (AED 242 million), which has been adjusted against retained earnings attributable to the owners of the Company in the prior year.
- b) During the year, FCC declared and paid dividends to the non-controlling interest amounting to AED 13 million (2024: AED 10 million) from retained earnings available for distribution.

8. Investments in equity accounted investees

Accounting Policy

The Group's interests in equity accounted investees comprise interests in joint ventures and associates.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in joint ventures and associate are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees (post adjustments for aligning accounting policies to the Group's accounting policies, when necessary), until the date on which significant influence or joint control ceases.

Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The financial statements of the equity accounted investees are prepared for the same reporting period as the Group. The accounting policies of these companies are aligned with those of the Group.

8.1. Summary:

	(AED in millions)	
	2025	2024
Sharjah Holding Co. PJSC ('SHC')	196	254
Al Mouj Muscat S.A.O.C. ('AMM')	460	493
Enova Facilities Management Services LLC ('Enova')	116	94
Carrying amount at the reporting date	772	841
Group's share of profit from operations - net of tax	145	135
Group's share of other comprehensive income - net of tax	(1)	-
Group's share of total comprehensive income for the year	144	135

8.2. Details of the equity accounted investees:

Name of the investees	Principal activity	Country of incorporation	Proportion of ownership and voting rights held	
			2025	2024
Sharjah Holding Co. PJSC	Shopping malls and sale of real estate	UAE	50%	50%
Al Mouj Muscat S.A.O.C.	Sale of real estate	Oman	50%	50%
Enova Facilities Management Services LLC	Facilities management services	UAE	51%	51%

Summary of financial information of the equity accounted investees is as follows:

	(AED in millions)							
	SHC		AMM		Enova		Others	
	2025	2024	2025	2024	2025	2024	2025	2024
Current assets	261	426	2,139	2,149	993	997	-	-
Non-current assets	309	345	294	342	54	34	-	-
Current liabilities	(148)	(262)	(1,494)	(1,348)	(748)	(780)	-	-
Non-current liabilities	(31)	-	(19)	(158)	(71)	(65)	-	-
Net assets	391	509	920	985	228	186	-	-
Net assets - Group's share	196	254	460	493	116	94	-	-

	SHC		AMM		Enova		Others ^a	
	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	81	174	840	831	1,746	1,498	-	-
Profit from operations	35	48	124	118	127	102	-	3
Other comprehensive income	(2)	-	-	-	-	-	-	-
Total comprehensive income	33	48	124	118	127	102	-	3
Group's share of profit from operations	17	24	62	59	65	52	-	-
Carrying amount - At 1 January	254	260	493	486	94	79	-	-
Group's share of profit from operations	18	24	62	59	65	52	-	-
Dividends declared by equity investees ^c	(15)	-	(95)	(52)	(43)	(36)	-	-
Reduction of investment ^{a, b}	(60)	(30)	-	-	-	-	-	(34)
Share of other comprehensive income	(1)	-	-	-	-	-	-	-
Reversal of impairment for the year (note 13) ^a	-	-	-	-	-	-	-	34
Currency translation adjustment	-	-	-	-	-	(1)	-	-
Carrying amount - At 31 December	196	254	460	493	116	94	-	-

- a) In 2024, the Group has been awarded a favourable judgment to recover a plot of land initially contributed by the Group in a joint venture in Bahrain, which has been fully provided for in prior years. The title over the plot of land has been transferred during the year to the Group's wholly owned subsidiary in Bahrain. Accordingly, at the date of transfer, a reversal of impairment has been recorded amounting to AED 34 million, which represents the fair value of the plot of land net of transaction cost.
- b) During the year, the reduction of investment amounting to AED 60 million (2024: AED 30 million) relates to an equity payback.
- c) During the year, the equity accounted investees declared cash dividend amounting to AED 153 million (2024: AED 88 million) representing the Group's share. During the year, the Group received cash amounting to AED 177 million (2024: AED 84 million) from the current year dividend declaration and prior year unpaid dividends as disclosed in the consolidated statement of cash flows.

9. Operating segments

Accounting Policy

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All reportable segments' operating results are reviewed regularly by the Group's Board of Directors and senior management to assess performance. Segment results that are reported to the Board of Directors of the Parent Company include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's head office) and head office expenses.

Segment reporting

The Group has the following strategic divisions, which are its reportable segments. In February 2023, the Group has evolved its business structure into 2 major business units ('BU'): Asset Management BU: comprising of Shopping Malls and Hospitality businesses; and Development BU: comprising of Communities and Development businesses. These BUs are supported by the Corporate Centre of Excellence ('CoE').

Reportable segments	Operations
1. Asset Management BU	
1.1 Shopping Malls	Leads and manages the shopping malls operations of the Group, from regional and super-regional shopping malls to smaller community centres, including leisure and entertainment.
1.2 Hotels	Responsible for leading the development of hotel assets and asset management of these assets with third-party hotel operators. The business unit is also responsible for managing the Group's office buildings in Dubai, UAE.
2. Development BU	
2.1 Communities	Responsible for master development and management of larger master planned lifestyle developments that comprise multiple asset classes, and is responsible for infrastructure, residential and commercial assets within these developments.
2.2 Development	Responsible for leading and managing the delivery of future shopping mall, retail and hotel developments of the Group.
3. Project Management CoE	Provides advisory, development and management services to business units and other related parties.
4. Corporate	Provides corporate support services to the business units of the Group.

NOPAT (Non-GAAP measure)

"Net Operating Profit After Tax (NOPAT)", (non-GAAP measure) represents the Group's income from operations if it had no debts (no interest expense). NOPAT is calculated based on the net profit after tax for the financial period, adjusted for, deferred tax charge or benefit, unrealized valuation gains or losses in land and buildings, relating to investment properties and property, plant and equipment, net impairment losses/ reversals of non-financial assets, net finance costs and net foreign exchange gains/losses.

Adjusted EBITDA (Non-GAAP measure)

The Group's measure of segment performance, adjusted EBITDA (non-GAAP measure), is defined as NOPAT, as defined earlier, which is adjusted for depreciation and amortization, current tax expense – net, equity accounted income/ (loss) – net, other nonrecurring items, and to remove the impact on the operating profit of IFRS 16 Leases as if IAS 17 Leases applied. IAS 17 was the predecessor lease accounting standard and was replaced by IFRS 16 for financial periods beginning on or after 1 January 2019. Management excludes one-off exceptional items as part of its adjustments on other non-recurring items in order to focus on results excluding items affecting comparability from one period to the next.

Adjusted EBITDA is not a measure of cash liquidity or financial performance under generally accepted accounting principles and the adjusted EBITDA measure used by the Group may not be comparable to other similarly titled measures of other companies.

9.1 Revenue and net profit – by reportable segments

(AED in millions)

	Asset Management BU		Development BU		Project Management		Corporate		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	5,020	4,727	5,832	4,374	1	1	-	-	10,853	9,102
Net profit/(loss) after tax	3,813	3,623	1,405	1,101	3	5	(171)	(609)	5,050	4,120
Adjusted EBITDA	3,465	3,243	1,471	1,078	6	8	(77)	(95)	4,865	4,234
NOPAT	2,838	2,724	1,254	1,123	3	5	2	(18)	4,097	3,834

a) Intra-group transactions have been excluded.

9.2 Reconciliation of net profit to NOPAT and adjusted EBITDA – by reportable segments

(AED in millions)

	Asset Management BU		Development BU		Project Management		Corporate		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net profit/(loss) after tax	3,813	3,623	1,405	1,101	3	5	(171)	(609)	5,050	4,120
Adjustments for:										
Valuation (gain)/loss	(1,394)	(1,280)	(36)	183	-	-	-	(2)	(1,430)	(1,099)
Net finance cost/(income)	199	189	(144)	(141)	-	-	165	350	220	398
Foreign exchange (gain)/loss	(1)	-	1	1	-	-	5	291	5	292
Impairment loss/(reversal of impairment loss) on non-financial assets	9	46	25	6	-	-	-	(34)	34	18
Deferred tax expense/ (income)	212	146	3	(27)	-	-	3	(14)	218	105
NOPAT	2,838	2,724	1,254	1,123	3	5	2	(18)	4,097	3,834
Adjustments for:										
Depreciation and Amortization	276	279	22	24	2	3	9	5	309	311
Share of results of equity accounted investees - net of tax	(16)	(11)	(64)	(72)	-	-	(65)	(52)	(145)	(135)
Current tax expense - net	384	261	236	111	1	-	(27)	(39)	594	333
Other non-recurring items	(10)	(5)	23	(108)	-	-	6	11	19	(102)
Fixed rent expense	(7)	(5)	-	-	-	-	(2)	(2)	(9)	(7)
Adjusted EBITDA	3,465	3,243	1,471	1,078	6	8	(77)	(95)	4,865	4,234

a) Intra-group transactions have been excluded.

9.3 Revenue by geographical segments

(AED in millions)

	UAE		Oman		Bahrain		Lebanon		Egypt		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue	9,681	7,995	374	370	393	379	61	61	344	297	10,853	9,102

a) Intra-group transactions have been excluded.

9.4 Assets and liabilities – by reportable segments

(AED in millions)

	Asset Management BU		Development BU		Corporate		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Segment assets	44,320	42,073	13,726	13,782	2,335	619	60,381	56,474
Segment liabilities	(3,847)	(2,843)	(3,583)	(3,463)	(8,406)	(10,848)	(15,836)	(17,154)
Net assets/(liabilities)	40,473	39,230	10,143	10,319	(6,071)	(10,229)	44,545	39,320

a) Intra-group balances have been excluded to arrive at the net assets.

9.5 Statutory segment assets and liabilities – by geographical segments

(AED in millions)

	UAE		Oman		Bahrain		KSA		Egypt		Lebanon		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Segment assets	48,677	45,322	3,413	3,411	3,066	2,993	1,771	1,771	2,494	2,047	960	930	60,381	56,474
Segment liabilities	(14,583)	(16,091)	(352)	(362)	(215)	(197)	(73)	(65)	(547)	(373)	(66)	(66)	(15,836)	(17,154)
Net Assets	34,094	29,231	3,061	3,049	2,851	2,796	1,698	1,706	1,947	1,674	894	864	44,545	39,320

a) Intra-group balances have been excluded to arrive at the net assets.

b) In presenting the geographic information, segment assets were based on the geographic location of the assets.

9.6 Major related party customer

Rental revenue earned from the Group's related parties have contributed to AED 395 million (2024: AED 404 million) which is approximately 10% of the total "revenue from investment property" for the year ended 31 December 2025. No single related party represents more than 10% of total revenue.

10. Revenue

Accounting Policy

Revenue mainly comprises rental income and revenue from contracts with customers.

Rental income

Rental income, including fixed rental uplifts, from investment property leased out under an operating lease is recognized in profit or loss on a straight-line basis over the term of the lease from the lease commencement date. Lease incentives being offered to lessees to enter into a lease, such as an initial rent-free period or a cash contribution to fit-out or similar costs, are an integral part of the net rental income and are therefore recognized on the same straight-line basis. Contingent rents, being lease payments that are not fixed at the inception of the lease, for example turnover rents, are recorded as income in the periods in which they are earned. Refer to note 31 for the accounting policy on leases.

Revenue from contracts with customers

Revenues from contracts with customers include revenue from property sales, hospitality, leisure and entertainment, project management and other activities.

The Group recognizes revenue from contracts with customers based on a five steps model as set out in IFRS 15:

- Step 1 Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
- Step 2 Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3 Determine the transaction price: The transaction price is the amount of consideration the Group expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4 Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled to in exchange for satisfying each performance obligation.
- Step 5 Recognize revenue when (or as) the Group satisfies a performance obligation.

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

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

For performance obligations where one of the above conditions are not met, revenue is recognized at the point in time at which performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability. Contract assets are currently presented as "Unbilled receivables" under trade and other receivables (note 19). Contract liabilities are currently presented as "Advances from customers" under trade and other payables (note 23).

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties (i.e. taxes and duty).

The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount earned by the Group. The agency relationship is established where the Group does not take title of the goods, has no responsibility in respect of the goods sold and the Group does not have control on the selling prices set by the supplier.

Revenue is recognized in the consolidated statement of profit or loss to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

In case of revenue from property sales, the Group has determined that its performance does not create an asset with alternative use to the Group and it has concluded that, at all times, it has an enforceable right to

payment for performance completed to date. Therefore, control transfers over time for these contracts.

Revenue from hospitality, leisure and entertainment and other activities (such as service charge, marketing and promotion contribution) is recognized on rendering the services and when the revenue can be measured reliably.

The Group assesses its performance against obligations conditional on earning the income, with income recognized either over time as the obligations are met, or recognized at the point when all obligations are met, depending on contractual requirements.

Sale of alcohol in hotels

The purchase of alcohol for hotels is the responsibility of the relevant Hotel Management Company, and the revenue derived from sale is deemed to be that of the Hotel Management Company. The profit resulting from the sales of alcoholic beverages forms part of the Hotel Management Company's incentive fee.

10.1 Critical judgements and estimates

Revenue from contracts with customers is recognized in accordance with IFRS 15 which requires management to make the following judgements and estimations:

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered into to provide real estate assets customer, the Group creates an asset with no alternative use to the Group and has an enforceable right to payment for performance completed to date. In these circumstances, the Group recognizes revenue over time. Where this is not the case, revenue is recognized at a point in time.

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract. In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS whereby the transaction

price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Existence of a significant financing component in the contract

In determining the transaction price, the Group adjusts the amount of consideration for the effects of the time value of money if the timing of payments agreed upon provides the customer with a significant benefit of financing the transfer of units to the customer and is applicable at individual contracts. The Group used the discount rate that reflects a separate financing transaction between the Group and its customer at contract inception. The discounting only applies to collections received after the delivery of units due to timing difference between the completion of performance obligation and payments deferred over multiple years post-handover date. The discount calculated at the inception will be offset against revenue and unbilled receivables. The amortization of the discount is over a period of up to 3 years post-handover date and is recognized as "Unwinding of discounting of long term receivables" under finance cost.

Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognized when control over the assets that is the subject of the contract is transferred to the customer. In the case of contracts to sell real estate assets, this is generally when the unit has been handed over to the customer and when the consideration for the unit has been substantially received.

Allocation of transaction price to performance obligation in contracts with customers

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

Cost to complete the projects

The Group estimates the cost to complete the projects in order to determine the cost attributable to revenue being recognized. These estimates include an objective evaluation of the cost of providing infrastructure, potential claims by contractors as evaluated by the project management business unit and the cost of meeting contractual obligations to the customers.

	(AED in millions)	
	2025	2024
Revenue from property sales - net ^{a, b}	5,786	4,361
Revenue from investment property:		
- Rental income ^c	3,532	3,272
- Service charge	471	463
- Marketing and promotion contribution	126	119
- Other	34	19
Revenue from hospitality	580	589
Revenue from leisure and entertainment (L&E)	264	259
Project management revenue	1	1
Other revenue	59	19
	10,853	9,102

- a) Revenue from property sales of AED 5,786 million (2024: AED 4,361 million) is net of AED 17 million (2024: AED 17 million) transfer fees to a government authority and AED 36 million (2024: AED 32 million) discount against the transaction price for certain units sold with a significant financing component due to timing difference between the timing of cash receipt and revenue recognition.
- b) Revenue recognized with respect to property development business also includes revenue from sale of property units to Group employees, including the key management personnel of AED 13 million (2024: AED 10 million). These sale transactions are carried out at market comparable terms (note 30.1).
- c) In 2020, management provided a discretionary rent relief program as part of the Group's commitment to supporting its tenants subsequent to the re-opening of the Group's shopping malls post lockdown period. The associated charge from the discretionary rent relief program to the consolidated statement of profit or loss for the year ended 31 December 2025 amounted to AED 9 million (2024: AED 19 million). As at the reporting date, the unamortized portion of this rent relief is AED 5 million (2024: AED 14 million).

10.2 Disaggregation of revenue

The following table shows the disaggregation of the Group's revenue in terms of timing of revenue recognition.

	(AED in millions)	
	2025	2024
<u>Revenue categorized under IFRS 15 'Revenue from Contracts with Customers':</u>		
Over period of time ^a	5,637	4,340
At a point in time ^b	1,684	1,490
<u>Revenue categorized under IFRS 16 'Leases':</u>		
Rental income	3,532	3,272
	10,853	9,102

- a) Revenue recognized over period of time reflects the revenue from property sales.
- b) Revenue recognized at a point in time mainly reflects the revenue from hospitality, L&E, non-rental charges from shopping malls, project management and sale of land.

11. Operating expenses

(AED in millions)

	2025	2024
Cost of revenue from property sales (note 10(a)) ^a	(3,899)	(2,956)
Employee benefits ^c	(664)	(612)
Depreciation (notes 16.2, 30.1 and 31.2.1)	(298)	(300)
Sales commission ^a	(218)	(163)
Service charges and other recharges ^b	(202)	(170)
Selling and marketing expenses	(195)	(175)
Facilities maintenance and repairs	(168)	(151)
Utilities	(103)	(106)
Consultancy fees	(81)	(50)
Hotel operator fee and sales commission	(80)	(76)
Housekeeping expenses	(78)	(76)
Security expenses	(46)	(43)
Insurance premiums	(45)	(35)
Hotels food and beverage expenses	(28)	(28)
Leisure and entertainment units' cost of operations	(24)	(26)
Information technology costs	(21)	(33)
Supplies	(19)	(18)
Travel expenses	(13)	(11)
Amortization charge for intangible assets (note 18)	(11)	(11)
Property taxes	(10)	(9)
Miscellaneous expenses	(29)	(60)
	(6,232)	(5,109)

- a) Cost of revenue from property sales and sales commission amounting to AED 3,899 million (2024: AED 2,956 million) and AED 218 million (2024: AED 163 million), respectively, were recognized based on percentage of completion (POC).
- b) During the year, employee benefits and service charges include recharges from Majid Al Futtaim Global Solutions LLC and Xsight Future Solutions LLC amounting to AED 173 million (2024: AED 115 million) (note 30.1).
- c) Staff costs are net of costs capitalized to various projects amounting to AED 135 million (2024: AED 136 million).
- d) During the year, the Group incurred AED 1 million (2024: AED 1 million) for corporate social responsibility activities.

12. Finance costs and income
Accounting Policy

Interest expense and income are recognized in the consolidated statement of profit or loss on an accrual basis using the effective interest rates of the financial assets or financial liabilities to which they relate. The effective interest rate is the rate that discounts estimated future cash receipts and payments earned or paid on a financial asset or a liability through its expected life or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. Finance costs comprise of interest expense, arrangement fees, participation fees and similar charges on loans and borrowings; and unwinding of discount adjustments.

(AED in millions)

	2025	2024
Interest expense (including arrangement and participation fees)	(390)	(554)
Interest expense on lease liabilities	(10)	(22)
Unwinding of discounting of long term receivables	34	24
Finance costs	(366)	(552)
Interest income	146	154
Finance income	146	154

13. Impairment loss

Accounting Policy

Impairment of financial assets

The Group measures loss allowances for its financial assets measured at amortized cost at an amount equal to lifetime expected credit losses (ECLs). Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

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

- significant financial difficulty of the borrower or debtor;
- a breach of contract (such as a default);
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower or debtor will enter bankruptcy or other financial reorganization.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables, including contract assets, is presented separately in the consolidated statement of profit or loss.

Assets that are individually significant are tested individually whereas others are grouped together with financial assets of similar credit risk characteristics and assessed collectively. Impairment loss is reversed if the reversal can be objectively related to an event that has occurred after the impairment loss was recognized. For financial assets that are measured at amortized cost, the reversal is recognized in profit or loss account.

Impairment of non-financial assets

To determine any indication of impairment, the carrying amount of all non-financial assets except for property, plant and equipment and investment property that are fair valued are reviewed at each reporting date. If any such indication exists, the recoverable amount of the asset is estimated.

For purposes of impairment reviews, assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets are identified as cash generating units (CGUs). Impairment loss is recognized if the carrying amount of the non-financial asset or CGUs exceeds its recoverable amount.

For assets that have an indefinite life or are not yet available for use, the recoverable amount is assessed at each reporting date. The recoverable amount is the greater of its fair value less costs to sell and value in use. Value in use is based on the estimated future cash flows, 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 assets or CGU. Value in use is assessed by using the discounted future cash flow or the income capitalization methods.

	(AED in millions)	
	2025	2024
Impairment of investment property under construction (note 17.2) ^a	(34)	(31)
Impairment of property and equipment (note 16.2) ^a	-	(21)
Reversal of impairment of investments in equity accounted investees (notes 8.2 (a))	-	34
Impairment loss on non-financial assets – net	(34)	(18)
Impairment loss on trade and other receivables – net	(12)	(36)
Impairment loss on financial assets	(12)	(36)

a) During the year, the Group recognized an impairment provision of AED 34 million (2024: AED 31 million) on investment property under construction primarily for development projects that no longer align with management's strategic direction. Further in the prior year, the Group recognized an impairment provision of AED 21 million on property and equipment primarily for the assessed net book value of the damaged assets in the UAE and Bahrain that were impacted by flood due to heavy rains.

14. Other expense - net

	(AED in millions)	
	2025	2024
Development expenses	(68)	(50)
Foreign exchange loss – net ^a	(5)	(292)
Loss on disposal ^b	-	(38)
Other	(2)	-
Other expense	(75)	(380)
Insurance claim ^d	7	56
Gain on disposal ^c	-	102
Other	-	5
Other income	7	163
Other expense - net	(68)	(217)

a) During the current and prior years, the foreign exchange loss is primarily driven by net realized loss arising from repatriation of cash denominated in EGP by a subsidiary in Egypt to the Company.

b) In the prior year, the Company entered into a binding sales and purchase agreement to sell the shares of the Group's subsidiaries, namely Majid Al Futtaim Hospitality Al Barsha Third LLC, Majid Al Futtaim Hospitality Deira Second LLC and Majid Al Futtaim Hospitality Al Rigga LLC, to a third-party buyer for a net consideration of AED 729 million. Accordingly, a loss on disposal of AED 38 million was recognized on the sale of the Group's investment in these subsidiaries. Additionally, the disposal of property, plant, and equipment included a cumulative revaluation reserve of AED 218 million, which was reclassified to retained earnings upon disposal of certain subsidiaries.

c) In the prior year, the Group acquired a joint venture in Oman through the transfer of beneficial interest in Majid Al Futtaim Holding (Muscat) LLC from the Ultimate Parent Company, which was classified as an asset held for sale. Additionally, the asset, with a carrying amount of AED 103 million, was sold to a third-party buyer (the "Buyer") for a total consideration of AED 205 million (OMR 21.5 million), resulting in a gain on disposal of AED 102 million.

d) During the year, the Group recognised additional insurance claim income of AED 7 million for approved flood-related claims, in addition to the AED 56 million recognised in the prior year, which represented management's best estimate of recoverable amounts for costs directly attributable to the restoration of damaged assets in Oman, the UAE, and Bahrain, as well as fire-related claims in Egypt.

15. Net valuation gain on land and buildings

	(AED in millions)	
	2025	2024
Gain on changes in fair value on property, plant and equipment (note 16.2(b))	16	40
Gain on changes in fair value of investment property (note 17.2)	1,414	1,059
	1,430	1,099

16. Property, plant and equipment
Accounting policy
Recognition and measurement

Land and buildings mainly comprising hotels and offices held for use in the production or supply of goods or services, or for administrative purposes, are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

Land on which development work has started with the intention of constructing property, plant and equipment is fair valued at the date when significant development commences. During the construction period, land and development expenditure is carried at cost less any accumulated impairment until the fair value of the asset can be reliably determined. Once the fair value can be reliably determined, the entire property (that is land and building) is carried at fair value at each reporting date.

All other items of property, plant and equipment (including capital work in progress) are stated at cost less accumulated depreciation and accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over the estimated useful lives, and is recognized in profit or loss. Land is not depreciated. The estimated useful lives of assets for the current and comparative years are as follows:

Category of assets	Estimated useful life
Buildings	5 – 50 years
Furniture, fixtures and equipment	3 – 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

Valuation surplus relating to buildings is allocated to the building structure and is depreciated over the remaining useful life of the respective building structure which ranges from 5 to 50 years.

Revaluation reserve

Any revaluation increase arising on the revaluation of such land and buildings is recognized in OCI and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same property previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously accounted for. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognized in profit or loss to the extent that it exceeds the balance, if held in the revaluation reserve relating to a previous valuation of that property. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified accordingly. Any difference between the carrying amount of the property and its fair value is recognized in OCI, in accordance with the revaluation principles discussed above.

De-recognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its continued use. Any gain or loss on de-recognition is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss. On de-recognition of a revalued property, the attributable revaluation surplus related to the property is transferred directly from revaluation surplus to retained earnings.

16.1 Critical judgement

16.1.1 The critical judgement related to the accounting for dual use property (property, plant and equipment and investment property) is discussed in note 17.1.

16.1.2 *Apportionment of fair values between land and buildings*

- (i) Where the fair value of a property comprises the aggregate value of land and buildings, the fair value is apportioned between land and buildings based on the reinstatement cost of the building as computed by an independent external valuer, unless another appropriate basis is available for allocation.
- (ii) Change in fair value apportioned to buildings is then allocated to the building structure as it is impracticable to obtain detailed fair value information at each component level of the building from the independent external valuer or to use any other reasonable method of approximation to internally estimate such component values. Consequently, any increase in fair values is allocated to the structure of the building and depreciated over the remaining useful lives of the respective structure of the buildings.

16.2 Reconciliation of the net carrying amount at the reporting date

(AED in millions)

	Land & Buildings	Furniture, fixtures & equipment	Capital work in progress	Total
Cost/revaluation				
At 1 January 2024	3,242	2,238	285	5,765
Additions	29	55	108	192
Capitalized	108	86	(194)	-
Accumulated depreciation & impairment eliminated on revaluation	(155)	-	-	(155)
Transferred from investment property (note 17.2)	7	-	23	30
Net revaluation gain ^{a, b}	31	-	-	31
Disposals/reclass/reversals/other adjustments	-	(19)	(1)	(20)
Disposal of subsidiaries	(727)	(42)	-	(769)
Effect of changes in foreign currency translation	-	(39)	(1)	(40)
At 31 December 2024	2,535	2,279	220	5,034
At 1 January 2025	2,535	2,279	220	5,034
Additions	53	66	97	216
Capitalized	9	80	(89)	-
Accumulated depreciation & impairment eliminated on revaluation	(131)	-	-	(131)
Transferred from investment property (note 17.2)	-	-	10	10
Net revaluation gain ^{a, b}	52	-	-	52
Disposals/reclass/reversals/other adjustments	(2)	(34)	(3)	(39)
Transfer of a subsidiary to a related party (note 34)	-	(10)	-	(10)
Effect of changes in foreign currency translation	-	35	1	36
At 31 December 2025	2,516	2,416	236	5,168
Accumulated depreciation/impairment				
At 1 January 2024	-	(1,941)	(41)	(1,982)
Depreciation charge for the year	(140)	(136)	-	(276)
Accumulated depreciation & impairment eliminated on revaluation	155	-	-	155
Impairment charge	(15)	(5)	(1)	(21)
Disposals/reclass/reversals/other adjustments	-	13	-	13
Disposal of subsidiaries	-	40	-	40
Effect of changes in foreign currency translation	-	35	-	35
At 31 December 2024	-	(1,994)	(42)	(2,036)
At 1 January 2025	-	(1,994)	(42)	(2,036)
Depreciation charge for the year	(131)	(137)	-	(268)
Accumulated depreciation & impairment eliminated on revaluation	131	-	-	131
Disposals/reclass/reversals/other adjustments	-	12	-	12
Transfer of a subsidiary to a related party (note 34)	-	10	-	10
Effect of changes in foreign currency translation	-	(32)	-	(32)
At 31 December 2025	-	(2,141)	(42)	(2,183)
Carrying amount				
At 31 December 2025	2,516	275	194	2,985
At 31 December 2024	2,535	285	178	2,998

- a) The Group's land and buildings of AED 2.5 billion (2024: AED 2.5 billion) were valued by independent external valuers. During the year, a net revaluation gain of AED 52 million (2024: AED 31 million) has been recognized.
- b) The fair value gain or loss related to property, plant, and equipment was recognized during the year in profit or loss and other comprehensive income.

(AED in millions)

	2025	2024
Net revaluation gain in profit or loss (note 15)	16	40
Net revaluation gain/(loss) in other comprehensive income	36	(9)
Total net revaluation gain on property, plant, and equipment	52	31
Less: Deferred tax on other comprehensive income	(3)	3
Net revaluation gain on property, plant and equipment – net of tax	49	34

16.3 Other notes

i) The fair value measurement for land & buildings of AED 2.5 billion (2024: AED 2.5 billion) has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

ii) Measurement of fair value

Particulars	Hotels	Offices
Significant unobservable inputs used	<u>Discount rate</u> 2025: 9.5% to 11.25% (2024: 9.5% to 11.25%)	<u>Equivalent yield</u> 2025: 9.25% (2024: 9.25%)
	<u>Compounded annual growth rates of EBITDA</u> 2025: 4.50% (2024: 4.30%)	

The estimated fair value would increase/(decrease) if the discount rates and equivalent yield were lower/(higher) and/or the growth rates were higher/(lower).

For the hotel portfolio, the key drivers to the valuation are the forecasted EBITDA generated from each asset's operations and the discount rates and exit yields applied.

iii) Net carrying amount of the land & buildings, had they been measured under the historical cost basis, would have been as follows:

	2025		2024	
	Land	Buildings	Land	Buildings
Cost	202	3,903	202	3,840
Accumulated depreciation	-	(2,849)	-	(2,734)
At 31 December	202	1,054	202	1,106

17. Investment property

Accounting Policy

Recognition and measurement

Investment property pertains to properties held to earn rental income and/or for capital appreciation (including property under construction for such purposes). Investment property is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss. In case of property under construction, where the fair value is not reliably measurable, it is measured at cost less any impairment until either its fair value becomes reliably measurable or construction is substantially completed (whichever is earlier).

Reclassification to property plant and equipment

When the use of a property changes from investment property to owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Derecognition

An investment property is derecognized on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss on disposal or retirement calculated as the difference between the net proceeds and the carrying amount of the property is recognized in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve (note 16) is transferred to retained earnings.

17.1 Critical judgements

Accounting for dual use property

- Certain properties of the Group include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use by the Group in the supply of services or for administrative purposes. Such properties are called 'dual use properties'.

- Dual use properties where portions can be sold or finance-leased separately will be split between property, plant and equipment and investment property based on the leasable value of each portion.
- For dual use properties where portions cannot be sold or finance-leased separately, estimates will be

made to assess the level of own use of the property using leasable value of the self-occupied and let out portions. If the level of own use of a property, as determined by leasable value, is insignificant, the property is classified as investment property; otherwise, it is classified as property, plant and equipment.

17.2 Reconciliation of the net carrying amount at the reporting date

	(AED in millions)	
	2025	2024
At 1 January	40,633	40,049
Net fair value change (note 15)	1,414	1,059
Additions	1,049	685
Disposals/reclass/other adjustments	(333)	(67)
Transfer of a subsidiary to a related party (note 34)	(177)	-
Transferred to development property and real estate inventory (note 21.2)	(114)	(98)
Impairment charge (note 13)	(34)	(31)
Transferred to property, plant & equipment (note 16.2)	(10)	(30)
Disposal of subsidiaries	-	(57)
Transfer to related parties (notes 30.1)	-	(3)
Effect of movements in exchange rates	125	(874)
At reporting date	42,553	40,633

i. The Group's investment property amounting to AED 41.2 billion (2024: AED 39.1 billion) were valued by independent external valuers. The independent external valuers adopted consistent valuation methodology with the previous cycles:

- During the year, the overall valuation of the Group's shopping malls portfolio recorded a net fair value gain as compared to 31 December 2024 valuation. This is primarily driven by an overall increase in net rent across the core shopping malls and continued strong tenant sales in super regional UAE assets. Higher tenant sales across the super regional assets in 2025 had a positive impact on lease renewals and, consequently, on estimated rental values continuing the upward momentum from 2024.
- Investment property includes a shopping mall with a carrying value net of an estimated capital expenditure allowance of AED 1,405 million (2024: AED 1,193 million) to realize its fair value.

ii. Measurement of fair value

a) Fair value hierarchy

The fair value measurement for investment property of AED 42.6 billion (2024: AED 40.6 billion) has been categorized as a level 3 fair value based on the inputs to the valuation technique used.

b) Inter-relationship between key unobservable inputs and fair value measurement

Particulars	Shopping malls	Offices
Significant unobservable inputs used	<u>Discount rates on income streams</u> 2025: 9% to 22.5% (2024: 9% to 22.5%)	<u>Equivalent yield</u> 2025: 8% (2024: 8.00%)
	<u>Compounded annual growth rates of Net operating income ("NOI")</u> 2025: 1.85% (2024: 2.16%)	

The estimated fair value would increase/(decrease) if the discount rates and yield rates were lower/(higher) and/or the growth rates were higher/(lower).

- The carrying value as at the reporting date includes shopping malls on leasehold land (right-of-use asset) in Oman amounting to AED 1,876 million (2024: AED 1,754 million). During the year, the shopping mall in UAE on leasehold land (right-of-use asset) amounting to AED 177 million was transferred to a related party as part of common control transaction (note 34).
- The leasehold interests for the shopping malls in Oman meet the definition of an investment property and, accordingly, the Group has accounted for the right-of-use asset as part of investment property as allowed under IFRS 16. The land is restricted to be used for commercial purpose in relation to the Group's businesses and the right to renew the lease is reserved with the Government of Oman. If the lease is not renewed, the land and buildings will be transferred to the Government of Oman at the end of the lease term.

- v. Details of the right-of-use assets included as part of investment property is as follows:
- In 2014, a subsidiary of the Company has entered into a usufruct contract with the Government of Sultanate of Oman (the 'Parties'), which provided the subsidiary usufruct rights over plots of land in Oman for a period of fifty years. In 2023, the terms of the usufruct contract has been extended for another forty-nine years with lease payment terms subject for negotiations in a separate written agreement between the Parties at the beginning of the forty first year until the end of the fiftieth year. Accordingly, no additional lease liability has been recognized for the lease extension period.
 - In 2017, a subsidiary of the Company entered into a usufruct contract with the Government of Sultanate of Oman, which provided the subsidiary usufruct rights over a plot of land in Oman for a period of fifty years.
 - In December 2025, the Company entered into a land lease agreement with the Government entity in the UAE for a period of 20 years starting from November 2028.

17.3 Other notes

- i. Amounts recognized in profit or loss for investment property that generated income:

	(AED in millions)	
	2025	2024
Revenue from investment property	4,163	3,873
Direct operating expenses on properties that generated rental income	(1,275)	(1,219)

- ii. Accrued lease income at the reporting date, relating to the accounting for operating lease rentals on a straight-line basis as per IFRS 16, advances to contractors, finance lease liability, project related trade payables & accruals and retention from contractor payments have been adjusted from the valuation of developed properties, in order to avoid double counting of assets and liabilities, as mentioned below:

	(AED in millions)	
	2025	2024
Fair value of land and buildings	42,817	40,670
Less: Adjustment for accrued operating lease income (notes 19.1 & 19.2)	(412)	(363)
Less: Advances to contractors and right-of-use assets	(27)	(29)
Add: Deferred liabilities	99	317
Add: Retention from contractor payments	21	13
Add: Project related trade payables and accruals	55	25
Net adjusted fair value	42,553	40,633

- iii. The Group's investment property includes plots of land that are currently held for undetermined future use amounting to AED 1,636 million (2024: AED 1,768 million).

18. Intangible assets

Accounting Policy

Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization

Amortization is calculated using the straight-line method over their estimated useful life less any residual value and is generally recognized in the consolidated statement of profit or loss. Goodwill is not amortized. Amortization methods, residual and useful lives are reviewed at each reporting date and adjusted as appropriate.

	(AED in millions)	
	2025	2024
Metro naming rights		
At 1 January	73	84
Amortization charge for the year (note 11)	(11)	(11)
At 31 December	62	73

In 2021, the Group entered into an agreement with a Government entity in the UAE to renew its naming rights for two stations of the Dubai Metro for a period of 10 years. Based on the present value of the future payments to be made, intangible assets have been recorded, which are amortized over the contract period using the incremental borrowing cost of the Group at 1.89% per annum, and a corresponding deferred liability was recorded (notes 23 and 26).

19. Trade and other receivables

Accounting Policy

Trade receivables and unbilled receivables

Trade and unbilled receivables are recognized and measured at the initial invoice amount, less loss allowances. They are maintained as assets on the consolidated statement of financial position provided all risks and rewards associated with them have not been transferred to a third party.

Loss allowances

Receivables of shopping malls' and hotels' businesses

The Group has established a loss allowance matrix applying expected recovery rates on forward looking default rates to derive the loss rate to be applied to past due receivables. The expected recovery rates are applied to different classes of receivables based on their risk classification. Forward looking default rates are calculated by adjusting historical credit loss rates with forward-looking information (i.e. relevant macro-economic indicators).

Loss allowance is also created for receivables that are classified as good but which become doubtful/bad as a result of certain business circumstances such as customer going into liquidation or bankruptcy, litigation, financial difficulties, etc. Such specific incidents are determined on a case-to-case basis.

The calculated provision amounts based on specific cases will be recognized after netting off the bank guarantees in hand or the security deposits received, provided the Company has the legal right to liquidate such bank guarantees or adjust such deposits against the outstanding receivables.

Receivables of communities' business

Loss allowance is created when any uncertainty arises regarding collectability of receivables, including unbilled receivables. A payment schedule is defined for each customer which is based on construction milestones for the property unit.

In the case of receivables where possession of property is already handed over to the customer, loss allowance is created at an accelerated rate or a full provision is made based on the facts and circumstances on a case by case basis.

19.1 Trade and other receivables - current

	(AED in millions)	
	2025	2024
Trade receivables, net of loss allowances (note 19.4)	669	603
Prepayments	569	606
Unbilled receivables ^a	2,435	1,283
Advances and deposits	194	352
Accrued income on operating leases (note 17.3 (ii))	40	37
Other receivables ^b	194	225
At 31 December	4,101	3,106

a) Unbilled receivables pertain to revenue recognized from property sales but not billed as at the reporting date.

b) Other receivables include AED 109 million (2024: AED 108 million) short term portion of other long term receivables (note 19.2(b)).

c) During the year, trade and other receivables include AED 109 million (2024: AED 100 million) balance with related parties as disclosed in note 30.2.

19.2 Long term receivables

	(AED in millions)	
	2025	2024
Unbilled receivables (note 19.1(a))	704	1,083
Advances to contractors	756	494
Long term prepayments	198	234
Accrued income on operating leases (note 17.3 (ii))	372	326
Other long term receivables ^b	77	103
At 31 December	2,107	2,240

- a) During the year, long term receivables include AED 102 million (2024: AED 22 million) balance with related parties as disclosed in note 30.2.
- b) In the prior year, other long term receivables include AED 101 million recoverable from a joint venture partner, net of unamortized discount of AED 10 million.

19.3 Loss allowances

	(AED in millions)	
	2025	2024
At 1 January	(163)	(138)
Charge for the year (note 13)	(12)	(36)
Reversals and effect of movements in exchange rates	5	11
At 31 December	(170)	(163)

- a) The Group assessed the loss allowance of its trade receivables based on specific provisioning (for specific high risk accounts) and expected credit loss ('ECL') model in line with requirements of IFRS 9 Financial Instruments.

19.4 Ageing of trade receivables

	(AED in millions)	
	2025	2024
Current balances	245	227
Past due 31 - 60 days	117	87
Past due 61 - 90 days	37	70
Past due 91 - 180 days	132	96
Past due over 180 days	308	286
Total trade receivables	839	766
Less: Loss allowances	(170)	(163)
Net trade receivables	669	603

20. Income tax

Accounting Policy

Income tax expense comprises current and deferred tax and is calculated in accordance with the income tax laws applicable to certain overseas subsidiaries. It is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the

amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date

(refer to note 20.5). Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent it is probable that future tax profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

20.1 Income tax expense recognized in profit or loss

	(AED in millions)	
	2025	2024
Current tax expense:		
- Current year	(594)	(332)
- Adjustment for prior years	-	(1)
	(594)	(333)
Deferred tax expense:		
- Origination and reversal of temporary differences	(218)	(105)
	(812)	(438)

During the year, the Group is subject to income tax in respect of its operations in the UAE, Oman, Bahrain, Egypt and Lebanon (2024: UAE, Oman, Egypt and Lebanon). The management believes that accruals for tax liabilities are adequate for all open tax years based on its assessment of all relevant factors, including interpretations of tax laws and prior experience.

20.2 Reconciliation of effective tax rate

	(AED in millions)			
	2025		2024	
Profit before tax	5,862		4,558	
Effect of tax rates in domestic and foreign jurisdictions	-10%	(594)	-7%	(332)
Change in recognized deductible temporary differences	-4%	(218)	-3%	(105)
Change in estimates related to prior years	0%	-	0%	(1)
	-14%	(812)	-10%	(438)

20.3 Deferred tax liabilities

	(AED in millions)				
	01 January 2025	Recognized in profit or loss	Recognized in OCI	Exchange rate movement	31 December 2025
Investment property and others	358	213	3	14	588

	(AED in millions)				
	01 January 2024	Recognized in profit or loss	Recognized in OCI	Exchange rate movement	31 December 2024
Investment property and others	319	116	(2)	(75)	358

A portion of the deferred tax liability has been computed on the taxable temporary differences primarily arising as a result of valuation gains on properties with the following tax rates in UAE (2025: 9%; 2024: 9%), Oman (2025: 15%; 2024: 15%) and Egypt (2025: 22.5%; 2024: 22.5%). The corresponding deferred tax expense from valuation gain on land and buildings has been recognized in profit or loss, and revaluation gain on property, plant and equipment has been recognized in OCI.

20.4 Deferred tax assets

	01 January 2025	Recognized in profit or loss	Recognized in OCI	Exchange rate movement	(AED in millions) 31 December 2025
Investment property and others	71	(5)	-	-	66

	01 January 2024	Recognized in profit or loss	Recognized in OCI	Exchange rate movement	(AED in millions) 31 December 2024
Investment property and others	59	11	1	-	71

As at 31 December 2025, the Group has unrecognized deferred tax assets of AED 326 million (2024: AED 291 million) relating to its subsidiaries in UAE, Oman, Egypt and Lebanon. Based on the Group's strategic plan and taking into account the local taxation laws and regulation in those countries, the recognition of deferred tax asset is limited to the extent of future taxable profits as full recoverability of deferred tax asset is unlikely. This is due to subsidiaries in Oman and Lebanon (2024: Oman and Lebanon) which are not expected to generate sufficient taxable profits and valuation gains in the foreseeable future.

20.5 Global Minimum Tax (BEPS 2.0)

The Group is within the scope of the OECD's Pillar Two Global Anti-Base Erosion (GloBE) Rules, as the annual consolidated revenue exceeds the EUR 750 million threshold. These rules aim to establish a coordinated framework ensuring that multinational enterprises (MNEs) with annual revenues above EUR 750 million are subject to a minimum effective tax rate (ETR) of 15% in each jurisdiction in which they operate. Below is the status of implementation and impact on the Group on account of Pillar Two:

- In the UAE, (the location of the Group's head office and its largest market) Federal Decree-Law No. 60 of 2023 was issued, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses to align with the OECD Pillar Two framework. Subsequently, the UAE Cabinet Decision No. (142) of 2024 was issued implementing a Domestic Minimum Top-up Tax that will be effective in the UAE for financial years starting on or after 1 January 2025. This means that the current tax rate of 9% has gone up to 15% from 1 January 2025 onwards subject to substance based carveouts and other reliefs under the new regime. The Group has considered the impact and recognised additional top-up tax expense of AED 230 million (31 December 2024: Nil) in accordance with the UAE Domestic Minimum Top-up Tax rules.
- In September 2024, the Kingdom of Bahrain enacted a Domestic Minimum Top-up Tax regime effective from 1 January 2025, with related Executive Regulations issued in December 2024. In accordance with these requirements, the Group's Bahrain-based operations are subject to a top-up tax of 15% instead of no taxes in the past. For the year ended 31 December 2025, the Group recognised top-up tax expense of AED 25 million (31 December 2024: Nil) in accordance with the Bahrain Domestic Minimum Top-up Tax rules.

No other jurisdiction, in which the Group operates, has substantively enacted the legislation to date. The Group will continue to monitor the Pillar Two related developments in all relevant jurisdictions and assess any potential top-up tax in accordance with the relevant legislation after taking into consideration the transitional Safe Harbour relief.

On 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 Income Taxes, introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the Pillar Two rules. In accordance with these amendments, the Group has applied the exception and has not recognised or disclosed any deferred tax assets or liabilities related to Pillar Two income taxes.

21. Inventories

Accounting Policy

Development property

Properties in the process of construction or development for the purpose of sale on completion are classified as development property. These are measured at lower of cost and net realizable value. Net realizable value is the

estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing and staff costs capitalized.

The cost of development property recognized in the consolidated statement of profit or loss on property sales is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

When the use of a property changes such that it is reclassified as a development property from investment property, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Real estate inventory

Development property is transferred to inventory when the property is ready for handover and at cost which becomes its deemed cost for subsequent accounting. Subsequent to initial recognition, real estate inventories are valued at lower of cost and net realizable value. Costs are those expenses incurred in bringing each housing unit to its present location and condition. Costs which can be specifically allocated to a particular phase/area of the development are allocated to the property units constructed in that phase/area based on the GFA (Gross Floor Area) of each unit. Other common costs unrelated to a particular phase/area are recorded in a separate account as incurred and allocated to the revenue generating units. The Company allocates such costs on the basis of factors relevant to the units constructed.

Spares and consumables

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated selling expenses.

21.1 Critical judgements

Net realizable values of development property and real estate inventory

Properties in the process of construction or development for the purpose of sale on completion are classified as development property. In determining whether development property is measured at the lower of cost and net realizable value, the management makes judgements as to whether there is any observable data indicating that there is a reasonable measurable decrease in the estimated future selling price of the real estate properties. Accordingly, an impairment provision is made where there is a potential loss event or condition which, based on previous experience, is evidence of a reduction in the future selling price of the real estate properties. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing and staff costs capitalized.

(AED in millions)

	2025	2024
Development property (note 21.2)	1,728	2,190
Real estate inventories (note 21.2)	13	13
	1,741	2,203
Spares and consumables	18	17
At 31 December	1,759	2,220

21.2 Development property and real estate inventory movement during the year

(AED in millions)

	2025	2024
As at 1 January	2,203	2,690
Additions during the year	3,332	2,372
Transferred from investment property ^a (note 17.2)	114	98
Transferred to cost of property sales	(3,899)	(2,956)
Reversal	(11)	(1)
Effect of movements in exchange rates	2	-
As at 31 December	1,741	2,203

- a) During the year, land and capital work in progress amounting to AED 114 million, previously held as investment property, has been transferred to development property to develop a community project. In the prior year, land and certain real estate properties amounting to AED 98 million previously classified as investment property have been reclassified to development property and real estate inventory intended for sale.

22. Cash and bank balances

(AED in millions)

	2025	2024
Cash in hand	2	7
Call deposits and current accounts ^a	474	427
Cash and cash equivalents	476	434
Restricted cash ^b	3,452	3,762
Cash and bank balances at 31 December	3,928	4,196

- a) The Group's call deposits and current accounts with banks and financial institutions amounted to AED 474 million at 31 December 2025 (2024: AED 427 million).
- b) Restricted cash amounting to AED 3,452 million (2024: AED 3,762 million) represents the proceeds received from property sales, which is held in escrow accounts with financial institutions and restricted for use on development property expenditures. These deposits/balances are not under lien.
- c) In accordance with local laws, the Group holds titles of certain bank accounts for the beneficial ownership of the owners association of its communities and hence these balances are not recorded in the Group's consolidated financial statements.

23. Trade and other payables

Accounting Policy

Trade payables are initially measured at fair value, then subsequently measured at amortized cost and, where the effect is material, discounted to reflect the time value of money.

(AED in millions)

	2025	2024
Trade payables	301	233
Advances from customers (note 23.1) ^a	1,938	2,415
Deposits from customers ^a	902	904
Unearned revenue	671	607
Project related accruals ^a	663	419
Accruals	382	368
Tenant related advances	370	386
Retention from contractor payments	219	145
Current portion of lease liabilities (note 31.2.2)	16	42
Current portion of deferred liability	11	11
Other	119	146
At 31 December	5,592	5,676

- a) The project related accruals, advances and deposits from customers mainly pertain to balances from ongoing construction of several community projects.
- b) During the year, trade and other payables include AED 137 million (2024: AED 170 million) balance with related parties as disclosed in note 30.2.

23.1 Advances from customers

(AED in millions)

	2025	2024
As at 1 January	2,415	2,684
Additions during the year	4,404	3,035
Recognized in the consolidated statement of profit or loss	(4,881)	(3,304)
As at 31 December	1,938	2,415

- a) Advances from customers comprise of payments received for the sale of properties mainly from community projects for which revenues have not yet been recognized in the consolidated statement of profit or loss in line with the revenue recognition policy of the Group.
- b) The aggregate amount of the sale price allocated to the performance obligations of the Group that are unsatisfied/partially unsatisfied as at 31 December 2025 is AED 12,229 million (excluding joint ventures) (2024: AED 13,117 million). The Group estimates to recognize these unsatisfied performance obligations as revenue over a period of up to 4 years.

24. Provisions
Accounting Policy

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(AED in millions)

	2025	2024
Bonus provisions (short and long term) ^a	103	131
Other provisions ^b	135	40
At 31 December	238	171
- Current	238	122
- Non-current	-	49

a) Bonus provisions represent the amount payable to the employees of the Group.

b) Other provisions mainly relate to provision for infrastructure cost amounting to AED 79 million (2024: AED 16 million).

24.1 Reconciliation of provisions as at the reporting date

(AED in millions)

	Bonus provisions	Other provisions
At 1 January 2024	171	179
Provisions recognized during the year	73	21
Reduction arising from payments/write backs/reclassifications	(112)	(154)
Effect of changes in foreign currency translation	(1)	(6)
At 31 December 2024	131	40
At 1 January 2025	131	40
Provisions recognized during the year	116	97
Reduction arising from payments/write backs/reclassifications made	(108)	(3)
Transfer to a related party (refer 30.1(c))	(36)	-
Effect of changes in foreign currency translation	-	1
At 31 December 2025	103	135

25. Loans and borrowings

(AED in millions)

	2025	2024
Unsecured – At amortized cost		
Sukuk certificates ^a	8,398	8,416
At 31 December	8,398	8,416
- Current	-	1,832
- Non-current	8,398	6,584

a) Carrying amount adjusted for unamortized transaction costs of AED 51 million (2024: AED 33 million).

25.2 Sukuk certificates

(AED in millions)

	2025	2024
At 1 January	8,449	8,449
Borrowed during the year ^b	1,837	-
Repaid during the year ^b	(1,837)	-
At 31 December	8,449	8,449
Net unamortized transaction costs incurred	(51)	(33)
	8,398	8,416
- Current	-	1,832
- Non-current	8,398	6,584

Details of the Group's sukuk certificates, gross of unamortized transaction costs incurred, are as follows:

(AED in millions)

Loan issuance	2025	2024	Interest rate	Repayment Interval	Start date	Maturity date
USD 500 million	-	1,837	4.50% per annum (semi-annual basis)	Bullet payment	Nov 2015	Nov 2025
USD 600 million	2,204	2,204	4.638% per annum (semi-annual basis)	Bullet payment	May 2019	May 2029
USD 600 million	2,204	2,204	3.9325% per annum (semi-annual basis)	Bullet payment	Oct 2019	Feb 2030
USD 100 million	367	367	3.15% per annum (semi-annual basis)	Bullet payment	Nov 2020	Nov 2028
USD 500 million	1,837	1,837	5.0% per annum (semi-annual basis)	Bullet payment	Jun 2023	Jun 2033
USD 500 million	1,837	-	4.88% per annum (semi-annual basis)	Bullet payment	Oct 2025	Oct 2035
At 31 December	8,449	8,449				

a) Arrangement ('Murabaha') includes transfer of ownership of certain identified assets to a special purpose vehicle (MAF Sukuk Ltd.) formed for the issuance of sukuk without transfer of control. The certificate holders have no recourse to the assets and the profits are serviced from the returns generated from the identified assets. In 2019, the size of the Sukuk Trust Certificate Issuance Program was increased to USD 3.0 billion, with unutilized facility of USD 700 million as at the reporting date.

b) In October 2025, the Group issued an additional ten-year Sukuk certificates, raising gross proceeds of USD 500 million (AED 1.8 billion). In November 2025, the Group also settled Sukuk of USD 500 million (AED 1.8 billion). These are listed on the stock exchanges - NASDAQ Dubai and Euronext Dublin.

c) All Sukuk certificates issued are secured by the Parent Company's (MAFH) corporate guarantee.

26. Other liabilities

(AED in millions)

	2025	2024
Lease liabilities (note 31.2.2)	117	301
Deferred liability	46	57
At 31 December	163	358

26.1 Reconciliation of liabilities arising from financing activities

(AED in millions)

	1 January 2025	Cash Inflows	Cash outflows	Non-cash changes	31 December 2025
Term loan from a related party ^a	1,613	5,803	(7,482)	66	-
Loans and borrowings	8,416	1,837	(1,861)	6	8,398
Lease liabilities	343	-	(24)	(186)	133
At 31 December	10,372	7,640	(9,367)	(114)	8,531

a) Non-cash changes mainly comprise a reduction of AED 143 million in the term loan arising from a waiver following the transfer of ownership of a certain subsidiary to a sister company, coupon payment of AED 175 million and net interest receivable from MAFH of AED 2 million adjusted against /converted against the 'term loan from a related party'.

(AED in millions)

	1 January 2024	Cash inflows	Cash outflows	Non-cash changes	31 December 2024
Term loan from a related party ^a	4,082	1,997	(5,000)	534	1,613
Loans and borrowings	8,411	-	-	5	8,416
Lease liabilities	313	-	(33)	63	343
At 31 December	12,806	1,997	(5,033)	602	10,372

a) Non-cash changes mainly comprise an increase of AED 188 million to the term loan from a related party due to transfer of beneficial ownership of certain subsidiaries from Ultimate Parent Company, coupon payment of AED 175 million and interest payable to MAFH of AED 171 million adjusted against /converted to the 'term loan from a related party'.

27. Retirement benefit obligation
Accounting Policy
Defined benefit plan

Provision for retirement benefit obligation is calculated in accordance with the labour laws of the respective country in which they are employed. The Group's retirement benefit obligation is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods and is discounted to determine the present value of the obligation. The discount rate used is the yield at the reporting date on premium bonds that have maturity dates approximating the terms of the Group's obligation.

Remeasurements of the net defined benefit liability which comprise actuarial gains and losses are recognized in OCI.

Defined contribution plan

Under the UAE Federal Law No. (7) of 1999 for pension and social security law, employers are required to contribute 12.5% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme. The Group's contribution is recognized as an expense in profit or loss as incurred.

(AED in millions)

	2025	2024
Defined benefit plan (note 27.1)	150	126
Defined contribution plan	3	2
At 31 December	153	128

27.1 Defined benefit plan

Reconciliation of defined benefit obligation liability at the reporting date:

(AED in millions)

	2025	2024
At 1 January	126	131
Expense for the year	29	34
Benefits paid during the year	(14)	(23)
Reclassifications/ other adjustments	16	-
Transfer to a related party (note 30.1)	(5)	-
Re-measurement of defined benefit liability	(2)	(16)
At 31 December	150	126

27.1.1 Key assumptions and estimation uncertainties:

The principal assumptions used for the purposes of the valuation of retirement benefit obligation were as follows:

	2025	2024
Future salary increase	4.00%	4.50%
Discount rate	4.31%	4.94%
Probability of employees staying for a full service period	50%	50%

Sensitivity analysis

During the year, the Group recorded re-measurement gain on the defined benefit liability amounting to AED 2 million (2024: AED 16 million), presented under consolidated statement of other comprehensive income. This is mainly driven by the change in estimate on future salary increase in line with recent historical trend. A sensitivity analysis has been determined based on the exposure to fluctuation in future salary increase used in calculation the present value of defined benefit liability at the end of the reporting period. If the future salary rate increases by 100 basis points and the discount rate decreases by 100 basis points, the Group's OCI for the year ended 31 December 2025 would decrease by AED 20 million. Conversely, if the future salary rate decreases by 100 basis points and the discount rate increases by 100 basis points, the Group's OCI would increase by AED 16 million, assuming all other assumptions remain constant.

27.2 Defined contribution plan

The amounts related to the defined contribution plan recognized in the consolidated financial statements are as follows:

	(AED in millions)	
	2025	2024
Total expense recognized in profit or loss during the year	13	10
Contributions payable at the end of the reporting year	3	2

28. Equity

28.1 Share capital

	(AED in millions)	
	2025	2024
Authorized, issued and fully paid:		
3,500,000 shares of AED 1,000 each	3,500	3,500
At 31 December	3,500	3,500

28.2 Shareholder contribution

	(AED in millions)	
	2025	2024
Subordinated capital loan instruments ^a	2,750	2,750
Contribution from MAFH ^b	188	188
At 31 December	2,938	2,938

a) In 2009, the Company issued subordinated capital loan instruments of AED 2,500 million in five loan instruments of AED 500 million each. In 2010, an additional loan instrument of AED 250 million was issued by the Company. These instruments are collectively referred to as "the hybrid instruments" and are fully subscribed to by MAFH as per the terms of a Master Capital Loan Agreement and a separate Capital Loan Agreement for each loan, dated 5 October 2009. In 2020, the agreement with MAFH had been amended resulting in a change in coupon payment rate at a fixed rate of 6.375% per annum payable semi-annually in arrears. The hybrid instrument does not have a final maturity date. The coupon is non-cumulative in nature and can be deferred indefinitely at the Company's discretion without constituting a default. In case of MAFH ceasing control of the Company, the prevailing coupon rate on the hybrid instruments will be permanently increased by 5% and such coupons will become cumulative. Based on the terms of the hybrid instruments, these are accounted for as equity instruments. The hybrid instruments were subscribed to through a debt to equity swap transaction.

b) In 2012, the Group novated all of its rights and obligations under two bank facilities agreement, which cumulatively amounted to USD 900 million of term loans to MAFH and has converted external facilities to related party funding. However, the Company continues to use these facilities under an intercompany funding agreement signed with MAFH. These derivative instruments, which were hedged by way of interest rate collar and interest rate swap, had a negative fair value of AED 188 million at the time of novation. MAFH waived its contractual obligation of recovering the liability from the Group and accordingly this balance was classified within shareholder contribution.

28.3 Statutory reserve

In accordance with the Articles of Association of companies in the Group and relevant local laws, 5%-10% of the net profit for the year of the individual companies, to which the law is applicable, is transferred to a statutory reserve. Such transfers may be discontinued when the reserve equals the limit prescribed by the relevant laws applicable to individual entities. This reserve can be utilized only in the manner specified under the relevant laws and is not available for distribution.

28.4 Currency translation reserve

The currency translation reserve comprises all foreign currency differences arising from translation of the financial statements of foreign operations mainly in Egypt. During the year, the Group recorded foreign currency translation gain of AED 113 million (2024: AED 634 million foreign currency translation loss).

29. Financial instruments

Accounting Policy

Financial assets

Classification and measurement

Initial recognition

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI - equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial asset at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial assets at amortized cost consist of trade and other receivables, cash and bank balances and related party receivables.

Financial asset at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Financial asset at FVTPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

A financial asset (unless it is a trade receivable without a significant financial component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

The following accounting policies apply to subsequent measurement of financial assets:

Financial assets	Subsequent measurement
Financial asset at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity instruments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Financial asset at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Cash and cash equivalents:

Cash and cash equivalents comprise cash and call deposits with maturities of three months or less from acquisition date.

De-recognition of financial assets

The financial assets are derecognized when the contractual rights to the cash flows from the asset expire or when they are transferred to another party without retaining control or when substantially all risks and rewards of the asset are transferred. Any interest in such transferred financial assets that is created or retained is recognized as a separate asset or liability. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities

Financial liabilities are classified in two categories:

- amortized cost ('AC');
- financial liabilities measured at fair value through profit or loss ('FVTPL')

The Group's financial liabilities are measured at amortized cost.

Recognition and measurement of financial liabilities

All financial liabilities are initially recognized at their fair value less transaction costs (with the exception of the transaction costs of liabilities measured at fair value through profit or loss, which are recognized as an expense).

Financial liabilities measured at amortized cost

Financial liabilities primarily comprise trade payables, accruals, retention payables, long-term loans, bank borrowings, related party payables and other liabilities. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Issue

costs and premiums and redemption premiums form part of the amortized cost of financial liabilities.

De-recognition of financial liabilities

The financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

General

Breakdown between current and non-current

The breakdown of financial assets and liabilities between current and non-current is determined according to their maturity at the reporting date: less than or more than one year.

Offset of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, there is a legal right to offset the amounts and there is an intention either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives and hedging activity

There are no derivatives and hedging activities executed by the Group.

29.1 Details of financial assets and liabilities - Carrying amount and classification

Financial assets

(AED in millions)

At 31 December 2025	Carrying amount	Non-financial assets*	Financial assets	Classification
	A	B	C=A-B	
Trade and other receivables (including long term)	6,208	2,129	4,079	Amortized cost
Cash and cash equivalents	474	-	474	
Restricted cash	3,452	-	3,452	
Receivables from and loans to related parties (short term and long term balances)	2,013	-	2,013	
	12,147	2,129	10,018	

*Non-financial assets include prepayments, advances and accrued income on operating leases.

(AED in millions)

At 31 December 2024	Carrying amount	Non-financial assets*	Financial assets	Classification
	A	B	C=A-B	
Trade and other receivables (including long term)	5,346	2,049	3,297	Amortized cost
Cash and cash equivalents	427	-	427	
Restricted cash	3,762	-	3,762	
Receivables from and loans to related parties (short term and long term balances)	50	-	50	
	9,585	2,049	7,536	

*Non-financial assets include prepayments, advances and accrued income on operating leases.

Financial liabilities

(AED in millions)

At 31 December 2025	Carrying amount	Non-financial liabilities	Financial liabilities	Classification
	A	B	C=A-B	
Loans and borrowings	8,398	-	8,398	Amortized cost
Trade and other payables**	5,592	1,088	4,504	
Due to related parties	107	-	107	
Other liabilities	163	-	163	
	14,260	1,088	13,172	

(AED in millions)

At 31 December 2024	Carrying amount	Non-financial liabilities	Financial liabilities	Classification
	A	B	C=A-B	
Loans and borrowings	8,416	-	8,416	Amortized cost
Term loan from a related party	1,613	-	1,613	
Trade and other payables**	5,676	1,054	4,622	
Due to related parties	130	-	130	
Other liabilities	358	-	358	
	16,193	1,054	15,139	

**Trade and other payables include unearned revenue, tenant advances, and taxes other than corporate income tax, which are classified as non-financial liabilities.

29.2 Fair value measurement and hierarchy

As at 31 December 2025, the fair value of the financial assets and liabilities, except for the listed sukuk certificates, are not materially different from their carrying amounts. The fair values of the sukuk certificates that will mature in 2029, 2030, 2033 and 2035 are AED 2,219 million (2024: AED 2,161 million), AED 1,801 million (2024: AED 2,086 million), AED 1,869 million (2024: AED 1,822 million) and AED 1,819 million (2024: Nil), respectively. These certificates are carried at level 2 of the fair value hierarchy. The fair value measurement method used is described in note 6.

29.3 Financial risk management

The Board of Directors of Parent Company ('MAFH') have the overall responsibility for the management of risk throughout its Group companies. The Board of Parent Company establishes and regularly reviews the Company's risk management strategy and policy and procedures to ensure that they are in line with MAFH strategies and objectives. MAFH has constituted an Audit and Risk Management Committee which is mandated to review and challenge the risk management process. This process of review and challenge is designed to assess and suggest improvements to the internal risk management framework, and the soundness of framework that is in place to safeguard the interest of shareholders.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk and market risk, including foreign currency risk and interest rate risk.

Liquidity risk, market risk (including foreign currency risk and interest rate risk) and credit risk related to financial counter parties (banks) are managed by the centralized treasury function of MAFH on behalf of the Group.

29.3.1 Credit risk

Credit risk is defined as the unforeseen losses on assets if counterparties should default. The entities in the Group have credit policies in place and the exposure to credit risk is monitored on an on-going basis. A majority of the Group's income is by way of advance receipts and is supported by a deposit equivalent to three months' rental. Credit evaluations are performed on all customers requiring credit over a certain amount and there is no significant concentration of credit risk. Cash is placed with reputable banks and the risk of default is considered remote. Under the current economic conditions, management has assessed the recoverability of its trade receivables (net of provisions) as at the reporting date and consider them to be recoverable. Due from related parties (net of provisions) are considered recoverable by management. Further details of credit risks on trade receivables and cash and bank balances are discussed in note 19.4 and 22, respectively.

The carrying amounts of the financial assets exposed to credit risk are as follows:

	(AED in millions)	
	2025	2024
Trade and other receivables (including long term receivables)	4,079	3,297
Restricted cash	3,452	3,762
Call deposits and current accounts	474	427
Receivables from and loans to related parties (short term and long term balances)	2,013	50
At 31 December	10,018	7,536

In addition, the Group is exposed to credit risk in relation to various financial guarantees provided against the bank loans of MAFH, and the hybrid perpetual notes and bonds issued by a subsidiary of MAFH (note 33).

29.3.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when they become due without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are presented at gross and undiscounted, and include contractual interest payment.

	(AED in millions)					
At 31 December 2025	Gross Carrying amount	Contractual cash flows	Less than one year	Between one and two years	Between two and five years	More than five years
Unsecured loans and borrowings	8,449	10,779	387	387	5,670	4,335
Trade and other payables	4,504	4,514	4,514	-	-	-
Due to related parties	107	107	107	-	-	-
Other liabilities	163	360	-	29	68	263
	13,223	15,760	5,008	416	5,738	4,598

(AED in millions)

At 31 December 2024	Gross Carrying amount	Contractual cash flows	Less than one year	Between one and two years	Between two and five years	More than five years
Unsecured loans and borrowings	8,449	10,256	2,203	296	3,383	4,374
Term loan from a related party	1,613	1,838	112	112	1,614	-
Trade and other payables	4,622	4,645	4,645	-	-	-
Due to related parties	130	130	130	-	-	-
Other liabilities	358	676	-	48	120	508
	15,172	17,545	7,090	456	5,117	4,882

29.3.2.1 Funding and liquidity

At 31 December 2025, the Group has net current assets of AED 3.3 billion (2024: AED 1.5 billion). Further, at 31 December 2025, loans and borrowings and term loan from a related party amount to AED 8.4 billion (2024: AED 10 billion), wherein the earliest repayment of a material borrowing falls in 2028 ('Sukuk certificates' of AED 367 million under loans and borrowings). To meet its commitments, the Group has access to sufficient undrawn committed facilities from MAFH and banks amounting to AED 8.9 billion (2024: AED 7.1 billion) as at the reporting date. The Group's assessment of funding and liquidity shows sufficient liquidity for the foreseeable future through its cash and available committed lines.

29.3.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign currency exchange rates, will adversely affect the Group's net income or the value of financial instruments that it holds.

a) Interest rate risk

The Group's exposure to interest rate risk relates to the borrowings described in note 25. These risks are managed at MAFH level through use of derivatives. The following is the assessment of sensitivity to interest rate risk:

(AED in millions)

	2025	2024		
Fixed interest bearing instruments				
- Financial liabilities (loans)	(8,449)	(8,449)		
- Financial liabilities (lease liabilities)	(133)	(343)		
- Financial liabilities (deferred liability)	(46)	(57)		
At 31 December	(8,628)	(8,849)		
Variable interest bearing instrument				
- Financial assets (under term loan to a related party and other long term receivables)*	2,046	-		
- Financial liabilities (loans and borrowings)	-	(1,613)		
At 31 December	2,046	(1,613)		
	P&L	OCI	P&L	OCI
<i>Sensitivity analysis on variable interest bearing instruments:</i>				
- Increase of 100bps	(20)	-	16	-
- Decrease of 100bps	20	-	(16)	-

*This primarily comprises term loans from related parties amounting to AED 2,046 million, including AED 74 million classified under other long-term receivables.

b) Foreign currency risk

The Group is exposed to foreign currency risk on its net investments in foreign subsidiaries and operations. Aside from the foreign currency risk arising from the Group's operations in Lebanon and Egypt (refer note 28.4), a significant portion of the Group's foreign currency borrowings and balances are denominated in USD and other currencies linked to USD. As the Company's functional currency is currently pegged to USD (AED 3.673/USD), any fluctuation in exchange rate is not likely to have a significant impact on the Group's equity and profit or loss.

29.4 Capital management

The primary objective of the Group is to ensure that optimal capital and liquidity is available to support operations and long-term growth of the businesses. The capital structure of the Group consists of debt (loans and borrowings as per note 25) and equity (comprising issued capital, shareholder contribution, revaluation reserve, retained earnings and other reserves as per note 28).

	(AED in millions)	
	2025	2024
Loans and borrowings (excl. finance lease liabilities)	8,398	10,029
Less: cash and bank balances (note 22)	(476)	(434)
Net debt	7,922	9,595
Share capital	3,500	3,500
Shareholder contribution	2,938	2,938
Revaluation reserve	13,966	13,933
Retained earnings	25,820	20,748
Other reserves	(1,860)	(1,974)
Total equity attributable to owners of the Company - At 31 December	44,364	39,145

All bank covenants are maintained at MAFH level and monitored at regular intervals. The covenants in the loan agreements are net worth, debt to equity, and interest coverage, which are in line with prior year.

30. Related party transactions and balances

Balances and transactions between the Company and its subsidiaries (note 7), which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. The Group's related party transactions are conducted based on agreed terms.

30.1 Related party transactions

AED in millions	MAFC		MAFH		Sister companies		Equity accounted investees		KMP and other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Profit or loss transactions (income/(expenses)):												
Services received:												
- Treasury, corporate secretarial services and others	-	-	(45)	(49)	-	-	-	-	-	-	(45)	(49)
- Facility management services	-	-	-	-	-	-	(137)	(125)	-	-	(137)	(125)
- Global & digital solutions service charge ^a	-	-	-	-	(173)	(115)	-	-	-	-	(173)	(115)
- Loyalty programme	-	-	-	-	(64)	(52)	-	-	-	-	(64)	(52)
- Depreciation charges from a related party	-	-	(1)	(3)	(10)	(6)	1	-	-	-	(10)	(9)
Services rendered:												
- Renting of retail and office space	-	-	6	7	385	393	2	2	2	2	395	404
- Asset management	-	-	-	-	-	-	3	3	-	-	3	3
- Project management	-	-	-	-	-	-	1	1	-	-	1	1
- Other service charges	-	-	-	-	1	2	-	-	-	-	1	2
- Interest income/(expense) on loans	-	-	22	(171)	2	-	-	-	-	-	24	(171)
- Compensation to key management personnel ('KMP') ^a	-	-	-	-	-	-	-	-	(27)	(27)	(27)	(27)
- Revenue recognized from sales to key management personnel (note 10(b))	-	-	-	-	-	-	-	-	13	10	13	10
Balance sheet and equity transactions (inflows/(outflows)):												
- Coupon declared on subordinated capital loan instrument	-	-	(175)	(175)	-	-	-	-	-	-	(175)	(175)
- Dividend declared by equity accounted investee (note 8.2(c))	-	-	-	-	-	-	153	88	-	-	153	88
- Dividend declared to a non-controlling interest (note 7.2(b))	-	-	-	-	-	-	-	-	(13)	(10)	(13)	(10)
- Reduction of investment in equity accounted investee (note 8.2(b))	-	-	-	-	-	-	(60)	(30)	-	-	(60)	(30)
- Transfer of investment property to related parties (note 17.2)	-	-	-	-	-	3	-	-	-	-	-	3
- Transfer of provision to a related party ^c	-	-	(36)	-	-	-	-	-	-	-	(36)	-
- Transfer of gratuity to a related party (note 27.1)	-	-	(5)	-	-	-	-	-	-	-	(5)	-
- Waiver of term loan from a related party (note 30.2(d))	-	-	-	-	143	-	-	-	-	-	143	-
- Waiver of liability due to a related party (note 34)	-	-	-	-	73	-	-	-	-	-	73	-
- Loss on acquisition of subsidiaries charged against equity ^b	-	(17)	-	-	-	-	-	-	-	-	-	(17)
Off-balance sheet transactions												
Provision of corporate guarantees (note 33):												
- On various bank loans availed by MAFH	-	-	(4,964)	(5,599)	-	-	-	-	-	-	(4,964)	(5,599)
- On hybrid perpetual note instruments and bonds issued under the Global Medium Term Note ('GMTN') program	-	-	(2,975)	(3,306)	-	-	-	-	-	-	(2,975)	(3,306)
- Capital commitments (note 32)	-	-	-	-	-	-	161	247	-	-	161	247

a) The aggregate compensation comprises of directors' fees and expenses of AED 4 million (2024: AED 4 million), short term employee benefits (salaries and allowances including provision for bonus) of AED 21 million (2024: AED 20 million) and provision for retirement benefit obligation and long-term incentive plan of AED 2 million (2024: AED 3 million). This does not include amounts paid by MAFH in relation to services provided by its key management personnel to the Company.

b) Effective 1 January 2024, the Ultimate Parent Company transferred its beneficial interest in Majid Al Futtaim Holding (Muscat) LLC and Majid Al Futtaim Capital Investments LLC to the Group. As the entities are under common control, the Group accounted for the transfers prospectively using the book value method, recognizing assets and liabilities at their carrying amounts in the Ultimate Parent Company's consolidated financial statements. A consideration of AED 188 million was settled through an addition to the term loan from the Parent Company. The transaction resulted in a loss on acquisition of AED 17 million, which was directly charged to equity.

c) In June 2025, the provision for Long-Term Incentive Plans (LTIPs) was transferred to MAFH and offset against the intercompany balance. From July 2025, LTIP-related accruals, settlements, reversals, and other adjustments are managed by MAFH, and the relevant LTIP costs are recharged to the Company. Refer to Note 24.1 for movements in the provision.

30.2 Related party balances:

AED in millions	MAFC		MAFH		Sister companies		Equity accounted investees		Other		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Assets:												
Long term receivables (note 19.2) ^{a, b}	-	-	3	3	99	19	-	-	-	-	102	22
Term loan to a related party ^e	-	-	1,972	-	-	-	-	-	-	-	1,972	-
Trade and other receivables (note 19.1)	-	-	7	4	101	95	1	1	-	-	109	100
Due from related parties:												
- Short-term, interest-free and unsecured receivable	1	1	5	-	13	1	25	32	-	-	44	34
- Less: loss allowances	-	-	-	-	-	-	(3)	(8)	-	-	(3)	(8)
	1	1	5	-	13	1	22	24	-	-	41	26
Loan to related parties:												
- Short-term, interest-free and unsecured loan	-	-	-	-	-	-	-	24	-	-	-	24
Liabilities:												
Trade and other payables (note 23)	-	-	6	3	129	145	2	22	-	-	137	170
Due to related parties:												
- Short-term, interest-free and unsecured payable	-	-	-	4	51	68	56	58	-	-	107	130
Term loan from a related party ^{c, d}	-	-	-	1,613	-	-	-	-	-	-	-	1,613

- a) Effective 18 November 2024, the Group entered into a loan agreement with a related party bearing interest at a margin of 75 basis points per annum over the Omani Rial Interbank Offered Rate (OMIBOR). The original facility amount of OMR 6 million was amended to OMR 20 million effective 1 October 2025, of which OMR 5.5 million was utilized during the year. In addition, effective 25 November 2024, the Group extended a separate loan to the same related party bearing interest at a margin of 75 basis points per annum over the Bahrain Dinar Interbank Offered Rate (BHIBOR), with a total facility of BHD 5 million, of which BHD 2.25 million was utilized during the year. Both loan receivables are repayable on or before the fourth anniversary of their respective agreements. As at the reporting date, the total outstanding balance amounted to AED 74 million (2024: Nil).
- b) As at reporting date, long term receivables include AED 28 million (2024: AED 22 million) balance pertaining to accrued income on operating leases.
- c) The loan agreement was amended and repayable after four (4) years from the effective date of 1 January 2023. The unsecured facility carries a margin of 1.60% (31 December 2024: 1.72%) per annum over EIBOR for the current year. Refer to note 30.2.1 for movement in the loan.
- d) The Company obtained a loan relating to the operations of Majid Al Futtaim City Centre Al Shindagha Co LLC, a subsidiary. During the year, on transfer of this subsidiary (refer note 34), the outstanding loan amount of AED 143 million was waived by MAFH. This waiver resulted in an extinguishment of liability. This extinguishment is treated as a transaction with owners of the Company and recorded directly in equity.
- e) Effective 1 July 2025, the Company entered into an intercompany loan agreement with MAFH, bearing a margin of 4.75% (31 December 2024: Nil) per annum over EIBOR. The loan is receivable from MAFH on or before the fourth anniversary of the agreement and is subject to automatic renewal for a similar period. As at the reporting date, the total outstanding balance amounted to AED 1,972 million (2024: Nil). Refer to Note 30.2.1 for movements in the loan.

30.2.1 Term loan (to)/from a related party

(AED in millions)

	2025	2024
At 1 January	1,613	4,082
Borrowed during the year	3,867	1,997
Waiver due to transfer of a subsidiary (note 30.2(d))	(143)	-
Additions due to ownership transfer of a related party (note 34.1)	-	188
Interest payable to/receivable from MAFH converted to long term loan ^a	(2)	171
Coupon payable to MAFH adjusted against long term loan ^a	175	175
Repaid during the year	(7,482)	(5,000)
At 31 December	(1,972)	1,613
- Current	-	-
- Non-current (note 30.2(c), (e))	(1,972)	1,613

31. Leases
Accounting policy

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. The details of accounting policy under IAS 17 are disclosed separately.

i. Definition of a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

ii. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group has elected, as a practical expedient under IFRS 16, not to separate non-lease components and account for the lease and non-lease components as a single lease component for leases of properties.

Right-of-use assets

The Group recognizes right-of-use assets at the lease commencement date. Right-of-use asset is initially measured at cost, which comprises initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus initial direct cost incurred, and less any lease incentives received. Right-of-use asset is subsequently depreciated using straight-line basis over the shorter of the lease term and estimated useful life of the leased asset, reduced by any impairment and adjusted for remeasurements of the lease liability. In cases where the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group will exercise a purchase option by the end of the lease term, the right-of-use asset will be depreciated over the estimated useful life of the leased asset.

When a right-of-use asset meets the definition of investment property, it is presented in investment property and is initially measured at cost and subsequently measured at fair value with any change therein recognized in profit or loss. Where the fair value is not reliably measurable, it is measured at cost less any impairment until its fair value becomes reliably measurable.

Lease liability

At the lease commencement date, lease liability is initially measured at the present value of the outstanding lease payments, discounted using the lease implicit interest rate or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. The lease liability is measured at amortized cost using effective interest method. It is remeasured when there is a modification of lease term, change in future lease payments arising from a change in rate, estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised by the Group.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impact the lease term, which significantly affects the amount of lease liabilities and right-of-use asset recognized.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. Lease payments associated with these leases are recognized as expense on a straight-line basis over the lease term.

iii. As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset. The Group accounts for a modification to an operating lease (for example, a change in scope or consideration for a lease that was not part of the original terms and conditions of the lease) as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease, and amortized over the new lease term.

At inception or on modification of a contract that contains a lease component, the Group allocates the

consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

31.1 Critical judgement

Determining the lease term as lessee: Whether the Group is reasonably certain to exercise option to renew

The Group has the option to renew its leases of residential and commercial properties for an additional term. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. In making this judgement, management considers all relevant facts and circumstances that create an economic incentive for it to exercise the option to renew. The Group reassesses the lease term if there is a significant event or change in circumstances that affects its ability to exercise or not to exercise the option to renew.

31.2 Group as lessee

The Group leases plots of land that meet the definition of investment property (note 17.2). Further, the Group leases residential and commercial properties with lease terms for a period of 1 year or more. All operating lease contracts contain market review clauses in the event the renewal option is exercised.

31.2.1 Right-of-use assets

Reconciliation of the net carrying amount of right-of-use assets that do not meet the definition of investment property at the reporting date is as follows:

	(AED in millions)	
	2025	2024
At 1 January	46	16
Depreciation charge for the year	(20)	(15)
Net addition during the year	9	45
At 31 December	35	46

The Group has tested its right-of-use assets for impairment at the end of the reporting period and has concluded that there is no indication that the right-of-use assets are impaired.

31.2.2 Lease liabilities

	(AED in millions)					
	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2025	2024	2025	2024	2025	2024
Less than one year	25	64	9	22	16	42
Between one and two years	17	36	8	21	9	15
Between two and five years	32	84	24	60	8	24
More than five years	263	496	163	234	100	262
At 31 December	337	680	204	337	133	343
- Current (note 23)					16	42
- Non-current (note 26)					117	301

a) *Interest rates underlying all lease liabilities are determined at the respective contract dates based on the incremental borrowing rates ranging from 2.07% to 10.30% (2024: 1.17% to 10.30%) per annum.*

31.3 Group as lessor

The Group leases out its investment property with lease terms typically between 3 to 10 years. These are classified as operating lease since they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The lessee does not have an option to purchase the property at the expiry of the lease period. Furthermore, the lessee does not have the right to assign or sublet the lease or the unit without the prior written consent of the Group.

The Group signs up leases in advance of shopping mall openings and lessees require time to fit out their stores prior to opening. The Group has a right of recourse in the event that the lessee chooses not to open; the exercise of the Group's right will depend on commercial and operational factors.

The maturity analysis of undiscounted lease payments to be received after reporting date are as follows:

	(AED in millions)	
	2025	2024
Less than one year	3,231	3,012
One to two years	2,531	2,202
Two to three years	1,963	1,579
Three to four years	1,418	1,161
Four to five years	881	818
More than five years	1,487	1,836
At 31 December	11,511	10,608

The net rental income earned by the Group from its investment property for the year is set out in note 17.3.

32. Commitments

	(AED in millions)	
	2025	2024
Capital commitments of the Group	4,668	3,274
The Group's share of capital commitments in relation to its equity accounted investees	161	247
At 31 December	4,829	3,521

Capital commitments refer to the value of contracts signed for the development and construction of assets as at 31 December 2025, net of costs incurred and advances made up to that date.

33. Contingent liabilities

	(AED in millions)	
	2025	2024
Corporate guarantees on various bank loans availed by MAFH	4,964	5,599
Co-guarantee on hybrid perpetual notes issued by a subsidiary of MAFH	2,975	3,306
Performance guarantee to government authorities	1,774	1,195
At 31 December	9,713	10,100

33.1 Litigation and claims

There are certain litigation and claims that arise during the normal course of business. Management reviews these on a regular basis as and when such litigations and/or claims are received. Each case is treated according to its merit and necessary provisions are created. Based on the opinion of the Group's legal counsel and information presently available, management believes there is no significant exposure that may result in a significant cash outflow for the Group.

34. Transfer of a subsidiary

Effective 1 May 2025, the Company transferred its ownership in Majid Al Futtaim City Centre Al Shindagha Co LLC (Al Shindagha) to its sister company, Majid Al Futtaim Retail LLC (MAF Retail). The Group has derecognized the carrying amounts of assets and liabilities of Al Shindagha recorded in its consolidated financial statements upon transfer of control of Al Shindagha to MAF Retail. As of reporting date, the legal transfer of shares of Al Shindagha to MAF Retail has been completed.

The following table summarizes the financial position of Al Shindagha at the date of the transfer of control and the impact on the Group's consolidated financial position arising from the transfer:

	(AED in millions)
	At the date of transfer
Non-current assets	
Property, plant and equipment, net	-
Investment property	177
Current assets	11
Total assets	188
Current liabilities	(31)
Non-current liabilities	(230)
Total liabilities	(261)
Net liabilities/deficiency of assets	(73)
Less: Consideration payable*	(73)
Adjustment through waiver of liability**	73

**The net liabilities position of Al Shindagha at the date of transfer resulted in a consideration payable to MAF Retail. Since the deficiency of assets is equal to the consideration payable, no gain or loss is recognised on the transfer.*

***During the year, the consideration payable was waived by MAFH resulting to an extinguishment of liability. This extinguishment is treated as a transaction with owners of the Company and recorded directly in equity.*

35. Subsequent events

There has been no significant event subsequent to the reporting date and up to the date of authorization on 27-Feb-2026, which would have a material effect on the consolidated financial statements as at 31 December 2025.

36. Comparatives

Certain comparative figures in the consolidated financial statements have been reclassified or arranged for better presentation in accordance with the requirements of IFRS.