Al Mal Capital REIT and its subsidiary

Condensed consolidated interim financial statements
for the six-month period ended 30 June 2026

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Condensed consolidated interim financial statements

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

To the unitholders of Al Mal Capital REIT

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Al Mal Capital REIT (the "Fund") and its subsidiary (collectively referred to as "the Group") as at 30 June 2026, the condensed consolidated interim statements of profit or loss and other comprehensive income, changes in unitholders' equity and cash flows for the six month period then ended, and notes to the condensed consolidated interim financial statements. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements as at 30 June 2026 are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates
Date: 12 AUG 2026

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Al Mal Capital REIT and its subsidiary

Condensed consolidated interim statement of financial position

	Notes	At 30 June 2026 AED'000 (Unaudited)	At 31 December 2025 AED'000 (Audited)
Assets			
Non-current assets			
Investment properties	5	**1,372,100**	1,358,700
Current assets			
Receivables and other assets	6	32,321	23,572
Short term deposits	7	16,889	13,334
Cash and cash equivalents	7	49,040	67,227
Due from related parties	10	278	1,453
		98,528	105,586
Total assets		**1,470,628**	1,464,286
Equity and liabilities			
Equity			
Unitholders' capital	8	701,214	701,214
Securities premium	8	35,115	35,115
Retained earnings		76,951	61,000
Total unitholders' equity		**813,280**	797,329
Liabilities			
Non-current liabilities			
Bank borrowings	9	534,923	361,191
Due to a related party	10	13,343	12,984
		548,266	374,175
Current liabilities			
Bank borrowings	9	95,079	106,619
Due to a related party	10	291	175,051
Payables and other liabilities	11	2,278	3,781
Deferred tax liability	13	7,677	4,902
Current tax liability	13	3,757	2,429
		109,082	292,782
Total liabilities		**657,348**	666,957
Total equity and liabilities		**1,470,628**	1,464,286
Net asset value (AED'000)		813,280	797,329
Issued units (Units'000)		701,214	701,214
Net asset value per unit (AED)		1.15982	1.13707

To the best of our knowledge, the condensed consolidated interim financial statements are prepared in all material respects, in accordance with IAS 34.

These condensed consolidated interim financial statements were approved by the Board of Directors of Al Mal Capital PSC as the Fund Manager on 12 August 2026 and were signed on its behalf by:

....
Chief Executive Officer

....
Chief Financial Officer

The notes on pages 7 to 16 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated interim statement of profit or loss and other comprehensive income

	Notes	Six-month period ended 30 June 2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Income			
Lease revenue	5	59,040	41,259
Less: property operating expenses		(2,466)	(688)
Net property income		56,574	40,571
Other income		83	-
Net income		**56,657**	40,571
Expenses			
Management fees	10	(4,947)	(3,591)
Other expenses		(369)	(91)
Total expenses		(5,316)	(3,682)
Operating profit for the period		**51,341**	36,889
Finance income / (costs)			
Finance income		886	752
Finance costs		(19,277)	(15,950)
Net finance costs		(18,391)	(15,198)
Profit before revaluation of investment properties		**32,950**	21,691
Unrealised gain on revaluation of investment properties	5	13,400	-
Profit before tax for the period		**46,350**	21,691
Income tax expense	13	(4,103)	(1,885)
Profit after tax for the period		**42,247**	19,806
Other comprehensive income		-	-
Total comprehensive income for the period		**42,247**	19,806
Earnings per unit			
Basic and diluted profit per unit (AED)	8(a)	**0.060**	0.039

Al Mal Capital REIT and its subsidiary

Condensed consolidated interim statement of changes in unitholders' equity

	Notes	Number of units '000	Unitholders' capital AED'000	Securities premium AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2025 - Audited		513,890	513,890	16,383	49,196	579,469
Profit for the period		-	-	-	19,806	19,806
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period			-		19,806	19,806
Dividends distribution	12	-	-	-	(39,826)	(39,826)
At 30 June 2025 - Unaudited		**513,890**	**513,890**	**16,383**	**29,176**	**559,449**
At 1 January 2026 - Audited		701,214	701,214	35,115	61,000	797,329
Profit for the period		-	-	-	42,247	42,247
Other comprehensive income		-	-	-	-	-
Total comprehensive income for the period					42,247	42,247
Dividends distribution	12	-	-	-	(26,296)	(26,296)
At 30 June 2026 - Unaudited		**701,214**	**701,214**	**35,115**	**76,951**	**813,280**

Al Mal Capital REIT and its subsidiary

Condensed consolidated interim statement of cash flows

	Notes	Six-month period ended 30 June 2026 AED'000 (Unaudited)	2025 AED'000 (Unaudited)
Cash flows from operating activities			
Profit before tax for the period		46,350	21,691
Adjustments for:			
Unrealised gain on revaluation of investment properties	5	(13,400)	-
Finance income		(886)	(752)
Finance costs		19,277	15,950
Operating cash flows before changes in working capital		**51,341**	**36,889**
Changes in working capital:			
Change in receivables and other assets		(8,749)	(4,454)
Change in due from a related party		1,175	41
Change in due to a related party		291	7
Change in payables and other liabilities		(1,503)	(2,475)
Net cash generated from operating activities		**42,555**	**30,008**
Cash flows from investing activities			
Payment to a related party relating to purchase of investment property		(175,000)	-
Movement in short term deposits		(3,555)	10,475
Finance income received		886	752
Net cash (used in) / generated from investing activities		**(177,669)**	**11,227**
Cash flows from financing activities			
Proceeds from bank borrowings		175,000	-
Repayment of bank borrowings		(15,000)	-
Finance costs paid		(16,777)	(15,213)
Dividends paid to unitholders	12	(26,296)	(20,555)
Net cash generated from / (used in) financing activities		**116,927**	**(35,768)**
Net movement in cash and cash equivalents		(18,187)	5,467
Cash and cash equivalents at beginning of the period	7	67,227	24,897
Cash and cash equivalents at the end of the period	7	**49,040**	**30,364**

1 Legal status and activities

Al Mal Capital REIT (the "Fund or Parent") is a public closed ended real estate investment fund. The Fund was incorporated in the United Arab Emirates on 15 December 2020 for a period of 99 years pursuant to the provisions of the Capital Market Authority ("CMA") (previously known as Securities and Commodities Authority or "SCA") Board of Directors' Chairman Decision No. 9/R.M of 2016 (Currently, 01/RM of 2023) Concerning the Regulations as to Investment Funds ("Fund Regulations") and the SCA Administrative Decision No. 6/RT of 2019 Concerning Real Estate Investment Fund Controls (the "REIT Regulations").

The condensed consolidated interim financial statements for the six-month period ended 30 June 2026 comprise the Fund, and its fully owned subsidiary Carnation Education LLC (collectively referred to as the "Group"). The Company incorporated in Dubai, United Arab Emirates primarily owns real estate educational assets, including freehold land and a school campus and a corresponding mortgage.

The Fund is listed and traded on the Dubai Financial Market (the "DFM") and is primarily involved in investing in income generating real estate assets, including real estate of educational facilities, health facilities, and industrial assets across the United Arab Emirates ("UAE") and the Gulf Cooperation Council ("GCC"), thereby providing unitholders with an attractive annual return through dividend distribution. The Fund is mandatorily required as per the REIT Regulations to distribute 80% of its annual realised net profit to the unitholders, payable annually.

Al Mal Capital PSC is the fund manager (the "Fund Manager") that manages the Fund's investments. The Fund Manager is a Private Stockholding Company incorporated in the United Arab Emirates. The Fund Manager is a subsidiary of Dubai Investment PJSC, a company listed on the DFM.

Dubai Investments PJSC is the ultimate parent and the controlling party of the Group and has an effective holding of 76.03% of the Fund's units.

The registered address of the Fund, the Company and the Fund Manager is P.O. Box 119930, Dubai, UAE.

2 Basis of preparation

These condensed consolidated interim financial statements for the six-month period ended 30 June 2026 have been prepared in accordance with the International Accounting Standard ("IAS") 34, Interim Financial Reporting issued by International Accounting Standard Board ("IASB"). The consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the *Fund manager's report and financial statements for the year ended 31 December 2025*. In addition, results for the period from 1 January 2026 to 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The accounting policies used in the preparation of these condensed consolidated interim financial statements are consistent with those described in the *Fund manager's report and financial statements for the year ended 31 December 2025,* except for the below;

(a) New and amended standards adopted by the Group

In the current period, there are no significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2026.

2 Basis of preparation *(continued)*

(a) New and amended standards adopted by the Group *(continued)*

	Effective for annual periods beginning on or after
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures regarding the classification and measurement of financial instruments The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9.	1 January 2026

(b) Accounting standards issued but not yet effective

The Group has not early adopted any new and revised IFRSs that have been issued but are not yet effective.

	Effective for annual periods beginning on or after
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely

Management anticipates that these amendments will be adopted in the financial information in the initial period when they become mandatorily effective. The impact of these standards and amendments is currently being assessed by management.

3 Financial risk management

3.1 Financial risk factors

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

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group does not have any significant exposure to foreign currency risk since majority of the transactions are denominated in US Dollar, or in AED and other currencies which are pegged to the US Dollar.

(ii) Price risk

The Group has no significant exposure to price risk as it does not hold any financial instruments which are sensitive to price risk.

3 Financial risk management *(continued)*

3.1 Financial risk factors *(continued)*

(a) Market risk *(continued)*

(iii) Cash flow and fair value interest rate risk

The financial assets and liabilities exposed to interest rate fluctuations are short-term deposits, bank borrowings and long-term payable to related parties. The Fund Manager's treasury ensures that deposits are maintained at the best prevailing market rate at the time of maintaining each deposit.

(iv) Cash flow sensitivity analysis for variable rate instruments

The profit or loss is impacted by the sensitivity in interest rate changes. If the interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the period would decrease or increase by AED 3.2 million (2025: AED 2.4 million).

(b) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	At 30 June 2026 AED'000	**At 31 December 2025 AED'000**
Cash and cash equivalents		
Rating		
A1 *(Moody's rating)*	17,557	25,318
A3 *(Moody's rating)*	-	1,813
A+ (Fitch's rating)	2,961	3,500
A- (Fitch's rating)	1,541	-
BBB+ *(Fitch's rating)*	26,981	36,596
	49,040	67,227
Short term deposits		
Rating		
A+ *(Fitch's rating)*	2,225	-
A- *(Fitch's rating)*	10,000	10,000
BBB+ *(Fitch's rating)*	4,664	3,334
	16,889	13,334

Credit risk from balances with banks and other financial institutions is managed by the Fund Manager by maintaining funds with only approved and reputable counterparties with investment grade credit ratings.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, ensuring the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

3 Financial risk management *(continued)*

3.1 Financial risk factors *(continued)*

(c) ***Liquidity risk*** *(continued)*

The Group aims to maintain the level of cash and cash equivalents and other liquid investments at an amount in excess of expected cash outflows on financial liabilities. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments.

	Carrying Value AED'000	Within 1 year AED'000	1 -5 years AED'000	Above 5years AED'000	Total AED'000
30 June 2026					
Non-derivative financial liabilities					
Bank borrowings	630,002	122,299	581,205	-	703,504
Due to a related party	13,634	291	-	20,000	20,291
Payables and other liabilities	1,116	1,116	-	-	1,116
	644,752	123,706	581,205	20,000	724,911
31 December 2025					
Non-derivative financial liabilities					
Bank borrowings	467,810	131,572	403,263	-	534,835
Due to a related party	188,035	175,051	-	20,000	195,051
Payables and other liabilities	2,527	2,527	-	-	2,527
	658,372	309,150	403,263	20,000	732,413

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern whilst seeking to maximise benefits to Unitholders. The Fund's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Fund Manager focuses on the return on capital, which is defined as profit for the year attributable to equity holders of the Fund divided by total unitholders' equity.

The Fund Manager seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

3.3 Fair value estimation

The fair values of financial assets and financial liabilities measured at amortised cost at 30 June 2026 and 31 December 2025 are not materially different to their carrying amounts, since the interest receivable / payable is either close to current market rates or the financial assets and liabilities are short-term in nature.

4 Use of estimates and judgments

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

4 Use of estimates and judgments *(continued)*

The significant judgments made by the management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the Group's financial statements as at and for the year ended 31 December 2025.

4.1 Taxes

The Group is subject to corporate taxes in the jurisdictions where it is implemented. The total provision for current and deferred taxes has been computed in accordance with the provisions of the applicable legislation. Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

5 Investment properties

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Opening balance	1,358,700	993,000
Additions to investment properties during the period/year *	-	352,605
Unrealised gain on revaluation of investment properties	13,400	13,095
Closing balance	1,372,100	1,358,700

Investment properties comprise of two school campuses in Ajman, UAE (Al Shola Private School and Al Shola American Private School), two school campuses in Sharjah, UAE (Wesgreen International Schools: Muwailah Campus and Al Qaraien Campus), one school campus in Dubai, UAE (Kent College), one hospital in Dubai, UAE (NMC Royal Hospital) & one commercial building in Dubai, UAE (Falcon House) (the "Properties").

*On 30 September 2025 the Fund acquired a plot in Dubai Investment Park, which primarily holds land, two healthcare buildings and one commercial building consisting of thirty offices with a total plot area of 192 thousand square feet. The Company has leased the land and two healthcare building to NMC Royal Hospital for a 20-year period (initially commenced in February 2023) with agreed lease rentals while the land and commercial building has been leased to various companies under annual and multi-year lease agreements.

Lease revenue of AED 59.04 million has been recognised during the period (2025: AED 41.3 million).

Valuation processes

The properties were valued at 30 June 2026 by an independent registered valuer in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institute of Chartered Surveyors taking into account requirements of IFRS 13 'Fair Value Measurement'. For all investment properties, their current use equates to the highest and best use. Senior management review the valuations performed by the independent valuers for financial reporting purposes.

Valuation techniques underlying the Fund Manager's estimation of fair value:

The valuation was determined using the investment method (term and reversion), which derives value from the capitalisation of a property's net income. There were no major changes to the valuation techniques and key unobservable inputs since 31 December 2025.

6 Receivables and other assets

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Rent receivable	32,246	22,768
Prepayments	47	85
Accrued income	28	326
Other receivables	-	393
	32,321	23,572

7 Short term deposits and cash and cash equivalents

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Short term deposits		
Deposits with bank under lien (more than 3 months original maturity)	10,000	10,000
Other deposits under lien	6,889	3,334
	16,889	13,334

For the purposes of the condensed consolidated interim statement of cash flows, cash and cash equivalents comprise the following:

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Cash and cash equivalents		
Cash with banks	23,314	33,727
Deposits with banks (original maturity of 3 months or less)	25,726	33,500
	49,040	67,227

8 Unitholders' capital and Securities premium

Unitholders' capital comprises of 701,214 thousand units of AED 1 each as at 30 June 2026 (2025: 701,214 thousand units of AED 1 each).

On 7th August 2025, the Fund allotted 187,324 thousand units of AED 1 each at a premium of AED 0.10 per unit aggregating to AED 206 million pursuant to a Follow-on Offering.

8 (a) Basic and diluted profit per unit

	For the six-month period ended 30 June 2026	30 June 2025
Profit after tax for the period (AED'000)	42,247	19,806
Number of units outstanding ('000s)	701,214	513,890
Basic and diluted profit per unit (AED)	0.060	0.039

9 Bank borrowings

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Opening balance	467,810	471,576
Islamic financing received during the period/year*	175,000	367,000
Islamic finance paid / transferred	(15,000)	(367,000)
Transaction costs on financing	(3,102)	(5,695)
Net interest accrued	3,460	(1,106)
Amortisation of transaction cost	1,834	3,035
Closing balance	630,002	467,810
Less: Current portion	95,079	106,619
Non – current	534,923	361,191

Bank borrowings include four Islamic financing facilities (Corporate Ijarah) with an amount AED 140 million, AED 105 million, AED 227 million and AED 175 million for a term of 3-5 years (inclusive of moratorium period of 3 years) with a profit rate of 3-month EIBOR plus a fixed margin rate for each facility. These facilities are secured by first degree mortgage against the investment properties, assignment of lease proceeds and insurance on the investment properties.

*This represents a new facility secured during the period for AED 175 million for a term of 5 years (inclusive of moratorium period of 3 years) relating to the asset acquired in September 2025.

10 Related party transactions and balances

Related parties comprise of the ultimate parent company, the Fund Manager and key management personnel and businesses which are controlled directly or indirectly, by the ultimate parent company, the Fund Manager or key management personnel. The aggregate value of significant transactions with related parties during the period was as follows:

Related party transactions

	For the six-month period ended 30 June 2026 AED'000	30 June 2025 AED'000
Transactions with Fund Manager		
Management fees	4,947	3,591
Debt arrangement fee paid	1,750	-
Transactions with Entity Under Common Control		
Finance cost	563	-
Service Charge expense	74	-
Rental Income	213	-

As per the prospectus and the fund management agreement, the Fund Manager is entitled to the following:

- Management fees: yearly management fees of 1.25% based on the last reported NAV, calculated and paid every three months.
- Acquisition or disposition fee: 1% of the acquisition or disposition value of the assets acquired or disposed by the Fund.
- Arrangement advisory fee: 1% of the debt or loan value for advising on loan and debt arrangements.

10 Related party transactions and balances *(continued)*

Related party transactions *(continued)*

In all cases, the annual fees (the total of the above three fees) during the fiscal year shall not exceed 2.25% of the last reported NAV of the Fund calculated in the same fiscal year and before deduction of management fees.

Related party balances

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Due to a related party		
Entity under common control*	13,634	188,035
Due from related parties		
Fund Manager	-	2
Entity under common control	278	1,451

*AED 175m was settled during the current period through the drawdown of an Islamic financing facility obtained from a commercial bank.

11 Payables and other liabilities

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Accrued expenses	564	2,192
Security deposits	314	323
Other payables	1,400	1,266
	2,278	3,781

12 Dividend

On 7th April 2026, The Fund manager distributed the final dividend of AED 0.0375 per unit (2025: AED 0.040 per unit) amounting to AED 26.30 million (2025: AED 20.55 million) for the financial year 2025, which together with the interim dividend of AED 19.27 million (AED 0.0375 per unit) paid in financial year 2025 represents 96% (2024: 96%) of the Fund's annual realised profit for the financial year 2025.

The above dividend distributions comply with the minimum profit distribution requirements of the REIT regulations.

13 Taxation

The Group implemented the Corporate Tax ("CT") in UAE from 1 January 2024 following the introduction of CT regime via Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses.
The income tax expense is determined by multiplying the profit before tax for the reporting period ended 30 June 2026 by the applicable income tax rate.

13 Taxation *(continued)*

For the financial year 2024, the Fund was granted exemption available to a Qualifying Investment Fund under Article 10 of the UAE Corporate Tax Law and, accordingly, no corporate tax was paid on the profits generated by the Fund. As the Fund acquired the subsidiary during the financial year 2024, rather than at the beginning of the financial year 2024, which is a prerequisite for the exemption, the exemption application submitted under Article 4(1)(h) of the Corporate Tax Law for its wholly owned subsidiary was not accepted by the Federal Tax Authority (“FTA”) in the financial year 2025. Consequently, the wholly owned subsidiary paid corporate tax for the financial year 2024 in 2025.

On 27 March 2025, the FTA issued Cabinet Decision No. 34 of 2025 on Qualifying Investment Funds and Qualifying Limited Partnerships for the Purposes of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, this introduced new conditions for REITs to be treated as tax transparent starting from the financial year 2025. The Group conducted an initial assessment and concluded that both the Fund and its subsidiary do not meet certain conditions to claim the tax exemption for the financial years 2025 and 2026. Accordingly, the Group decided to create provisions for current and deferred tax under the normal provisions of the Corporate Tax law for the financial years 2025 and 2026. The Fund Manager continues to liaise with the concerned authorities for transitional relief to implement the revised conditions to reinstate the exemption.

Pillar two

The Organisation for Economic Co-operation and Development (OECD) has issued the Global Anti-Base Erosion (GloBE) Model Rules, which mandate a minimum tax rate of 15% per jurisdiction (Pillar Two). The United Arab Emirates, where the Group's Ultimate Parent Entity is situated, has enacted the Cabinet Decision No. 142 of 2024 on the Imposition of Top-up Tax on Multinational Enterprises (“MNE”). Dubai Investments PJSC ("the Ultimate Parent Company") together with its constituent entities (the “MNE Group”) qualifies as an MNE, having consolidated revenue that exceeds the EUR 750 million threshold in two out of the four preceding years; therefore, the DMTT regulations will apply to the MNE Group.

Article 9.3 of the UAE DMTT framework offers Initial Phase of International Activity (IPIA) relief, which permits a reduction of the top-up tax to zero for UAE entities for up to five years, provided that specific conditions are met. The MNE Group fulfils the criteria for IPIA relief for the reporting period ended 30 June 2026. Accordingly, the MNE Group is not required to provide for current tax under Pillar two.

There is uncertainty regarding whether the Pillar Two model rules create additional temporary differences, whether deferred taxes should be remeasured for the Pillar Two model rules, and which tax rate should be used to measure deferred taxes. In response to this uncertainty, the IASB and AASB issued amendments to IAS 12 ‘Income Taxes’ on 23 May 2023 and 27 June 2023, respectively. These amendments introduce a mandatory temporary exception to the requirements of IAS 12, under which a company does not recognize or disclose information about deferred tax assets and liabilities related to the OECD/G20 BEPS Pillar Two model rules. The MNE Group applied this temporary exception as of 30 June 2026.

Current tax liability

	At 30 June 2026 AED’000	**At 31 December 2025 AED’000**
Opening balance	2,429	703
Charged during the period/year	1,328	3,667
Income tax paid	-	(1,941)
Closing balance	3,757	2,429

13 Taxation *(continued)*

Deferred tax liability

	At 30 June 2026 AED'000	At 31 December 2025 AED'000
Opening balance	4,902	-
Charged during the period/year	2,775	4,902
Closing balance	7,677	4,902

Income tax expense

	For the six-month period ended 30 June 2026 AED'000	30 June 2025 AED'000
Current tax expense	1,328	1,885
Deferred tax expense	2,775	-
	4,103	1,885

The effective tax rate ("ETR") for the six-month period ended 30 June 2026 is 8.9%.

14 Subsequent events

There have been no events subsequent to the statement of financial position date that would significantly affect the amounts reported in the condensed consolidated interim financial statements as at and for the period ended 30 June 2026.