

**Anan Investment Holding PJSC
and its subsidiaries**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION**

JUNE 30, 2025

Report on Review of Interim Condensed Consolidated Financial Information To the shareholders of Anan Investment Holding PJSC

Introduction

We have reviewed the accompanying interim condensed consolidated financial information of Anan Investment Holding PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”), comprising the interim consolidated statement of financial position as at June 30, 2025, and the related interim consolidated statements of profit or loss, comprehensive income and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial information in accordance with International Accounting Standard 34 *Interim Financial reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information are not prepared, in all material respects, in accordance with IAS 34.

Material Uncertainty Related to Going Concern

As stated in Note 2.2 to the interim condensed consolidated financial information, for the six-month ended June 30, 2025, the Group incurred a loss of AED 23,373 thousand and generated negative cash flows from operating activities of AED 27,717 thousand and, as of that date, the Group had accumulated losses of AED 375,536 thousand, its current liabilities exceeded its current assets by AED 777,579 thousand, and it had bank facilities of AED 475,642 thousand repayable on demand. These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group’s ability to continue as a going concern. Notwithstanding, the interim condensed consolidated financial information of the Group have been prepared on a going concern basis given that the majority of shareholders have confirmed that they will continue to support the Group to meet its financial obligations as and when they fall due and given several other factors as set forth in Note 2.2. Our conclusion is not modified with respect of this matter.

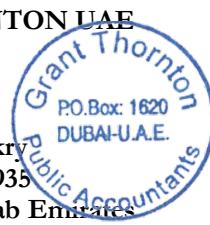
Other Matter

The comparative information for the six-month period ended June 30, 2024 is presented for comparative purposes only and neither reviewed nor audited by us. Consequently, we do not express any form of audit opinion or review conclusion on them.

GRANT THORNTON UAE

Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

August 16, 2025



Anan Investment Holding PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at June 30, 2025

| | Notes | June 30, 2024 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|-------|--|--|
| ASSETS | | | |
| Investment properties | 3 | 2,254,208 | 2,210,008 |
| Development properties | 4 | 3,756,952 | 3,709,862 |
| Cost to obtain contracts | 4 | 190,126 | 138,857 |
| Deferred tax assets | 13 | 7,508 | 5,196 |
| Trade and other receivables | | 1,423 | 1,227 |
| Cash and bank balances | 5 | 242,650 | 169,904 |
| TOTAL ASSETS | | 6,452,867 | 6,235,054 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 2,312,729 | 2,312,729 |
| Legal reserve | | 7,456 | 7,456 |
| Acquisition reserve | | (755,909) | (755,909) |
| Foreign currency translation reserve | | (23,591) | (23,591) |
| Accumulated losses | | (375,536) | (352,163) |
| Total equity | | 1,165,149 | 1,188,522 |
| Liabilities | | | |
| Provision for employees' end of service benefits | | 1,042 | 1,007 |
| Bank borrowings | 6 | 475,642 | 461,213 |
| Other financial liabilities | 7 | 323,428 | 309,800 |
| Provisions and trade and other payables | 8 | 834,647 | 790,727 |
| Advances from customers | 9 | 3,595,379 | 3,444,571 |
| Due to related parties | | 57,580 | 39,214 |
| Total liabilities | | 5,287,718 | 5,046,532 |
| TOTAL EQUITY AND LIABILITIES | | 6,452,867 | 6,235,054 |

These interim condensed consolidated financial information we authorized for issue by the Board of Directors on 15 August 2025 and signed on its behalf by:



Dr. Khalifa Almehairbi
Chairman

The accompanying notes 1 to 18 form part of these interim condensed financial information.

Anan Investment Holding PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended June 30, 2025

| | | <i>Six months ended June 30,</i> | |
|---|----|---|---|
| | | <i>2025 AED'000 (Unaudited)</i> | <i>2024 AED'000 (Unaudited)</i> |
| Change in fair value of investment properties | 3 | 44,200 | 43,105 |
| Selling, general and administrative expenses | 10 | (12,398) | (34,245) |
| Other income | | 1,891 | 78 |
| Finance costs | 11 | (59,384) | (50,516) |
| Finance income | | 6 | 6,029 |
| LOSS FOR THE PERIOD BEFORE TAX | | (25,685) | (35,549) |
| Income tax | 13 | 2,312 | 3,199 |
| LOSS FOR THE PERIOD | | (23,373) | (32,350) |
| Earnings per share: | | | |
| Basic and diluted earnings per share (AED) | | (0.010) | (0.014) |

The accompanying notes 1 to 18 form part of these interim condensed financial information.

Anan Investment Holding PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2025

| | <i>Six months ended</i> | |
|---|-------------------------|--------------------|
| | <i>June 30,</i> | |
| | <i>2025</i> | <i>2024</i> |
| | <i>AED'000</i> | <i>AED'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| LOSS FOR THE PERIOD | (23,373) | (32,350) |
| Other comprehensive income/(loss) | | |
| <i>Item that may be reclassified to profit or loss in subsequent periods:</i> | | |
| Exchange gain on translation of foreign operations | - | 157 |
| <i>Item that will not be reclassified to profit or loss in subsequent periods:</i> | | |
| Change in the fair value of financial assets at fair value through other comprehensive income | - | (18,836) |
| Total other comprehensive loss for the period | - | (18,679) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (23,373) | (51,029) |

Anan Investment Holding PJSC and its subsidiaries

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended June 30, 2025

| | Share capital AED'000 | Legal reserve AED'000 | Acquisition reserve AED'000 | Foreign currency translation reserve AED'000 | Fair value reserve of financial assets at FVOCI AED'000 | Accumulated losses AED'000 | Total AED'000 |
|--|--------------------------|--------------------------|--------------------------------|---|--|-------------------------------|------------------|
| Balance as at January 1, 2024 - <i>Audited</i> | 2,312,729 | 7,456 | (755,909) | (23,489) | 140,345 | (412,266) | 1,268,866 |
| Loss for the period | - | - | - | - | - | (32,350) | (32,350) |
| Other comprehensive loss for the period | - | - | - | 157 | (18,836) | - | (18,679) |
| Total comprehensive loss for the period | - | - | - | 157 | (18,836) | (32,350) | (51,029) |
| As at June 30, 2024 - <i>Unaudited</i> | <u>2,312,729</u> | <u>7,456</u> | <u>(755,909)</u> | <u>(23,332)</u> | <u>121,509</u> | <u>(444,616)</u> | <u>1,217,837</u> |
| Balance as at January 1, 2025 - <i>Audited</i> | 2,312,729 | 7,456 | (755,909) | (23,591) | - | (352,163) | 1,188,522 |
| Loss for the period | - | - | - | - | - | (23,373) | (23,373) |
| Other comprehensive loss for the period | - | - | - | - | - | - | - |
| Total comprehensive loss for the period | - | - | - | - | - | (23,373) | (23,373) |
| As at June 30, 2025 - <i>Unaudited</i> | <u>2,312,729</u> | <u>7,456</u> | <u>(755,909)</u> | <u>(23,591)</u> | <u>-</u> | <u>(375,536)</u> | <u>1,165,149</u> |

The accompanying notes 1 to 18 form part of these interim condensed financial information.

Anan Investment Holding PJSC and its subsidiaries
 INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
 For the six months ended June 30, 2025

| Notes | <i>Six months ended June 30,</i> | |
|---|--------------------------------------|--------------------------------|
| | 2025 AED'000 (Unaudited) | 2024 AED'000 (Unaudited) |
| | | |
| Operating activities | | |
| Loss for the period before tax | (25,685) | (35,549) |
| <i>Adjustments for:</i> | | |
| Depreciation of property and equipment | - | 41 |
| Loss on disposal of property and equipment | - | 3,099 |
| Fair value gain on investment properties | 3 | (44,200) (43,105) |
| Provision for employees' end of service benefits | | 75 101 |
| Finance income | | (6) (6,029) |
| Finance costs | 11 | 59,384 50,516 |
| | | (10,432) (30,926) |
| <i>Changes in working capital</i> | | |
| Trade and other receivables | | (196) (2,225) |
| Development properties | 4 | (47,090) (52,521) |
| Cost to obtain contracts | 4 | (51,269) (27,378) |
| Advances from customers | 9 | 119,481 (129,993) |
| Due to related parties | | 2,289 (120) |
| Trade and other payables | | 43,920 34,463 |
| Bank Escrow accounts | 5 | (84,380) (95,000) |
| | | (27,677) (303,700) |
| Cash used in operations | | (40) - |
| Employees' end of service benefits paid | | |
| Net cash flows used in operating activities | | (27,717) (303,700) |
| INVESTING ACTIVITIES | | |
| Proceeds from disposal of property and equipment | | - 5,546 |
| Proceeds from disposal of investment properties | | - 1,667 |
| Cash flows from investing activities | | - 7,213 |
| FINANCING ACTIVITIES | | |
| Repayment of bank borrowings | | - (2,267) |
| Other financial liabilities | | - 300,000 |
| Due to related parties | | 16,077 - |
| Finance income received | | 6 12 |
| Net cash flows from financing activities | | 16,083 297,745 |
| Net change in cash and cash equivalents | | (11,634) 1,258 |
| Cash and cash equivalents at the beginning of the period | | 18,863 3,757 |
| Cash and cash equivalents at the end of the period | 5 | 7,229 5,015 |

The accompanying notes 1 to 18 form part of these interim condensed financial information.

Anan Investment Holding PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2025

1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

Anan Investment Holding PJSC (the “Company”) is a private joint stock company incorporated on December 21, 2008 and registered in Abu Dhabi, United Arab Emirates. The Company’s shares are listed on Abu Dhabi Securities Exchange. However, the trading of the Company’s listed shares was suspended throughout the reporting period up to the date of the issuance of these interim condensed consolidated financial information.

The Company’s trade license was renewed on February 5, 2025 under the name of “Wahat Al Zaweya Holding P.J.S.C”. The Company is in the process of completing the other formalities of the change in the legal name including updating its Articles of Association.

The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are developing, investing in and managing real estate properties.

The registered address of the Company is P.O. Box 53351, Abu Dhabi, United Arab Emirates.

These interim condensed consolidated financial information include the financial performance and position of the Company and its operating subsidiaries as listed below (collectively the “Group”).

| Subsidiary | Principal activities | Beneficial ownership | | Country of incorporation |
|--|--|----------------------|------|--------------------------|
| | | 2025 | 2024 | |
| Arabian Hills Investment and Real Estate Development - Sole Proprietorship LLC | Real estate and master development | 100% | 100% | United Arab Emirates |
| Tasweek Real Estate Brokerage - Sole Proprietorship LLC | Real estate investment | 100% | 100% | United Arab Emirates |
| Tasweek (Malaysia) Sdn Bhd | Real estate investment | 100% | 100% | Malaysia |
| UAE Marketing Sdn Bhd | Real estate investment | 100% | 100% | Malaysia |
| Tasweek Pahang Sdn Bhd | Real estate investment | 100% | 100% | Malaysia |
| Wahat Al Zaweya Services - Sole Proprietorship LLC | Project management services | 100% | 100% | United Arab Emirates |
| Oud & Misk Investment and Real Estate Development | Real estate development and management | 100% | 100% | United Arab Emirates |

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed consolidated financial information for the six-month period ended June 30, 2025 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed consolidated financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at December 31, 2024. In addition, the results for the six-month period ended June 30, 2025 may not be indicative of the results that may be expected for the financial year ending December 31, 2025.

The financial information of the Group as at and for the six-month period ended June 30, 2024 have not been reviewed by an independent auditor and have been included in these interim condensed consolidated financial information for comparative purposes.

The interim condensed consolidated financial information have been prepared in United Arab Emirates Dirhams (AED), which is also the Company’s functional currency, and all values are rounded to the nearest thousand except where otherwise indicated.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

When preparing the interim condensed consolidated financial information, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

2.2 Going concern

For the six-month period ended June 30, 2025, the Group incurred a loss of AED 23,373 thousand and generated negative cash flows from operating activities of AED 27,717 thousand and, as of that date, the Group had accumulated losses of AED 375,536 thousand and its current liabilities exceeded its current assets by AED 777,579 thousand. Furthermore, as at June 30, 2025, the Group had bank facilities of AED 457,642 thousand repayable on demand (Note 6) due to default in payments.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Group's going concern is dependent on its ability to raise funds from the future sales of properties under development and utilize those funds in completing its project in due course, while being able to settle its liabilities, as and when they fall due.

These interim condensed consolidated financial information have been prepared on a going concern basis based on management's detailed assessment and taking into consideration the following factors:

- During the period and up to the date of the issuance of these interim condensed consolidated financial information, the Group successfully secured sale contracts exceeding AED 302 million.
- During the period, the Group signed an agreement with a local bank and rescheduled its major term loan to be repaid in 41 monthly instalments commencing from May 2025 (Note 6).
- The Group has signed contracts with multiple contractors and subcontractors to resume and progress development activities on its key projects following the year-end.
- All necessary municipal and governmental approvals related to the Group's key projects have been obtained, and legal formalities have been finalized, ensuring smooth continuation of operations.
- Management remains confident in the Group's ability to continue as a going concern. This assessment is supported by detailed budgeted plans, projected future cash flows, and operational strategies, which indicate that the Group will be able to operate without material curtailment for at least twelve months from the date of approval of these interim condensed consolidated financial information.
- The Group's majority shareholders have confirmed that they will provide the necessary financial support to enable the Group to meet its obligations as they fall due and to continue operations sustainably for a period of at least twelve months from the date of the issuance of these interim condensed consolidated financial information.
- During the period, the Group has successfully resolved all outstanding legal cases, including execution claims, by reaching settlements with clients and vendors. Payments have been made through the court to finalize and close the remaining legal matters, with no remaining legal contingencies and associated risks (Note 16.3).

2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of a new amendment effective as of January 1, 2025 as disclosed below. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.3 New standards, interpretations and amendments adopted by the Group (continued)

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

2.4 Fair value measurement

All financial assets and liabilities are stated at amortized cost or historical cost except for investments in financial assets that are measured at fair value. The fair values of other financial assets and the financial liabilities are not materially different from their carrying values at the reporting date.

3 INVESTMENT PROPERTIES

The details of investment properties are as follows:

| | <i>June 30, 2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>December 31, 2024</i> <i>AED'000</i> <i>(Audited)</i> |
|------------------------|--|--|
| Land under development | 2,233,900 | 2,189,700 |
| Residential units | 20,308 | 20,308 |
| | 2,254,208 | 2,210,008 |

3.1 Land under development

Land under development comprises development land within the master community 'Arabian Hills' (previously 'Wahat Al Zaweya') located in Al Faqaa, Al Ain, UAE, to be developed mainly as residential units with the purpose of earning rentals in the future.

At December 31, 2024, the fair value of the land under development was performed by an external accredited independent valuer in accordance with RICS valuation standards using the residual value method. At June 30, 2025, management performed an internal assessment of the fair value of the land under development using the same valuation techniques as the external valuer, and accordingly, a positive change in fair value of AED 44,200 thousand was recognized in profit or loss (2024: AED 43,105 thousand).

In determining the fair value, the future development costs and management estimations were assessed and accrued to carrying amount in order to evaluate the change in the fair value. Management estimates that this fair valuation is reliable and has adopted the valuation conclusions.

The key valuation method used in the valuation of land under development is the residual value method with key inputs, which have been disclosed in the Group's annual consolidated financial statements for the year ended December 31, 2024.

Significant increases (decreases) in the estimates used in the fair valuation of investment properties in isolation would result in a significantly higher (lower) fair value of the properties.

3.2 Residential units

Residential units comprise vacant residential apartments in Malaysia that are held for capital appreciation, which are mortgaged in favor of a bank in Malaysia against banking facilities. The fair valuation of these properties at the reporting date has been performed by management by reference to ask prices of similar properties in similar locations and conditions based on public information, as well as by reference to actual sales transactions entered into by the Group on these residential units up to the date of the issuance of these interim condensed consolidated financial information. Based on its assessment of the property market in Malaysia, management believes that any difference between the carrying amounts of the properties at the reporting date and the expected future gains or losses is not expected to be material.

3.3 Restrictions and contractual obligations

The Group has no restrictions on the realisability of its investment properties, other than the properties that are pledged against bank borrowings. The Group has no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

4 DEVELOPMENT PROPERTIES

Development properties comprise development land within the master community 'Arabian Hills' located in Al Faqaa, Al Ain, UAE, to be developed as plots of land mainly for residential sale and use as well as commercial units to serve the community.

The carrying amount of development properties comprise the initial cost of acquisition of land, cost of design and earth works, and infrastructure cost. Development properties are carried at the lower of the acquisition fair value of the land plus development costs, and the net realizable value.

Anan Investment Holding PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2025

4 DEVELOPMENT PROPERTIES (continued)

The movement in development properties during the period is as follows:

| | <i>Six months ended June 30, 2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>Year ended December 31, 2024</i> <i>AED'000</i> <i>(Audited)</i> |
|----------------------------------|---|---|
| At the beginning of period/year | 3,709,862 | 3,642,496 |
| Additions during the period/year | 47,090 | 67,366 |
| At the end of period/year | 3,756,952 | 3,709,862 |

The Group expects to fund the completion of the master development from the instalments and advances from current buyers, future sales, bank facilities and shareholders' financial support.

As at June 30, 2025, the Group has paid commissions to agents for the sale of its development properties to customers in the amount of AED 190,126 thousand (2024: AED 138,857 thousand) classified on the interim consolidated statement of financial position as cost to obtain contracts. These amounts will be expensed in profit or loss at the time of the recognition of revenue against the sold properties in accordance with the Group's accounting policies.

5 CASH AND CASH EQUIVALENTS

| | <i>June 30, 2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>December 31, 2024</i> <i>AED'000</i> <i>(Audited)</i> |
|---|--|--|
| Cash in hand | 827 | 3,394 |
| Bank balances – current and Escrow accounts (1) | 241,785 | 166,472 |
| Bank balances – margin deposits (2) | 38 | 38 |
| Cash and bank balances | 242,650 | 169,904 |
| Less: margin deposits | (38) | (38) |
| Less: Escrow accounts | (235,383) | (151,003) |
| Cash and cash equivalents | 7,229 | 18,863 |

(1) As at June 30, 2025, an amount of AED 235,383 thousand (2024: AED 151,003 thousand) is held with banks for advances received from customers against sale of development properties which are deposited into Escrow accounts.

(2) Margin deposits represent non-interest-bearing deposits held with local banks against bank borrowings.

6 BANK BORROWINGS

| | <i>June 30, 2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>December 31, 2024</i> <i>AED'000</i> <i>(Audited)</i> |
|----------------------------------|--|--|
| Term loan – local bank (8.1) | 316,363 | 316,363 |
| Term loan – foreign bank (8.2) | 88,224 | 88,224 |
| Murabaha facilities (8.3) | 2,575 | 2,339 |
| Accrued finance cost | 68,480 | 54,287 |
| Due within 12 months (on demand) | 475,642 | 461,213 |

6 BANK BORROWINGS (continued)

6.1 Term loan – local bank

The Group had obtained several term loan facilities during the years 2016 through 2019 from a local bank for the purpose of developing properties. In 2022, the loans were aggregated into a single term loan. As per the signed agreement with the bank, the loan is repayable over a period between 5 to 7 years on quarterly instalments, carrying variable interest rate of 6-month EIBOR plus 3.5% per annum (2024: 6-month EIBOR plus 3.5% per annum).

The Group had defaulted on payments of principal, and accordingly, at December 31, 2024, the entire balance of the term loan was classified as current liability repayable on demand. During the six-month period ended June 30, 2025, the Group signed an agreement with the bank and rescheduled the loan to be repaid in 41 monthly instalments commencing May 2025 for a total amount of AED 426 million including interest. However, no repayment has been made to the bank against the loan, and accordingly, the loan continues to be classified as current liability repayable on demand. At the date of the issuance of these interim condensed consolidated financial information, the Group is in discussions with the bank for the settlement of the overdue instalments.

6.2 Term loan – foreign bank

The Group obtained a term loan facility during 2017 from a foreign bank for the purpose of developing properties. As per the signed agreement with the bank, this loan is repayable over a period of 5 years on monthly instalments, carrying variable interest of LIBOR plus 5% per annum (2024: LIBOR plus 5% per annum). However, the Group did not make any payment to the bank on account that the bank ceased operations in 2020. Accordingly, the Group considers the balance to be repayable on demand and continues to accrue interest on the loan as per the contractual rate.

6.3 Murabaha facilities

The Murabaha facilities consist of four different loans with two Malaysian banks and carry interest ranging from 6.6% to 6.85% per annum (2024: 6.6% to 6.85%). These facilities are payable in monthly instalments and have maturities of eight to ten years. The Group has defaulted the payment of these facilities, and accordingly, has classified the facilities as current liabilities repayable on demand.

6.4 Securities

The above facilities are mainly secured by the following:

Term loans – local banks

- Guarantee amounting to AED 30 million from Al Ain Science & Technology University, a related party of the Group;
- First degree mortgage on properties worth AED 578 million at the time of registration with the municipality;
- Assignment of account and deposits in favor of the bank for AED 40 million.

Term loan – foreign bank

- Restriction on the sale, mortgage and pledge of properties owned by a related party.

Murabaha facilities

- Mortgage of properties with a carrying of amount AED 27,208 thousand (2024: AED 27,208 thousand)
- Assignment of rentals of the mortgaged properties.
- Corporate guarantees from several related parties of the Group.

June 30, 2025

7 OTHER FINANCIAL LIABILITIES

The Group has obtained financing from related parties and a third party for the purpose of making refunds against court orders (Note 16.3). The details of these financing are as follows:

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|--|--|
| <i>Due after 12 months</i> | | |
| Project financing from a third party (1) | 80,353 | 66,725 |
| Project financing from a related party (2) | 100,000 | 100,000 |
| <i>Due within 12 months</i> | | |
| Non-interest-bearing loan from a related party (3) | 143,075 | 143,075 |
| | 323,428 | 309,800 |

(1) In March 2024, the Group entered into a project financing agreement with a third party under which the Group received AED 50 million in cash to be used for the development of one of the Group's projects and whereby the Group will repay an amount of AED 150 million after 3 years. The proceeds from this transaction have been recognized as a financial liability at amortized cost, which are being amortized over 3 years at the implicit interest rate of 38.06% compounded on monthly basis.

The Group will also be liable to pay a portion of the profit it will earn from the project if such profit is in excess of the agreed repayment amount. In the event that the Group is unable to settle the repayment amount after 3 years, the financing party will be eligible to receive the settlement through transfer of properties owned by the Group.

Finance cost for the period related to this financing amounted to AED 13,628 thousand (2024: AED 5,240 thousand).

(2) In May 2024, the Group entered into a project financing agreement with Aylah Investment LLC, a related party, under which the Group received AED 100 million in cash to be used for the development of one of the Group's projects and whereby the Group will repay an amount of AED 165 million after 3 years. In addition, the Group entered into another contract with the same party and agreed to settle the interest on the financial liability by transfer of properties upon completion of their development. Management assessed that the interest that will accrue on the liability, in substance, constitutes periodic payments for the sale of development properties, and accordingly, such interest is being accrued for as advances from customers (Note 9). The proceeds from this transaction have been recognized as a financial liability at amortized cost, which are being amortized over 3 years at the implicit interest rate of 13.9% compounded on monthly basis.

Finance cost for the period related to this financing amounted to AED 7,683 thousand (2024: AED 5,432 thousand) recognized as finance cost in profit or loss against advances from customers.

(3) During 2024, the Group obtained an interest-free loan of AED 150 million from Aylah Investment LLC, a related party, to be repaid after 18 months in cash or in kind, out of which AED 7 million was repaid during the same year.

(4) During the year ended December 31, 2023, the Group received financing from Creation & Innovation Commercial Brokers LLC, a related party, in the amount of AED 124 million repayable after 3 years at the same amount, which was secured against the Group's financial assets at FVOCI by way of a share repurchase agreement. The Group had accounted for the proceeds from this transaction as a financial liability at amortized cost.

On August 30, 2024, the Group and Creation and Innovation Commercial Brokers LLC mutually agreed to terminate the repurchase agreement, and accordingly, the financial liability was derecognized as of that date. Finance cost related to this financing during the six-month period ended June 30, 2024 amounted to AED 5,427 thousand.

8 PROVISIONS AND TRADE AND OTHER PAYABLES

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|------------------------------|--|--|
| Trade payables | 454,584 | 462,950 |
| Accrued project expenses (1) | 147,064 | 95,327 |
| Provisions (2) | 174,871 | 175,869 |
| Retentions payable | 21,296 | 19,764 |
| Dividend payable (3) | 26,000 | 26,000 |
| Other accruals and payables | 10,832 | 10,817 |
| | <u>834,647</u> | <u>790,727</u> |
| Less: due within 12 months | (659,776) | (614,858) |
| Due after 12 months | <u>174,871</u> | <u>175,869</u> |

(1) Accrued project expenses represent material/services received but not yet invoiced by vendors.

(2) The provisions primarily relate to amounts payable to contractors, consultants, and non-certified investors.

(3) Represents the 50% unpaid portion of dividends declared in 2019.

The Group has utilised the exemption available under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and disclosed the provisions within 'Provisions and trade and other payables' in the interim consolidated statement of financial position.

9 ADVANCES FROM CUSTOMERS

Advances from customers represent advances received on sale of plots of land to customers. Those will be recognized as revenue when the recognition criteria for the sale is met as per the requirements of IFRS 15.

The movement in the advances from customers during the period was as follows:

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|--|--|
| As at January 1, | 3,444,571 | 3,274,030 |
| Advances received from customers | 120,731 | 430,531 |
| Finance cost on advance from a related party | 23,644 | 43,888 |
| Finance cost on other financial liability (Note 7) | 7,683 | 9,113 |
| Refunds against court orders | (1,250) | (432,500) |
| Transfer from financial liabilities | - | 119,509 |
| As at the end of the period | 3,595,379 | 3,444,571 |

10 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Anan Investment Holding PJSC and its subsidiaries

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June 30, 2025

| | <i>Six months ended</i> <i>June 30,</i> | |
|---|---|---|
| | <i>2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i> |
| Staff costs | 6,389 | 3,986 |
| Professional fees | 2,455 | 3,042 |
| Legal compensation to customers | 1,777 | 9,475 |
| Office expenses | 513 | 517 |
| Marketing expenses | 311 | 12,945 |
| Bank charges | 74 | 89 |
| Loss on disposal of property and equipment* | - | 3,099 |
| Depreciation of property and equipment | - | 41 |
| Other expenses | 879 | 1,051 |
| | 12,398 | 34,245 |

*During the period ended June 30, 2024, the Group disposed of land and building under construction for a cash consideration of AED 5,546 thousand resulting in a loss on disposal of AED 3,099 thousand.

11 FINANCE COSTS

| | <i>Six months ended</i> <i>June 30,</i> | |
|---|---|---|
| | <i>2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i> |
| Interest expense on bank borrowings | 14,429 | 13,223 |
| Interest expense on customer advances | 23,644 | 21,194 |
| Interest expense on other financial liabilities | 21,311 | 16,099 |
| | 59,384 | 50,516 |

12 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the major shareholders, directors, key management personnel and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

12.1 Transactions with related parties

| | <i>Six months ended</i> <i>June 30,</i> | |
|---|---|---|
| | <i>2025</i> <i>AED'000</i> <i>(Unaudited)</i> | <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i> |
| Entities under common control | | |
| Consultancy fees | (1,375) | (624) |
| Rent expense | (180) | (180) |
| Finance costs on other financial liabilities | - | 5,427 |
| Finance cost on other financial liability recognized as advance from customer | 7,683 | 5,432 |
| Finance cost on customer advances (Note 9) | 23,644 | 21,194 |
| Amortization of deferred interest | - | 6,017 |

June 30, 2025

12 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

12.2 Related party balances

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|---|--|--|
| Due to related parties – entities under common control | | |
| Bonyan International Investment Group Holding PSC* | 23,432 | 23,432 |
| ARA Real Estate Development – L.L.C* | 16,630 | 15,265 |
| Tabarak Commercial Investment LLC | 1,441 | 518 |
| Aylah Investment LLC | 16,077 | - |
| | 57,580 | 39,215 |

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|--|--|
|--|--|--|

| | | |
|---|---------------|--------------|
| Advances from customers (Note 9) | | |
| Ara Real Estate Development LLC | 427,574 | 403,930 |
| Aylah Investment LLC | 16,796 | 9,113 |

| | | |
|---|----------------|----------------|
| Other financial liabilities (Note 7) | | |
| Aylah Investment LLC | 243,075 | 243,075 |

Dividends payable to the shareholders of the Group are disclosed in Note 8.

* During the period, the Group entered into agreement with Bonyan International Investment Group Holding PSC and ARA Real Estate Development – L.L.C to settle their outstanding balances by way of transfer of properties in “Arabian Hills” project to the related parties after three years from the date of the agreement.

12.3 Key management compensation

The remuneration of members of key management comprises short-term benefits of AED 721 thousand (2024: AED 720 thousand).

13 INCOME TAX

The major components of income tax are as follows:

| | <i>Six months ended</i> | |
|---|-------------------------|--------------------|
| | <i>June 30,</i> | |
| | <i>2025</i> | <i>2024</i> |
| | <i>AED'000</i> | <i>AED'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Current income tax: | | |
| Current income tax charge | - | - |
| Deferred tax: | | |
| Relating to origination of temporary differences | (2,312) | (3,199) |
| Income tax credit reported of profit or loss | (2,312) | (3,199) |

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June 30, 2025

13 INCOME TAX (continued)

Deferred tax assets relate to the following:

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|---|--|--|
| Revaluations of investment properties to fair value | 9,203 | 5,225 |
| Non-deductible finance costs carried forward | (14,029) | (8,685) |
| Losses available for offsetting against future taxable income | (2,682) | (1,736) |
| Net deferred tax assets | (7,508) | (5,196) |

14 EARNINGS PER SHARE

Basic earnings per share for the period is calculated by dividing results for the period by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the results for the period by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments. As at June 30, 2025 and June 30, 2024, the Group did not have any dilutive instruments.

| | <i>Six months ended</i> | |
|--|-------------------------|--------------------|
| | <i>June 30,</i> | <i>2024</i> |
| | <i>AED'000</i> | <i>AED'000</i> |
| | <i>(Unaudited)</i> | <i>(Unaudited)</i> |
| Loss for the period attributable to the ordinary equity holders of the Company (AED'000) | (23,373) | (32,350) |
| Weighted average number of ordinary shares in issue ('000) | 2,312,729 | 2,312,729 |
| Basic and diluted earnings per share (AED) | (0.010) | (0.014) |

15 SEGMENT REPORTING

The Group operates in the single reporting segment of developing, investing in and managing real estate properties. All the relevant information relating to this reporting/operating segment is disclosed in the interim consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and notes to the interim condensed consolidated financial information.

IFRS Accounting Standards also require an entity to report its segment assets and revenue along geographical regions. The majority of the activities of the Group are performed in the UAE.

There are no additional information required by IFRS 8 *Segment reporting* relevant to the Group as at and for the periods ended June 30, 2025 and 2024.

16 CONTINGENCIES AND COMMITMENTS

16.1 Capital expenditure commitments

Estimated capital expenditures contracted for at the reporting date but not provided for:

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|--|--|
| Signed contracts for development properties (active contracts) | 1,242,387 | 834,416 |

Anan Investment Holding PJSC and its subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

June 30, 2025

16 CONTINGENCIES AND COMMITMENTS (continued)

16.2 Sales commitments

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|------------------------------------|--|--|
| Total sales committed to customers | 3,595,379 | 3,444,571 |

Sales commitments represent sales agreements signed with customers to whom the properties have not yet been handed over to the customer and revenue has not yet been recognised.

16.3 Legal cases

The Group has been acting as defendant in lawsuits filed by customers and vendors representing legal actions and claims related to its ordinary course of business and mainly due to the delays caused in the major property development project of the Group.

Management, based on the legal opinions of its legal advisors and the value of claims, had assessed that the liabilities recognized by the Group against those claims are sufficient to meet the obligations that are expected to arise from these lawsuits.

During the year ended December 31, 2024, the Group was able to make settlements with most vendors and customers, either directly or through the court, resulting in a reversal of provision for legal cases in the amount of AED 120 million in profit or loss recognized in the second half of 2024. In addition, the Group transferred funds to the court (Note 9) to allow it to settle all remaining and ongoing litigations. There were no additional payments made by the Group subsequent to the period-end with relation to legal cases and the court successfully settled all litigations related to the Group's 'Wahat Al Zaweya' project by June 30, 2025.

Furthermore, on June 2, 2025, the Abu Dhabi Judicial Department announced that it has successfully settled and concluded all legal cases related to 'Wahat Al Zaweya' and 'Wahat Yas' projects and that all litigations and execution orders related to these projects been finalized and all dues to the beneficiaries have been processed, which amounted to AED 983,721 thousand.

17 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

17.1 Financial assets

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|---|--|--|
| Debt instruments at amortized cost | | |
| Trade and other receivables | 1,423 | 1,227 |
| Cash and bank balances | 242,650 | 169,904 |
| Total financial assets realizable within 12 months | 244,073 | 171,131 |

17.2 Financial liabilities

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|--|--|
| Interest-bearing loans and borrowings | | |
| Bank borrowings | 475,642 | 461,213 |
| Other financial liabilities | 323,428 | 309,800 |
| Total | 799,070 | 771,013 |

17 FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

17.2 Financial liabilities (continued)

| | June 30, 2025 AED'000 (Unaudited) | December 31, 2024 AED'000 (Audited) |
|--|--|--|
| Financial liabilities at amortized cost | | |
| Trade and other payables | 659,776 | 614,858 |
| Due to related parties | 57,580 | 39,214 |
| | <hr/> 717,356 | <hr/> 654,072 |
| Total financial liabilities | <hr/> 1,516,426 | <hr/> 1,425,085 |
| Total due within 12 months | 1,336,073 | 1,258,360 |
| Total due after 12 months | <hr/> 180,353 | <hr/> 166,725 |

18 COMPARATIVE INFORMATION

Certain comparative information in the consolidated statement of financial position has been reclassified to conform the presentation adopted in these interim condensed consolidated financial information. Such reclassification did not have any impact on the previously reported net assets and the results of the Group.