

# INTEGRATED REPORT 2025



**AL KHALEEJ  
INVESTMENT PSC**





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*for the year ended 31 December 2025*

# Al Khaleej Investment PSC and its subsidiaries

## Consolidated Financial Statements

*for the year ended 31 December 2025*

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# Al Khaleej Investment PSC and its subsidiaries

## General information

Principal office address      Al Khaleej Building,  
P.O. Box: 5662  
Ras Al Khaimah,  
United Arab Emirates  
T: +971 7 228 0101  
F: +971 7 228 8400

Website:                              [www.kico.ae](http://www.kico.ae)

Board of Directors:	<u>Name</u>	<u>Designation</u>	<u>Nationality</u>
	H.E. Khalifa Alkhoori	Chairman	Emirati
	H.E. Alia Almazrouei	Vice Chairman	Emirati
	Mr. Ahmed Omar Balfaqqeh	Member	Emirati
	Mr. Nasser Alkhazraji	Member	Emirati
	Mr. Samer Katerji	Member	Lebanese
	Mr. Omar Qandeel	Member	Saudi
	Ms. Shaikha Al Suwaidi	Member	Emirati

Auditor:                              KPMG Lower Gulf Limited  
P.O. Box: 3800  
Dubai, United Arab Emirates

Main Banks:                              Commercial Bank of Dubai PSC  
United Arab Bank PJSC



AL KHALEEJ INVESTMENT

Al Khaleej Building,  
P.O. Box: 5662  
Ras Al Khaimah

## Directors' Report For the Year Ended 31 December 2025

The Board of Directors is pleased to present their report and the consolidated financial statements Al Khaleej Investment PSC and its subsidiaries (collectively, the 'Group') for the year ended 31 December 2025.

### Principal Activities of the Group

The principal activities of the Group include investment, establishment and management of commercial and real estate enterprises; private fund investment; building maintenance; detection services for real estate and real estate enterprise development.

### Financial Audited

The tables below summarize the results for the year ended 31 December 2025, compared to the year ended 2024, presented in AED '000s.

Financial Results Summary	YE- 2025	YE -2024
Revenue	9,380	16,969
Gross Profit	5,912	13,411
Net Gain from Investments (FVTPL)	(216)	3,738
Profit Before Tax	5,109	11,240
Profit for the Year	4,646	10,042
Basic Earnings per Share (AED)	0.0442	0.0925

Financial Position Summary	YE - 2025
Total Assets	325,833
Total Liabilities	40,214
Total Equity	285,619

Statement of Cash Flows Summary	YE - 2025
Net Cash used in Operating Activities	(16,488)
Net Cash used in Investing Activities	(107,564)
Net Cash from Financing Activities	21,280

The Group has generated a profit during the current financial year, primarily due to ongoing investment activities. The Board remains confident in the long-term prospects of the business. The Group is transitioning towards operating as an investment-focused entity, with several projects currently in the pipeline aimed at generating sustainable returns and enhancing shareholder value.

AL KHALEEJ INVESTMENT<sup>SC</sup>

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### **Role of the Directors**

The Directors continue to serve as the Group's principal decision-making body. They are responsible for setting strategy, overseeing performance, guiding management, and ensuring sustainable shareholder value. Their oversight encompasses corporate governance, risk management, and strategic development of both financial and real estate portfolios.

### **Implementation of Projects and Schemes**

The Group continues to execute its strategic policies involving the replacement and enhancement of real estate assets and the development of owned properties. Additionally, the Group remains committed to diversifying income sources through optimized investment activities.

Notably, during the year 2025, the Group successfully established new branches in Dubai and Abu Dhabi, further strengthening its operational footprint across the UAE. Moreover, in line with its directive to rebalance the investment portfolio, the Group established separate entities to focus on its currently targeted sectors, namely energy, marine, and real estate.

In August 2025, the Group entered a 50:50 joint venture agreement for the development of two strategic plots on YAS Island. Given market conditions, the joint venture partners have signed an addendum to their agreement and decided to hold the property for capital appreciation.

During the year, the Board of Directors resolved to increase the Group's share capital by AED 400,000 thousand, through the issuance of 400,000 thousand new shares, each with a nominal value of AED 1 and an issuance price of AED 1 per share. This resolution was adopted by the shareholders in the general meeting held on 25 March 2025. The share capital increase is currently in progress, and the issuance of the new shares is expected to be finalized in 2026.

### **Transactions with related parties**

The financial statements disclose related party transactions and balances which are disclosed in in note 21. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

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### **Events After the Year End**

The Board of Directors confirms that, except for the matter disclosed in note 39 to the consolidated financial statements regarding the signing of SPAs for the sale of two investment properties, there have been no material or unusual events or transactions since the end of the reporting year that would significantly impact the financial position or performance of the Group.

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### **Statement of Directors' Responsibilities**

The Board affirms that the consolidated financial statements for the year ended 31 December 2025, have been prepared in accordance with applicable financial reporting standards and statutory requirements. The Directors ensure that accurate and sufficient accounting records have been maintained, enabling the financial position and performance to be fairly presented.

The accounting policies and practices adopted are consistent with those used in the latest audited financial statements for the year ended 31 December 2024, unless specified otherwise. The financial statements accurately reflect the transactions carried out during the year and fairly present the Group's financial condition and operational results.

These consolidated financial statements have been prepared on a going concern basis and were approved by the Board and signed on behalf of the Group by its authorized representative.

**H.E. Khalifa Alkhoori**  
Chairman

**5 February, 2026**



KPMG Lower Gulf Limited  
The Offices 5 at One Central  
Level 4, Office No: 04.01  
Sheikh Zayed Road, P.O. Box 3800  
Dubai, United Arab Emirates  
Tel. +971 (4) 4030300, www.kpmg.com/ae

## Independent auditors' report

### To the Shareholders of Al Khaleej Investment PSC

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

##### Opinion

We have audited the consolidated financial statements of Al Khaleej Investment PSC ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory 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 (IFRS Accounting Standards).

##### 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 *Auditors' 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 Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in 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.

**Key Audit Matters (continued)**

**Valuation of investment properties**

See Note 8 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The gain from valuation of investment properties (including those presented in the consolidated financial statements as part of share of profits from joint venture) amounts to AED 20.93 million.</p> <p>The Group engaged external independent valuers to determine the fair value of investment properties. The valuations were prepared using a combination of the income capitalisation approach and the sales comparison approach. Key valuation inputs include sales prices, market rental rates, future rental income, operating costs, occupancy rates and terminal yield rates. These inputs are significantly influenced by prevailing market conditions and property-specific factors such as location, income return profile, growth expectations and occupancy levels. Comparable market transactions also represent a critical input in the valuation process.</p> <p>The valuation of investment properties (including those that impact the share of profit of JV) involves significant judgement and estimation uncertainty, particularly in determining key assumptions and in circumstances where observable market data is limited. Any changes in these assumptions could have a material impact on the carrying value of the Group's investment properties and the fair value gains or losses recognised in the consolidated financial statements. Given the materiality of the balances, the level of judgement involved, and the impact on profit or loss, this matter was considered to be a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>▪ We have evaluated the qualification, competence and independence of the management appointed valuers and read the terms of the engagement of the valuers with the Group, to determine whether there were any matters that might have affected their objectivity or limited the scope of their work;</li> <li>▪ We obtained the external valuation reports for all properties (including those that impact the share of profit of JV) and involved our valuation specialist to assess the valuation approach and assumptions used by the valuers in determining the fair value of the properties;</li> <li>▪ On a sample basis, performed audit procedures to test the completeness and accuracy of the source data, provided to the valuation experts by management, used in determination of fair value by comparing it to underlying supporting information;</li> <li>▪ We have performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by management; and</li> <li>▪ We evaluated the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgements and sensitivities.</li> </ul>

### **Emphasis of Matter - comparative information**

We draw attention to Note 35 to the consolidated financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2024 has been restated. Our opinion is not modified in respect of this matter.

### **Other Matter relating to comparative information**

The consolidated financial statements of the Group as at and for the years ended 31 December 2024 and 31 December 2023 (from which the consolidated statement of financial position as at 1 January 2024 has been derived), excluding the adjustments described in Note 35 to the consolidated financial statements were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 6 March 2025 and 2 February 2024 respectively.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2025, we audited the adjustments described in Note 35 that were applied to restate the comparative information presented as at and for the year ended 31 December 2024, and the consolidated statement of financial position as at 1 January 2024. We were not engaged to audit, review, or apply any procedures to the consolidated financial statements for the years ended 31 December 2024 or 31 December 2023 (not presented herein) or to the consolidated statement of financial position as at 1 January 2024, other than with respect to the adjustments described in Note 35 to the consolidated financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective consolidated financial statements taken as a whole. However, in our opinion, the adjustments described in Note 35 are appropriate and have been properly applied.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the integrated annual report (including Director's report) but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Director's report prior to the date of this auditor's report, and we expect to obtain the remaining sections of the integrated annual report after that date.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

## **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

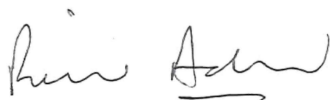
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law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

## Report on Other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 38 to the consolidated financial statements, the Group has purchased shares during the year ended 31 December 2025;
- vi) note 21 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- 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 Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

KPMG Lower Gulf Limited



Richard Ackland  
Registration No.: 1015  
Ras Al Khaimah, United Arab Emirates

Date: **09 FEB 2026**

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025


## Consolidated statement of financial position

<i>All figures are in AED '000s</i>	<i>Notes</i>	31 December 2025	31 December 2024 (restated)	1 January 2024 (restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	4,961	5,843	4,533
Right of use asset	6	9,668	11,972	-
Intangible assets	7	122	161	133
Investment properties	8	34,190	147,886	208,822
Investments measured at fair value through other comprehensive income (FVTOCI)		-	-	1,803
Investments mandatorily measured at fair value through profit or loss (FVTPL)	9.1	-	12,143	12,143
Financial assets at amortised cost	9.2	-	8,900	9,624
Investment in joint venture	10	20,836	-	-
Other receivables	12	71,753	-	-
<b>Total non-current assets</b>		<b>141,530</b>	<b>186,905</b>	<b>237,058</b>
<b>Current assets</b>				
Investments mandatorily measured at FVTPL	9.1	25,354	27,996	26,815
Trade receivables	11	577	1,762	2,575
Other receivables	12	3,820	2,822	4,832
Short-term deposit	13	105,000	-	-
Due from related parties	21 (a)	909	6,016	-
Cash and cash equivalents	14	3,543	73,339	6,693
Assets held for sale	15	45,100	-	-
<b>Total current assets</b>		<b>184,303</b>	<b>111,935</b>	<b>40,915</b>
<b>Total assets</b>		<b>325,833</b>	<b>298,840</b>	<b>277,973</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	16	105,000	105,000	105,000
Statutory reserve	16	52,500	52,500	52,500
Fair value reserve	16	-	-	623
Voluntary reserve	16	50,000	50,000	50,000
Other reserve	16	345	345	345
Retained earnings	16	77,774	73,128	64,192
<b>Total equity</b>		<b>285,619</b>	<b>280,973</b>	<b>272,660</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	17	23,786	-	-
Deferred tax liabilities	22	597	134	-
Employees' end-of-service benefits	18	855	864	880
Lease liabilities	19	7,297	9,409	-
<b>Total non-current liabilities</b>		<b>32,535</b>	<b>10,407</b>	<b>880</b>
<b>Current liabilities</b>				
Borrowings	17	1,476	-	-
Lease liabilities	19	2,112	1,965	-
Due to a related party	21	64	-	-
Trade and other payables	20	4,027	5,495	4,433
<b>Total current liabilities</b>		<b>7,679</b>	<b>7,460</b>	<b>4,433</b>
<b>Total liabilities</b>		<b>40,214</b>	<b>17,867</b>	<b>5,313</b>
<b>Total equity and liabilities</b>		<b>325,833</b>	<b>298,840</b>	<b>277,973</b>

The comparative information presented as at and for the year ended 31 December 2024 and 1 January 2024 has been restated (refer note 35).

To the best of our knowledge, the consolidated financial statements fairly presents, in all material respects, the consolidated financial position, results of operation and consolidated cash flows of the Group as of, and for, the year ended 31 December 2025. The consolidated financial statement was approved and signed on behalf of the Board of Directors on 5 February 2026 by:

.....  
**H.E. Khalifa Alkhoori**  
 Chairman

Signed by:  
  
**Mr. Vikram Pradhan**  
 Chief Executive  
 11B23DDE724E4BF...

The Independent auditor's report on audit of consolidated financial statements is set out on page 4 to 9.  
 The notes on pages 14 to 61 form an integral part of these consolidated financial statements.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

## Consolidated statements of profit or loss and other comprehensive income

<i>All figures are in AED '000s</i>	Notes	For the year ended 31 December	
		2025	2024 (restated)
Revenue	23	9,380	16,969
Direct cost	24	(3,468)	(3,558)
<b>Gross profit</b>		<b>5,912</b>	<b>13,411</b>
General and administrative expenses	25	(21,260)	(7,951)
Impairment loss on trade receivables	11.1	(1,400)	(1,920)
Finance cost	26	(1,823)	(34)
Finance income	26	2,013	1,740
(Loss) /gain from investments mandatorily measured at FVTPL	27	(216)	3,738
Loss on change in fair value of assets held for sale	28	(809)	-
Share of result from equity accounted investee	10	20,750	-
Gain on sale of investment property	29(a)	1,301	1,063
Change in fair value of investment property	29(b)	96	159
Other income	30	544	1,034
<b>Profit for the year before tax</b>		<b>5,109</b>	<b>11,240</b>
Income tax expense	22	(463)	(1,198)
<b>Profit for the year after tax</b>		<b>4,646</b>	<b>10,042</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Debt instrument at FVTOCI – change in fair value		-	(329)
<b>Total comprehensive income for the year attributable to shareholders of the Company</b>		<b>4,646</b>	<b>9,713</b>
<b>Earnings per share</b>			
Basic and diluted earnings per share (AED)	32	0.0442	0.0925

The comparative information presented has been restated (refer note 35).

The notes on pages 14 to 61 form an integral part of these consolidated financial statements.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended December 2025

All figures are in AED '000s

## Consolidated statement of changes in equity

	Share Capital	Voluntary reserve	Statutory reserve	Other reserve	Fair value reserve	Retained earnings	Total
<b>Balance at 1 January 2024 (as previously reported)</b>	105,000	50,000	52,500	345	623	66,789	275,257
*Restatement (refer note 35)	-	-	-	-	-	(2,597)	(2,597)
<b>Balance at 1 January 2024 (restated)</b>	105,000	50,000	52,500	345	623	64,192	272,660
<b>Total comprehensive income for the year</b>							
Profit for the year after tax (restated)	-	-	-	-	-	10,042	10,042
Other comprehensive loss for the year	-	-	-	-	(329)	-	(329)
Transfer of fair value reserve on disposal of investments carried at FVOCI					(294)	294	-
<b>Total comprehensive income for the year (restated)</b>	-	-	-	-	(623)	10,336	9,713
Board of Directors' remuneration paid	-	-	-	-	-	(1,400)	(1,400)
<b>At 31 December 2024 (restated)</b>	<b>105,000</b>	<b>50,000</b>	<b>52,500</b>	<b>345</b>	<b>-</b>	<b>73,128</b>	<b>280,973</b>
<b>Balance at 1 January 2025</b>	<b>105,000</b>	<b>50,000</b>	<b>52,500</b>	<b>345</b>	<b>-</b>	<b>73,128</b>	<b>280,973</b>
<b>Total comprehensive income for the year profit for the year after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,646</b>	<b>4,646</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2025</b>	<b>105,000</b>	<b>50,000</b>	<b>52,500</b>	<b>345</b>	<b>-</b>	<b>77,774</b>	<b>285,619</b>

The notes on pages 14 to 61 form an integral part of these consolidated financial statements.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## Consolidated statement of cash flows

	Note	For the year ended 31 December	
		2025	2024*(restated)
<b>Net profit for the year before tax</b>		<b>5,109</b>	11,240
<b><u>Adjustments for:</u></b>			
Unrealised loss/ (gain) on investments carried at FVTPL	27	779	(1,333)
Gain on sale of investments mandatorily measured at FVTPL	27	(563)	(2,405)
Gain on sale of property, plant and equipment	30	(103)	(16)
Share of joint venture result	10	(20,750)	-
Depreciation on property, plant and equipment	25	921	395
Property, plant and equipment written off		58	-
Impairment loss on trade receivables	11(1)	1,400	1,920
Gain on sale of investment property	29(a)	(1,301)	(1,063)
Change in fair value of investment property	29(b)	(96)	(159)
Loss on revaluation of assets held for sale	28	809	-
Depreciation of the right of use asset	25	2,304	113
Amortisation of intangible assets	25	40	29
Dividend income	30	(148)	(701)
Finance cost		1,345	34
Finance income	26	(2,013)	(1,740)
Provision for employee end of service benefits	18	479	180
Provision for Board of directors remuneration	21(b)	1,050	1,050
		<b>(10,680)</b>	7,544
Purchase of investments carried at FVTPL	9.1	(10,372)	(133,414)
Proceeds from sale of investments carried at FVTPL	9.1	24,762	135,974
Purchase of investments carried at FVTOCI		-	(3,716)
Proceeds from sale of investments carried at FVTOCI		-	5,190
Proceeds from sale of investments carried at amortised cost	9.2	9,080	724
Finance income received		1,550	1,740
Dividend income received	30	148	701
<b><u>Working capital changes:</u></b>			
Trade and other receivables		(101)	(5,221)
Due from related parties		5,107	-
Trade and other payables		(1,468)	(1,050)
Employees' end-of-services benefits paid	18	(488)	(196)
Board of Directors remuneration paid		(1,050)	(1,400)
<b>Net cash (used in)/from operating activities</b>		<b>(16,488)</b>	6,876
<b>Cash flows from investing activities</b>			
Advance for land purchase	12	(71,753)	-
Purchase of property, plant and equipment	5	(3,464)	(1,713)
Sale of property, plant and equipment		1,363	24
Purchase of intangible assets	7	-	(57)
Proceeds from sale of investment properties		71,290	62,158
Investment in fixed deposits	13	(105,000)	117
<b>Net cash (used in)/from investing activities</b>		<b>(107,564)</b>	60,529
<b>Cash flows from financing activities</b>			
Interest paid		(1,345)	(34)
Lease payments- principle		(1,965)	(609)
Loan principal received	17	26,000	-
Loan principal repaid		(738)	-
Proceeds from margin loan	21(a)	9,993	-
Payment of margin loan	21(a)	(9,993)	-
Cash placed in debt service reserve account	12	(672)	-
<b>Net cash generated from / (used in) financing activities</b>		<b>21,280</b>	(643)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(69,796)</b>	66,762
<b>Cash and cash equivalents, beginning of the year</b>		<b>73,339</b>	6,577
<b>Cash and cash equivalents, end of the year</b>		<b>3,543</b>	73,339

\* The comparative information presented has been restated (refer note 35).

The notes on pages 14 to 61 form an integral part of this consolidated financial statement.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 1 Establishment and operations

Al Khaleej Investment PSC (the 'Company') is a public joint stock company registered and incorporated under license no. 6061 of the Department of Economic Development in Ras Al Khaimah. The Group was incorporated on July 3, 1982, and is listed on the Abu Dhabi Securities Market. The address of the registered office of the Group is Al Khaleej Building, P.O. Box: 5662, Ras Al Khaimah, U.A.E.

The principal activities of the group consist of investment, establishment and management of commercial and real estate enterprises; private fund investment; building maintenance; detection services for real estate and real estate enterprise development. These consolidated financial statements incorporate the operating results of the commercial license no. 6061 and the following branches / subsidiaries.

#	Name	2025	2024	Activities
1	Prime Reem 151 SPV Ltd – ADGM	100%		- Other economic activities
2	Gulf Diamond Marine Services LLC	100%		- Chartering and Marine Logistics Services
3	Gulf Nova Energy Solutions LLC -	100%		- Installation and maintenance of alternative energy
4	Pinnacle Ventures Real Estate LLC	50%		- Real Estate Enterprises Investment,
6	Sharjah branch	100%		- Establishing and managing real estate projects
7	Abu Dhabi branch	100%		- Real estate - fund investment-commercial
8	Dubai branch	100%		- Commercial investments

The Company and its subsidiaries are collectively referred to as the 'Group'. The Group directly or indirectly controls the subsidiaries which are domiciled in the UAE.

As at the reporting date, all these newly formed subsidiaries had not yet commenced operations.

#### 2.1 BASIS OF PREPARATION

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB") and applicable requirements of the UAE Federal Decree Law No. (32) of 2021 as amended.

The consolidated financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional currency, and all values are rounded to the nearest thousand except where otherwise indicated. Each entity in the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

The consolidated financial statements have been prepared on a historical cost basis except for investment properties, financial assets and liabilities measured at fair value, wherever applicable.

Certain comparative amounts have been reclassified to conform to the presentation used in these consolidated financial statements.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.1 BASIS OF PREPARATION *(continued)*

The consolidated financial statements comprise the financial statements of the Group and the entities controlled by the Group as at 31 December 2025. Control is achieved where all the following criteria are met:

- a) the Group has power over an entity (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- b) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
- c) the Group has the ability to use its power over the entity to affect the amount of the Group's returns.

#### **Basis of consolidation**

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a) The contractual arrangement with the other vote holders of the investee
- b) Rights arising from other contractual arrangements; and
- c) The Group's voting rights and a potential voting right

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

#### *Subsidiaries*

Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control (irrespective of percentage of shareholding) and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the Group, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- b) Derecognises the carrying amount of any non-controlling interest;
- c) Derecognises the cumulative translation differences, recorded in equity;
- d) Recognises the fair value of the consideration received;
- e) Recognises the fair value of any investment retained;
- f) Recognises any surplus or deficit in the consolidated statement of comprehensive income; and
- g) Reclassifies the Group's share of components previously recognised in other comprehensive income to the consolidated statement of comprehensive income or retained earnings, as appropriate.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.1 BASIS OF PREPARATION *(continued)*

#### **Basis of consolidation** *(continued)*

##### *Equity accounted investee*

The Group's interests in equity accounted investee comprise interests in a joint venture. Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities even if the shareholding is 50% or more.

The Group's investment in joint ventures are accounted for using the equity method of accounting. Under the equity method of accounting, investments in joint ventures are carried in the consolidated statement of financial position at cost, plus post-acquisition changes in the Group's share of net assets of the joint venture companies, less any impairment in value.

The consolidated statement of comprehensive income reflects the Group's share of results of its joint ventures. Unrealised profits and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### 2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRSs requires management to make judgements, 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 those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following:

#### **Judgments**

The key judgments and estimates and assumptions that have a significant impact on the consolidated financial statements of the Group are discussed below:

##### *Classification of investment properties*

The Group determines whether a property qualifies as investment property in accordance with IAS 40 *Investment Property*. In making its judgment, the Group considers whether the property is held to earn rental income and/or for capital appreciation.

##### *Operating lease— Group as lessor*

The Group has entered into commercial and retail property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.2 KEY ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

#### **Judgments** *(continued)*

##### *Classification of investments*

Management designates at the time of acquisition of securities whether these should be classified as at fair value or amortised cost. In judging whether investments in securities are classified as at fair value or amortised cost, management has considered the detailed criteria for determination of such classification as set out in IFRS 9 *Financial Instruments*.

##### *Valuation of investment properties*

The Group hires the services of external professionally qualified valuers to obtain estimates of the market value of investment properties using recognised valuation techniques for the purposes of their impairment review and disclosures in the consolidated financial statements.

##### *Held For sale assessment*

Certain investment properties have been classified as assets held for sale during the year. Management has performed the required control assessment in accordance with IFRS 15 – Revenue from Contracts with Customers to evaluate whether control of these assets remains with the Group as at the reporting date. Based on this assessment, management has concluded that control continues to reside with the Group at year-end.

#### **Key estimates and assumptions**

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised 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 or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised 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 recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 8 – investment property
- Note 15 – assets held for sale; and
- Note 9 – financial instruments

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.3 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

#### *New standards, amendments and interpretations issued but not yet effective*

A number of accounting standards, amendments to or interpretations of accounting standards have been issued by the International Accounting Standards Board (“IASB”) as of 31 December 2025.

#### **a. Standards issued and effective during the current year**

Effective 1 January 2025, following amendments to IFRS Standards have become effective and have been applied in preparing these consolidated financial statements however, these new and amended standards do not have a significant impact on Group financial statements.

	<b>Effective date</b>
Lack of Exchangeability – Amendments to IAS 21	1 January 2025

#### **b. New standards, amendments and interpretations issued but not yet effective**

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a material impact on the Group financial statements, for which the potential impact is currently under assessment:

	<b>Effective date</b>
Classification and measurement of financial instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosures 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 Associates or Joint Venture – Amendments to IFRS 10 and IAS 28	deferred indefinitely

### 2.4 MATERIAL ACCOUNTING POLICIES

#### **Revenue recognition**

##### *Revenue from contracts with customers*

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

- Step 1. Identify the 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 the 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 to which the Group expects to be entitled in exchange for transferring 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 will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### Revenue recognition (continued)

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

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

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

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract 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 recognised this gives rise to a contract liability.

### Rental income

Rental income arising from operating leases on investment properties is recognised, net of discount, in accordance with the terms of lease contracts over the lease term on a straight-line basis.

### Dividend income

Dividend income from investment is recognised when the Group's right to receive the payment has been established. Dividend income is classified under other income.

### Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- Profit on Sukuk
- interest expense;
- the net gain or loss on financial assets at FVTPL;
- the foreign currency gain or loss on financial assets and financial liabilities.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### **Foreign currency**

#### *Foreign currency transactions*

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

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

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss).

### **Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

#### **(i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

#### **(ii) Deferred tax**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

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

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

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### Income tax (continued)

#### (ii) Deferred tax (continued)

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

For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes, penalties and late-payment interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact the tax expense in the period that such a determination is made.

### Property, plant and equipment

Plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any impairment in value. Properties are shown at fair value, based on valuations by external independent valuer, less subsequent depreciation. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. When an item of properties is revalued, the carrying amount of that asset is adjusted to the revalued amount. The gross carrying amount and accumulated depreciation are adjusted proportionately to the change in the carrying amount.

Increases in carrying amount arising from revaluation of properties are credited to other comprehensive income and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against revaluation reserve directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income, and depreciation based on the asset's original cost is transferred from 'revaluation reserve' to 'retained earnings'.

Subsequent costs are included in the carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. When the property is sold, any related amount included in the revaluation reserve is transferred to retained earnings. Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### Property, plant and equipment (continued)

Buildings	10 - 20 years
Leasehold improvement	3-5 years
Furniture and fixtures	5 - 10 years
Motor vehicles	3 - 5 years
Office equipment	3 - 5 years

Capital work in progress is stated at cost, less any impairment. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policies. The useful lives, depreciation methods and residual values are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets. Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

### Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the year in which they arise.

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

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

#### Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for-distribution and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss. Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated. In addition, equity accounting of equity-accounted investees ceases once classified as held for sale or distribution.

#### Investment in joint ventures

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of its joint ventures. Where there has been a change recognised directly in the other comprehensive income, the Group recognises its share of any changes, when applicable, in the consolidated statement of comprehensive income or the consolidated statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and its joint ventures are eliminated to the extent of the interest in the joint venture.

The financial statement of joint ventures is prepared for the same reporting year as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint ventures. At each reporting date, the Group determines whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture, and its carrying value and recognises the impairment losses in the consolidated statement of comprehensive income.

Upon loss of significant influence over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of comprehensive income. When the remaining investment in joint ventures constitutes significant influence, it is accounted for as an investment in associate.

#### (a) Financial instruments

##### (i) Recognition and initial measurement

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

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES *(continued)*

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

##### (i) Recognition and initial measurement *(continued)*

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price. However, if the Group has an unconditional right to an amount that differs from the transaction price, the trade receivable will be initially measured at the amount of that unconditional right.

##### (ii) *Classification and subsequent measurement*

###### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised 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.

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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

### 2.4 MATERIAL ACCOUNTING POLICIES (continued)

#### (a) Financial instruments (continued)

##### Financial assets – Business model assessment

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

##### Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

The Group classifies its financial assets into the following business models:

##### Held to collect

The Group maintains a portfolio of financial assets under a held-to-collect business model. This include financial assets arising from investment property. The aim of this model is to collect contractual cash flows from receivables.

##### Held for trading

The Group also holds listed equity securities and debt securities, which are acquired for trading purposes.

##### Financial assets – Assessment whether contractual cash flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

# Al Khaleej Investment PSC and its subsidiaries

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All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### (a) Financial instruments (continued)

#### Financial assets – Assessment whether contractual cash flows are SPPI (continued)

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Group had no financial assets held outside trading business models that failed the SPPI assessment.

#### Financial assets – Subsequent measurement and gains and losses:

##### Financial assets at FVTPL

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

##### Financial assets at amortised cost

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

##### Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

##### Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised 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 recognised in OCI and are never reclassified to profit or loss.

##### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash in hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

##### Trade and other receivables

Trade receivables are stated at original invoice amount (unless there is a significant financing component) less expected credit losses. When a trade receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of comprehensive income.

Services rendered but not billed at the reporting date are accrued as per the terms of the agreements.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### (a) Financial instruments (continued)

#### Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### *Derecognition of financial assets*

A financial asset (or, when applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement, and
- The Group has transferred its rights to receive cash flows from the asset and either:
  - has transferred substantially all the risks and rewards of the asset, or
  - has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### *Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECL") on financial assets measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### (a) Financial instruments (continued)

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

This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be A3 or higher per Moody's rating scale.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

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

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

At each reporting date, the Group assesses whether financial assets carried at amortised 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 issuer;
- a breach of contract such as a default or being more than 90 days past due;
- 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 will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### (a) Financial instruments (continued)

#### Presentation of allowance for ECL in the statement of financial position

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

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Group determines the classification of its financial liabilities at the initial recognition.

#### *Trade and other payables*

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

#### *Loans and borrowings*

Term loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

#### *Other financial liabilities*

Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### (a) Financial instruments (continued)

#### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The Group also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in consolidated statement of comprehensive income.

#### *Offsetting of financial instruments*

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

### **Leases**

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 the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *As a lessee*

At commencement 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 its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### Leases (continued)

#### As a lessee (continued)

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost under the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

#### Short-term leases and leases of low-value assets

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

#### As a lessor

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.

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.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 2.4 MATERIAL ACCOUNTING POLICIES (continued)

### Leases (continued)

As a lessor (continued)

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue'.

### Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

### Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting year, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### Overview

The Group has exposure to the following risks from its use of financial instruments:

- a) Credit risk;
- b) Market risk; and
- c) Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk and the Group's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's current financial risk management framework is a combination of formally documented risk management policies in certain areas and informal risk management policies in others. The Group's risk management policies (both formal and informal) are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Group's principal financial liabilities comprise interest-bearing borrowings, lease liability, amount due to related parties and trade and other payables. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various financial assets such as bank balances and cash, trade and other receivables, amounts due from related parties and other receivables and deposits, which arise directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to credit risk principally from its receivables from customers, related parties, other receivables and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

#### *Trade and other receivables*

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base, including the default risk of the industry and country, in which customers operate, have less influence on credit risk.

The Group has entered into contracts for the renting out of residential and commercial units on an instalment basis. The instalments are specified in the contracts. The Group is exposed to credit risk in respect of instalments due. However, "The Group's exposure to credit risk is reduced through collateral in the form of post-dated cheques, which are obtained as a security measure against tenant default. In addition, instalment dues are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group establishes an allowance for impairment at each reporting date that represents its estimate of expected credit losses in respect of trade other receivables. The provision rates are based on days past due for customers with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### *Due from related parties*

Due from related parties relates to transactions arising in the normal course of business with minimal credit risk.

#### *Other financial assets and cash deposits*

With respect to credit risk arising from the other financial assets of the Group, which comprise bank balances and cash, other receivables and deposits, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these assets.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### a) Credit risk (continued)

Credit risk from balances with banks and financial institutions is managed by Group's treasury in accordance with the Group's policy. The Group limits its exposure to credit risk by only placing balances with local banks of good repute. Given the profile of its bankers, management does not expect any counterparty to fail to meet its obligations. As at 31 December 2025, the Group's cash and cash equivalents comprised cash at bank of AED 3,533 thousand (31 December 2024: AED 9,220 thousand) and fixed deposits of AED 105,000 thousand (31 December 2024: AED 64,000 thousand). These balances are held with banks that have credit ratings ranging from Baa1 to A3, in accordance with Moody's credit rating classifications.

### b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as currency risk and interest rate risk, which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### *Exposure to interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

#### *Exposure to equity price risk*

Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of equity indices and the value of individual stocks. Equity price risk arises from equity instruments held by the Group at fair value through profit and loss. Management of the Group monitors equity securities in its investment portfolio based on market indices. The primary goal of the Group's investment strategy is to maximize investment returns.

#### *Exposure to foreign currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's significant monetary assets and liabilities denominated in foreign currencies are either in USD or in currencies pegged to USD. As the AED is currently pegged to the USD, balances in USD and other currencies pegged against USD are not considered to represent significant currency risk.

### c) 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 monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial investments and financial assets (e.g. trade receivables, other financial assets) and projected cash flows from operations.

The cash flows, funding requirements and liquidity of Group companies are monitored on a centralised basis, under the control of Group Treasury. The objective of this centralised system is to optimise the efficiency and effectiveness of the management of the Group's capital resources. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecasted and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group currently has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations.

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### d) Capital management

Capital includes equity attributable to the equity holders of the Parent. The Group'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 primary objective of the Group's capital management strategy is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Board of Directors also monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to shareholders, the return on capital to shareholders or issuance of new shares to maintain or adjust the capital structure. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024. Neither the Group nor any of its subsidiaries is subject to externally imposed capital requirements other than the statutory requirements in the jurisdictions where the Group or Group entities are incorporated.

## 4 SEGMENT REPORTING

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance.

Segment results that are reported to the Board of Directors 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 Group's headquarters), head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets. Information related to each reportable segment is set out below. Segment profit before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

### Segment wise statement of financial position

	Reportable segments			Total
	Real Estate	Investments	Others	
<b>31 December 2025</b>				
Investment in joint venture (JV)*	-	20,836	-	20,836
<b>Other Segment assets</b>				
Non-current assets (apart from investment in JV)	34,190	71,753	14,751	120,694
Current assets	118,711	60,177	5,415	184,303
<b>Total assets</b>	<b>152,901</b>	<b>152,766</b>	<b>20,166</b>	<b>325,833</b>
<b>Segment liabilities</b>				
Non-current liabilities	-	-	32,535	32,535
Current liabilities	1,433	64	6,182	7,679
<b>Total liabilities</b>	<b>1,433</b>	<b>64</b>	<b>38,715</b>	<b>40,214</b>
<b>Net segment assets</b>	<b>151,468</b>	<b>152,702</b>	<b>(18,551)</b>	<b>285,619</b>

\*The chief operating decision maker (CODM) reviews the investment in joint venture as part of investments. However, the underlying investment pertains to real estate.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 4 SEGMENT REPORTING (continued)

	Reportable segments		Others	Total
	Real Estate	Investments		
<b>31 December 2024</b>				
<b>Segment assets</b>				
Non-current assets*	147,886	21,043	17,976	186,905
Current assets*	3,554	92,553	15,828	111,935
<b>Total assets</b>	<b>151,440</b>	<b>113,596</b>	<b>33,804</b>	<b>298,840</b>
<b>Segment liabilities</b>				
Non-current liabilities	-	-	10,273	10,273
Current liabilities*	3,363	-	4,231	7,594
<b>Total liabilities</b>	<b>3,363</b>	<b>-</b>	<b>14,504</b>	<b>17,867</b>
<b>Net segment assets</b>	<b>148,077</b>	<b>113,596</b>	<b>19,300</b>	<b>280,973</b>

\* Restated (refer note 35)

### Segment wise statement of profit or loss and other comprehensive income

	Reportable segments		Others	Total
	Real Estate	Investments		
<b>31 December 2025</b>				
Property rentals	9,380	-	-	9,380
<b>Segment revenue</b>	<b>9,380</b>	<b>-</b>	<b>-</b>	<b>9,380</b>
Cost of sales	(3,468)	-	-	(3,468)
<b>Gross profit</b>	<b>5,912</b>	<b>-</b>	<b>-</b>	<b>5,912</b>
General and administrative expenses	-	-	(21,260)	(21,260)
Other income	293	148	103	544
Finance income	-	1,019	994	2,013
Finance cost	-	(1,219)	(604)	(1,823)
Gain from sale of investment property	1,301	-	-	1,301
Share of profit from equity accounted investee	-	20,751	-	20,751
Loss from investments carried at FVTPL	-	(216)	-	(216)
Gain from revaluation of investment property	96	-	-	96
Loss from revaluation of investment property	(809)	-	-	(809)
Impairment loss on trade receivables	(1,400)	-	-	(1,400)
<b>Profit for the year before tax</b>	<b>5,393</b>	<b>20,483</b>	<b>(20,767)</b>	<b>5,109</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 4 SEGMENT REPORTING (continued)

#### Segment wise statement of profit or loss and other comprehensive income (continued)

31 December 2024	Reportable segments			Total
	Real Estate	Investments	Others	
Property rentals	16,969	-	-	16,969
<b>Segment revenue</b>	<b>16,969</b>	-	-	<b>16,969</b>
Cost of sales	(3,558)	-	-	(3,558)
<b>Gross profit</b>	<b>13,411</b>	-	-	<b>13,411</b>
			-	
General and administrative expenses	-	-	(7,951)	(7,951)
Other income	317	701	16	1,034
Finance income	-	1,516	224	1,740
Gain on sale of investment property	1,063	-	-	1,063
Gain from revaluation of investment property	159	-	-	159
Impairment loss on trade receivables	(1,920)	-	-	(1,920)
Finance cost	-	-	(34)	(34)
Gain from investments carried at FVTPL	-	3,738	-	3,738
<b>Profit for the year before tax</b>	<b>13,030</b>	<b>5,955</b>	<b>(7,745)</b>	<b>11,240</b>

#### Other segment information

31 December 2025	Reportable segments			Total
	Real Estate	Investment	Others	
Capital expenditure (property, plant and equipment)	-	-	3,464	3,464
Depreciation (property, plant and equipment)	-	-	(921)	(921)
<b>31 December 2024</b>				
Capital expenditure (property, plant and equipment)	59	-	1,654	1,713
Depreciation (property, plant and equipment)	-	-	(214)	(214)

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 5 Property Plant and Equipment

Particulars	Building	Leasehold Improvement	Furniture & Fixtures	Motor Vehicles	Office Equipment	CWIP	Total
<b>Cost:</b>							
At 1 January 2024	3,617	-	970	538	875	-	6,000
Additions during the year	-	-	-	-	59	1,654	1,713
Disposals	-	-	-	(28)	(53)	-	(81)
At 31 December 2024	3,617	-	970	510	881	1,654	7,632
Additions during the year	-	2,425	917	-	98	24	3,464
Transfer to investment property	(2,357)	-	-	-	-	-	(2,357)
Transfer from capital work in progress	-	1,635	-	-	-	(1,635)	-
Disposals during the year	(1,260)	-	-	(325)	(15)	-	(1,600)
Write off during the year	-	-	-	-	-	(43)	(43)
<b>At 31 December 2025</b>	<b>-</b>	<b>4,060</b>	<b>1,887</b>	<b>185</b>	<b>964</b>	<b>-</b>	<b>7,096</b>
<b>Accumulated depreciation:</b>							
At 1 January 2024	-	-	407	524	536	-	1,467
Depreciation charge for the year	181	-	122	14	78	-	395
Disposals during the year	-	-	-	(28)	(45)	-	(73)
At 31 December 2024	181	-	529	510	569	-	1,789
Depreciation charge for the year	69	588	183	-	81	-	921
Transfer to investment property	(250)	-	-	-	-	-	(250)
Disposals during the year	-	-	-	(325)	-	-	(325)
<b>At 31 December 2025</b>	<b>-</b>	<b>588</b>	<b>712</b>	<b>185</b>	<b>650</b>	<b>-</b>	<b>2,135</b>
<b>Net carrying amount:</b>							
<b>At 31 December 2025</b>	<b>-</b>	<b>3,472</b>	<b>1,175</b>	<b>-</b>	<b>314</b>	<b>-</b>	<b>4,961</b>
At 31 December 2024	3,436	-	441	-	312	1,654	5,843

# Al Khaleej Investment PSC and its subsidiaries

for the year ended 31 December 2025

All figures are in AED '000s

## 6 Right-of-use asset

	31 December 2025	31 December 2024
Opening balance	11,972	-
Additions during the year	-	12,085
Charge for the year	(2,304)	(113)
At the end of the year	<u>9,668</u>	<u>11,972</u>

Right of use asset includes the office premises taken on lease for five years ending 14 December 2029.

## 7 Intangible assets

	Computer Software
<i>Cost</i>	
At 1 January 2024	550
Additions	57
At 31 December 2024	<u>607</u>
At 1 January 2025	607
Additions	-
<b>At 31 December 2025</b>	<b><u>607</u></b>
<i>Accumulated Amortization</i>	
At 1 January 2024	417
Amortization	29
At 31 December 2024	<u>446</u>
At 1 January 2025	446
Amortization	40
<b>At 31 December 2025</b>	<b><u>485</u></b>
<i>Carrying Amount</i>	
At 31 December 2024	161
<b>At 31 December 2025</b>	<b><u>122</u></b>

## 8 Investment property

	31 December 2025	31 December 2024
Plots of land located in U.A.E	12,360	11,201
Buildings located in U.A.E	21,830	136,685
	<u>34,190</u>	<u>147,886</u>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 8 Investment property (continued)

	Land	Land and Building	Total
Opening as of 1 January 2024	11,201	197,621	208,822
Disposals during the year	-	(61,095)	(61,095)
Change in fair value	-	159	159
At 31 December 2024	11,201	136,685	147,886
Disposals during the year	-	(69,990)	(69,990)
Transferred to assets held for sale	-	(45,909)	(45,909)
Transferred from property, plant and equipment	-	2,107	2,107
Change in fair value	1,159	(1,063)	96
At 31 December 2025	12,360	21,830	34,190

During the current year, the Group has sold five properties, which resulted in a net gain of AED 1,301 thousand (refer note 29). Investment property consists of lands, commercial and residential properties in Sharjah and Ras Al Khaimah, U.A.E. The Group has no restrictions on the realizability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. The investment properties are pledged as security under the Group's loan agreement (refer note 17).

During the year, five properties from Ajman and Sharjah have been transferred to assets held for sale.

#### Measurement of fair value

As at 31 December 2025, the fair values of the properties were determined using valuations prepared by an independent, professionally qualified valuer specialising in the valuation of similar types of investment property.

The fair values of properties have been determined by combination of the income capitalisation approach and the sales comparison approach. This is a market-based evaluation approach which takes into consideration expectations of market participants. The income capitalisation valuation approach provides a value estimate by converting future cash flows to a single current capital value. This approach considers the income that an asset will generate over its useful life and indicates value through a capitalisation process. In their analysis using this valuation approach, the valuer has applied a capitalisation rate to representative income stream amounts.

The capitalisation rate adopted also references the yield rates observed of similar properties in the locality and adjusted based on factors specific to the respective properties.

Accordingly, based on the above valuation a fair value gain of AED 96 thousand (31 December 2024 AED 159 thousand) has been recognised in the statement of profit and loss for the year ended 31 December 2025.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy of the entity's portfolios of investment properties are:

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 8 Investment property (continued)

#### Building

Market rental rates based on the actual location, type and quality of the buildings and supported by prevailing market evidence. Average market rental values used were AED 440 per sqm per annum for commercial units (2024: AED 419) and AED 1.16 per sqm per annum for residential units (2024: AED 1.11). If rental rates were 10% higher/lower, the valuation would have been AED 2,130 thousand (2024: AED 2,220 thousand) higher/lower, with all other variables remaining constant.

Yield rate reflecting the return expected by market participants for similar properties, with an average yield rate of 7.0% (2024: 5.6%). If the yield rate was 1% higher/lower, the valuation would have been AED 2,470 thousand (2024: AED 2,540 thousand) lower/higher, with all other variables remaining constant.

Operating expenses representing maintenance, utilities and other costs necessary to maintain the properties in a rentable condition, averaging 6.5% of rental income (2024: 6.5%). If operating expenses were 10% higher/lower, the valuation would have been AED 150 thousand (2024: AED 210 thousand) lower/higher, with all other variables remaining constant.

Occupancy rate based on historical and expected long-term occupancy levels of 97%–100% (2024: 96%–99%). If occupancy rates were 5% higher/lower, the valuation would have been AED 730 thousand (2024: AED 740 thousand) higher/lower, assuming all other inputs remain constant.

Market value per sqm supported by comparable market transactions, averaging AED 1.16 per sqm (2024: AED 1.11).

#### Land

Market rental rates based on comparable land lease arrangements, with an average market rental value of AED 192 per sqm per annum (2024: AED 178). If market rental values were 10% higher/lower, the valuation would have been AED 440 thousand (2024: AED 370 thousand) higher/lower, with all other inputs remaining constant.

Market value based on comparable sales evidence, with an average market value of AED 280 per sqm (2024: AED 266). If the market value were 10% higher/lower, the valuation would have been AED 800 thousand (2024: AED 750 thousand) higher/lower, with all other variables remaining constant.

### 9 Financial assets

#### 9.1 Investments mandatorily measured at FVTPL

	31 December 2025	31 December 2024*
Investments in equity instruments – quoted	23,127	27,996
Investments in Tier 1 Sukuk -quoted	2,227	12,143
	<b>25,354</b>	40,139
Current	25,354	27,996
Non-current	-	12,143

\* Restated, refer note 35.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 9 Financial assets (continued)

#### 9.1 Investments mandatorily measured at FVTPL (continued)

	2025	2024
Balance at 1 January	40,139	29,412
Add: Additions during the year	10,372	133,414
Less: Disposal during the year	(24,942)	(133,566)
Restatement effect (refer note 35)*	-	9,546
Decrease/increase in fair value during the year	(215)	1,333
Balance at 31 December	<u>25,354</u>	<u>40,139</u>

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets at fair value by valuation technique:

	Level 1	Level 2	Level 3*	Total
<b>31 December 2025</b>	<u>25,354</u>	-	-	<u>25,354</u>
31 December 2024	<u>40,139</u>	-	-	<u>40,139</u>

Included in Level 3 are shares in a listed entity with nil value as of 31 December 2024 and 31 December 2025.

\*Restated, refer note 35. Valuations for Level 3 investments in securities have been derived by determining their redemption value which is generally net asset value per share of the investee companies. There were no transfers made between Level 1 and Level 3 during the year.

#### 9.2 Financial assets at amortised cost

	31 December 2025	31 December 2024
Investments in Sukuk (restated, refer note 35)	-	8,900
	<u>-</u>	<u>8,900</u>

Financial assets at amortised cost as at 31 December 2024 included investments in Arada Senior and Dar Al Arkan Senior Sukuks, amounting to AED 5,999 thousand and AED 2,901 thousand respectively, with maturity dates of 8 June 2027 and 26 February 2027. During the year ended 31 December 2025, these Sukuk bonds were sold for AED 9,080 thousand, which included accrued interest of AED 140 thousand. A gain of AED 40 thousand was recognised on this transaction and recorded under finance income.

### 10 Investment in joint venture

	31 December 2025	31 December 2024
Capital contribution	75	-
Additional capital contribution	11	-
Total capital contribution	<u>86</u>	-
Share of loss from investment in joint venture	(97)	-
Right for joint venture partner to transfer SPA to JV	<u>20,847</u>	-
	<u>20,750</u>	-
	-	-
	<u>20,836</u>	-

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 10 Investment in joint venture (continued)

During 2025, the Group entered an equal ownership joint venture, Pinnacle Ventures Real Estate, to develop certain lands parcels in Abu Dhabi (the 'Project') under a joint venture agreement. Given market conditions, the joint venture partners have signed an addendum to their existing agreement and decided to hold the property for capital appreciation instead.

Under the terms of the joint venture, the Group's total remaining capital commitment aggregates AED 162 million, which will be contributed in stages aligned with agreed milestones. Interest in the joint venture is accounted for using the equity method. It is initially recognised 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 investee, until the date on which significant influence or joint control ceases.

The following table summarises the financial information of joint venture as included in its own financial statements. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in joint venture.

	31 December 2025	31 December 2024
Percentage ownership interest	50%	-
Non-current assets		-
Current assets	21	-
Non-current liabilities		-
Current liabilities	171	-
Net assets	150	-
Group share of net assets	50%	-
Adjustment: right for joint venture partner to transfer SPA to JV	20,847	-
Carrying amount of interest in joint venture	20,836	-
General & Administrative Expenses	(193)	-
Profit and total compressive income	(193)	-
Group's share of total comprehensive income	(97)	-

### 11 Trade receivables

	31 December 2025	31 December 2024
Trade receivables	819	6,512
Less: provision for impairment of receivables	(242)	(4,750)
Trade receivables – net	<u>577</u>	<u>1,762</u>

11.1 Movements in the provision for impairment of trade receivables are as follows:

	31 December 2025	31 December 2024
At the beginning of the year	4,750	6,390
Charge for the year	1,400	1,920
Write off	(5,908)	(3,560)
At the end of the year	<u>242</u>	<u>4,750</u>

The carrying amount of the Group trade receivables is primarily denominated in AED and approximates its fair value. There have been no changes to ECL model assumptions.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 12 Other receivables

	31 December 2025	31 December 2024
Advance for land purchase*	71,753	-
Cash placed in debt service reserve account**	672	-
Dividend receivable	441	339
Accrued interest	463	101
Advance to suppliers	554	455
Refundable deposit	399	-
Prepayments	328	442
Deferred tax receivable	557	590
Others	406	895
	<u>75,573</u>	<u>2,822</u>
Current	3,820	2,822
Non – current	<u>71,753</u>	-

\* In 2025, the Group paid an advance of AED 71,753 thousand against two land parcels located in Abu Dhabi in accordance with the terms of a joint venture agreement signed on 6 August 2025 (refer note 10).

\*\* Restricted cash pertains to funds maintained in a Debt Service Reserve Account (DSRA) under the terms and conditions of a loan. As at 31 December 2025, restricted cash is held in a restricted account in accordance with the terms of the Group's financing arrangements, which require the Group to maintain a minimum balance equivalent to quarterly interest and principal payments

### 13 Short-term deposits

	31 December 2025	31 December 2024
Fixed deposit	<u>105,000</u>	-

Short-term deposits comprise deposits with financial institutions with original maturity of six months and are measured at amortised cost. These deposits earn interest at prevailing market rates and are subject to insignificant risk of changes in value. As at 31 December 2025, no material expected credit losses were recognised on short-term deposits.

### 14 Cash and cash equivalents

	31 December 2025	31 December 2024
Bank balance – current accounts	3,533	9,220
Cash on hand	10	2
Fixed deposits – original maturity less than 3 months	-	64,117
	<u>3,543</u>	<u>73,339</u>

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 December 2025	31 December 2024
Cash and cash equivalents in the statement of financial position	<u>3,543</u>	<u>73,339</u>
Cash and cash equivalents for the purpose of statement of cash flows	<u>3,543</u>	<u>73,339</u>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 15 Assets held for sale

During the year, certain investment properties were reclassified from investment property to non-current assets held for sale following management's commitment to a plan to dispose of the assets and the signing of sale and purchase agreements with third-party buyers.

As at 31 December 2025, legal title, control, and the significant risks and rewards of ownership had not transferred to the buyers and, accordingly, the assets had not been derecognised. The investment properties continue to be measured at fair value in accordance with IAS 40, as they are exempt from the measurement requirements of IFRS 5.

At 31 December 2025, assets held for sale comprised the following assets.

Assets classified as held for sale	31 December 2025	31 December 2024
Buildings	45,909	-
Less : loss on change of fair value	(809)	-
	<u>45,100</u>	<u>-</u>

Assets held for sale consists of commercial and residential properties in Sharjah and Ajman, U.A.E. The Group has no restrictions on the realizability of its assets held for sale and are pledged as security under the Group's loan agreement (refer note 17).

#### Measurement of fair values

The fair values of the buildings as at 31 December 2025 have been classified within Level 3 of the fair value hierarchy in accordance with IFRS 13. The fair value measurement is based on observable market inputs, including recent offers received from third parties as part of an active marketing process. Management considers these offers to represent orderly transactions between market participants for identical or comparable assets in an open market. Accordingly, changes in fair value during the year were recognised based on these observable market inputs, consistent with the requirements of IFRS 13.

### 16 Equity

	31 December 2025	31 December 2024*
Share capital (Authorised, issued and paid-up share capital 105,000,000 shares of AED 1.00 each) (a)	105,000	105,000
Statutory reserve (b)	52,500	52,500
Voluntary reserve (c)	50,000	50,000
Other reserve	345	345
Retained earnings	77,774	73,128
	<u>285,619</u>	<u>280,973</u>

\* Restated, refer to note 35

- a) On 20 February 2025, the Board of Directors resolved to increase the Group's share capital by AED 400,000 thousand, through the issuance of 400,000 thousand new shares, each with a nominal value of AED 1 and an issuance price of AED 1 per share. This resolution was adopted by the shareholders in the general meeting held on 25 March 2025. The share capital increase is currently in progress, and the issuance of the new shares is expected to be re-approved by the shareholders in the next annual general meeting.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

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### 16 Equity (continued)

- b) According to the Articles of Association of the Group and U.A.E Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.
- c) The Group in earlier years has transferred up to 10% of the profits to the voluntary reserve. There were no transfers to voluntary reserve during the year ended 31 December 2025 and year end 31 December 2024.

### 17 Borrowings

	31 December 2025	31 December 2024
Opening balance	-	-
Loan obtained during the current year	26,000	-
Interest expense (refer note 26)	741	-
Less - loan repaid during the year	(1,479)	-
Closing balance	<u>25,262</u>	-
Current	1,476	-
Non - current	<u>23,786</u>	-

During the year, the Group entered into a long-term loan agreement with a commercial bank for a total facility amount of AED 30,000 thousand. As of 31 December 2025, the Group had drawn down AED 26,000 thousand. The facility is a three-year term loan with a structured amortisation schedule, including quarterly principal repayments and a final bullet payment due at maturity. The facility is subject to certain financial covenants, which are satisfied as at 31 December 2025, and is secured by the real estate assets (classified under investment properties and assets held for sale) fair value amounting to AED 79,290 thousand held by the Group. Key financial covenants include:

- (a) Debit Service Reserve Account (DSCR) to be maintained above 1.25x at all times during the tenor of the facility,
- (b) Overall loan to value (LTV) shall be maintained below 60% at all the times and in case of any breach in LTV, either fresh mortgage to be provided to cover the shortfall and/or facility outstanding to be reduced / settled accordingly. LTV excluding plots of Lands not to exceed 65%, and
- (c) Rental register and PDC register (on Bank's format) to be shared with the Bank half yearly basis.

The LTV covenant was complied with as at the reporting date and, accordingly, the related borrowings continue to be classified as non-current. Based on management's assessment and the contractual terms of the financing arrangements, no future breach of the LTV covenant is expected, as proceeds from the sale of any pledged assets are required to be applied towards the settlement of the outstanding loan balance.

### 18 Employees' end of service benefits

	31 December 2025	31 December 2024
At the beginning of the year	864	880
Charge for the year	479	180
Payments made during the year	(488)	(196)
At the end of the year	<u>855</u>	<u>864</u>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

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All figures are in AED '000s

### 19 Lease liabilities

	31 December 2025	31 December 2024
At the beginning of the year	11,374	11,983
Interest expense for the year (refer note 26)	604	34
Payments made against lease obligation	(2,569)	(643)
At the end of the year	9,409	11,374
Less: current portion	2,112	1,965
Non-current portion	7,297	9,409

### 20 Trade and other payables

	31 December 2025	31 December 2024*
Accruals	2,393	1,068
Tenants' refundable deposits	448	860
Deferred revenue – rent received in advance	708	1,335
Corporate tax payable	82	1,064
Trade payables	277	1,168
VAT Payable	119	-
	4,027	5,495

\* Restated, refer note 35

### 21 Related party transactions and balances

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in International Accounting Standard 24, "Related Party Disclosures". Related parties comprise subsidiaries and entities under common ownership and/or common management and control, key management personnel, directors and businesses that are controlled directly or indirectly by them or businesses over which they exercise significant influence.

#### Due from related parties

	<i>Relationship</i>	31 December 2025	31 December 2024
Al Ramz Corporation PJSC (Al Ramz)	<i>Shareholder exercising significant influence</i>	887	6,016
Apex Energy Holding Ltd. (Apex)	<i>Entity under common control</i>	22	-
Total		909	6,016

#### Due to related party

	<i>Relationship</i>	31 December 2025	31 December 2024
Pinnacle ventures real estate LLC	<i>Joint venture</i>	64	-
Total		64	-

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

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

a) Related party transactions	31 December 2025	31 December 2024
Margin loan received from Al Ramz	9,993	-
Settlement of margin loan from Al Ramz	(9,993)	-
Interest on margin loan from Al Ramz	236	-
Rental income from Apex	300	-
Total	<u>536</u>	-
b) Compensation of key management personnel	31 December 2025	31 December 2024
Board of directors remuneration	1,050	1,050
Short-term benefit	5,104	263
Board of directors fee	1,259	162
Total	<u>7,413</u>	<u>1,475</u>

### 22 Income tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. CT applies to all businesses and individuals conducting business activities under a commercial license in the UAE. Thus, the Company is subject to CT.

The CT regime has become effective for accounting periods beginning on or after 1 June 2023. The Group is subject to corporate tax from the financial year beginning from January 2024 onwards. The Cabinet of Ministers Decision No. 116 of 2022 effective from the year 2023, specified that corporate tax at a rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 for a tax period.

Profit and loss	31 December 2025	31 December 2024
Current tax	-	1,064
Deferred tax	463	134
	<u>463</u>	<u>1,198</u>

#### *Deferred taxes analyzed by type of temporary difference*

Differences between IFRS Accounting Standards and statutory taxation regulations in the United Arab Emirates give rise to temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases. Income tax liability relates to the tax payable on the results of the Group, as adjusted in accordance with the taxation laws and regulations of the jurisdictions in which the Group operate.

#### **Reconciliation of effective tax rate**

In the reconciliation below, the expected tax rate reflects the corporation tax rate that is expected to apply to the taxable profit or loss for the year. The relationship between the tax expenses and the accounting profit can be explained as follows:

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

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### 22 Income tax (continued)

	31 December 2025	31 December 2024
Current tax	-	1,064
Deferred income tax (credit) / expense for the year	597	134
Deferred income tax (credit) / expense for the previous year	(134)	-
Net income tax charge for the year	<u>463</u>	<u>1,198</u>
Profit before tax for the year	5,109	11,240
Tax using domestic tax rate	460	1,012
Add: Tax losses carried forward	1,422	-
Less: Income not subject to tax	(13)	(63)
Less: Income taxable on realisation basis	7	(134)
Less: Unrealised gain or loss	(1,885)	-
Less: Other adjustments	(429)	245
<i>Tax effect of:</i>		
Add- Expenses attributable to earning exempt income	9	172
Less: Standard threshold for 0% CT	(34)	(34)
	<u>(463)</u>	<u>(1,198)</u>
Effective Income tax rate	<u>9.0%</u>	<u>11.3%</u>

The Group has recognised deferred tax liability based on the estimate made by the management. The ETR for FY 2025 is 9.0% (2024: 11.3%). Such losses have been carried forward and will be adjusted in subsequent years, as per rules and regulations under Federal Decree Law no 47 of 2022.

### 23 Revenue

#### Disaggregation of revenue

	31 December 2025	31 December 2024
Property rentals	<u>9,380</u>	16,969
	<u>9,380</u>	<u>16,969</u>

The Group operations and main revenue stream is rental income from residential and commercial properties. Rental income from operating leases of investment properties is recognised on a straight-line basis over the term of the lease. Revenue for the year includes rental income of AED 300 thousand (2024: AED nil) earned from a related party. Details of transactions with related parties, including the nature and terms of these rental arrangements, are disclosed in note 21.

#### Primary Geographical Markets

	31 December 2025	31 December 2024
UAE	<u>9,380</u>	16,969
	<u>9,380</u>	<u>16,969</u>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 24 Direct costs

	31 December 2025	31 December 2024
Commission expense	1,147	16
Maintenance cost	894	1,033
Staff cost	551	1,351
Utilities	497	903
Government fees	199	113
Bank charges	48	17
Insurance	76	69
Cleaning	2	20
Others	54	36
	<b>3,468</b>	<b>3,558</b>

### 25 General and administrative expenses

	31 December 2025	31 December 2024*
Staff salaries	11,977	4,548
Professional and consultancy	3,065	516
Depreciation on right of use asset (refer note 6)	2,304	113
Director's expenses	1,176	1,475
Depreciation property, plant and equipment (refer note 5)	921	395
Communication	184	137
Rent	-	15
Amortisation (refer note 7)	40	29
Others	1,593	723
	<b>21,260</b>	<b>7,951</b>

\* Restated, refer to note 35

### 26 Finance income / cost

	31 December 2025	31 December 2024
<i>Finance income</i>		
Profit on Sukuk	1,019	1,516
Interest income on fixed deposits	994	224
	<b>2,013</b>	<b>1,740</b>

	31 December 2025	31 December 2024
<i>Finance cost</i>		
Interest expense on loan (refer note 17)	741	-
Interest on lease liabilities (refer note 19)	604	34
Bank charges	214	-
Other	264	-
	<b>1,823</b>	<b>34</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 27 (Loss) / gain from investments mandatorily measured at FVTPL

	31 December 2025	31 December 2024
Realised gain on investments mandatorily measured at FVTPL	563	2,405
Unrealised gain / (loss) on investments mandatorily measured at FVTPL	(779)	1,333
	<u>(216)</u>	<u>3,738</u>

### 28 Loss on change in fair value of assets held for sale

	31 December 2025	31 December 2024
Loss on change in fair value of assets held for sale	809	-
	<u>809</u>	<u>-</u>

### 29 Gain on revaluation of investment property

	31 December 2025	31 December 2024
(a) Gain on sale of investment properties (refer note 8)	1,301	1,063
	<u>1,301</u>	<u>1,063</u>
(b) Increase in fair value of investment property	96	159
	<u>96</u>	<u>159</u>

### 30 Other income

	31 December 2025	31 December 2024
Gain on sale of property, plant and equipment	103	16
Dividend income	148	701
Other miscellaneous income *	293	317
	<u>544</u>	<u>1,034</u>

\* Miscellaneous income included termination, administration and maintenance fees.

### 31 Commitments and contingencies

Under the terms of the joint venture, the Group's total remaining capital commitment aggregates AED 162,000 thousand, as of 31 December 2025 (31 December 2024: Nil).

Further, the Group is the claimant in legal proceedings against a third party in relation to purchase of land bank in the UAE. The proceedings are at an early stage and the outcome is uncertain. Based on legal advice, management considers that a favourable outcome is possible. No asset has been recognised in the financial statements in accordance with IAS 37. The estimated financial effect cannot be reliably measured at this stage.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 32 Earnings per share/diluted share

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the shareholders of the Group by the weighted average number of ordinary shares outstanding during the year.

<b>Earnings</b>	<b>31 December 2025</b>	<b>31 December 2024*</b>
Profit for the year, attributable to the shareholders	<u>4,646</u>	<u>9,713</u>
	<b>4,646</b>	<b>9,713</b>
<b>Number of shares in thousands</b>		
Number of ordinary shares for basic earnings per share	<u>105,000</u>	<u>105,000</u>
	<b>105,000</b>	<b>105,000</b>
<b>Earnings per share</b>		
Basic and diluted earnings per share (AED)	<u>0.0442</u>	<u>0.0925</u>
	<b>0.0442</b>	<b>0.0925</b>

\* Restated, refer to note 35

### 33 Earnings before interest, taxes, depreciation, and amortisation (EBITDA)

	<b>31 December 2025</b>	<b>31 December 2024*</b>
Profit for the year before tax	<u>5,109</u>	<u>11,240</u>
Tax expense	<u>(463)</u>	<u>(1,198)</u>
	<b>4,646</b>	<b>10,042</b>
Adjustments for:		
Depreciation on right of use asset	<u>2,304</u>	<u>395</u>
Depreciation on property, plant and equipment	<u>921</u>	<u>112</u>
Finance income, net	<u>(190)</u>	<u>(1,706)</u>
Amortisation	<u>40</u>	<u>28</u>
	<b>7,721</b>	<b>8,871</b>

\* Restated, refer to note 35

### 34 Comparative figures

The previous year figures have been regrouped wherever necessary, to conform to the current year presentation. The regrouping does not affect the previously reported net assets, total equity and the profit or loss and other comprehensive income, except for the restatement described in note 35.

### 35 Restatement of comparative balances

During 2025, the Group identified the following errors:

Management had classified its investment in shares in a listed entity, as a financial assets mandatorily measured at FVTPL. During the current year, upon reassessment, management determined that the fair value of these shares should have been assessed as nil in prior year as the trading of investees shares has been suspended since 2020 and the Group share of net asset value of the investee was approximately nil as at 1 January 2024 and 31 December 2024. As a result, financial assets mandatorily measured at FVTPL and Retained earnings were overstated by AED 2,597 thousand as at 1 January 2024 and 31 December 2024. This error has been corrected by restating each of the affected consolidated financial statement line items for prior year.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 35 Restatement of comparative balances (continued)

Further, during the current year, management identified an error in the classification of certain investments in Tier 1 sukuk with a carrying amount of AED 12,143 thousand. These sukuk had been incorrectly classified and measured at amortised cost, despite not meeting the solely payments of principal and interest (SPPI) criteria as required by IFRS 9. Upon reassessment, management determined that these instruments should have been classified as financial assets mandatorily measured at FVTPL as at both 1 January 2024 and 31 December 2024. As a result, the balances of financial assets at amortised cost and financial assets mandatorily measured at FVTPL were each misstated by AED 12,143 thousand as at 1 January 2024 and 31 December 2024. This error has been corrected by restating the affected comparative figures in the consolidated financial statements, with no impact on total equity or profit for the prior year.

During the current year, management identified that accruals for Board of Directors' remuneration relating to the year ended 31 December 2024 were not recognised in the prior year's consolidated financial statements. The omission represented a prior-year error, as the liability for such remuneration existed at the prior reporting date based on services rendered and the expected approval at the Annual General Assembly. As a result, accrued expenses were understated and retained earnings were overstated by AED 1,050 thousand as at 31 December 2024. The net income for the year ended 31 December 2024 was also overstated by the same amount. This error has been corrected by restating each of the affected consolidated financial statement line items for prior years.

These errors have been corrected by restating each of the affected consolidated financial statement line items for the prior years. In addition, basic and diluted earnings per share for the year ended 31 December 2024 were overstated by AED 0.0117.

During the current year, management identified an error in the classification of cash flows relating to investments carried at FVTOCI, amortised cost, and FVTPL, including related dividend income. These cash flows were incorrectly presented under investing activities in the prior year. Based on the Group's business model for managing these financial assets, management determined that these cash flows should have been classified under operating activities in accordance with IAS 7 and IFRS 9. The error has been corrected by restating the comparative cash flow statement, resulting only in a reclassification between operating and investing activities, with no impact on total equity, profit, or net cash and cash equivalents.

The following table summarizes the impact on the Group's financial statements.

#### i) Consolidated statement of financial position

1 January 2024	Impact of correction of errors		
	As previously reported	Adjustments	As restated
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments carried at amortised cost	21,767	(12,143)	9,624
Financial assets mandatorily measured at FVTPL	-	12,143	12,143
Other non-current assets	215,291	-	215,291
<b>Total non-current assets</b>	<b>237,058</b>	<b>-</b>	<b>237,058</b>
<b>Current assets</b>			
Financial assets mandatorily measured at FVTPL	29,412	(2,597)	26,815
Other current assets	14,100	-	14,100
	<b>43,512</b>	<b>(2,597)</b>	<b>40,915</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

Total Assets	280,570	(2,597)	277,973
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### 35 Restatement of comparative balances (continued)

i) Consolidated statement of financial position (continued)

1 January 2024	Impact of correction of errors		
<b>EQUITY</b>			
Other equity	208,468	-	208,468
Retained earnings	66,789	(2,597)	64,192
	<b>275,257</b>	<b>(2,597)</b>	<b>272,660</b>
Total non-current liabilities	880	-	880
<b>Total non-current liabilities</b>	<b>880</b>	<b>-</b>	<b>880</b>
Trade and other payables	4,433	-	4,433
<b>Total current liabilities</b>	<b>4,433</b>	<b>-</b>	<b>4,433</b>
<b>Total equity and liability</b>	<b>280,570</b>	<b>(2,597)</b>	<b>277,973</b>

31 December 2024	Impact of correction of errors		
	As previously reported	Adjustments	As restated
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	6,024	(181)	5,843
Investments carried at amortised cost	21,043	(12,143)	8,900
Financial assets mandatorily measured at FVTPL	-	12,143	12,143
Other non-current assets	160,019	-	160,019
<b>Total non-current assets</b>	<b>187,086</b>	<b>(181)</b>	<b>186,905</b>
<b>Current assets</b>			
Financial assets mandatorily measured at FVTPL	30,593	(2,597)	27,996
Other current assets	83,939	-	83,939
	<b>114,532</b>	<b>(2,597)</b>	<b>111,935</b>
<b>Total assets</b>	<b>301,618</b>	<b>(2,778)</b>	<b>298,840</b>
<b>EQUITY</b>			
Other equity	207,845	-	207,845
Retained earnings	76,956	(3,828)	73,128
	<b>284,801</b>	<b>(3,828)</b>	<b>280,973</b>
Total non-current liabilities	10,407	-	10,407
	<b>10,407</b>	<b>-</b>	<b>10,407</b>
Trade and other payables	4,445	1,050	5,495
Other current liabilities	1,965	-	1,965
<b>Total current liabilities</b>	<b>6,410</b>	<b>1,050</b>	<b>7,460</b>
<b>Total equity and liability</b>	<b>301,618</b>	<b>(2,778)</b>	<b>298,840</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 35 Restatement of comparative balances (continued)

#### i) Consolidated statement of cash flows

31 December 2024	Impact of correction of errors		
	As previously reported	Adjustments	As restated
<b>Cash flows from operating activities</b>			
Profit for the year	12,471	(1,231)	11,240
<i>Adjustments for:</i>			
Depreciation of plant and equipment	214	181	395
Provision for board of directors' remuneration	-	1,050	1,050
Purchase of investment carried at FVTOCI	-	(3,716)	(3,716)
Proceeds from disposal of investments carried at FVTOCI	-	5,190	5,190
Inflow from investments carried at amortised cost	-	724	724
Proceeds from disposal of investments at FVTPL	-	135,974	135,974
Purchase of investments at FVTPL	-	(133,414)	(133,414)
<b>Cash flows from operating activities</b>			
Dividend income	-	701	701
Others	(11,268)	-	(11,268)
<b>Net cash from operating activities</b>	<b>1,417</b>	<b>5,459</b>	<b>6,876</b>
<b>Cash flows from investing activities</b>			
Purchase of investment carried at FVTOCI	(3,716)	3,716	-
Proceeds from disposal of investments carried at FVTOCI	5,190	(5,190)	-
Inflow from investments carried at amortised cost	724	(724)	-
Proceeds from disposal of investments at FVTPL	135,974	(135,974)	-
Purchase of investments at FVTPL	(133,414)	133,414	-
Dividend income	701	(701)	-
Others	60,412	117	60,529
<b>Net cash from investing activities</b>	<b>65,871</b>	<b>(5,342)</b>	<b>60,529</b>
<b>Net cash used in financing activities</b>	<b>(643)</b>	<b>-</b>	<b>(643)</b>
<b>Net increase in cash and cash equivalents</b>	<b>66,645</b>	<b>117</b>	<b>66,762</b>
Cash and cash equivalents at the beginning of the year	6,577	-	6,577
<b>Cash and cash equivalents at the end of the year</b>	<b>73,222</b>	<b>117</b>	<b>73,339</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 35 Restatement of comparative balances (continued)

iii) Statement of profit or loss and other comprehensive income

31 December 2024	Impact of correction of errors		
	As previously reported	Adjustments	As restated
Gross profit	13,411	-	13,411
General and administrative expenses	(6,720)	(1,231)	(7,951)
Others	5,780	-	5,780
<b>Profit for the year before tax</b>	<b>12,471</b>	<b>(1,231)</b>	<b>11,240</b>
Tax	(1,198)	-	(1,198)
<b>Profit for year</b>	<b>11,273</b>	<b>(1,231)</b>	<b>10,042</b>
Other comprehensive income	(329)	-	(329)
<b>Total comprehensive income for the year</b>	<b>10,944</b>	<b>(1,231)</b>	<b>9,713</b>

### 36 Financial instruments and risk management

Details of material policies and methods adopted including the criteria for recognition for the basis of measurement in respect of each class of financial assets and financial liabilities are disclosed in note 3 to the consolidated financial statements.

	Financial assets	Financial liabilities
<b>31 December 2025</b>		
Trade and other receivables	4,397	-
Fixed deposits	105,000	-
Investments mandatorily measured at FVTPL	25,354	-
Due from related parties	909	6,016
Cash and cash equivalents	3,543	-
Borrowings	-	25,262
Trade and other payables	-	4,027
Lease liability	-	9,409
Due to related party	-	64
	<b>139,203</b>	<b>44,778</b>
<b>31 December 2024 (restated)</b>		
Investments mandatorily measured at FVTPL	40,139	-
Right of use asset	11,972	-
Investments carried at amortised cost	8,900	-
Trade and other receivables	6,512	-
Fixed deposits	-	-
Cash and cash equivalents	73,339	-
Trade and other payables	-	5,495
Lease liability	-	11,374
	<b>140,862</b>	<b>16,869</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 36 Financial instruments and risk management (continued)

#### Credit risk

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

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

Valuation techniques and assumptions applied for the purposes of measuring fair value:

Fair value measurements recognised in the statement of financial position:

Some of the Group financial assets are measured at fair value at the end of the reporting year:

Investments carried at:	Fair value hierarchy	Valuation techniques & key input	31 December 2025	31 December 2024
FVTPL	Level 1	Quoted Price	25,354	40,139

The Group's financial risk management policies set out the Group's overall business strategies and risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The management carries out overall financial risk management covering specific areas, such as market risk (including foreign exchange risk and interest rate risk), credit risk, and liquidity risk and investing excess cash.

The Group's activities may expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Group does not hold or issue derivative financial instruments for speculative purposes.

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

In order to minimise credit risk, the Group has tasked its management to develop and maintain the Group credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, management uses other publicly available consolidated financial statements and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

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### 36 Financial instruments and risk management (continued)

#### Financial risk management objectives (continued)

##### Credit risk (continued)

Exposure to credit risk

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

	31 December 2025	31 December 2024
Trade and other receivables (excluding prepayments, advances and deferred tax)	2,958	3,097
Due from related party	909	6,016
Fixed deposits	105,000	-
Cash and cash equivalents	3,533	73,337
<b>Total</b>	<b>112,400</b>	<b>82,450</b>

#### Trade receivables, due from related parties and other receivables

The impairment provision as at 31 December 2025 was determined for the trade receivables within the real estate business, as follows, based on management assessment of default from the date being 90 days from the date the counter party fails to make contractual payment:

Expected credit loss

	Weighted Weighted Average Loss rate	Gross Balance	Impairment	Net Receivable
<b>31 December 2025</b>				
0-30 days	-	141	-	141
31-60 days	-	25	-	25
61-90 days	-	28	-	28
91-120 days	-	25	-	25
121-300 days	-	-	-	-
Over 300 days	40%	600	242	358
<b>Total</b>	<b>-</b>	<b>819</b>	<b>242</b>	<b>577</b>

	Weighted Weighted Average Loss rate	Gross Balance	Impairment	Net Receivable
<b>31 December 2024</b>				
0-30 days	-	147	-	147
31-60 days	-	666	-	666
61-90 days	-	728	-	728
91-120 days	-	-	-	-
121-300 days	-	-	-	-
Over 2 years	60%	556	335	221
Over 3 years	100%	4,415	4,415	-
<b>Total</b>	<b>-</b>	<b>6,512</b>	<b>4,750</b>	<b>1,762</b>

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 36 Financial instruments and risk management (continued)

#### Financial risk management objectives (continued)

##### Liquidity risk

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the financial assets and financial liabilities at the reporting date based on contractual repayment arrangements was as follows:

Particulars	Less than 1 year	1 to 2 years	over 2 years	Total	Carrying amount
<b>Financial Liability</b>					
Trade and other payables*	3,118	-	-	3,118	3,118
Due to a related party	64	-	-	64	64
Borrowings	3,143	3,043	23,024	29,210	25,262
Lease liability	2,631	2,814	5,169	10,614	9,409
<b>At 31 December 2025</b>	<b>8,956</b>	<b>5,857</b>	<b>28,193</b>	<b>43,006</b>	<b>37,853</b>

Particulars	Less than 1 year	1 to 2 years	over 2 years	Total	Carrying amount
<b>Financial Liability</b>					
Trade and other payables*	3,096	-	-	3,096	3,096
Lease liability	2,569	2,631	7,983	13,183	11,374
<b>At 31 December 2024</b>	<b>5,665</b>	<b>2,631</b>	<b>7,983</b>	<b>16,279</b>	<b>14,470</b>

\* Excluding deferred revenue, corporate and VAT payable

##### Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

All figures are in AED '000s

### 36 Financial instruments and risk management (continued)

#### Market risk (continued)

#### Interest risk (continued)

#### Exposure to equity price risk

Equity price risk is the risk that the fair values of equities increase or decrease as a result of changes in the levels of equity indices and the value of individual stocks. Equity price risk arises from equity instruments held by the Group at fair value through profit and loss. Management of the Group monitors equity securities in its investment portfolio based on market indices. The primary goal of the Group's investment strategy is to maximize investment returns. The effect on fair value of investment in securities (as a result of a change in the fair value of equity instruments held at fair value through profit and loss as at 31 December) due to a reasonably possible change in equity indices, with all other variables held constant, is as follows:

	31 December 2025		31 December 2024	
	Changes in Currency rate%	Effect of Equity / profit	Changes in Currency rate%	Effect of Equity / profit
Teir 1 Sukuk	±10%	223	±10%	223

#### Foreign currency risk

The Group does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

#### Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

	31 December 2025	31 December 2024
<b>Fixed rates instruments</b>		
Financial asset	105,000	-

#### Cash flow sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

# Al Khaleej Investment PSC and its subsidiaries

## Notes to the consolidated financial statement

for the year ended 31 December 2025

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### 36 Financial instruments and risk management (continued)

#### Market risk (continued)

#### Interest risk (continued)

	31 December 2025	31 December 2024
<b>Variable rates instruments</b>		
Financial liability	25,262	-

	31 December 2025		31 December 2024	
	Changes in interest rate%	Sensitivity of interest expense	Changes in interest rate	Sensitivity of interest expense
Financial liabilities	±1%	253	±1%	-

The investments in financial products are not for trading or speculative purposes but placed in securities or fixed deposits, with the objective of achieving better returns than cash at bank.

### 37 Uncertainty related to key estimates

#### Fair value of investments

The fair value of equities decreases because of changes in the levels of equity index and the value of individual stocks. The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The effect on statement of profit or loss and other comprehensive income as a result of a change in the fair value of equity instruments quoted on different stock exchange markets and held at FVTPL at December 31, 2025, due to reasonably possible changes in the prices of these quoted shares held by the Group, with all other variables held constant, is as follows.

	31 December 2025		31 December 2024	
	Changes in market prices	Effect on statement of profit or loss and other comprehensive income	Changes in market prices	Effect on statement of profit or loss and other comprehensive income
<b>Market index</b>	%		%	
Abu Dhabi Securities Exchange	±5%	±1,156	±5%	±1,530

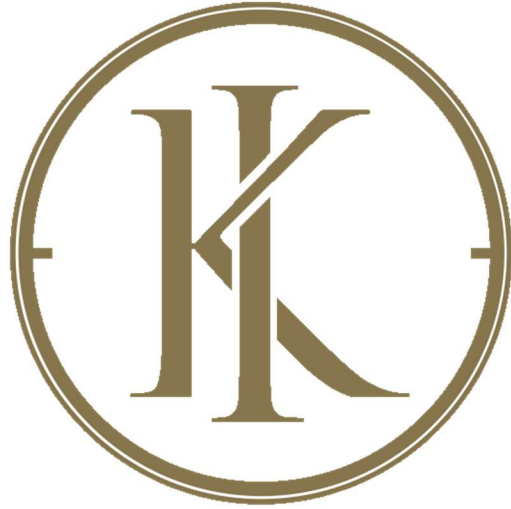
### 38 Other Information

The Group has invested in equity securities during the year ended 31 December 2025 (refer note 9).

### 39 Events after the year-end report

Post year end, the Group has entered into SPAs for the sale of two investment properties in Ajman and Sharjah. These have been classified as assets held for sale (refer note 15).

There are no other significant events after the year-end report, which affect the consolidated financial statements or disclosures.



# **AL KHALEEJ INVESTMENT P.S.C**

**Governance Report**

**Year 2025**



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**Sheikh Zayed Bin Sultan Al Nahyan  
Founder of the UAE**



**His Highness Sheikh Mohammed  
bin Zayed Al Nahyan  
President of the UAE**



**His Highness Sheikh Saud bin Saqr  
Al Qasimi  
Member of the Supreme Council of  
the Federation  
Ras Al Khaimah Governor**



## Introduction

Al Khaleej Investment P.S.C (KICO' or 'the Company') is a diversified investment holding company that invests in real estate, facilities management, financial services, and portfolio investments, among others. KICO is regulated by Capital Market Authority (CMA) and trades on the Abu Dhabi Securities Exchange (ADX).

At KICO, we take pleasure in our strategic vision and market knowledge, which allow us to recognize and capitalize on new possibilities in the real estate and investment sectors. Our strategy is based on a thorough grasp of market dynamics, allowing us to execute projects that have a substantial impact on the UAE's urban and economic development.

Our portfolio comprises a wide range of developments, including both residential and commercial properties. As of today, the Company has adopted a fresh approach to all its investment plans, laying the groundwork for the future. It is committed to providing transparency to all its shareholders to maximize returns on its diverse assets. KICO is led by the Chairman, the Board, and a strong management team with an average of 26 years of industry expertise.

KICO - Public Joint Stock Corporation recognizes the significance of implementing the Chairman of Authority's Boards' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide ('Authority Regulation'). The Company applies best governance practices derived from the Company's values and rationality, reflecting the extent to which the Board and Executive Management (SEM') adhere to government controls and their importance in terms of securing accountability and culture, thereby increasing market confidence and attracting new investors, thereby maximizing shareholder profitability.

To fulfill its corporate governance goals, the organization is establishing and developing transparency, safety, integrity, and internal control practices, as well as promoting business ethics. The Company realizes that the best practices in corporate governance rely on continual monitoring of governance developments at the local and regional levels. and the replication of corporate commitment to governance needs and the pursuit of the highest governance standards. It is made up of a system of controls and procedures that maintain institutional discipline in the Company's relationships and management. The framework adheres to international standards by outlining the responsibilities and duties of the Company's Board and SEM. It also considers the safeguarding of shareholders' and stakeholders' rights.



## **First: Measures for completing the Governance System**

KICO emphasizes the importance and continuity of adhering to the decision of the Chairman of the Boards of the Authority, Decision No. (03/R.M) of 2020, regarding the approval of the Corporate Governance Guide for Public Joint Stock Companies. This aims to elevate disclosure and transparency requirements and ensure sound management through transparency, fairness, financial control, adopting clear responsibility limits, and granting the right to hold the Company's management accountable.

These actions lead to the creation of an attractive investment environment that encourages investors. The Company considers these elements to be essential for its success and for its governance system.

Given the importance of the governance system, the Company is keen to fulfill the requirements outlined in Decision No. (03/R.M) of 2020, regarding the approval of the Corporate Governance Guide for Public Joint Stock Companies. In this regard, the Company has taken several key actions to enhance its corporate governance system and practices, which includes the following:

### **1. Corporate Governance Executive Regulations:**

The Company has developed executive standards for corporate governance, which cover critical issues related to the Board and its subcommittees, work ethics, internal controls, policies and procedures, risk management, and external auditing.

### **2. Guidelines for Board and its Committees Meetings:**

Guidelines for the meetings of the Board and its committees have been established. These guidelines aim to organize the decision-making process during meetings to make them more structured and efficient. The Company has also established a framework to activate corporate governance and achieve its purpose, which includes the following:

- Compliance Policy derived from the Company's values.
- Code of Professional Conduct for KICO.
- Policies and procedures for implementing strategic plans.
- Insider Trading Period Ban (for those with access to sensitive information).



## Second: Transactions of Board Members, Spouses, and Sons in Securities

The transactions of Board members, employees, and their immediate family members in the securities issued by KICO are governed by several procedures and rules, including:

- Ongoing adherence to the laws and regulations of regulatory bodies such as the SCA and the market.
- Commitment to not disclosing material information that affects the stock price in the financial market, except by the authorized management.
- Commitment to professional conduct and refraining from actions that may harm the stock price through speculative trading, which negatively affects trading activity.
- Avoiding participation in any actions or behaviors aimed at manipulating prices or artificially increasing trading volumes.
- Avoiding actions meant to mislead market participants.
- Refraining from trading or recommending others to trade based on insider information that could impact stock prices.

The following table shows a statement of ownership of the Company's securities by Board members, spouses, and sons:

#	Name	Position / Relationship Shares	Shares owned as in 31/12/2025	Total sale	Total procurement
1	H.E. Khalifa Yousif Abdulla Husain Khouri	Chairman	--	--	--
		Relatives	<b>8,193,665</b>	--	<b>8,193,665</b>
2	H.E. Alia Abdulla Mohamed Almazrouei	Vice Chairman	--	--	--
3	Mr. Ahmed Omar Abdulla Balfaqaeh	Member	--	--	--
4	Mr. Samer Abdulrahman Katerji	Member	--	--	--
5	Mr. Nasser Abdulrahman Mohammad Rafi Alkhazraji	Member	--	--	--
6	Mr. Omar Siraj M Qandeel	Member	--	--	--
7	Ms. Shaikha Ahmed Saif Alqassab Alsuwaidi	Member	--	--	--

### Third: Composition of the Board

The Board is the highest administrative authority within the organizational structure, making it the ultimate decision-making body. Its main responsibility is to maximize and ensure an appropriate return for shareholders in exchange for their investment in the Company, while also safeguarding their rights. In addition, the Board is responsible for approving strategic plans, financial statements and budgets, investments, overseeing and managing the financial situation, and other matters that will be clarified below.


#### 3.1. Governing council composition:

The Company's Articles of Association (AOA) stipulate that the management of the Company shall be entrusted to a Board, which is elected by the Company's General Assembly through voting in accordance with the laws of the CMA and the applicable regulations. The term of the Board is three years.

The Company's Board consists of seven members, who were elected at the Company's Ordinary General Assembly meeting held on February 29, 2024, for a term of three years.




##### 3.1.1 Board of Directors:

A seven-member Board manages KICO.

Name / Position	Description
<p data-bbox="131 1045 394 1129"><b>H.E. Khalifa Yousif Abdulla Husain Khouri Chairman</b></p> 	<ul data-bbox="427 940 1495 1602" style="list-style-type: none"> <li>• His Excellency Mr. Khalifa Yousif Alkhoori is certainly an influential investor and entrepreneur in the UAE and elsewhere.</li> <li>• He is a director in several public and private joint stock companies in the UAE and is a trusted representative for private family wealth management offices.</li> <li>• Khalifa Khouri's leadership style is characterized by a forward-thinking approach, attention to detail, and a focus on cultivating strong business relationships. His strategic vision has not only helped his ventures succeed but also contributed to the broader economic development of the UAE. He remains dedicated to exploring new opportunities, driving innovation, and playing a pivotal role in the country's ongoing growth and diversification efforts.</li> <li>• Over the years he has been involved in the founding of several companies in the UAE and certainly enjoys a wealth of experience in the fields of investments, media, trading, services, manufacturing, real estate, building material, oil &amp; gas and others.</li> <li>• He has had an active leadership role in mergers and acquisition, bond issuance and taking company public.</li> <li>• He is a Chairman of Apex Investments P.S.C, Vice Chairman of UAE Padel Tennis Association. He is also a Board Member of Abu Dhabi National Industrial Projects Company and Palm Sports.</li> <li>• Mr. Khalifa has completed Master of Business Administration at Grand Canyon University, Phoenix, Arizona.</li> </ul>



<p><b>H.E. Alia Al Mazrouei</b> <b>Vice Chairman</b></p> 	<ul style="list-style-type: none"><li>• Her Excellency Alia Al Mazrouei has been named Minister of State for Entrepreneurship in the newly formed UAE cabinet in July 2024. Prior to joining the government, she was the Group COO of Mazrui International LLC.</li><li>• As CEO of the Khalifa Fund for Enterprise Development, she oversaw the organization's efforts to foster entrepreneurship and support small and medium-sized firms in the UAE.</li><li>• She has worked as an advisor to the Chairman of the Abu Dhabi Department of Economic Development and the Director General of the Human Resources Authority (HRA) in Abu Dhabi and served as the Director General of the Abu Dhabi School of Government.</li><li>• In 2013, she received the Arab Women's Award for Entrepreneurship, and in 2014, she was ranked twenty-sixth on Forbes Middle East's list of the world's 200 most powerful Arab women. In 2017, Forbes named her one of the world's 100 most powerful Arab businesswomen.</li><li>• She earned a Bachelor of Business Administration (BBA) in Management Information Systems from the United Arab Emirates University in 2001 and a Master of Business Administration (MBA) in Global Leadership at the same institution, which she earned in 2005.</li></ul>
<p><b>Mr. Ahmad Omar Balfaqeeh</b> <b>Board Member</b></p> 	<ul style="list-style-type: none"><li>• Mr. Ahmed Balfaqeeh has spent his whole career with the Abu Dhabi National Oil Company (ADNOC) Group, where he has held several positions and gained extensive knowledge in marketing, logistics, supply, shipping, refining, and petrochemicals.</li><li>• Before taking on his current post, he was COO of ADNOC Refining and CEO of Borouge.</li><li>• He has headed various Board Sub-Committees, including the Board Advisory, Projects, and Audit Committees, and has sat on the Boards of ADNOC Refining, Borouge PTE, Borouge ADP, and ADNOC Logistics &amp; Services.</li><li>• He is now the Deputy CEO/Assistant Downstream and Asset Management at ADNOC.</li><li>• While in Takreer he has held several positions like Chief Operating Officer, Assistant General Manager Operations, Director of Ruwais Refinery and Director of Abu Dhabi Refinery.</li><li>• He has a bachelor's degree in chemical engineering from Kuwait University and a master's degree in Corporate Governance and Leadership from John Moores University in Liverpool, United Kingdom.</li></ul>
<p><b>Mr. Nasser Abdulrahman Alkhazraji</b> <b>Board Member</b></p> 	<ul style="list-style-type: none"><li>• He is the Managing Director of the National Investment Corporation in the UAE.</li><li>• He previously served as CEO of Emaar Malls for 15 years, overseeing the Company's digital transition and expansion. His significant successes include the Company's listing on the Dubai Financial Market, the opening of Dubai Mall, Dubai Marina Mall, Souk Al Bahar, and the Dubai Fountain. He also investigated new mall opportunities in emerging markets.</li><li>• Nasser was Managing Director of Hamptons International - Middle East before joining Emaar and serving with the Dubai Police for almost a decade.</li><li>• He has a master's degree in computer science (AI) from Eastern Washington University and experience in digital transformation and ERP.</li></ul>

<p><b>Mr. Samer Katerji</b> <b>Board Member</b></p> 	<ul style="list-style-type: none"> <li>• He is currently CEO and Managing Director of Truss bridge, an investment advisory firm based in DIFC and regulated by the DFSA for over 23 years.</li> <li>• Prior to this, he oversaw Citigroup Global Markets' Middle East Financial Institutions and Financial Sponsors advisory practice and was instrumental in the region's franchise expansion.</li> <li>• He has also held key positions with SHUAA Capital in Dubai, Prime Corp Finance, and Middle East Capital Group in Beirut and was the Director in Hayat Insurance Company PSC.</li> <li>• He graduated from the American University of Beirut with a master's and bachelor's degree in business administration, as well as a bachelor's degree in science (biology).</li> </ul>
<p><b>Mr. Omar Siraj M Qandeel</b> <b>Board Member</b></p> 	<ul style="list-style-type: none"> <li>• Mr. Omar is specialized in project development and consulting for European and Asian corporations doing business in the Middle East and North Africa</li> <li>• He has developed manufacturing and distribution projects for European corporations in the food and packing industry looking to expand their operations to the Middle East.</li> <li>• Mr. Omer began his career with involvement in a wide range of research projects across both the public and private sectors, contributing to analytical studies, policy-related research, and data-driven initiatives.</li> <li>• Mr. Omar holds a Bachelor of Science Degree in Physics from the University of California at Berkeley and a Master of Science Degree in Geological Sciences from the University of Southern California.</li> </ul>
<p><b>Ms. Shaikha Ahmed Saif Alqassab AL Suwaidi</b> <b>Board Member</b></p> 	<ul style="list-style-type: none"> <li>• Shaikha Al Suwaidi is a strategic and results-driven finance professional with over 15 years of experience in public-sector financial leadership, revenue assurance, and policy impact evaluation</li> <li>• She has a demonstrated track record of strengthening financial governance, leading complex and high-profile audits, and driving digital transformation initiatives across government entities.</li> <li>• Shaikha Al Suwaidi actively contributes as a member of multiple strategic initiatives and committees, including the Abu Dhabi Police Impact Evaluation Study, Creativity Committee, Asset Inspection Committee, Innovation and Happiness Programs, Finance Department Excellence Program, CSR initiatives, ISO 9001:2015 Quality Management System, and the Financial Well-Being Program.</li> <li>• She is the Head of the Revenue Assurance Section within Licensing, Regulation &amp; Compliance at the Abu Dhabi Department of Culture and Tourism. She has a bachelor's degree from Abu Dhabi University with her Bachelor of Business Administration &amp; Accounting and Master of Business Administration.</li> </ul>

### 3.2. Statement on gender composition of the Board:

Women hold 28.6 % of Boards seats at the year end.

### 3.3 Statements since no female component nominated to the Board:

H.E. Aliya Al Mazrouei and Ms. Shaikha Ahmed Saif Alqassab Alsuwaidi have been nominated for positions on the Board of the Company. This reflects confidence in their capabilities and expertise in areas that will contribute to our development and enhanced performance.



### 3.4 Statement determines Board member compensation and meeting attendance allowances:

The remuneration of board members is determined based on the provisions of Article (29) of the decision of the Chairman of the Board of Directors No. (03/R.M) of 2020, regarding the adoption of the Corporate Governance Guide for Public Shareholding Companies. based on the Provisions of Article (171) Federal Decree Law No. (32) of 2021 on Commercial Companies ('the Federal Regulation'), whereby the remuneration of board members consists of a percentage of the net profit.

The Company may also pay additional expenses or fees or a monthly salary to the extent determined by the Board to any of its members if the member serves on any committee, makes special efforts or does additional work to serve the Company above its duties as a member of the corporate Board, Thus, the remuneration of the Chairman and members of the Board of Directors will be determined, provided that it is approved by the General Assembly shall state the method for calculating the remuneration of the Board Members provided that it does not exceed 10% of the net profits of the fiscal year after deducting all the depreciations and reserves. Or subject to the regulations issued by SCA in this regard, a Board Member may be paid a lump sum fee not exceeding (AED200,000) two hundred thousand dirhams at the end of the fiscal year, whenever the Company's statute permits so, and subject to the General Assembly's approval of payment of these fees, in the following cases:

- The Company's failure to achieve profits.
- If the Company makes profits and the Board member's share in those profits is less than (200,000) two hundred thousand dirhams, and in this case the remuneration and fees may not be combined. Pursuant to this statement, the remuneration of the members of the Board shall be determined by a proposal or recommendation of the Board and shall be submitted to the Regular General Assembly of the Company for the approval of the shareholders, in accordance with the provisions of the above-mentioned articles and laws concerning the remuneration of the Board.

The proposed equivalent of the fiscal year ending December 31, 2025, for the members of the Board will be set at the next General Assembly.

The Boards' pay was disbursed after being approved by the General Assembly on February 2025, in the sum of 1,050,000 AED. The remunerations were distributed as follows:

#	Name	AED
1	H.E. Khalifa Yousif Abdulla Husain Khouri	150,000
2	H.E. Alia Abdulla Mohamed Almazrouei	150,000
3	Mr. Ahmed Omar Abdulla Balfaqaeh	150,000
4	Mr. Nasser Abdulrahman Mohammad Rafi Alkhazraji	150,000
5	Mr. Samer Abdulrahman Katerji	150,000
6	Ms. Shaikha Ali Al nuwais (Resigned)	150,000
7	Mr. Munther Aldajani (Resigned)	150,000



The following table shows the allowance for the attendance of the members of committees of the Board:

#	Name	EX	N&R	AC	AED
1	Mr. Ahmad Omar Balfaqeeh	-	1	4	0000
2	Ms. Shaikha Ahmed Saif Alqassab Alsuwaidi	-	-	2	0000
3	Mr. Samer Katerji	1	1	-	0000
4	Mr. Mr. Nasser Abdulrahman Mohammad Alkhazraji	1	-	-	0000
5	H.E. Alia Al Mazrouei	1	-	-	0000
6	Mr. Omar Siraj M Qandeel	-	-	3	0000
<b>Previous Board members</b>					
7	Ms. Shaikha Ali Al nuwais (Resigned)	-	1	1	00000

### 3.5 Number of meetings of the Board:

The table below indicates the number of personal attendance of members of the Board at meetings with dates.

#	Name	Meeting # 2 06/03/2025	Meeting # 3 12/05/2025	Meeting # 4 07/08/2025	Meeting # 5 06/11/2025
1	H.E. Khalifa Yousif Abdulla Husain Khouri	✓	✓	✓	✓
2	H.E. Alia Abdulla Mohamed Almazrouei	✓	✓	✓	✓
3	Mr. Ahmed Omar Abdulla Balfaqeeh	✓	✓	✓	✓
4	Mr. Nasser Abdulrahman Mohammad Alkhazraji	✓	✓	✓	✓
5	Mr. Samer Abdulrahman Katerji	--	✓	✓	✓
6	Ms. Shaikha Ahmed Saif Alqassab Alsuwaidi	--	--	✓	✓
7	Mr. Omar Siraj M Qandeel	--	✓	✓	✓
8	Ms. Shaikha Ali Al nuwais (Resigned)	--	--	--	--



### Changes in the Company's Board of Directors

-On 17 April 2025, Mr. Omar bin Siraj bin Mahmoud Qandeel was appointed as a member of the Company's Board of Directors, in recognition of his extensive experience in joint stock companies and the value he is expected to add to the Board.

-On 25 April 2025, the resignation of Ms. Sheikha Al nuwais from the Board of Directors was accepted. The Company extends its appreciation for her efforts and contributions during her tenure.

-On 23 June 2025, Ms. Sheikha Ahmed Al Qassab Al Suwaidi was appointed as a member of the Board of Directors, given her strong financial expertise which will further enhance the Board's capabilities and support the Company's strategic direction.

### 3.6 Decisions to pass within a year:

There is one resolution by passing, which is the Boards' resolution to approve a capital increase, dated February 20, 2025.

### 3.7 Board functions and terms of reference are performed by members as authorized by the Board:

Based on the powers vested in the Board to manage the Company and in accordance with the statutes of the Company and Federal Regulation, the Board has been granted the following:

#	Name	Valid Authorization	Duration of authorization
1	H.E Khalifa Yousif khoori	He shall be an authorized and empowered agent of the Board and shall have all the powers as stated in the Company's Articles of Association.  This authorization shall be valid with all entities in which the Company or its subsidiaries have bank accounts, deposits, or securities.	This authorization shall be valid until the end of the term of the current Board and shall be considered valid unless it is revoked by the Board.

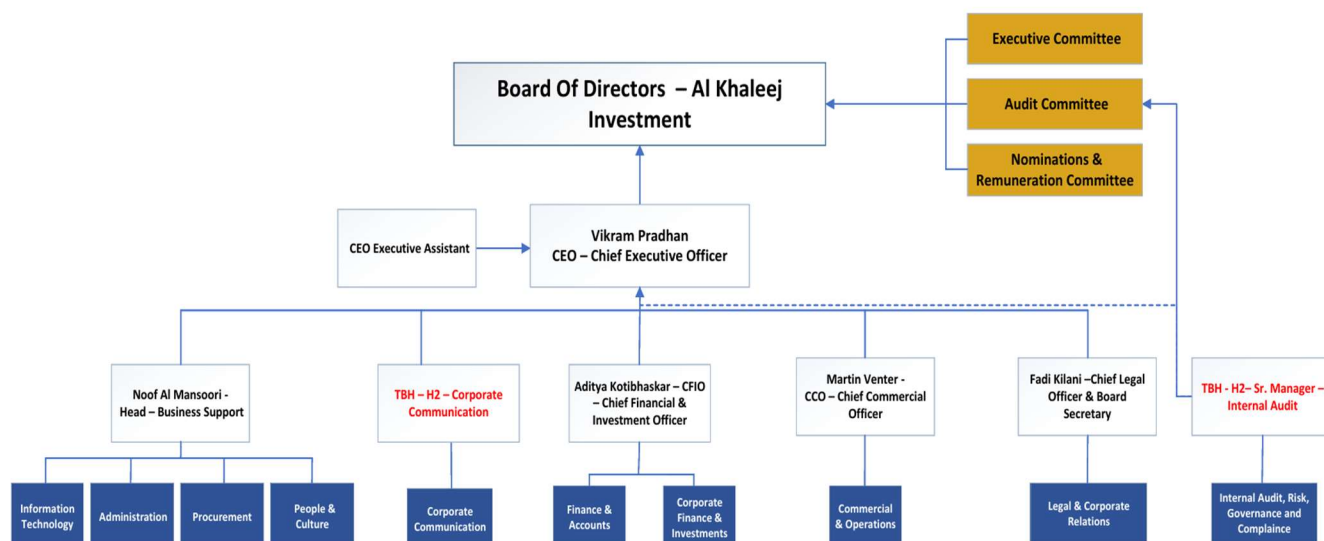
### 3.8 Dealings of relevant parties (stakeholders):

Statement of the relevant Party	Relationship	Type of the transaction	Value of the transaction
---------------------------------	--------------	-------------------------	--------------------------

There are no transactions with related parties



### 3.9 Company's organizational structure:



### 3.10 Breakdown of Management compensation:

#	Position	Joining Date	Total Salaries for 2025	Total Bonus paid for 2024
1	Chief Executive Officer	15/07/2024	2,100,000.00	-----
2	Chief Financial & Investment Officer	11/11/2024	1,440,000.00	-----
3	Head of Business Support	28/10/2024	600,000.00	-----
4	Chief Commercial Officer	17/04/2025	1,016,000.00	-----
5	Chief Legal Officer & Board Secretary	01/09/2025	356,000.00	-----

Note: No staff bonus has been approved for 2025 to date.

## Fourth: External Auditor

### 4.1 Profile of the external auditor, KPMG:

KPMG is a global organization of independent professional services firms providing Audit, Tax and Advisory services. KPMG is the brand under which the member firms of KPMG International Limited



("KPMG International") operate and provide professional services. "KPMG" is used to refer to individual member firms within the KPMG organization or to one or more member firms collectively. KPMG firms operate in 143 countries and territories with more than 273,000 partners and employees working in member firms around the world. Each KPMG firm is a legally distinct and separate entity and describes itself as such. Each KPMG member firm is responsible for its own obligations and liabilities. KPMG International Limited is a private English company limited by guarantee. KPMG International Limited and its related entities do not provide services to clients.

#### **4.2 Statement of External Auditor's fees and costs:**

At its meeting of 11/04/2025, the General Assembly appointed KPMG and set their annual professional fees at AED360,000 to perform the Company's audit functions for 2025 years.

Their services included all professional services related to the audit of the four (interim) as well as annual financial reports in accordance with the International Accounting Standards and CMA Regulation.

It also emphasizes the independence of the external auditor and his failure to provide any additional substantive, administrative or consulting services or work related to the work done.

There was no other external auditor for 2025 besides KPMG.



## Fifth: Audit Committee (AC')

The AC is Boards sub-committee composed of three members of the Board. The following table shows the composition of the AC and the number of attendance and dates of the committee's meetings during 2025:

#	Members	Position	Category	No. of attendances
1	Mr. Omar Siraj M Qandeel	Chairman	Independent	3
2	Mr. Ahmad Omar Balfaqqeh	Member	Independent	4
3	Ms. Shaikha Ahmed Saif Alqassab Alsuwaidi	Member	Independent	2
<b>Previous Board members</b>				
4	Ms. Shaikha Ali Al nuwais (Resigned)	Member	Independent	0

The AC meets at least four times a year, or as needed. The final minutes of the audit meetings are signed by all members of the Audit Committee, and the Company is committed to providing the necessary resources for AC to perform its duties.

Meeting	Number	Date
(1)	01/2025	27/02/2025
(2)	02/2025	08/05/2025
(3)	03/2025	31/07/2025
(4)	04/2025	30/10/2025

### The AC undertakes the following tasks and duties:

- Review the Company financial and accounting policies and procedures.
- Monitor and review the integrity of the Company financial statements and reports (annual, semi-annual, and quarterly) and its control regulation as part of its normal operation during the year.
- It shall concentrate on the following:
  - Any changes in accounting policies and practices.
  - Ensure that the Company annually updates its policies, procedures, and control systems.
  - Substantive amendments resulting from the audit.
  - Assumption of business continuity.
  - Compliance with the accounting standards established by the Authority.
  - Compliance with listing and disclosure rules and other legal requirements related to financial reporting.
- Coordinate with the Company Board, senior executive administration, the financial manager, or the manager delegated with the same duties in the Company, to perform its duties.



- Reviewing any important and unusual items that should be included in reports and accounts, and off-balance sheet items). Giving due attention to any matters raised by the financial manager, the manager with similar responsibilities, compliance officer, or the auditor.
- Raise recommendations to the Board regarding the selection, resignation, or dismissal of the auditor. In case the Board does not approve the AC recommendations in this regard, the Board shall attach to the Governance report a statement explaining the AC recommendations and the reasons why the Board has not followed them.
- Develop and implement the policy of contracting with the auditor, and submit a report to the Board, outlining the issues that it deems necessary to be taken, along with providing recommendations for steps to be taken.
- Ensure that the auditor meets the conditions stated in the applicable laws, regulations, and decisions and in the Company AOA, along with following up and monitoring its independence.
- Meet the auditor of the Company without presence of any of the SEM personnel or its representatives and discuss the same regarding the nature and scope of the audit process and its effectiveness in accordance with the audited standards.
- Approve any additional works done by an external auditor for the Company and the fees received in consideration for that work.
- Examine all matters related to the auditor's work, his work plan, correspondence with the Company, his observations, suggestions and reservations, and any substantial queries raised by the auditor to the SEM regarding the accounting records, financial accounts or control systems, in addition to following up the response of the Company management and provision of the necessary facilities to do his work.
- Ensuring that the Board and SEM respond promptly to essential queries raised in the auditor's letter.
- Review and evaluate the Company internal auditing and risk management systems.
- Discuss the internal auditing system with the Board, and make sure it performs its duty regarding establishing an effective internal control system.
- Consider the results of the main investigations regarding the internal auditing matters assigned to it by the Board or at the initiative of the AC and the approval of the Board.
- Review the auditor's evaluation of the internal control procedures and ensure that there is coordination between the internal and external auditors.
- Ensure of the availability of necessary resources for the internal auditing department, review and monitor the effectiveness of such department.
- Examine internal auditing reports and follow up implementation of corrective actions of the observations contained therein.
- Establishing controls enabling employees and stakeholders to report potential violations in financial reports, internal audits, or other matters confidentially. Implementing procedures to conduct independent



and fair investigations into such violations, with adequate measures to protect whistleblowers and closely monitoring their execution.

- Monitor the Company's compliance with the rules of professional conduct.
- Review related party transactions with the Company, ensure that there are no conflicts of interest and raise recommendations about them to the Board before concluding them.
- Ensure the application of the business rules of its functions and the powers entrusted to it by the Board.
- Submit reports and recommendations to the Board on the above matters mentioned in this Article.
- Consider any other matters determined by the Board.

### **Challenges Faced by the AC:**

- **Challenges Related to Changes in Laws and Regulations:** Some local and international regulations were updated during the year, requiring the committee to stay abreast of these changes and evaluate their impact on financial reporting and audit processes.
- **Internal Control Challenges:** Some areas requiring improvement in internal controls were identified to ensure effective oversight of financial operations.
- **Pressure from Economic Crises:** Despite the Company's efforts to manage global economic crises, the committee remained vigilant in monitoring cash flows and the performance of subsidiaries.

### **Recommendations:**

- **Strengthening Internal Controls:** The committee recommends continuing to strengthen internal systems to ensure the timely detection and mitigation of risks.
- **Ongoing Training:** Encouraging the management to organize regular training sessions for staff involved in financial oversight to maintain high level of competence.
- **Keeping Up with Regulatory Changes:** Continuously monitor updates to accounting standards and regulations to ensure company compliance.

## Sixth: Nominations and Reward (N&R) Committee

The N&R Committee consists of three members of the Board. The table below shows the formation of the N&R Committee, the number of times and dates of attendance at the committee's meetings during 2025:

#	Members	Position	Category	No. of attendances
1	Mr. Ahmad Omar Balfaqqeh	Chairman	Independent	1
2	Ms. Shaikha Ahmed Saif Alqassab Alsuwaidi	Member	Independent	0
3	Mr. Samer Katerji	Member	Independent	1
<b>Previous Board members</b>				
4	Ms. Shaikha Ali Al nuwais (Resigned)	Member	Independent	0

### The N&R Committee held three meetings during the year 2025 on the following dates:

Meeting	Meeting Number	Date of the meeting
(1)	01/2025	09/05/2025

### The N&R Committee has the following functions and responsibilities:

- Develop a policy to apply for Board membership, aiming at considering gender diversity within the formation and encouraging women through incentive and training programs and benefits.
- Organize and follow up the procedures for applying for Board membership in accordance with the applicable laws and regulations and the provisions of this resolution.
- Ensure the independence of independent members on an ongoing basis.
- Ensure availability of continuity of the membership conditions in the Board members annually.
- If the committee finds that a member has lost the conditions for independence, it must present the matter to the Board to notify the member by a registered letter to his address go the justifications for his lack of independence.
- The members must respond within fifteen days, and if there is no response, the Board issues a decision considering whether the member is independent or not.
- Subject to the provisions of Article (145) of Companies Law, if the decision of the Board regarding lacking reasons or justifications for the member independence affects the minimum percentage of its independent members, the Board shall appoint an independent member to replace this member if he submits his resignation due to lack of independence. If the member refuses to resign, the Board shall present the matter to the General Assembly for a decision to approve the appointment of another member or to open the door for candidacy for electing a new member.



- Developing the policy for granting remuneration, benefits, incentives, and salaries to members of the Board and employees, reviewing it annually, ensuring that the benefits granted to senior executives are reasonable and commensurate with the Company's long-term performance.
- Ensure linking the remunerations and bonuses, including the other deferred options and remunerations and benefits offered to SEM in the performance of the Company in the medium and long term.
- Annually review the required needs of the suitable skills for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
- Review the structure of the Board and make recommendations regarding changes.
- Identify the Company needs for competencies at the level of SEM and staff and the basis of selecting them.
- Prepare the policy related to human resources and training in the Company and monitor its implementation, along with reviewing it annually.
- Ensuring the existence of an appropriate and updated plan for the continuation and succession of the work of the Company's senior executives and Chairs of the Boards committees.
- Any other matters determined by the Board.

## Seventh: Insiders Monitoring Committee

### 7.1 Composition decisions:

A three-member committee was formed to oversee the dealings of people familiar with the Company during 2025. The Committee for Monitoring and Supervising the Dealings of Knowledgeable Persons is composed of three members:

#	Members	Position
1	Ms. Noof Almansoori	Chairman
2	Mr. Fadi Kilani	Member
3	Mr. Mohamed Alqasby	Member and Rapporteur

### 7.2 Functions and responsibilities of the Insiders Monitoring Committee:

- Keep a record of insiders.
- Follow-up and supervision of insiders' records, dealings and properties.
- Review and control of informed persons trading policies, if any.
- Receipt and review of reports on transactions by informed people.



- Consideration and prior approval of applications for trading in shares.

### 7.3 Summary of the Committee's 2025 work report.

A meeting was held on 30 December 2025 to update reports and statements containing the Company's insiders' names and dealings and notify the financial market and discuss and review the trading processes of its shareholders during 2025.

### Eighth: Executive Committee (EX C)

The EC is composed of Three members of the Board. The table below shows the composition of the EC and the number of attendance and dates of the committee's meetings during 2025:

#	Members	Position	Category	No. of attendances
1	Mr. Nasser AlKhazraji	Chairman	Independent	1
2	H.E. Alia Al Mazrouei	Member	Independent	1
3	Mr. Samer Katerji	Member	Independent	1

The EC held two meetings during the year 2025 on the following dates:

Meeting	Meeting Number	Date of the meeting
(1)	01/2025	28/07/2025

### The EC shall:

- Assisting the Board in fulfilling its responsibilities, aiming to review, evaluate, and propose recommendations to the management, and to formulate the Company's strategy and its related matters. The EC is also responsible for implementing and executing strategic deals and approving the Company's investments.
- Proposing regulations and decisions necessary to organize the workflow within the Company.
- Proposing amendments to the current investment policies and controls and presenting them to the Board.
- Reviewing topics related to the Company's activities referred by the Chairman of the Board or presented by the CEO and making appropriate decisions within the defined authorities.
- Proposing necessary actions to ensure the smooth operation of the Company, enhancing performance efficiency, and following up on implementation in accordance with the Company's regulations.
- Reviewing proposed amendments to the Company's organizational structure and submitting recommendations to the Board for approval.
- Discussing the work plan, the draft annual budget, the final accounts, and submitting them to the Board for approval, as well as developing investment plans and policies for current business development.



## **Ninth: Internal System**

### **9.1 Board Resolution:**

Applying the governance and directives of the CMA, the Board approved the establishment of the Internal Audit Department, its organizational structure, its reporting line to the Board, and the definition of its tasks and responsibilities. The Board also acknowledged its full responsibility for the internal control system, reviewing its operation mechanisms, and ensuring its effectiveness.

### **9.2 Organizational Structure of the Inner Circle:**

The Internal Audit Department reports to the AC and is primarily aimed at verifying the SEM's compliance with the Company's policies, procedures, and the Boards' decisions. It also evaluates the effectiveness of risk management, applies governance rules, and ensures the Company and its employees comply with the applicable laws and regulations that govern various aspects of the Company's operations, as well as adherence to internal procedures.

Mr. Nishant Parihar (EY) was appointed to head the Internal Audit Department in March 2025. He holds a bachelor's degree in accounting, specializing in Financial and Banking Sciences, and has extensive experience in internal and external auditing, accounting, and financial management at auditing firms and public joint-stock companies.

A compliance officer (Mr. Mohamed Mahmoud) was appointed in 2024.

### **9.3 Duties and Responsibilities of the Interior Department:**

To avoid any major problems, the Internal Audit team is pursuing policies and systems aimed at improving the quality and effectiveness of the team, including:

- Preparing internal control reports and submitting them to the AC and the Board, if they include the audit objectives, work program, scope and implementation methodology, and presenting a summary of audit and audit results and recommendations regarding them to improve performance.
- Cooperating with the Company's management and making recommendations and proposals that help improve work and solve the issues they face and that do not require the preparation of official reports.
- Cooperating and coordinating work with the Company's external auditor, regarding his observations, reports and ways to implement his recommendations after the approval of these recommendations by the management.
- Verify the commitment of the Company and its employees to the provisions of the applicable laws, regulations and decisions that regulate the work of internal policies and procedures.
- Performing audits on various financial and accounting operations.
- Carry out any audit work or tasks assigned by the Board or the AC.
- Verifying the effectiveness of the Company's internal control procedures and proposing rules and regulations to raise the efficiency of internal control in the Company's various departments.



- Verifying the proper implementation of Company policies in accordance with the applicable regulations in this regard.
- Ensuring the efficient and effective use and preservation of the Company's financial and human resources.
- Audit the reports and financial statements and verify their accuracy and commitment to the application of international standards for the preparation of financial reports.
- Carrying out audits on various financial and accounting operations, and their compliance with the rules and regulations.
- Continuous review and evaluation of the internal control systems and procedures in force within the Company to reach the highest levels of efficiency in risk management.
- In the event of any significant violations, the internal control policy requires immediate reporting of these violations to the AC and SEM, along with the proposed corrective actions. Additionally, measures and controls are activated to prevent the recurrence of such violations in the future.
- No significant issues were encountered by the Company during the year 2025.

### **Tenth: Violations Committed during the Fiscal Year 2025**

KICO has been highly committed to fulfilling the established requirements concerning corporate governance and the governance standards for public joint-stock companies, ensuring its adherence to governance controls and corporate discipline standards.

According to reports provided by the Internal Audit Department and the external auditor, which are presented to the Board and its subcommittees on a regular basis, no significant violations were identified during the year 2025 regarding any matters related to the financial markets or any applicable laws.

### **Eleventh: The Company's Contribution to Community and Environmental Development**

The Company has no significant activities in this regard; therefore, the management has focused its attention on supporting and developing the local community in the coming year, in belief of the importance of contributing to local community development and environmental preservation.



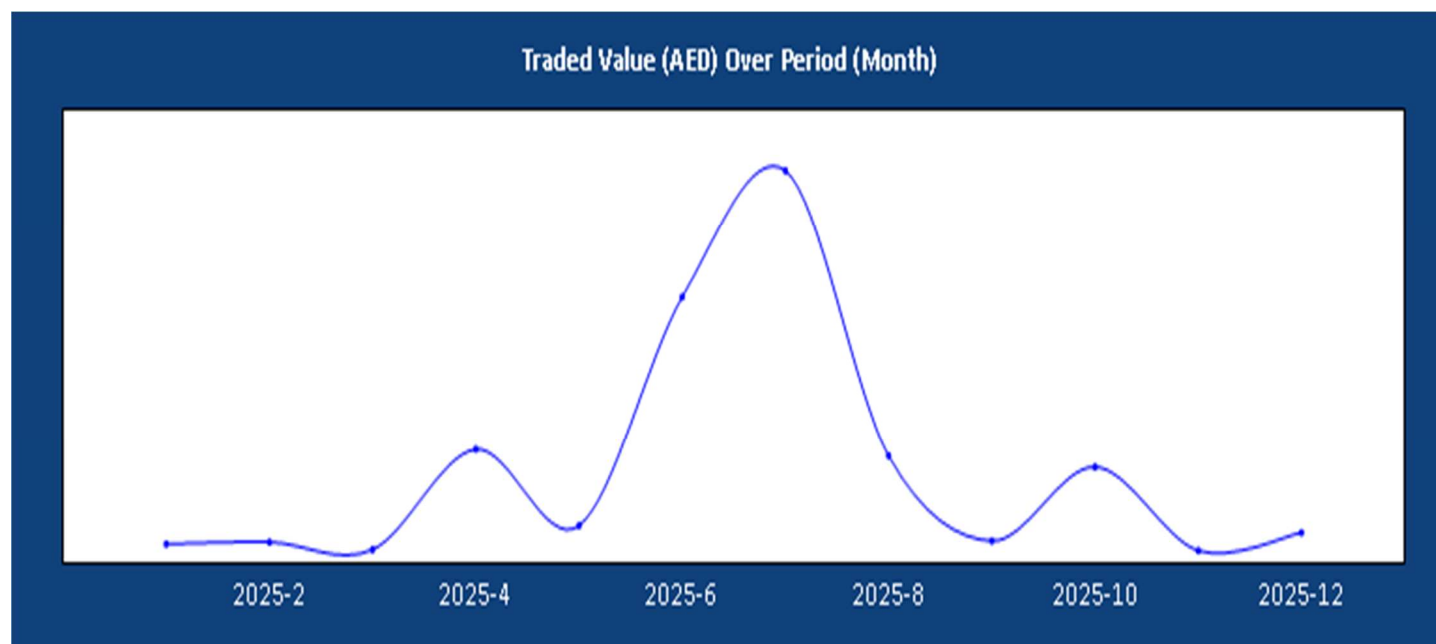
## Twelfth: General Information

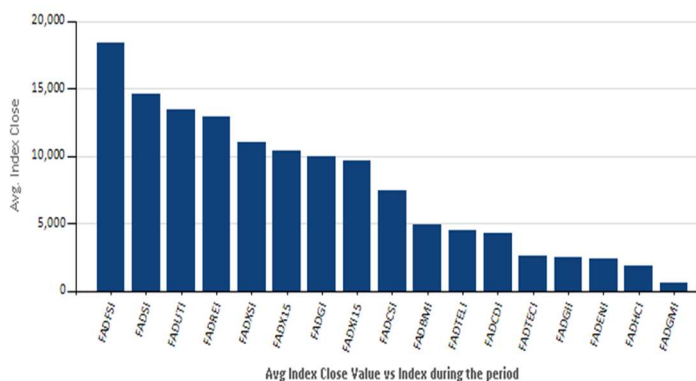
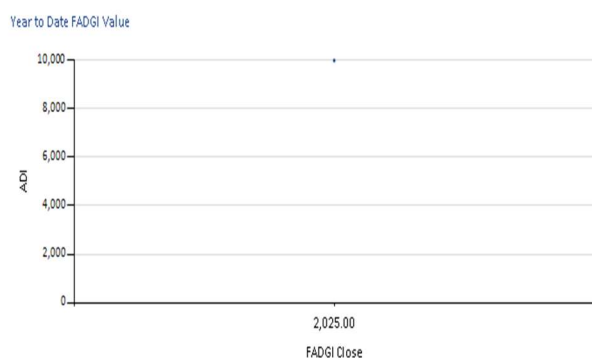
### 12.1 Statement of share price on the ADX for FY2025.

Year	Month	Open (AED)	Close (AED)	High (AED)	Low (AED)
2025	12	5.660	5.450	6.000	5.400
	11	6.000	5.650	6.010	5.380
	10	5.860	5.950	6.01	5.080
	9	6.700	6.500	7.670	5.820
	8	7.100	6.800	7.100	6.550
	7	5.780	7.200	7.610	5.300
	6	3.550	5.990	6.250	3.550
	5	4.000	3.920	4.000	3.500
	4	3.810	4.000	4.610	3.610
	3	4.030	4.190	4.480	3.800
	2	4.250	4.460	4.560	3.850
	1	4.600	4.320	4.750	3.900
		Total			

### 12.2 Comparing the KICO's shares with the general market and sector index:

The following is a graph showing the performance of KICO's share with the general market index and the industry sector index during the year 2025.





### 12.3 Breakdown of Shareholder ownership:

Shareholders	Individuals	Companies	Government	Number of shares	(%)
UAE	59,091,825	32,501,732	-	91,593,557	87.23%
Gulf	12,855,943	380,604	-	13,236,547	12.61%
Arab	42,115	127,780	-	169,895	0.16%
Alien	1	-	-	1	0.00%
Total	71,989,884	33,010,116	-	105,000,000	-
Percentage (%)	96%	4%	-	100%	100%

### 12.4 Names of major shareholders and their ownership:

The following is a statement of the shareholders who own 5% or more of the Company's capital on December 31, 2025:

#	Shareholder's name	No. of shares as at 31/12/2025	Ratio of ownership in capital (%)
1	Salama Amer Omer Salem	31,038,253	29.56%
2	Al Ramz corporation for Investment and Development	30,773,053	29.31%
3	Noora Mohamad Aqeel	8,193,665	7.80%



## 12.5 Statement of shareholder distribution by ownership size:

The following is an indication of how the shareholders are distributed according to the volume of ownership as of 31 December 2025:

Capital share ratio	No. of shareholders	No. of shares owned	% of shares owned by the capital
less than 50,000	674	9,033,070	9%
From 50,000 to less than 500,000	188	18,544,356	18%
From 500,000 to less than 5,000,000	10	7,417,603	7%
More than 5,000,000	3	70,004,971	67%
<b>Total</b>	<b>875</b>	<b>105,000,000</b>	<b>100%</b>

## 12.6 Statement of actions taken on investor relations management:

Applying to the governance requirements and directives of the CMA, it was decided to establish the Department of Investor Relations and adopt its regulatory structure in accordance with the decision. Investor relations management data:

Name of the investor relations manager	Mohamed Mahmoud Al Qasaby
Email	<a href="mailto:Kico-shares@Kico.ae">Kico-shares@Kico.ae</a>
Direct phone number	00971-43824200
Mobile phone number	00971-564550704
Company website	<a href="http://www.Kico.ae">http://www.Kico.ae</a>

## 12.7 Statement of special resolutions introduced, and action taken by the General Assembly during 2025:

There are special resolutions presented at the General Assembly.

- Approval of Increase in Share Capital and amendment to Article (6) of the Articles of Association (AOA)
- Amendment Articles (3, 24 & 40) of the Articles of Association of the Company to comply with Federal Decree-Law No. 32 of 2021 concerning Commercial Companies and the applicable laws and regulations,

## 12.8 Name of Rapporteur of meetings:

Mr. Fadi Kilani, Board Secretary and Committee Rapporteur, was appointed in September 2025.

## 12.9 Statement of substantial events during 2025

The Company appointed new CCO, CLO

## 12.10 Statement of the Company's transactions with the related parties in 2025 equal to 5% or more of the Company's capital:

There are no dealings with related parties equal to or greater than 5%.



### 12.11 Statement of the Company's Emiratizations ratio by the end of 2025:

In 2025, about % 5.4 of the Company's total staff.

### 12.12 Statement of innovative projects and initiatives undertaken or under development by the Company during 2025:

-The company successfully established new branches in Dubai and Abu Dhabi, further strengthening its operational footprint across the UAE. Moreover, the Group established separate entities to focus on its currently targeted sectors, namely energy, marine, and real estate.

-The Company entered into a joint venture agreement for the development of two strategic plots on YAS Island. The project has a projected Gross Development Value (GDV) of AED 2.2 billion which was approved in August 2025.

### Thirteenth: Assessment of the Board, its committees, and SEM during 2025.

In line with the provisions of the Companies Law and governance regulations set forth by the CMA, and in accordance with the Company's AOA, the evaluation of the Board, its committees, and the SEM for the year 2025 is conducted as follows:

- Evaluation of the performance of the Board, members of its committees, and SEM.
- The evaluation process is led by the Chairman of the Board, with support from the Board Secretary. The purpose is to assess the performance of the Board, its committees, and SEM. This evaluation focuses on the skills, experiences, and operational effectiveness of the Board as a whole, identifying both strengths and weaknesses. For individual members of the Executive Board, their performance is assessed based on the following criteria:
  - Fulfillment of suitability criteria.
  - Commitment to performing their duties and responsibilities.
- Based on the evaluation, the strengths and weaknesses are identified, and corrective measures are proposed to address any issues that may arise. These measures are designed to align with the best interests of the Company. The Board remains committed to addressing any weaknesses identified during the process.

#### Key Evaluation Criteria:

- **Suitability Criteria:** The extent to which each member meets the requirements of their position.
- **Commitment to Attendance:** The level of commitment of members to attend meetings and actively participate.
- **Independence:** The independence of members, ensuring there is no conflict of interest that could impede their duties.



To further enhance the effectiveness of the evaluation process, the Board will arrange for an independent professional external party to conduct a comprehensive performance evaluation every three years. This third-party evaluation will provide an objective, impartial assessment.

**Approach:**

The Company employs updated models for the evaluation of the Board, its committees, and the SEM. These models aim to demonstrate the effectiveness of the Board and the performance of its committees, ensuring the Company remains compliant with governance standards and promotes continuous improvement in its leadership practices.

This structured evaluation process helps identify areas for growth and fosters a high-performance culture, ensuring the Board and SEM work in the best interests of the Company and its stakeholders.

**H.E. Khalifa Yousif Alkhoori**

**Chairman**

Date: 23/02/2026

# SUSTAINABILITY REPORT 2025



[ AL KHALEEJ INVESTMENT  
PSC ]



## Forward

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The Sustainability Report has been developed to emphasize our dedication to sustainability practices in relation to our primary stakeholders. These commitments include working towards a sustainable future, supporting our employees and our local community, and demonstrating via our shared values that we have made significant efforts to address the climate issue.



This report will cover why sustainability is at the top of our priority list, our accomplishments to date, and our future aims and goals.

Sustainability is more than just lowering or offsetting carbon emissions; it also includes minimizing waste production through better recycling activities as well as encourage our staff to acquire and maintain environmentally responsible behaviors.

## Our Chairman's Message

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**H.E. Khalifa Yousif Al khoori**  
**Chairman**

We are responsible to preserve this planet, and the way forward is to implement a sustainable business model that is economically viable, environmentally friendly, and socially acceptable. Despite our proud accomplishments and ambitions, we still have a long way to go, and we must do more to achieve our objectives in accordance with the UAE's vision.

The UAE is primarily concerned with Sustainable Development Goals ('SDGs'), that allow us to have access to clean energy and adequate food at affordable prices, as well as quality

Education and health care, sustainable economic growth, healthy ecosystems, and enhanced resource efficiency. All of these topics resonate deeply in the UAE. By continuing to collaborate and emphasize sustainability, we will ensure that future generations have a green future.

I want to express my gratitude to our esteemed stakeholders for their unwavering support and faith in us throughout the year. I am excited to put our planned economic and sustainability achievements into action, as well as to continue to engage all stakeholders.

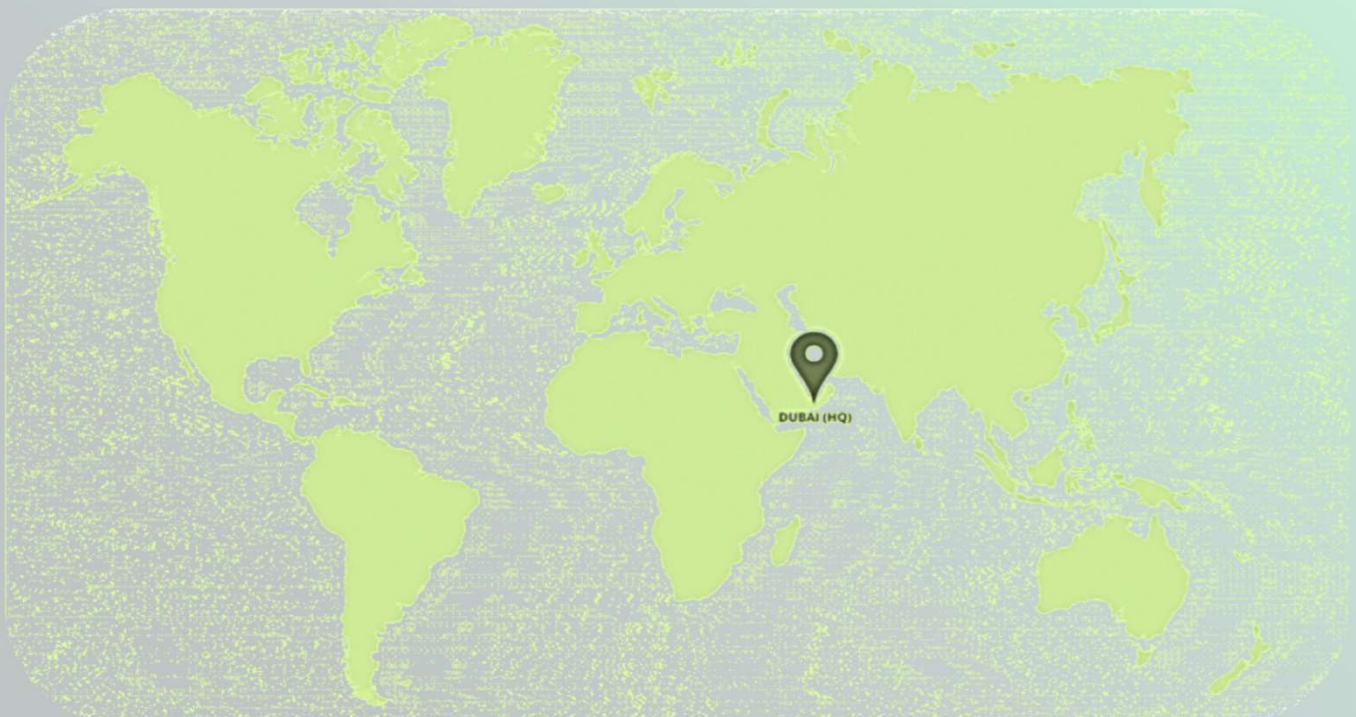
We are pleased to share with you our 2025 sustainability report herewith, which highlights our performance and initiatives in the fields of governance, social justice, and the environment.

## Our Company

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- Our company was established in 1982, in the Emirate of Ras Al Khaimah by an Amiri decree issued by His Highness the Late Sheikh Saqr bin Mohammed Al Qasimi, Ruler of Ras Al Khaimah, under the name Gulf Livestock PJSC.
- Since 2005, we shifted our business focus from Livestock supply to Investments; gradually increasing our investments in Real Estate and the Equities market.
- In 2014, the company underwent a significant rebranding, changing its name from Gulf Livestock Company PJSC to Al Khaleej Investment PSC. This change represented a strategic shift towards larger investing activities, particularly in real estate development and management, establishing itself as a prominent player in the UAE's real estate sector.
- Today, Al Khaleej Investment is looking beyond real estate to analyze potential in futuristic areas such as energy, technology, logistics, commodities, financial services and more, with an emphasis on long-term growth and diversification of its investment portfolio.



# Our Sustainability Focus



## Our Goals

To meet the needs of investors and customers, exceed their expectations, and connect effectively with them.

- Operate and develop our businesses in compliance with the highest ethical and professional standards.
- Provide high-quality and useful offerings.
- Being our clients' preferred partner.
- Building effective, long-term partnerships with our clients based on our core beliefs.
- Provide support to the community.
- Develop our task forces' abilities to achieve the greatest levels of excellence and innovation.

## Sustainability goals

- We promise to raising owners' understanding of our core Environmental, Social, and Governance ('ESG') themes, as well as determining how our non-financial measures can help create long-term value and a sustainable, responsible, and client-centered business model.
- We launched the Sustainability Report to highlight our commitment to sustainable practices with important stakeholders.
- These commitments include striving toward a more sustainable future, as well as supporting our employees and the local community, based on trust.
- This paper describes our ESG practices, which aims to provide long-term sustainable value as active investors and co-owners.



# 1. Environmental

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- Responsible environmental management contributes to the reduction of negative environmental effects as it is our greatest responsibility towards future generations.
- We strive to reduce our environmental impact and improve our efficiency in optimizing resource utilization over time, recognizing the importance of our efforts in protecting the integrity of the environment.
- As a result, we ensure that buildings are maintained on a regular basis in accordance with the welfare elements of living-in units, and we work hard to reduce environmental impact while still preserving energy and exterior desirable appearances.
- Carbon footprint is a worldwide issue, and its reduction is dependent on our actions and behaviors. We want to lower our carbon footprint and raise awareness among our personnel.



# 1.1 Energy Use and Greenhouse Gas Emissions

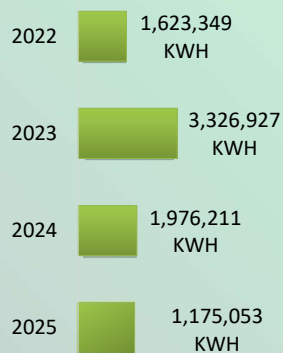
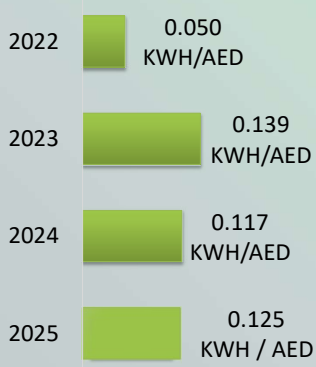
It absorbs greenhouse gases and emits radioactive energy in the thermal infrared spectrum, resulting in the Greenhouse Effect. The real estate sector accounts for c.30% of worldwide CO<sub>2</sub> emissions, coming 60% from building operations and 30% from construction.

When direct and indirect emissions are measured, the relevance of GHG reduction becomes clear in terms of sustainability. Greenhouse gas control is critical for maintaining an ideal temperature; thus, we measure these factors in accordance with our environmental and sustainability objectives.

**Total electricity consumption against earned return**

**Total electricity consumption**

**Total fuel consumption in 2025**



**15,442**



**59.77 tons per year**

First Domain

**1002.05 tons per year**

Second Domain

**4.79 tons per year**

Third Domain

**Greenhouse gas emission intensity for revenue in tons of emission intensity equivalent to CO<sub>2</sub>/m/y 208**



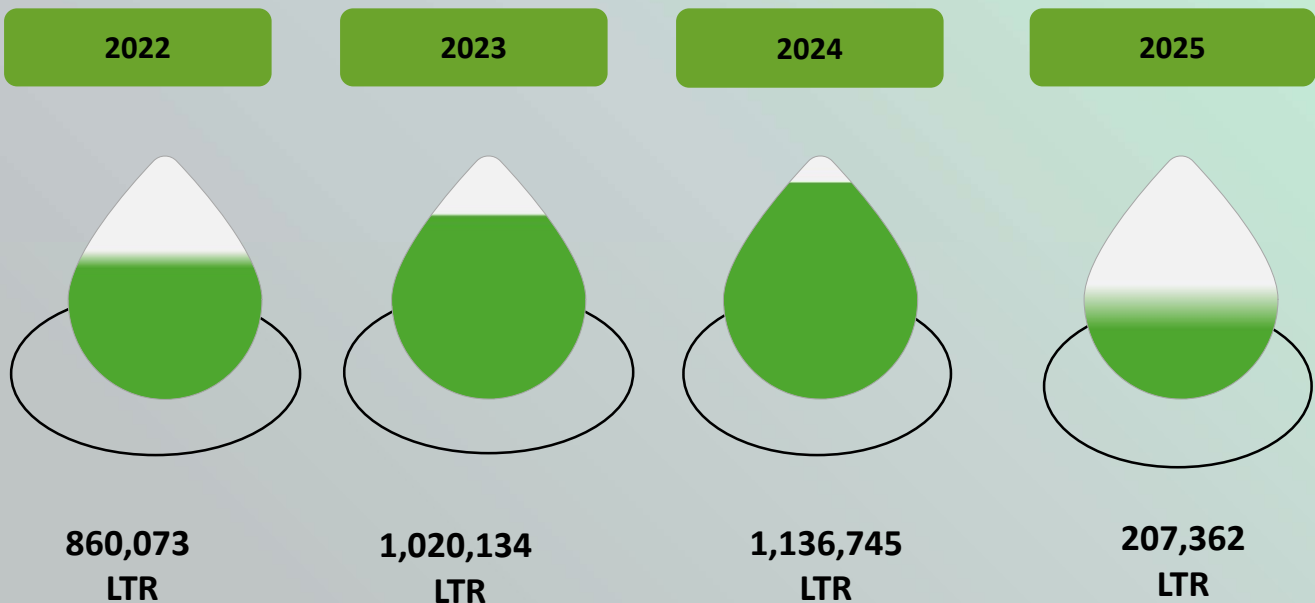
## 1.2 Water Use



The company has no excess water consumption because of its real estate and equity investment activities, as the water consumption is attributed to employee use at their workplaces and public service buildings for rent. One of our primary goals is to minimize the environmental impact of our business activities.

In a few years, we intend to mitigate our environmental effect by establishing eco-friendly policies and activities. We also track our annual water and energy consumption to show that serious efforts and measurable results are helping us accomplish our sustainability targets more quickly. We aspire to consistently improve our operational performance, thereby making a significant contribution to a sustainable future.

### Total water consumed





## 1.3 Environmental Processes



Waste management and safe disposal are critical components of environmental and resource conservation efforts. As a result, the Company's real estate portfolio uses a garbage collection system linked to the municipal system, so that waste is disposed of by Municipalities based on the Al Khaleej Investment property area.

We want to introduce more ecologically friendly measures to reduce / recycle waste from our office premises. As part of our waste management strategy, we clean and sterilize the garbage stream system every year.

In terms of wastewater, the company's real estate is part of our managed real estate portfolio and is connected to a municipal wastewater harvesting system.

### The following environmentally friendly activities were carried out:



lights being replaced with LED

Pest control in the service area.



Installation of solar-powered lamps

Every week, we polish and sanitize the lift.



Clean and disinfect the water tanks.

Installed occupancy-sensitive lighting in certain buildings' corridors.





## 2. Social

Our company's performance is directly proportional to the success of its employees. They are the foundation of the company's strength.

We are continually aware of their requirements and concerns. CSR actions help to improve employees' performance and overall performance.

We also organize CSR events and intend to hold several workshops soon, understanding how



They contribute to both individual growth and environmental concern.

It is also crucial to pay attention to our social roots (i.e., employees), always appreciating their accomplishment, and to focus more on giving diverse and equal options for everybody, allowing us to give opportunities to people of all genders and backgrounds.

Employees are vital to the company's success, thus they must be nurtured and cared for.



## 2.1 Salary Rate and Job Turnover

Total full-time staff 37

Total part-time staff N/A



Change in the full-time system N/A

Lower Positions - Men 13

Lower Positions - Women N/A

Middle Positions - Men 12

Middle Positions - Women 7

Senior Positions - Men 4

Senior Positions - Women 1



Number of female employees

8

Number of male employees

29



The average male to female remuneration in the Al Khaleej Investment is:

1.27 : 1



## 2.2 Infection Rate

Our employees' health and safety are our primary concern, and we prioritize ensuring their safety at work. We instruct them to adopt necessary safety precautions at work in order to avoid endangering employees' health or safety, which is crucial to stakeholders.

We take care of our customers by protecting our employees, because it is our employees who are in charge of accomplishing our customers' and stakeholders' goals and aspirations while ensuring that they are not at risk.



**2025**

We dealt with **8** consultants , **25** contractors and **240** suppliers in 2025.

Number of deaths in 2025 = **0**



## 2.3 Children, Compulsory Employment and Human Rights



We are dedicated to upholding all components of UAE Human Resources Law and human rights principles.

This is based on the UAE's perspective, cultural heritage, and Constitution, which guarantee civil liberties for all, as well as its legislative system, which promotes the principles of justice, equality, tolerance, respect for rights, humanitarian and relief work, non-discrimination, and sexual harassment, all of which are consistent with the Universal Declaration of Human Rights.

## 2.4 Health Global Safety



The company provides comprehensive insurance coverage for its employees, including treatment at numerous private health care facilities, broader geographical coverage, and other medical benefits.

If staff members' health and safety are jeopardized, which can affect their productivity, it is critical to constantly monitor their health and safety and ensure that they are not at risk.





## 2.5 Emiratizations



وزارة الموارد البشرية  
والتوطين  
MINISTRY OF HUMAN RESOURCES  
& EMIRATISATION

AL Khaleej Investment is committed to providing employment opportunities for UAE citizens and recognizes that UAE citizens must be given appropriate job opportunities and training to contribute to the country's prosperity, in accordance with the UAE Government's vision.



The percentage of Emirati employees in the company is 5.4 % in 2025, with the Company dedicated to expanding this ratio.



## 2.6 Community Development and Environmental Conservation



The company has not previously engaged in any such operations.

The Management has looked into the problem of community support and development.

This year, the Department aims to make tangible progress towards this goal, emphasizing its importance.



### 3. Governance

The Board of Directors of AL Khaleej Investment, through its committees, attaches great importance to the subject of governance and institutional discipline by overseeing the management of the Company and the implementation of its responsibilities and duties through its powers, as well as overseeing the application and development of the Company's policies and procedures to ensure the efficiency and effectiveness of the Company's internal controls.



The Company's statute states that the Company will be managed by a Board of Directors elected by the Company's General Assembly through a vote in compliance with the Securities and Commodities Authority's legislation and the relevant laws.

The Board of Directors shall serve for a term of three years.



### 3.1 Diversity and Independence of the Board of Directors

The Board of Directors of the Company consists of seven members elected at the Regular General Assembly



H.E Alia Abdulla Almazrouei  
Vice Chairman



H.E Khalifa Yousif Khouri  
Chairman



Samer Abdulrahman Katerji  
Board Member



Ahmed Omar Abdulla Balfaqeeh  
Board Member



Nasser Abdulrahman Mohammad Rafi  
Alkhazraji  
Board Member



SHAIKHA AHMED ALSUWAIDI  
Board Member



Omar Siraj M Qandeel  
Board Member



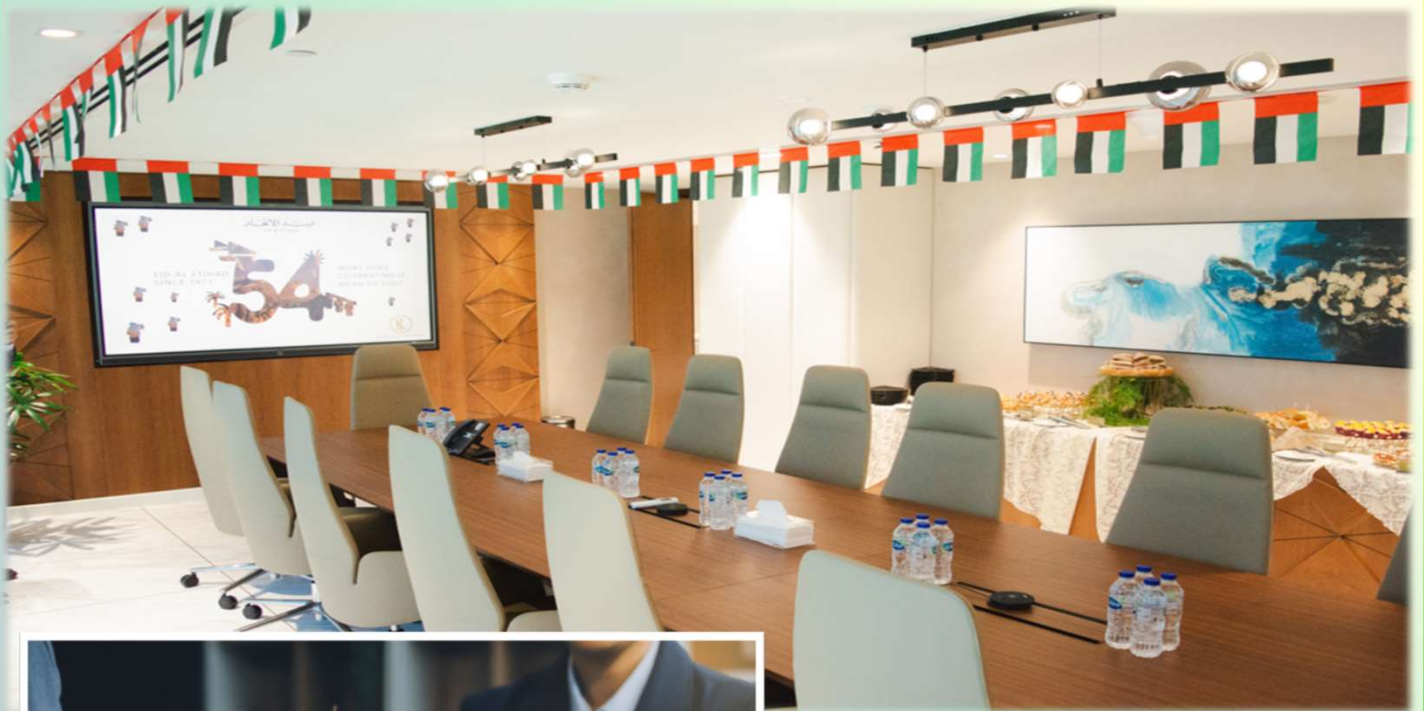
Constitutes **100%** of board seats for independent members



Currently, 2 Emirati women are proudly Board members of our esteemed Company



## 3.2 Ethics and Anti-corruption



According to reports submitted by the Department of Internal Oversight and the External Auditor on a regular basis to the Board of Directors and its committees, no material irregularities were identified in 2025 relating to financial markets or applicable laws.

### 3.3 Data Specificities



A three-member committee was constituted to oversee the actions of company insiders in 2025. It covers the follow-up committee's activities and duties, as well as overseeing the dealings of personnel familiar with the following:



Work on implementing the Board of Directors' approved insider trading policy.



Propose changes to the insider trading policy to better match with the Company's governance requirements and structure.

Meetings to investigate and follow up on informed individuals and their interactions.



Inform the compliance officer of any transactions involving informed personnel while they are present in the Executive Department.

The Committee ensured that no insider trading infractions occurred throughout 2025. The list of new board members and top executives appointed in 2024 has also been updated.

# Appendix: Metrics



<b>Environmental</b>	
<b>Greenhouse gas emissions</b>	
Total direct greenhouse gas emissions	Page 7
Total GHG indirect energy emissions	Page 7
Total other indirect greenhouse gas emissions	Page 7
<b>Energy use</b>	
Total amount of energy consumed directly	Page 7
Total quantity of energy consumed indirectly	Page 7
<b>Use water</b>	
Total quantity of water consumed	Page 8
Total processing quantity	Page 8
<b>Environmental processes</b>	
Is your company following an official environmental policy?	Page 9
Does your company pursue specific waste, water, energy and/or recycling policies? Yes/No	Yes
Does your company use a recognized energy management system?	Potential journals are being evaluated for coverage in future reports
<b>Environmental control</b>	
Does the management team oversee and/or manage sustainability issues? Yes/No	Yes
<b>Climate risk mitigation</b>	
Total amount invested annually in climate infrastructure, resilience and product development	Potential journals are being evaluated for coverage in future reports
<b>Social</b>	
<b>Executive Director's salary rate</b>	
Ratio: C.E.O.'s total compensation compared to average gross full-time remuneration	Page 11
Does your company report this measure in regulatory filings? Yes/No	Yes
<b>Salary rate between men and women</b>	
Average male to female remuneration	Page 11
<b>Employee turnover</b>	
Percentage: annual change of full-time staff	Page 11
Percentage: annual change of part-time staff	The institution has no part-time staff.
Percentage: annual change of contractors/consultants	Page 12
<b>Gender diversity</b>	
Percentage: Total number of employees in the institution occupied by men and women	Page 11
Percentage: lower and middle positions held by men and women	Page 11
Percentage: Senior and executive positions held by men and women	Page 11
<b>Proportion of temporary workers</b>	
Percentage: total number of posts in the organization held by part-time staff	Page 11
Percentage: Total number of posts in the enterprise occupied by contractors and/or consultants	Page 12
<b>Non-discrimination</b>	
Does your company pursue a policy of non-discrimination? Yes/No	Page 10-13
<b>Infection rate</b>	
Percentage: frequency of injury incidents relative to total workforce time	Page 12

# Appendix: Metrics



Social	
<b>Global Health and Safety</b>	
Does your company follow the Global Occupational Health and/or Health and Safety Policy? Yes/No	Yes, page 14
<b>Children and compulsory employment</b>	
Is your company pursuing a policy to combat child labor and/or forced labor? Yes/No	Yes
<b>Social Human Rights</b>	
Does your company pursue human rights policy? Yes/No	Yes
If yes, does human rights policy include suppliers and vendors? Yes/No	Yes
<b>Emiratizations</b>	
Does your company pursue a policy of non-discrimination? Yes/No	Page 13
<b>Community investment</b>	
The amount invested in the community as a percentage of the company's revenue	Work is underway next year 2026
<b>Governance</b>	
<b>Diversity of the Board of Directors</b>	
Percentage: Total board seats held by men and women	Page 18
Percentage: Chairmanship of commissions held by men and women	Page 18
<b>Diversity of the Board of Directors</b>	
Percentage: Total board seats held by men and women	Page 18
Percentage: Committee seats held by men and women	Page 18
<b>Independence of the Board of Directors</b>	
Does the company prevent the CEO from serving as Chairman of the Board of Directors? Yes/No	Yes
Percentage: Total board seats held by independent board members	Page 18
<b>Salaries and incentives</b>	
Do executives get incentives for sustainability? Yes/No	Yes
<b>Supplier's Behavioral Rules</b>	
Are sellers and suppliers obliged to comply with behavioral rules? Yes/No	Yes
If yes, what percentage of suppliers have officially proven their compliance with the Code?	80%
<b>Ethics and Anti-Corruption</b>	
Does your company pursue ethics and/or anti-corruption policy? Yes/No	Yes
If the answer is yes, what percentage of your workforce has officially proven their compliance with the policy?	100%
<b>Data privacy</b>	
Does your company publish sustainability reports? Yes/No	Yes
<b>Disclosure practices</b>	
Does your company provide sustainability data for sustainability reporting frameworks? Yes/No	Yes
Is your company focused on specific United Nations sustainable development goals? Yes/No	Yes
Does your company set goals and report on progress in the UN Sustainable Development Goals? Yes/No	In the future, we will provide data.
<b>External authentication</b>	
Are sustainability disclosures guaranteed or verified by external auditors? Yes/No	No, we chose the internal guarantee and approval by our top management.