

Majid Al Futtaim Holding LLC

Consolidated Financial Statements

Year ended 31 December 2025

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Directors' Report

The Directors' report and consolidated financial statements of Majid Al Futtaim Holding LLC (the Company) and its subsidiaries (collectively referred to as "the Group"), are presented for the year ended 31 December 2025. The consolidated financial statements were prepared by the management. The Board of Directors take responsibility for fairly presenting them in accordance with the applicable financial reporting framework and recommended issuance of the financial statements on **12 March 2026**.

Activities

Majid Al Futtaim is a leading shopping mall, residual community, retail and leisure pioneer across the Middle East, Africa and Asia.

Through its investment in various subsidiaries, the Group:

- Owns, develops and operates 29 destination shopping malls across 5 countries, 7 hotels that are operated by international hotel brands and 5 mixed used communities in UAE, Oman and Lebanon, including the iconic Tlal Al Ghaf and Ghaf Woods Communities in Dubai, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, Mall of Oman, City Centre malls and My City Centre neighborhood centers, and 5 community malls which are in joint venture with the Government of Sharjah.
- Operates a portfolio of more than 475 retail stores under brands including Carrefour, HyperMax, Supeco, Myli and Sava with geographical footprint in 14 countries across the Middle East, Africa and Asia.
- Owns and operates more than 625 VOX Cinema screens and 30 family entertainment centres across the region, in addition to iconic leisure and entertainment facilities including Ski Dubai, Snow Abu Dhabi, Ski Egypt and Snow Oman.
- Operates world-class fashion and retail brands with stores across the Middle East, including Lululemon, Lego, Abercrombie & Fitch, Hollister, AllSaints, CB2, Shiseido, Crate & Barrel, Psycho Bunny, Poltrona Frau, Ceccotti, Eleventy, Alessi, and Corneliani.
- Operates Enova, a facilities and energy management company, through a joint venture with Veolia, a global leader in optimized environment resource management.

Financial results

Throughout 2025, the Group delivered resilient performance underpinned by the strength of its diversified portfolio and disciplined execution across the business. Active portfolio stewardship and a sustained focus on efficiency enabled the Group to deliver solid results, mitigating pressures in the Retail business arising from heightened competition, margin compression, and ongoing geopolitical uncertainty in the Middle East. The Group continued to generate robust cash flows and maintain a strong balance sheet, reflecting a collective focus on profitable growth, operational efficiency, and long-term value creation.

For 2025, the Group recorded revenue of AED 35,859 million, representing a 6% increase from the prior year. This growth was supported by continued operational discipline, resulting in a 10% increase in both EBITDA and NOPAT to AED 5,055 million and AED 3,498 million, respectively. Net profit rose significantly by 41% to AED 3,574 million, primarily due to higher fair valuation gains on the Group's property portfolio and a reduction in foreign exchange losses compared to the prior year.

The Group continues to manage its balance sheet with discipline, safeguarding shareholder value while remaining well positioned to support future growth.

Dividend

During the year, the Company declared a dividend of AED nil (2024: AED nil).

Subsequent to the year end, the Board of Directors recommended a dividend of AED 566 million with respect to the financial year 2025.

Directors

The following comprises the Board of Directors as at 31 December 2025:

- Fadhel Abdulbaqi Al Ali (Non-Executive Director, Chairman)
- Hamed Kazim (Non-Executive Director, Vice Chairman)
- Iyad Malas (Non-Executive Director)
- Zein Abdalla (Non-Executive Director)
- Ahmed Galal Ismail (Executive Director, Chief Executive Officer)

Ahmed Galal Ismail's term as an executive member of the Board of Directors expired on 9 February 2026. Effective 10 February 2026, Robert Booth was appointed as a Non-Executive Director of the Board.

Auditors

The Company's auditors are Messrs Ernst & Young. A resolution dealing with the reappointment of the auditors was passed in the Annual General Assembly held on 12 March 2026.



Ziad Chalhoub

On behalf of Majid Al Futtaim Holding LLC

Pursuant to the General Assembly's resolution dated 12 March 2026

Mals

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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



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

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

Key Audit Matters (continued)

Valuation of investment properties and certain categories of property, plant and equipment (land and buildings)	
Key Audit Matter	How the Key Audit Matter was addressed in our Audit
<p>The Group’s properties segment includes shopping malls, hotels and certain parcels of land. These properties are classified as investment properties and property, plant and equipment based on its underlying nature.</p> <p>As at 31 December 2025, the carrying value of the investment properties amount to AED 38,591 million and property, plant and equipment amount to AED 9,778 million.</p> <p>In accordance with the Group’s accounting policy, such properties are carried at fair value as at each reporting date as determined by an independent real estate valuer (the “valuer”) engaged by the Group.</p> <p>The valuation process involves significant judgements and estimates in determining the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied in deriving at the significant unobservable inputs and changes in such assumptions can have a significant impact to the valuation of the underlying properties.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the valuation of properties has a high degree of estimation uncertainty, with a potentially significant range of reasonable outcomes on the underlying valuation.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> - Obtained and understood the Group’s processes and underlying controls to undertake valuation of investment properties and certain categories of property, plant and equipment. We performed walkthrough over the process and design of those controls. - We assessed the competence and capabilities of the external valuers engaged by the Group and considered their objectivity, independence and scope of work to determine whether their valuation approach and methodology was appropriate in determining the fair value of those properties. - We read the valuation reports for the properties and confirmed that the valuation approach for each was in accordance with RICS Valuation – Global Standards. - We involved our internal valuation specialists to review the valuation methodology, key assumptions and critical judgements used in determining the fair value. - On a sample basis, we performed testing on the data inputs underpinning the investment properties and certain categories of property, plant and equipment by agreeing the inputs to the underlying property records on a sample basis, to satisfy ourselves of the property information supplied to the external valuers by the Group’s management. Where applicable, we agreed tenancy information to supporting evidence on a sample basis. For those properties subject to fair valuation which are under development, we confirmed that the supporting information for construction contracts and budgets, which was supplied to the external valuers, was also consistent with the Group’s records, for example, by inspecting minutes of the meetings of the Board of Directors for approvals of budgets for such developments. We agreed the amounts per the valuation reports to the accounting records. - We evaluated year on year movements of significant valuation assumptions with reference to published benchmarks, if any. Where assumptions were outside the expected range or showed unexpected movements based on our knowledge, we undertook further investigations, held further discussions with the Group’s management and external valuers and obtained evidence to understand rationale and support explanations received. - Ensured that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRS Accounting Standards.



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

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

Key Audit Matters (continued)

Supplier rebates, incentives, benefits and other considerations (“supplier rebates”)	
Key Audit Matter	How the Key Audit Matter was addressed in our Audit
<p>As part of the Group’s retail operations, the Group recognised supplier rebates, incentives, benefits and other considerations amounting to AED 4,924 million during the year ended 31 December 2025.</p> <p>These supplier rebates are based on contractual arrangements with suppliers and are primarily related to the purchases made from such suppliers and incentives, benefits and other considerations received as well.</p> <p>There are a large number of such contractual arrangements with suppliers from whom the Group receives such rebates and other benefits. Each such arrangement is intricate with its own terms of the buying arrangements, performance conditions and relates to high volume, variety and categorization of items of different nature. This requires a detailed understanding of the contractual arrangements as well as the process put in place to ensure that the supplier rebates is appropriately calculated taking into consideration such contract terms, complete and accurate source data.</p> <p>Considering the large number of supplier contracts and the inherent complexity in estimating the supplier rebates, we considered accounting for supplier rebates to be a key audit matter.</p>	<p>We have performed the following procedures:</p> <ul style="list-style-type: none"> - Read the Group’s revenue recognition accounting policy and assessed whether it is in accordance with the requirements of IFRS Accounting Standards. - Obtained and understood the Group’s processes and underlying controls to evaluate contractual arrangements with suppliers and estimate the rebates. We performed walkthrough over the process and design of those controls. - We involved our specialists to test the information technology (IT) general controls and application controls relating to the merchandising and supplier benefits application employed by the Group’s management. On a sample basis, we tested the configuration to calculate such rebates, the restriction over access to configure or update terms of supplier rebates in the IT application and the related interface to the financial application(s). - On a sample basis, we tested the calculation of the supplier rebates to the underlying contractual arrangements. We tested the underlying source data and basis thereof for the calculation of such supplier rebates. - On a sample basis, we requested for the supplier statement of accounts and tested whether the supplier balances are recorded in the correct period, and reconciliation items if any are reviewed and recorded by the Group’s management. Where responses from suppliers were not received, we performed alternative procedures such as tracing to underlying contractual arrangements, review of underlying invoices, debit notes issued to suppliers and subsequent payments. - On a sample basis, we tested the year-end supplier rebate accruals to assess whether performance obligations have been fulfilled and traced subsequent settlement, if any. - We performed revenue and gross margin analysis to understand trends by product category in order to identify, and test anomalies, if any, which may indicate potential errors in accounting for supplier rebates and benefits. - Ensured that the disclosures in the consolidated financial statements are appropriate in accordance with the requirements of IFRS Accounting Standards.



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

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

Other Information

Other information comprises the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

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

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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

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

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

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

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

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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



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

Report on Other Legal and Regulatory Requirements

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

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Memorandum of Association and the UAE Federal Law No. 32 of 2021, as amended;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Company;
- v) investments in shares and stocks during the year ended 31 December 2025, if any, are disclosed in note 17.2 and 18.3 to the consolidated financial statements;
- vi) note 27 reflects material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the year ended 31 December 2025, any of the applicable provisions of the UAE Federal Law No. 32 of 2021, as amended or of its Memorandum of Association which would have a material impact on its activities or its consolidated financial position as at 31 December 2025; and
- viii) note 11.4 reflects the social contributions, if any, made during the year ended 31 December 2025.

For Ernst & Young

A handwritten signature in black ink, appearing to read 'Anthony O'Sullivan', written over a horizontal line.

Anthony O'Sullivan
Registration No: 687

12 March 2026
Dubai, United Arab Emirates

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

<i>(AED in millions)</i>	Note	2025	2024
Revenue	9.3	35,859	33,951
Cost of sales	10.3	(22,163)	(21,356)
Operating expenses	11	(9,753)	(9,237)
Finance costs - net	12.2	(781)	(878)
Other expense - net	13	(71)	(329)
Net gain from investments carried at fair value through profit or loss	18.3	1	3
Impairment loss on non-financial assets - net	14.3	(246)	(298)
Impairment loss on financial assets - net	14.4	(16)	(45)
Share of profit in equity-accounted investees - net of tax	17.3 & 17.4	153	143
Profit before net valuation gains on land and buildings		2,983	1,954
Net valuation gain on land and buildings	16.5.1	1,307	1,009
Profit before tax		4,290	2,963
Income tax expense - net	15.2	(716)	(424)
Profit for the year		3,574	2,539
Profit for the year attributable to:			
- Owners of the Company		3,541	2,485
- Non-controlling interests		33	54
Profit for the year		3,574	2,539
Profit for the year		3,574	2,539
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss:</i>			
Net valuation gain on land and buildings	16.4.2	374	292
Deferred tax on revaluation of land and buildings		(20)	(33)
Remeasurement (loss)/gain on defined benefit plans - net	31.2.3	(11)	29
		343	288
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Foreign operations - foreign currency translation differences	32.5	128	(636)
Net change in fair value of cash flow hedges	12.4	(123)	39
Deferred tax on net change in fair value of cash flow hedges		15	(3)
		20	(600)
Total other comprehensive income for the year		363	(312)
Total comprehensive income for the year		3,937	2,227
Total comprehensive income for the year attributable to:			
- Owners of the Company		3,905	2,173
- Non-controlling interests		32	54
Total comprehensive income for the year		3,937	2,227

The notes on pages 16 to 84 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 3 to 8.

Consolidated statement of financial position as at 31 December

<i>(AED in millions)</i>	Note	2025	2024
Non-current assets			
Property, plant and equipment	16.4	9,778	9,941
Investment property	16.5	38,591	36,504
Right-of-use assets	16.6	2,828	2,907
Equity-accounted investees	17.2	796	861
Investments held at fair value through profit or loss	18.3	18	17
Intangible assets and goodwill	19.2	1,614	1,619
Deferred tax assets	15.4	157	140
Other non-current assets	20	2,062	2,254
Total non-current assets		55,844	54,243
Current assets			
Development property	16.7	1,728	2,190
Inventories	21.2	2,941	2,922
Trade and other receivables	22	5,369	4,394
Due from related parties	27.3	44	21
Restricted cash	23.2	3,535	3,836
Cash in hand and at bank	23.2	1,231	1,227
Assets held for sale	7.4	268	-
Total current assets		15,116	14,590
Total assets		70,960	68,833
Current liabilities			
Trade and other payables	24	8,801	8,447
Tax payable		538	340
Other liabilities	25	4,070	4,432
Provisions	26.2	432	267
Short term loan from a related party	27.1	2	798
Due to related parties	27.4	68	83
Bank overdrafts	28	249	426
Current maturity of long term loans	29	-	1,837
Current maturity of lease liabilities	30.3	642	660
Liabilities directly associated with the assets held for sale	7.4	296	-
Total current liabilities		15,098	17,290
Non-current liabilities			
Long term loans	29	12,810	12,012
Long term loan from a related party	27.2	7	6
Lease liabilities	30.3	3,077	3,127
Deferred tax liabilities	15.5	658	431
Provisions	26.2	108	142
Post employment benefit obligations	31.2	845	785
Other liabilities	25	151	107
Total non-current liabilities		17,656	16,610
Total liabilities		32,754	33,900
Net assets		38,206	34,933

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

<i>(AED in millions)</i>	Note	2025	2024
Equity			
Share capital	32.2	4,869	4,869
Statutory reserve	32.3	3,338	3,338
Revaluation reserve		19,411	19,057
Retained earnings		11,213	7,993
Hedging reserve	32.4	47	155
Currency translation reserve	32.5	(3,825)	(3,954)
Total equity attributable to the owners of the Company		35,053	31,458
Hybrid equity instrument	33	2,951	3,283
Non-controlling interests	6.3	202	192
Total equity		38,206	34,933

The consolidated financial statements were approved by the General Assembly and signed on their behalf on **12 March 2026**:



Ahmed Galal Ismail
On behalf of Majid Al Futtaim Holding LLC
Pursuant to the General Assembly's
resolution dated 12 March 2026



Ziad Chalhoub
On behalf of Majid Al Futtaim Holding LLC
Pursuant to the General Assembly's
resolution dated 12 March 2026

The notes on pages 16 to 84 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 3 to 8.

Mals

Consolidated statement of cash flows for the year ended 31 December

<i>(AED in millions)</i>	Note	2025	2024
Operating activities			
Profit for the year after tax		3,574	2,539
Adjustments for:			
Depreciation and amortization	11	2,013	2,083
Finance costs - net	12.2	781	878
Foreign exchange loss - net	13	15	417
Gain on acquisition of an equity-accounted investee - net of tax	13	-	(102)
Gain on lease termination	30.3.1	(21)	(35)
Loss on disposal of subsidiaries	7.3.1	-	38
Loss/(gain) on disposal of property, plant and equipment	13	23	18
Impairment loss on non-financial assets - net	14.3	246	298
Impairment loss on financial assets - net	14.4	16	45
Insurance claim	13	(7)	(56)
Net valuation gain on land and buildings	16.5.1	(1,307)	(1,009)
Share of profit in equity-accounted investees - net of tax	17.3 & 17.4	(153)	(143)
Net gain from investments carried at fair value through profit or loss	18.3	(1)	(3)
Changes to post employment benefit obligations		55	24
Income tax expense - net	15.2	716	424
		5,950	5,416
<i>Changes to working capital</i>			
Inventories		(96)	215
Development property		573	598
Trade and other receivables		(1,127)	(1,347)
Trade and other payables		139	(750)
Restricted cash		301	(150)
Due from/to related parties - net		(55)	23
		(265)	(1,411)
Tax paid		(326)	(172)
Net cash from operating activities		5,359	3,833
Investing activities			
Acquisition of property, plant and equipment and investment property		(1,539)	(1,503)
Payments against intangible assets	19.2	(344)	(269)
Investment in equity accounted investees	17.3	(2)	(2)
Proceeds from disposal of subsidiaries	7.3.1	-	722
Proceeds from sale of property, plant and equipment and investment property		305	124
Proceeds from sale of an investment in a joint venture	7.3.2	-	205
Collection of other long-term receivable		108	108
Cash received from an equity accounted investee	17.4	60	30
Insurance claim proceeds		34	31
Dividend received from equity-accounted investees	17.3 & 17.4	183	93
Finance income received		141	208
Net cash used in investing activities		(1,054)	(253)

Consolidated statement of cash flows for the year ended 31 December

<i>(AED in millions)</i>	Note	2025	2024
Financing activities			
Proceeds from term loan received from related parties	27.1	298	239
Repayment of term loan to related parties	27.1	(1,094)	(127)
Long term loan received from a related party	27.2	1	-
Long term loans received	29	5,637	2,820
Long term loans repaid	29	(6,720)	(5,106)
Issuance of hybrid equity instrument - net	33	1,823	-
Buy back of hybrid equity instrument	33	(2,200)	-
Payment against lease liabilities	30.3	(855)	(815)
Collateral received against derivative instruments - net		-	32
Finance cost paid		(760)	(846)
Acquisition of non-controlling interest without a change in control	6.3.1	-	(366)
Shareholders' contribution paid by non-controlling interest		15	-
Coupon paid on hybrid equity instrument	33	(265)	(238)
Dividend paid to non-controlling interest		(37)	(30)
Net cash flows used in financing activities		(4,157)	(4,437)
Net increase/(decrease) in cash and cash equivalents		148	(857)
Cash and cash equivalents at the beginning of the year*		801	1,811
Cash and cash equivalents classified as assets held for sale	7.4	28	-
Effect of movements in exchange rates on cash held		5	(153)
Cash and cash equivalents at the end of the year*		982	801

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

The notes on pages 16 to 84 are an integral part of these consolidated financial statements.
The independent auditors' report is set out on pages 3 to 8.

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

<i>(AED in millions)</i>	Attributable to the owners of the Company							Hybrid equity instrument	Non-controlling interests	Total
	Share capital	Statutory reserve	Revaluation reserve	Retained earnings	Hedging reserve	Currency translation reserve	Total equity			
At 1 January 2024	4,869	3,336	19,016	5,760	119	(3,318)	29,782	3,283	293	33,358
Total comprehensive income for the year										
Net profit for the year	-	-	-	2,485	-	-	2,485	-	54	2,539
Other comprehensive income										
Net valuation gain on land and buildings (note 16.4.2)	-	-	292	-	-	-	292	-	-	292
Deferred tax liability on revaluation of land and buildings	-	-	(33)	-	-	-	(33)	-	-	(33)
Remeasurement gain on defined benefit plans - net (note 31.2.3)	-	-	-	29	-	-	29	-	-	29
Revaluation reserve reclassified on disposal of subsidiaries (note 7.3.1)	-	-	(218)	218	-	-	-	-	-	-
Net change in fair value of cash flow hedges (note 12.4)	-	-	-	-	39	-	39	-	-	39
Deferred tax liability on fair value of cash flow hedges	-	-	-	-	(3)	-	(3)	-	-	(3)
Currency translation differences in foreign operations (note 32.5)	-	-	-	-	-	(636)	(636)	-	-	(636)
Total comprehensive income for the year	-	-	41	2,732	36	(636)	2,173	-	54	2,227
Transactions with owners recorded directly in equity										
<i>Contribution by and distributions to owners and other movement in equity</i>										
Dividend declared and settled / paid	-	-	-	-	-	-	-	-	(30)	(30)
Transfer to statutory reserve (note 32.3)	-	2	-	(2)	-	-	-	-	-	-
Acquisition of a subsidiary under common control transaction (note 7.2)	-	-	-	(17)	-	-	(17)	-	-	(17)
Acquisition of non-controlling interests (note 6.3.1)	-	-	-	(242)	-	-	(242)	-	(124)	(366)
Disposals of non-controlling interests	-	-	-	-	-	-	-	-	(1)	(1)
Total contribution by and distribution to owners	-	2	-	(261)	-	-	(259)	-	(155)	(414)
<i>Hybrid perpetual note instruments</i>										
Coupon paid on hybrid equity instrument (note 33)	-	-	-	(238)	-	-	(238)	-	-	(238)
	-	-	-	(238)	-	-	(238)	-	-	(238)
At 31 December 2024	4,869	3,338	19,057	7,993	155	(3,954)	31,458	3,283	192	34,933

The notes on pages 16 to 84 are an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 to 8.

Consolidated statement of changes in equity for the year ended 31 December (continued)

<i>(AED in millions)</i>	Attributable to the owners of the Company							Hybrid equity instrument	Non-controlling interests	Total
	Share capital	Statutory reserve	Revaluation reserve	Retained earnings	Hedging reserve	Currency translation reserve	Total equity			
At 1 January 2025	4,869	3,338	19,057	7,993	155	(3,954)	31,458	3,283	192	34,933
Total comprehensive income for the year										
Net profit for the year	-	-	-	3,541	-	-	3,541	-	33	3,574
Other comprehensive income										
Net valuation gain on land and buildings (note 16.4.2)	-	-	374	-	-	-	374	-	-	374
Deferred tax liability on revaluation of land and buildings	-	-	(20)	-	-	-	(20)	-	-	(20)
Remeasurement loss on defined benefit plans - net (note 31.2.3)	-	-	-	(11)	-	-	(11)	-	-	(11)
Net change in fair value of cash flow hedges (note 12.4)	-	-	-	-	(123)	-	(123)	-	-	(123)
Deferred tax asset on fair value of cash flow hedges	-	-	-	-	15	-	15	-	-	15
Currency translation differences in foreign operations (note 32.5)	-	-	-	-	-	129	129	-	(1)	128
Total comprehensive income for the year	-	-	354	3,530	(108)	129	3,905	-	32	3,937
Transactions with owners recorded directly in equity										
<i>Contribution by and distributions to owners and other movement in equity</i>										
Dividend declared and settled / paid	-	-	-	-	-	-	-	-	(37)	(37)
Shareholders' contribution paid by non-controlling interest	-	-	-	-	-	-	-	-	15	15
Total contribution by and distribution to owners	-	-	-	-	-	-	-	-	(22)	(22)
<i>Hybrid perpetual note instruments</i>										
Issuance of hybrid equity instrument (note 33)	-	-	-	-	-	-	-	1,823	-	1,823
Buy back of hybrid equity instrument (note 33)	-	-	-	(12)	-	-	(12)	(2,155)	-	(2,167)
Premium paid on buy back of hybrid equity instrument (note 33)	-	-	-	(33)	-	-	(33)	-	-	(33)
Coupon paid on hybrid equity instrument (note 33)	-	-	-	(265)	-	-	(265)	-	-	(265)
	-	-	-	(310)	-	-	(310)	(332)	-	(642)
At 31 December 2025	4,869	3,338	19,411	11,213	47	(3,825)	35,053	2,951	202	38,206

The notes on pages 16 to 84 are an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 3 to 8.

Notes to the consolidated financial statements

1. LEGAL STATUS AND PRINCIPAL ACTIVITIES

Majid Al Futtaim Holding LLC (“the Company”) is registered as a limited liability company in the Emirate of Dubai under the UAE Federal Decree Law No. (32) of 2021 (as amended) as applicable to commercial companies.

The principal activity of the Company is to invest in subsidiaries that are involved in establishing, investing in and managing commercial projects. The activities of its subsidiaries include establishment and management of shopping malls, hotels, residential projects, hypermarkets, supermarkets, fashion retailing, leisure and entertainment, cinemas and investment activities. The Company and its subsidiaries are collectively referred to as “the Group”. The Company is wholly owned by Majid Al Futtaim Capital PSC (“the Parent Company”) formerly known as Majid Al Futtaim Capital LLC.

On 5 February 2025, a special judicial committee (the “SJC”), chaired by H.E. Essa Kazim, was formed by H.H. Sheikh Mohammed bin Rashid Al Maktoum in order to exercise the functions of the General Assembly of the Company and form the board of directors of the Company. On 9 February 2025, new non-executive directors of the boards of the Company were appointed, with the Company continuing to be governed by an independent board of directors and managed by the statutory managers. Subsequently on 25 September 2025 the SJC was dissolved by H.H. Sheikh Mohammed bin Rashid Al Maktoum.

The registered address of the Group and its Parent Company is P.O. Box 91100, Dubai, United Arab Emirates.

2. BASIS OF PREPARATION

These consolidated financial statements, which include the financial position and performance of the Company, its subsidiaries, associates and joint ventures, have been prepared on a going concern basis in accordance with IFRS Accounting Standards (“IFRS(s)”) and the requirements of the UAE Federal Decree Law No. (32) of 2021, as amended, and the relevant laws applicable to the various entities comprising the Group. These are presented in United Arab Emirates Dirhams (“AED”) (rounded to the nearest millions unless otherwise stated), which is the Company’s functional currency.

These consolidated financial statements have been prepared under the historical cost convention unless otherwise indicated.

The following assets and liabilities are measured at fair value:

- Investment properties
- Certain classes of property, plant and equipment
- Certain non-derivative financial instruments at fair value through profit or loss
- Derivative financial instruments

These consolidated financial statements were authorized for issue by the General Assembly on **12 March 2026**.

3. USE OF JUDGEMENTS AND ESTIMATES

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have most significant effect on the amounts recognized in these consolidated financial statements are set out in the respective notes and are summarized below.

- | | |
|---|-----------|
| • Recognition of property sale revenue | Note 9.2 |
| • Classification of properties | Note 16.2 |
| • Valuation of properties and apportionment of fair values between land and buildings | Note 16.2 |
| • Estimation or forecast of cost to complete | Note 16.2 |
| • Net realizable values of development property and real estate inventory | Note 16.2 |
| • Impairment of non-financial assets | Note 14.2 |

- Supplier balances and sourcing (rebates) Note 10.2
- Impairment testing of goodwill Note 19.4
- Determining lease term, payments & incremental borrowing rates in calculating lease liabilities Note 30.2
- Measurement of defined benefit obligations Note 31.1
- Foreign currency exchange rate for translation of foreign operations Note 32.5

4. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Group has access at that date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a liability reflects its non-performance risk. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes assets/liabilities valued using: quoted market prices in active or the most advantageous market for similar assets/liabilities; quoted prices for identical or similar assets or liabilities; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

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

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

5. MATERIAL ACCOUNTING POLICIES INFORMATION

The Group has applied the accounting policies given below in these consolidated financial statements.

Accounting policy	Note reference	Page No.
Foreign currency	5.3.1	19
Offsetting	5.3.2	20
Basis of consolidation	6.1	20
Business combinations	7.1	22
Operating segments	8.1	25
Revenue recognition	9.1	32
Cost of sales	10.1	36
Finance costs and income	12.1	38
Impairment of equity-accounted investees	14.1.1	40
Impairment of non-financial assets	14.1.2	40
Impairment of financial assets	14.1.3	40
Tax	15.1	43
Property, plant and equipment	16.1.1	46

Accounting policy	Note reference	Page No.
Capital work in progress	16.1.2	47
Investment property	16.1.3	47
Right-of-use assets	16.1.4	48
Development property	16.1.5	48
Investments	17.1	55
Investments held at fair value through profit or loss	18.1	58
Intangible assets and goodwill	19.1	59
Inventories	21.1	61
Cash and cash equivalents	23.1	62
Provisions	26.1	64
Employee benefits (long term and short term)	26.1.2 & 26.1.3	65
Leases	30.1	69
Post employment benefit obligations	31.1	73
Share capital	32.1	74
Non-derivative financial assets	34.1.1	75
Non-derivative financial liabilities	34.1.2	76
Derivative financial instruments and hedge accounting	34.1.3	77

5.1 Amendments to IFRSs that are mandatorily effective for the current year

Several amendments apply for the first time in 2025, but do not have an impact on the consolidated financial statements of the Group.

The accounting policies adopted in the preparation of the Group consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards and / or amendments effective as of 1 January 2025.

5.1.1 Lack of exchangeability – Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments had no material impact on the Group's consolidated financial statements.

5.2 Other standards

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

	Effective date
• IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
• Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	1 January 2027
• Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
• Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026
• Gain or Loss on Derecognition - IFRS 7 Financial Instruments: Disclosures	1 January 2026
• Lessee Derecognition of Lease Liabilities - IFRS 9 Financial Instruments	1 January 2026

• Transaction Price - IFRS 9 Financial Instruments	1 January 2026
• Determination of a 'De Facto Agent'- IFRS 10 Consolidated Financial Statements	1 January 2026
• Cost Method – IAS 7 Statement of Cash Flows	1 January 2026
• Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026

The above standards, amendments and interpretations are not expected to have any material impact on the consolidated financial statements of the Group except for IFRS 18. In relation to IFRS 18, the Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

5.3 General accounting policies

5.3.1 Foreign currency

Foreign currency transactions

Transactions denominated in foreign currencies are translated into respective functional currencies of the Group's entities at the rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into functional currency at the exchange rates prevailing at that date. Foreign exchange differences arising on translation are recognized in profit or loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to functional currency at the exchange rates prevailing at the dates when the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies, which are measured in terms of historical cost, are translated into functional currency at the exchange rates prevailing at the date of the transaction. Foreign exchange differences arising on the translation of non-monetary assets and liabilities carried at fair value are recognized in profit or loss.

Foreign exchange differences arising on the translation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income are recognized directly in consolidated statement of other comprehensive income.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign operations

The assets and liabilities of foreign operations are translated into the functional currency at foreign exchange rates at the reporting date. Share capital is translated at historical rate. The income and expenses of foreign operations are translated at average rates of exchange for the year. Foreign exchange differences arising on retranslation are recognized directly in other comprehensive income, and are presented in currency translation reserve in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interest.

When a foreign operation is disposed-off partially or in its entirety such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes off only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes only a part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in other comprehensive income, and presented in the currency translation reserve in equity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

In 2020, Lebanon became a hyperinflationary economy. Management performed a detailed assessment of the impact of applying IAS 29 Financial Reporting in Hyperinflationary Economies. Based on these assessments, the consolidated financial statements in 2025 and 2024, management determined that the impact of applying IAS 29 is not material to the Group.

5.3.2 Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when, and only when, the Group has a legally enforceable right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS, or of gains and losses arising from a group of similar transactions.

6. SUBSIDIARIES

6.1 Material accounting policy information

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Upon the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any resulting gain or loss arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is re-measured at fair value on the date that control is lost. Subsequently it is accounted for as an equity-accounted investee depending on the level of influence retained.

The accounting policies of subsidiaries have been changed, where necessary to align them with the policies adopted by the Group. Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests which may cause the non-controlling interests to have a deficit balance.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealized gains and losses arising from intra-group transactions are eliminated in full in preparing these consolidated financial statements. Unrealized gains arising from transactions with jointly controlled entities and associates are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Non-controlling interests

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

Interests in other entities

The Group does not hold any direct ownership interest in MAF Sukuk Ltd. (limited liability company incorporated in the Cayman Islands) which is a structured entity. However, based on the terms of the agreement under which this entity is established, the Group receives substantially all of the returns related to its operations and net assets and has the current ability to direct the entity's activities that most significantly affect these returns.

MAF Sukuk Ltd. has issued Sukuk Certificates which are listed on NASDAQ Dubai and Euronext Dublin, except for the USD 100 million. Accordingly, the results and financial performance of the structured entity are consolidated in these financial statements.

6.2 Principal subsidiaries

The Group had the following principal subsidiaries at 31 December 2025 and 2024:

Name of subsidiary	Country of incorporation	Nature of business	Effective ownership	
			2025	2024
Majid Al Futtaim Properties LLC*	United Arab Emirates	Operating and managing commercial projects including shopping malls, hotels, leisure and entertainment, residential units and investing in joint ventures and associates	100%	100%
Majid Al Futtaim Retail LLC	United Arab Emirates	Establishment and management of hypermarkets and other retail format stores.	100%	100%
Majid Al Futtaim Entertainment LLC	United Arab Emirates	Establishment and management of cinemas, leisure and entertainment and food and beverage	100%	100%
Majid Al Futtaim Lifestyle LLC	United Arab Emirates	Establishment and management of fashion retail and home furniture stores	100%	100%
MAF Global Securities Limited	Cayman Islands	Structured entity established for issuance of bonds	100%	100%
Majid Al Futtaim Global Solutions LLC	United Arab Emirates	Operating and managing Group's shared services	100%	100%
Majid Al Futtaim Customer Solutions LLC SOC (formerly known as Xsight Future Solutions LLC)	United Arab Emirates	Operating and managing Group's customer experience, contact centre, loyalty, and customer engagement services	100%	100%
Majid Al Futtaim Technology LLC	United Arab Emirates	Holding minority investments	100%	100%

* These subsidiaries have certain interest in entities which are consolidated by the Group and the portion of non-controlling interest in these entities for the year ended 31 December 2025 amounts to AED 202 million (2024: AED 192 million).

Certain percentage of the Group's ownership stake in certain entities is held through beneficial ownership arrangements with the legal owner. In light of recent changes in the relevant laws governing legal ownership the Group is working to remove such arrangements where possible.

6.3 Non-controlling interests

The following subsidiaries within the Group have material non-controlling interests:

<i>(AED in millions)</i>		Proportion of ownership and voting rights held by NCI		Profit/(loss) allocated to Non-controlling interest		Accumulated Non-controlling interest	
		2025	2024	2025	2024	2025	2024
Name of subsidiary	Country						
Fujairah City Centre Investment Company LLC	UAE	37.5%	37.5%	17	35	183	179
Aswaq Al Emarat Trading CJSC (note 6.3.1)	KSA	0.0%	0.0%	-	(1)	-	-
The Avenues Cinema Bahrain W.L.L	Bahrain	50.0%	50.0%	(1)	1	(1)	(12)
VOX Cinemas for Movie Screening W.L.L	Kuwait	50.0%	50.0%	12	16	12	14
Individually immaterial subsidiaries with NCI		Various	Various	5	3	8	11
				33	54	202	192

- 6.3.1** In 2024, the Group acquired the remaining 13.6% shareholding in Aswaq Al Emarat Trading Closed JSC (AAET), resulting to a 100% ownership, for a total consideration of SAR 374 million (AED 366 million) including 50% share of Real Estate Transfer Tax (RETT) due to this transfer. The carrying amount of the AAET's net assets in the Group's consolidated financial statements on the date of acquisition was SAR 126.8 million (AED 124.2 million).

<i>(AED in millions)</i>	At date of transfer
Consideration paid for the acquisition of shares	358
RETT (50% share)	8
Total consideration paid	366
Carrying amount of NCI acquired	124
Loss on acquisition of shares	242

- 6.3.2** During the year, dividend of AED 37 million (2024: AED 30 million) was declared and paid/settled to the non-controlling interests from retained earnings available for distribution.

7. BUSINESS COMBINATIONS

7.1 Material accounting policy information

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

The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Business combinations involving entities under common control

Business combinations arising from transfers of interests in entities that are under the common control of the Parent Company are accounted for on a prospective basis from the date on which control was established. The Group applies the book value measurement method to all common control transactions whereby the assets and liabilities acquired or transferred are de-recognized at the carrying amounts recorded in the financial statements of the transferor.

The assets and liabilities acquired or transferred are recognized at the carrying amounts de-recognized previously in the Parent Company's consolidated financial statements. The components of OCI of the acquired entities are added to the same components within the Group's OCI.

7.2 COMMON CONTROL TRANSACTIONS

In prior year, the Parent Company transferred its beneficial interest in following subsidiaries to the Group. The legal transfers were finalized during the year.

- Majid Al Futtaim (Muscat) SPC formerly known as Majid Al Futtaim Holding (Muscat) LLC ("Holding Muscat")
- Majid Al Futtaim Capital Investments LLC ("Capital Investments")

These business combinations arose from transfers of interests in entities that were under the common control of the Parent Company. The Group accounted for these transactions on prospective basis from the date on which control was established. The Group applied the book value measurement method to all common control transactions whereby the assets and liabilities acquired or transferred are de-recognized at the carrying amounts recorded in the financial statements of the transferor. The assets and liabilities acquired or transferred were recognized at the carrying amounts de-recognized previously in the Parent Company's consolidated financial statements. The components of OCI of the acquired entities were added to the same components within the Group's OCI.

The following table summarizes the financial position of Holding Muscat and Capital Investments on the date of transfer and the impact on Group's consolidated equity on transfer.

<i>(AED in millions)</i>	1 January 2024		
	Muscat	Capital Investments	Total
Assets			
Advances and deposits	-	68	68
Assets held for sale	103	-	103
Total assets	103	68	171
Total liabilities	-	-	-
Net assets	103	68	171
Related party balances adjusted on transfer of subsidiaries under common control (note 27.1)			(188)
Net impact on transfer of subsidiaries under common control			(17)

The Group did not apply IFRS 3 Business Combination as the acquisition is a common control transaction at book value defined under IFRS 3.

7.3 DISPOSALS

7.3.1 In prior year, the Group entered into a binding sales and purchase agreement to sell the shares of the Group's subsidiaries, Majid Al Futtaim Hospitality Al Barsha Third LLC, Majid Al Futtaim Hospitality Deira Second LLC and Majid Al Futtaim Hospitality Al Rigga LLC, to a third party buyer for a net cash consideration of AED 722 million. Loss on disposal of AED 38 million was recorded on the sale of the Group's investment in these subsidiaries. The following table summarizes the financial position and financial performance of the disposed subsidiaries, after intra-group eliminations, at the effective date of disposal on 31 March 2024:

<i>(AED in millions)</i>	At date of disposal
Non-current assets	
Property, plant and equipment*	729
Investment property	57
Right-of-use assets	2
Current assets	9
Total assets	797
Current liabilities	37
Net assets	760
Less: Sale consideration	729
Less: Transaction cost	(7)
Total sale consideration - net	722
Loss on disposal (note 13)	(38)

*Property, plant and equipment includes cumulative revaluation reserve amounting to AED 218 million, which was reclassified against retained earnings upon disposal of the subsidiaries.

<i>(AED in millions)</i>	At date of disposal
Revenue	59
Operating expenses	(37)
Net profit	22

7.3.2 In prior year, the Group had acquired a joint venture in Oman, classified as 'asset held for sale' with effective date of 1 January 2024, through a transfer of beneficial interest in Majid Al Futtaim Holding (Muscat) SPC by the Ultimate Parent Company.

The asset held for sale, with a carrying amount of AED 103 million, had been acquired by a third-party buyer (the 'Buyer') for a consideration of AED 205 million (OMR 21.5 million). This transaction resulted in a gain on disposal of AED 102 million (note 13).

The following table summarizes the financial position of the joint venture as at date of transfer:

<i>(AED in millions)</i>	At date of disposal
Non-current assets	27
Current assets	119
Total assets	146
Current liabilities	27
Net assets	119
Group's share in net assets	103
Less: Sale consideration	205
Gain on disposal of assets held for sale (note 13)	102

7.3.3 In the prior year, the Group disposed off its operations in Armenia for a consideration of AED 13.8 million, and recognized gain of AED 6 million on disposal, representing the difference between the consideration received and net assets. The operations in Armenia were not considered material for the Group and hence had not been disclosed separately as discontinued operations.

7.4 ASSETS HELD FOR SALE

During the current year, a subsidiary of the Company classified its subsidiaries in Pakistan and Iraq as assets held for sale as they met the criteria for classification as disposal groups held for sale in accordance with IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations).

The following table summarizes the assets and liabilities classified as held for sale as at 31 December 2025:

<i>(AED in millions)</i>	31 December 2025
Property, plant and equipment	61
Right-of-use assets	60
Intangible assets and goodwill	2
Inventories	77
Cash in hand and at bank	22
Other assets	46
Total assets	268
Bank overdraft	50
Lease liabilities	79
Post employment benefit obligations	6
Other liabilities	161
Total liabilities	296
Net liabilities	(28)

The operations in Pakistan and Iraq are not considered material for the Group and hence have not been disclosed separately as discontinued operations.

8. OPERATING SEGMENTS

8.1 Material accounting policy information

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.

The operating results of all operating segments are reviewed regularly by senior management and the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance, and for which discrete financial information is available.

The Group has six segments, consistent with internal reporting and are considered the Group's strategic business units. The strategic business units offer different services and are managed separately because they have different strategic requirements. Inter-segment pricing is determined on agreed terms.

During the year, the Group reassessed the manner in which it monitors and reports its Properties operating segment to reflect changes in the internal management structure. As a result, the composition of the segment has been revised to align with the Group's updated organisational structure and strategic focus. The Properties operations are now reported under the following components: Asset Management, Development, and Corporate Head Office, with Corporate Head Office activities presented under "Others".

This revised segmentation provides a more transparent view of the Group's performance and enhances comparability.

Comparative information for the prior year has been reclassified to conform with the current year's presentation. The reclassification is presentational in nature only and has no impact on the Group's previously reported revenue, profit for the year, total assets, or total liabilities.

The following summary describes the operations in each of the Group's reportable segments:

Asset management: The principal activities include the ownership and management of shopping mall operations, including regional and super-regional malls as well as smaller community centres. The business is also involved in the development and asset management of hotel properties in collaboration with third-party hotel operators, in addition to managing the Group's office buildings in Dubai, United Arab Emirates.

Development: The principal activities include the development and management of large-scale, master-planned lifestyle communities including multiple asset classes. The business is responsible for the planning and delivery of infrastructure, residential, and commercial components within these developments, as well as managing the Group's future real estate projects. The business also includes **Project management** arm, which specializes in providing advisory, development and management services to other businesses and related parties.

Retail: The principal activities include establishment and management of hypermarkets, and supermarkets including hypermarkets, and supermarkets in accordance with the franchise agreement with Carrefour Partenariat International, a Carrefour SA affiliate.

Entertainment: The principal activities include establishing, through subsidiaries, establishment and management of cinemas, family entertainment centers, leisure and entertainment activities and food and beverage.

Lifestyle: The principal activities include establishing, investing in and operating fashion, home furniture and retail stores through its subsidiaries and associates.

Others: Others include Head Office, Global Solutions (GS), Customer Solutions (CS) and the Corporate head office of previously reported segment, Properties.

- The principal activities of Head Office include acting as the holding company of the Group's subsidiaries, arranging the Group's financing requirements and providing stewardship and strategic guidance and certain support services to the subsidiaries. The results and the balances include the results of Corporate Head Office of Properties, Customer Solutions (CS) and Global Solutions (GS) in the following tables.
- The principal activities of **GS** include providing finance, people & organization, technology and procurement services across the Group.
- The principal activities of **CS** include providing fintech and advance analytics solutions to other Group companies along with management of the Group wide loyalty program.

NOPAT (non-GAAP measure)

"Net Operating Profit After Tax (NOPAT)", (non-GAAP measure) represents the Group's income from operations if it had no debt (no interest expense).

NOPAT is calculated based on the net profit after tax for the financial period, adjusted for, deferred tax charge or benefit, unrealized valuation gains or losses on investments (if any) and land and buildings, relating to investment properties and property, plant and equipment, net impairment losses / reversals on non-financial assets, net finance costs and net foreign exchange gains / losses.

Adjusted EBITDA (non-GAAP measure)

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

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

8.2 Segment reporting by business

The segment information provided to the stakeholders for reportable segments for the year ended 31 December 2025 and 31 December 2024 are as follows:

8.2.1 Disaggregation of revenue by business

In the following table, revenue from contracts with customers is disaggregated by major business and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

<i>(AED in millions)</i>	Asset management	Development	Retail	Entertainment	Lifestyle	Others(i)	Total
31 December 2025							
Gross revenue	5,020	5,833	21,987	1,873	1,485	77	36,275
Eliminations of intercompany income	(376)	-	-	(23)	-	(17)	(416)
Revenue from external customers	4,644	5,833	21,987	1,850	1,485	60	35,859
External revenue from major service/product lines							
Sale of goods	-	-	21,854	-	1,485	-	23,339
Service income and fee	-	-	29	-	-	-	29
Sale of property	-	5,786	-	-	-	-	5,786
Leisure and entertainment	264	-	-	1,850	-	-	2,114
Hospitality revenue	580	-	-	-	-	-	580
Others	8	1	64	-	-	60	133
	852	5,787	21,947	1,850	1,485	60	31,981
Rental income	3,792	46	40	-	-	-	3,878
	4,644	5,833	21,987	1,850	1,485	60	35,859
31 December 2024							
Gross revenue	4,727	4,375	22,187	1,718	1,304	87	34,398
Eliminations of intercompany income	(391)	-	-	(24)	-	(32)	(447)
Revenue from external customers	4,336	4,375	22,187	1,694	1,304	55	33,951
External revenue from major service/product lines							
Sale of goods	-	-	22,028	-	1,304	-	23,332
Service income and fee	-	-	26	-	-	-	26
Sale of property	-	4,361	-	-	-	-	4,361
Leisure and entertainment	259	-	-	1,694	-	-	1,953
Hospitality revenue	589	-	-	-	-	-	589
Others	8	1	93	-	-	55	157
	856	4,362	22,147	1,694	1,304	55	30,418
Rental income	3,480	13	40	-	-	-	3,533
	4,336	4,375	22,187	1,694	1,304	55	33,951

(i) The revenue includes Customer Solutions services to other Group companies, revenue from Group's loyalty program ("Share") and pre-paid card operations.

8.2.2 Disaggregation of revenue from contracts with customers

<i>(AED in millions)</i>	Asset management	Development	Retail	Entertainment	Lifestyle	Others(i)	Total
31 December 2025							
Over period of time	-	5,786	29	42	-	-	5,857
At a point in time	852	1	21,918	1,808	1,485	60	26,124
	852	5,787	21,947	1,850	1,485	60	31,981
31 December 2024							
Over period of time	-	4,361	26	44	-	-	4,431
At a point in time	856	1	22,121	1,650	1,304	55	25,987
	856	4,362	22,147	1,694	1,304	55	30,418

(i) The revenue includes Customer Solutions services to other Group companies, revenue from Group's loyalty program ("Share") and pre-paid card operations.

8.2.3 Disaggregation of non-GAAP measures by business

<i>(AED in millions)</i>	Asset management	Development	Retail	Entertainment	Lifestyle	Others ⁽ⁱ⁾	Eliminations / adjustments	Total
31 December 2025								
Net profit/(loss) after tax	3,813	1,408	(508)	(28)	(6)	(356)	(749)	3,574
<i>Adjustments for:</i>								
Valuation gain on land and buildings - net	(1,394)	(37)	(13)	-	-	-	137	(1,307)
Net finance costs	199	(143)	185	48	14	66	412	781
Foreign exchange loss - net	(1)	1	5	1	6	3	-	15
Net gain from investments carried at fair value through profit or loss	-	-	-	-	-	(1)	-	(1)
Net impairment on non-financial assets	9	25	191	(1)	13	(23)	32	246
Deferred tax charge/(benefit)	212	3	(10)	-	-	3	(18)	190
NOPAT	2,838	1,257	(150)	20	27	(308)	(186)	3,498
<i>Adjustments for:</i>								
Depreciation and amortization	276	24	1,007	440	235	103	(72)	2,013
Equity accounted income - net	(16)	(64)	-	-	(8)	(65)	-	(153)
Income tax expense	385	237	68	18	10	(96)	(96)	526
Other non-recurring items ⁽ⁱⁱⁱ⁾	(11)	23	(14)	1	(8)	9	-	-
Rent expense de-recognized on adoption of IFRS 16								
- External	(7)	-	(539)	(169)	(106)	(8)	-	(829)
- Internal	-	-	(213)	(90)	(45)	(6)	354	-
Adjusted EBITDA	3,465	1,477	159	220	105	(371)	-	5,055

⁽ⁱ⁾ Includes Holding, Global Solutions, Customer Solutions and Corporate headoffice for Properties.

⁽ⁱⁱⁱ⁾ Other non-recurring items mainly include (gain)/loss on disposal of non-current assets and (gain)/loss on lease termination being the difference between the Right of Use asset and Lease Obligation derecognized on termination of lease after adjusting for any termination penalties.

<i>(AED in millions)</i>	Asset management	Development	Retail	Entertainment	Lifestyle	Others ⁽ⁱ⁾	Eliminations / adjustments	Total
31 December 2024								
Net profit/(loss) after tax	3,623	1,106	(500)	(137)	23	(1,007)	(569)	2,539
<i>Adjustments for:</i>								
Valuation (gain) / loss on land and buildings - net	(1,280)	183	(5)	-	-	(2)	95	(1,009)
Net finance costs	189	(141)	150	48	8	299	325	878
Foreign exchange loss - net	-	1	111	(1)	2	300	4	417
Net gain from investments carried at fair value through profit or loss	-	-	-	-	-	(3)	-	(3)
Net impairment on non-financial assets	46	6	279	7	7	(6)	(41)	298
Deferred tax charge/(benefit)	146	(27)	(16)	-	-	(14)	(35)	54
NOPAT	2,724	1,128	19	(83)	40	(433)	(221)	3,174
<i>Adjustments for:</i>								
Depreciation and amortization	279	27	1,066	479	189	112	(69)	2,083
Equity accounted income - net	(11)	(72)	-	-	(8)	(52)	-	(143)
Income tax expense	261	109	89	11	5	(36)	(69)	370
Other non-recurring items ⁽ⁱⁱⁱ⁾	(5)	(106)	(11)	14	(1)	28	-	(81)
Rent expense de-recognized on adoption of IFRS 16								
- External	(5)	-	(561)	(166)	(90)	(4)	-	(826)
- Internal	-	-	(221)	(91)	(39)	(8)	359	-
Adjusted EBITDA	3,243	1,086	381	164	96	(393)	-	4,577

⁽ⁱ⁾ Includes Holding, Global Solutions, Customer Solutions and Corporate headoffice for Properties. The net loss for Holding excludes impairment of investment in subsidiaries, which eliminates on consolidation.

⁽ⁱⁱⁱ⁾ Other non-recurring items, mainly include (gain)/loss on disposal of non-current assets, (gain)/loss on lease termination being the difference between the Right of Use asset and Lease Obligation derecognized on termination of lease after adjusting for any termination penalties, gain on disposal of assets held for sale (note 7.3.2), loss on disposal of subsidiaries (note 7.3.1) and insurance claim proceeds.

8.2.4 Disaggregation of capital expenditure by business

<i>(AED in millions)</i>	Asset management	Development	Retail	Entertainment	Lifestyle	Others ⁽ⁱ⁾	Eliminations / adjustments	Total
31 December 2025								
Capital expenditure	(793)	(35)	(521)	(155)	(73)	(308)	-	(1,885)
31 December 2024								
Capital expenditure	(917)	(83)	(331)	(141)	(87)	(215)	-	(1,774)

8.2.5 Disaggregation of assets & liabilities by business

<i>(AED in millions)</i>	Asset management	Development	Retail	Entertainment	Lifestyle	Others ⁽ⁱ⁾	Eliminations / adjustments	Total
31 December 2025								
Total assets	44,320	13,727	10,167	2,561	1,996	3,608	(5,419)	70,960
Total liabilities	(3,847)	(3,612)	(10,636)	(1,905)	(1,110)	(17,671)	6,027	(32,754)
Net assets								38,206
31 December 2024								
Total assets	42,073	13,782	10,335	2,420	1,901	4,398	(6,076)	68,833
Total liabilities	(2,843)	(3,463)	(10,099)	(1,736)	(1,009)	(21,444)	6,694	(33,900)
Net assets								34,933

⁽ⁱ⁾ Includes Holding, Global Solutions, Customer Solutions and Corporate headoffice for Properties.

8.3 Segment revenue NOPAT and assets by geography

<i>(AED in millions)</i>	Revenue	NOPAT	Assets
31 December 2025			
UAE (country of domicile)	22,112	3,065	53,245
Saudi Arabia	2,558	(129)	3,358
Egypt	2,389	230	3,403
Qatar	2,071	104	1,032
Oman	1,097	67	3,733
Jordan	531	(32)	197
Bahrain	780	142	3,351
Kuwait	782	51	605
Pakistan	479	(9)	179
Georgia	1,023	(4)	324
Lebanon	256	24	968
Kenya	1,386	18	411
Iraq	245	(19)	79
Uganda	150	(10)	75
	35,859	3,498	70,960
31 December 2024			
UAE (country of domicile)	20,007	2,749	50,433
Saudi Arabia	2,953	(143)	4,080
Egypt	2,416	193	2,904
Qatar	2,006	124	919
Oman	1,032	143	3,955
Jordan	499	(95)	237
Bahrain	821	159	3,885
Kuwait	772	67	421
Pakistan	464	(27)	167
Georgia	1,074	(7)	293
Lebanon	264	6	979
Kenya	1,219	17	388
Iraq	265	(11)	94
Uganda	143	(3)	78
Armenia	16	2	-
	33,951	3,174	68,833

9. REVENUE

9.1 Material accounting policy information

Revenue from contracts with customers

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

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration the Group expects to be entitled to in exchange for transferring the promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate transaction price to the performance obligations in a contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled to in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

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

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

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

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

Revenue is measured at the fair value of the consideration received or receivable, taking into consideration the contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent, The Group has concluded that it is acting as a principal in all of its revenue arrangements.

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

Sale of goods

Revenue from the sale of goods is recognized when the Group sells a product to the customer. For goods sold in store, revenue is recognized at the point of sale. For online or wholesale sale of goods, revenue is recognized on collection by, or delivery to, the customer. Payment of the transaction price is due immediately when the customer purchases the goods and takes delivery in store.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and discounts. Revenue comprises amounts derived from the sale of goods falling within the ordinary activities of the Group and are recognized at the time of check-out sales when persuasive evidence exists that the control passes from the Group to the customer satisfying the performance obligation, and the amount of revenue can be measured reliably. Discounts are recognized as a reduction of revenue as the sales are recognized.

For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on the historical data for specific types of goods. In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

Sale of property

Revenue from property sales is recognized upon satisfaction of performance obligation by delivering the promised goods or services. During the period of construction, the Group has no alternative use of the unit being created and where the local law permits has an enforceable right to force the collection in full over customers.

Accordingly, in these circumstances the Group recognizes revenue over the period of construction based on percentage of completion. The percentage of completion is obtained from the commercial team. Where the above criteria are not fulfilled, revenue is recognized at a point in time. In these cases, revenue is recognized when the control over the asset that is subject of the contract is transferred to the customer. In case of contracts to sell real estate assets this is generally when the unit has been handed over to the customer.

Commission

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognized is the net amount of commission earned by the Group. The agency relationship is established where the Group does not take title of the goods, has no responsibility in respect of the goods sold and the Group does not have control on the selling prices set by the supplier.

Loyalty programmes

The Group has customer loyalty programmes whereby customers are awarded credits known as “tickets/ loyalty points”. The fair value of the consideration received or receivable in respect of the initial sale is allocated between the reward credit and the other components of the sale. The amount allocated to the tickets/ loyalty points is considered to be the fair value for which they could be redeemed. Such amount is deferred and revenue is recognized only when the tickets/ loyalty points are redeemed and the Group has fulfilled its obligations to supply the products.

The amount of revenue recognized in those circumstances is based on the number of tickets/loyalty points that have been redeemed in exchange for products, relative to the total number of tickets/loyalty points that are expected to be redeemed. Deferred liability in respect of outstanding loyalty points is also released to profit or loss when it is no longer considered probable that the tickets/ loyalty points will be redeemed.

Rental income

Rental income, including fixed rental uplifts, from properties leased out under an operating lease is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives being offered to lessees to enter into a lease, such as an initial rent-free period or a cash contribution to fit-out or similar costs, are an integral part of the net rental income and are therefore recognized on the same straight-line basis. Contingent rents, being lease payments that are not fixed at the inception of the lease, for example turnover rents, are recorded as income in the periods in which they are earned. Refer to note 30.1 for accounting policy on leases.

Services

Revenue from hospitality, leisure and entertainment and other activities is recognized on rendering the services and when the revenue can be measured reliably. The Group assesses its performance against obligations conditional on earning the income, with income recognized either over time as the obligations are met, or recognized at the point when all obligations are met, depending on contractual requirements. Revenue from services is recognized as income in the periods in which it is earned.

Sale of alcohol

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

9.2 Critical accounting estimate and judgement

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

Satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue.

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

Determination of transaction price

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component in the contract and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the “most-likely amount” method in IFRS whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

Existence of a significant financing component in the contract

In determining the transaction price, the Group adjusts the amount of consideration for the effects of the time value of money if the timing of payments agreed upon provides the customer with a significant benefit of financing the transfer of units to the customer and is applicable at individual contracts.

The Group uses the discount rate that reflects a separate financing transaction between the Group and its customer at contract inception. The rate reflects the credit characteristics of the customer as well as any collateral, including assets to be transferred. The discounting only applies to collections received after the delivery of units due to timing difference between the completion of performance obligation and payments deferred over multiple years post-handover date. The discount calculated at the inception will be offset against revenue and unbilled receivables. The amortization of the discount is expected to be over period of up to 3 years post-handover date.

Transfer of control in contracts with customers

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

Allocation of transaction price to performance obligation in contracts with customers

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

Cost to complete the projects

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

9.3	<i>(AED in millions)</i>	2025	2024
	Revenue from contract with customers	31,981	30,418
	<i>Other revenue</i>		
	- Rental income	3,878	3,533
		35,859	33,951

9.3.1 Revenue from contract with customers includes revenue from Retail's online business amounting to AED 3,229 million (2024: AED 2,713 million).

9.3.2 Revenue from contract with customers include revenue from sale of properties of AED 5,786 million (2024: AED 4,361 million), net of AED 17 million (2024: AED 17 million) transfer fees to a government authority, which met the revenue recognition criteria.

9.3.3 Revenue from property sales during the year is net of AED 36 million (2024: AED 32 million) discount against the transaction price for certain units sold with a significant financing component due to timing difference between the timing of cash receipt and revenue recognition.

9.3.4 Revenue recognized with respect to property development business also includes revenue from sale of property units to Group employees, including the key management personnel of AED 13 million (2024: AED 10 million). These sale transactions are carried out at market comparable terms.

10. COST OF SALES

10.1 Material accounting policy information

Cost of sales corresponds to the cost of purchases net of rebates (volume-related allowances) and commercial income from suppliers, changes in inventories (including impairments), logistics costs and other costs.

The Group has agreements with suppliers whereby volume-related rebates and various other fees and discounts are received in connection with the purchase of goods. This income received from suppliers relates to adjustments to the core cost price of a product and is considered part of the purchase price for that product. In certain cases, receipt of the income is conditional on the Group satisfying certain performance obligations associated with the purchase of the product. These include achieving agreed purchases or sales volume targets. Income is recognized on an accrual basis when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract. For the purpose of presentation, cost of sales is shown net of rebates and discounts.

Where the income earned relates to inventories which are held by the Group at the end of a period, the income is deducted from the cost of those inventories, and recognized in cost of sales upon sale of those inventories. The Group offsets amounts due from suppliers against amounts owed to those suppliers and only the net amount payable or receivable is recognized.

Rebates are calculated based on immediate or deferred discount rates on purchases, as specified in the contractual terms negotiated each year. Rebates can be:

- unconditional, i.e., proportionate to total purchases and subject to no other conditions; or
- conditional, i.e., dependent on meeting certain conditions (e.g., growth in the supplier's net sales with the Group).

Commercial income from the suppliers is recognised as a reduction of the cost of the related products when the Group has performed the activities specified in the contract with the suppliers. If the contract does not specify any performance criteria, the income is recognised over the term of the contract.

10.2 Critical accounting estimate and judgement

Management applies judgement in estimating the rebate eligibility and determining the period over which the reduction in cost of sales should be recognized. Management estimates the rebates eligibility and the period, in relation to strategic volume moves and some annual volume based rebates, over which cost of sales is reduced based on the individual contractual arrangement with the suppliers.

10.3 <i>(AED in millions)</i>	2025	2024
<i>Cost of goods sold</i>		
Opening inventories (note 21.2)	(2,922)	(3,137)
Purchases	(23,207)	(22,889)
Closing inventories (note 21.2)	2,941	2,922
Supplier rebates, fees and discounts	4,924	4,704
	(18,264)	(18,400)
Cost of revenue from property sales	(3,899)	(2,956)
	(22,163)	(21,356)

- 10.4** Cost of revenue from property sales and sales commission amounting to AED 3,899 million (2024: AED 2,956 million) and AED 218 million (2024: AED 163 million) (note 11), respectively, were recognized based on percentage of completion.

11. OPERATING EXPENSES

<i>(AED in millions)</i>	2025	2024
Staff costs (note 11.1)	(3,968)	(3,856)
Depreciation and amortization (note 11.2)	(2,013)	(2,083)
Utilities	(501)	(534)
Advertising, selling and marketing expenses	(529)	(371)
Legal and consultancy expenses (note 11.6)	(312)	(276)
Repair and maintenance	(149)	(136)
Facilities management	(137)	(125)
Software maintenance	(350)	(333)
Franchise and management fees	(149)	(150)
Bank charges	(283)	(257)
Delivery and transportation	(233)	(200)
Security expenses	(138)	(134)
Rent - short term leases and contingent rent (note 30.3.3)	(213)	(167)
House keeping and cleaning	(175)	(176)
Sales commission (note 10.3)	(218)	(163)
Business travel expenses	(70)	(67)
Insurance charges	(81)	(64)
Other general and administrative expenses (note 11.5)	(234)	(145)
	(9,753)	(9,237)

- 11.1** Staff cost (includes)/is net of the following:

<i>(AED in millions)</i>	2025	2024
Gratuity cost	(136)	(128)
Pension cost	(68)	(57)
Staff cost capitalized	206	160

- 11.2** Depreciation and amortization includes following:

<i>(AED in millions)</i>	2025	2024
Property, plant and equipment (note 16.4)	(1,127)	(1,177)
Right-of-use assets (note 16.6)	(653)	(656)
Intangible assets (note 19.2)	(216)	(202)
Prepaid lease premium (note 20.2)	(17)	(48)
	(2,013)	(2,083)

- 11.3** The number of employees at 31 December 2025 was 41,367 (2024: 41,407).

- 11.4** During the year, the Group paid AED 1 million (2024: AED 9 million) for various social contribution purposes.

- 11.5** Includes offset of AED 26 million (2024: AED 25 million) recharged to related parties (note 27.6.1)

- 11.6** Fees for external auditors with respect to both statutory audit and other non-audit fees are classified under legal and consultancy expenses. The table below shows the total fees and costs related to audit and other services provided by external auditors, including nature of services provided.

<i>(AED in thousands)</i>	2025	2024
Total audit fees charged		
Majid Al Futtaim Holding LLC	640	441
Consolidated controlling entities	14,323	13,702
	14,963	14,143
Total non-audit fees charged		
Assurance services (note 11.6.1)	2,552	1,201
Tax services	46	161
Consultancy services	1,426	855
	4,024	2,217

- 11.6.1** Fees for review of financial statements are included in the "Assurance services" category. Furthermore, this also includes assurance on security offerings.
- 11.6.2** In April 2021, International Ethics Standards Board for Accountants (IESBA) released changes to the fee-related provisions of the IESBA Code which are effective for audit periods beginning on or after 15 December 2022. As per these revised requirements the Group has given the above mentioned disclosures.

12. FINANCE COSTS - NET

12.1 Material accounting policy information

Interest income and expense

Interest income and expense for all interest bearing financial instruments except for those designated at fair value through profit or loss, are recognized in 'interest income' and 'interest expense' in profit or loss on an accrual basis using the effective interest rates of the financial assets or financial liabilities to which they relate.

The effective interest rate is the rate that discounts estimated future cash receipts and payments earned or paid on a financial asset or a liability through its expected life or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is one that takes a substantial period of time to get ready for its intended use or sale. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred.

Capitalization of borrowing costs continues until the assets are ready for the intended use. The capitalization rate is arrived at by reference to either the actual rate payable on specific borrowings for development purposes; or, with regard to that part of the development cost financed out of general funds, the overall effective borrowing rate for the Group. Borrowing costs that do not meet the criteria of capitalization are recognized as expenses in the period in which they are incurred.

12.2	<i>(AED in millions)</i>	2025	2024
(i)	<i>Finance costs:</i>		
	Arrangement and participation fee	(56)	(47)
	Interest charges on loans and borrowings (note 12.3)	(731)	(938)
	Interest expense on lease liabilities (note 30.3)	(225)	(224)
	Interest charges on related party balances	(17)	(36)
		(1,029)	(1,245)
	Cash flow hedges reclassified from hedging reserve	(3)	(20)
	Bond programme cost	(12)	(2)
	Total finance costs	(1,044)	(1,267)
(ii)	<i>Finance income:</i>		
	Interest income on bank balances	141	208
	Unwinding of discount on long term receivable balances	34	24
	Cash flow hedges reclassified from hedging reserve	88	157
	Total finance income	263	389
	Finance costs - net	(781)	(878)

12.3 Included within interest charges on bank loans is fair value loss of AED 47 million (2024: AED 88 million) in relation to derivatives used in fair value hedge relationship, with an offsetting fair value change of AED 47 million (2024: AED 88 million) for the underlying debt being hedged.

12.4 Net changes in fair value recognized directly in other comprehensive income:

<i>(AED in millions)</i>	2025	2024
Effective portion of changes in fair value of cash flow hedges	(38)	176
Cash flow hedges reclassified to profit or loss - net	(85)	(137)
	(123)	39

13. OTHER INCOME/EXPENSES - NET

<i>(AED in millions)</i>	2025	2024
Foreign exchange loss - net (note 13.1)	(15)	(417)
Project costs expensed out	(14)	(15)
Loss on disposal (note 7.3.1)	-	(38)
Loss on disposal of non-current assets	(23)	(18)
Development costs expensed out	(56)	(39)
Other expenses	(108)	(527)
Gain on lease termination (note 30.3.1)	21	35
Gain on disposal/acquisition (note 7.3.2)	-	102
Insurance claim (note 13.2)	7	56
Others	9	5
Other income	37	198
Other expense - net	(71)	(329)

13.1 The foreign exchange loss is realized from repatriation of cash denominated in EGP by a subsidiary in Egypt to the Company.

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

14. IMPAIRMENT

14.1 Material accounting policy information

14.1.1 Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

14.1.2 Non-financial assets

The carrying amounts of the Group's non-financial assets except investment properties and certain categories of property, plant and equipment where fair value is reliably measurable, deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

14.1.3 Financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECL's on financial assets measured at amortized cost.

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;
- 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; and
- trade receivables measured at amortized cost.

Loss allowances for trade receivables is 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. 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 realizing security (if any is held); or
- the financial asset is more than 90 days past due.

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).

When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

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.

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

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

Credit-impaired financial assets

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

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

- significant financial difficulty of the borrower;
- a breach of contract such as a default of 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 borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL on the consolidated statement of financial position

Loss allowances for financial assets measured at amortized 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. 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.

14.2 Critical accounting estimate and judgement for non-financial assets

Management assesses impairment loss on assets, other than investment property and certain categories of property, plant and equipment carried at fair value and inventories, whenever there are indicators of impairment. In assessing impairment of assets based on value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate that reflects current market assessments of the time value of money and risk specific to the asset.

14.3 IMPAIRMENT LOSS ON NON-FINANCIAL ASSETS - NET

<i>(AED in millions)</i>	2025	2024
<i>Impairment of property, plant and equipment:</i>		
- Land and buildings (note 14.3.1 and 16.4)	-	(15)
- Furniture and fixtures (note 14.3.1 and 16.4)	(8)	(27)
- Capital work in progress (note 14.3.1)	(75)	(121)
Impairment of investment properties (note 14.3.3 and 16.5)	(34)	(31)
Impairment of right-of-use assets (note 14.3.1 and 16.6)	(24)	(7)
<i>Impairment of intangible assets</i>		
- Goodwill (note 19.2 and 14.3.1)	(98)	(87)
- Other intangible assets (note 19.2 and 14.3.2)	(6)	(43)
Impairment of equity accounted investees (note 17.3)	(1)	(1)
Reversal of impairment of equity accounted investees (note 14.3.4)	-	34
	(246)	(298)

14.3.1 Impairment losses on assets (including right-of-use assets) pertaining to certain businesses (Retail, Entertainment and Lifestyle) were recognized when the recoverable amounts, estimated based on the value in use of the cash generating units, were lower than the carrying amount of the assets.

For the Group's Retail business the cash flow projections include specific estimates for five years at an average growth rate of 0.5% to 5.5% (2024: 2% to 5.4%) and a stable growth rate of 1.2% to 2.5% (2024: 1.9% to 2.2%) thereafter. The stable growth rate is determined based on management's estimate of the long-term standard inflation rate, consistent with the assumptions that a market participant would use. The Group uses post-tax industry average Weighted Average Cost of Capital ("WACC") which reflects the country specific risk adjusted discount rate. Discount rates ranging from 7.1% to 36.1% (2024: 7.1% to 56%) have been determined and applied.

For Entertainment business pre-tax discount rates ranging from 7.6% to 26.9% (2024: 7.6% to 58.8%) and growth rates ranging from 3% to 10% (2024: 3% to 10%) were used. For Lifestyle business discount rates of 9.2% to 13.5% (2024: 8.5% to 10.5%) and growth rates from 3% to 5% (2024: 3% to 5%) were used.

During the previous year, the Group recognized an impairment provision of AED 15 million on property and equipment primarily for the assessed net book value of the damaged assets in the UAE and Bahrain that were impacted by flood due to heavy rains.

14.3.2 Impairment loss of AED 6 million (2024: AED 40 million) on development of intangible assets relating to Group's technology stack was recognized, as the assets are no longer considered to be recoverable due to revised business plans. During the prior year, the amount also included AED 3 million impairment of under production movie content, where the carrying amount exceeds its recoverable amount.

14.3.3 During the year, the Group recognized an impairment provision of AED 34 million (2024: AED 31 million) on investment property under construction primarily for development projects that no longer align with management's strategic direction.

14.3.4 During the previous year, the Group had been awarded a favourable judgment to recover a plot of land initially contributed by the Group in a joint venture in Bahrain, which had been fully provided for in prior years. The title over the plot of land had been transferred in the prior year under the name of the Group's wholly owned subsidiary. Accordingly, a reversal of impairment had been recorded amounting to AED 34 million, which represents the fair value of the plot of land net of transaction cost.

14.4 IMPAIRMENT OF FINANCIAL ASSETS

<i>(AED in millions)</i>	2025	2024
Impairment of trade receivables - net (note 34.3)	(16)	(45)

15. TAX**15.1 Material accounting policy information**

Income tax expense comprises current and deferred tax calculated in accordance with the income tax laws applicable. Income tax expense is recognized in profit or loss except to the extent it relates to items recognized directly in other comprehensive income, in which case it is recognized in other comprehensive income.

Current tax

The Group calculates current income taxes according to the tax laws applicable to each subsidiary in the countries in which such subsidiary operates. In cases in which the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made. Current tax for the current and prior periods is recognized as a liability to the extent that it has not yet been settled, and as an asset to the extent that the amounts already paid exceed the amount due. Current tax assets and liabilities are measured at the amount expected to be paid to (recovered from) taxation authorities, using the rates/laws that have been enacted or substantively enacted as of the consolidated statement of financial position date.

Deferred tax

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

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

Deferred tax assets are recognized 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 it can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of properties 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 only if certain criteria are met.

15.2 INCOME TAX EXPENSE - NET

<i>(AED in millions)</i>	2025	2024
<i>Current tax</i>		
Current year	(526)	(369)
Adjustment for prior years	-	(1)
	(526)	(370)
<i>Deferred tax</i>		
Origination of temporary differences - net (note 15.4 & 15.5)	(190)	(54)
	(190)	(54)
	(716)	(424)

The management believes that accruals for tax liabilities are adequate for all open tax years based on its assessment of all relevant factors, including interpretations of tax laws and prior experience.

15.3 Reconciliation of effective tax rate

<i>(AED in millions)</i>	2025	2024
Profit after tax for the year	3,574	2,539
Income tax charge - net	(716)	(424)
Profit before tax for the year	4,290	2,963
Effect of tax rates	-12.3% (526)	-12.5% (369)
Deferred tax for temporary differences	-4.4% (190)	-1.8% (54)
Prior period adjustments	0.0% -	0.0% (1)
Total	-16.7% (716)	-14.3% (424)

15.4 DEFERRED TAX ASSETS

<i>(AED in millions)</i>	2025	2024
At 1 January	140	125
Credited in profit or loss	14	67
Charged to equity	(5)	(41)
Foreign currency translation difference from foreign operations	8	(11)
At 31 December	157	140

15.4.1 Deferred tax asset amounting to AED 97 million (2024: AED 74 million) is in respect of tax losses carried forward and temporary differences on depreciation of assets and provisions. Deferred tax asset amounting to AED 60 million (2024: AED 66 million) pertains to valuation losses on investment property.

At the reporting date, the Group has unrecognized deferred tax assets of AED 431 million (2024: AED 333 million) relating to its subsidiaries in Oman, Egypt, Lebanon, Jordan and Pakistan. Based on the Group's strategic plan and taking into account the local taxation laws and regulation in those countries, the recognition of deferred tax asset is limited to the extent of future taxable profits and full recoverability of deferred tax asset is unlikely since these subsidiaries are not expected to generate sufficient taxable profits and valuation gains in the foreseeable future.

15.5 DEFERRED TAX LIABILITIES

<i>(AED in millions)</i>	2025	2024
At 1 January	431	393
Charged to profit or loss	204	121
Charged to equity	-	(5)
Foreign currency translation difference from foreign operations	23	(78)
At 31 December	658	431

15.5.1 A portion of the deferred tax liability amounting to AED 604 million (2024: AED 372 million) pertains to taxable temporary differences arising as a result of valuation gains on properties in UAE, Oman, Egypt and Lebanon (2024: UAE, Oman, Egypt and Lebanon). The tax rates in these countries are 9%, 15%, 22.5% and 17%, respectively (2024: 9%, 15%, 22.5% and 17%, respectively). Furthermore, deferred tax liability amounting to AED 54 million (2024: AED 59 million) relates to goodwill, impairments and other intangible assets.

15.6 Global minimum tax

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

- In the UAE, (the location of the Group's head office and its largest market) Federal Decree-Law No. 60 of 2023 was issued, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses to align with the OECD Pillar Two framework. Subsequently, the UAE Cabinet Decision No. (142) of 2024 was issued implementing a Domestic Minimum Top-up Tax that will be effective in the UAE for financial years starting on or after 1 January 2025. This means that the current tax rate of 9% has gone up to 15% from 1 January 2025 onwards subject to substance based carveouts and other reliefs under the new regime. The Group has considered the impact and recognised additional top-up tax expense of AED 137 million (31 December 2024: Nil) in accordance with the UAE Domestic Minimum Top-up Tax rules.
- In September 2024, the Kingdom of Bahrain enacted a Domestic Minimum Top-up Tax regime effective from 1 January 2025, with related Executive Regulations issued in December 2024. In accordance with these requirements, the Group's Bahrain-based operations are subject to a top-up tax of 15% instead of no taxes in the past. For the year ended 31 December 2025, the Group recognised top-up tax expense of AED 10 million (31 December 2024: Nil) in accordance with the Bahrain Domestic Minimum Top-up Tax rules.
- In February 2026, Qatar has published a Domestic Minimum Top-up Tax law applicable from 1 January 2025. This means that the current tax rate of 10% has gone up to 15% from 1 January 2025 onwards subject to substance based carveouts and other reliefs under the new regime. For the year ended 31 December 2025, the Group recognised additional top-up tax expense of AED 6 million (31 December 2024: Nil) to ensure compliance with the Qatar Domestic Minimum Top-up Tax rules.
- In December 2024, Kuwait published a Domestic Minimum Top-up Tax Law along with Executive Regulations in June 2025 effective from 1 January 2025. As a result, from 1 January 2025 onwards, Group entities in Kuwait are also liable for the top-up tax of 15% in relation to their operations instead of no taxes/ in addition to Zakat in the past (as applicable). For the year ended 31 December 2025, the Group recognised top-up tax expense of AED 6 million (31 December 2024: Nil) to ensure compliance with the Kuwait Domestic Minimum Top-up Tax rules.
- Among the other jurisdictions where the Group operates, the United Kingdom, Hong Kong and France (where the Group maintains limited activities and no customer base) have enacted final Pillar Two legislation effective 1 January 2024 (effective from 1 January 2025 in case of Hong Kong). For the year ended 31 December 2025, management does not anticipate any additional top-up tax obligations in these jurisdictions under the Pillar Two rules.
- In December 2024, Kenya enacted the Tax Laws Amendment Act, 2024 introducing a Domestic Minimum Top-up Tax regime, effective from 1 January 2025. As the statutory corporate income tax rate is already 30%, the Group has not recognised any additional top-up tax expense for the year ended 31 December 2025.

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

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

16. TANGIBLE FIXED ASSETS

16.1 Material accounting policy information

16.1.1 Property, plant and equipment

Recognition and measurement

Developed properties, (land and buildings) mainly comprising hotels, shopping malls and offices are initially recognized at cost. Subsequent to initial recognition, these are stated at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and any impairment losses. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount.

During the construction period, land is held at its carrying value and development expenditure is carried at cost less any impairment losses. Upon completion of construction, the entire property (land and building) is carried at revalued amount.

All other items of property, plant and equipment, mainly comprising leasehold improvements, fixtures and fit outs and administrative assets, are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the assets.

The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring the site on which they are located and capitalized borrowing costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (components) of property, plant and equipment.

Subsequent cost

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

Depreciation

Items of property, plant and equipment are depreciated from the date they are put to use. Depreciation is charged to profit or loss so as to write off the cost/revalued amounts less any residual value in equal installments over their estimated useful lives, except land and under development assets, which is not depreciated. The estimated useful lives of property, plant and equipment are as follows:

<u>Category of assets</u>	<u>Estimated useful life</u>
Buildings	5 - 50 years
Furniture, fixtures and equipment	3 - 25 years

Depreciation methods, remaining useful lives of assets and residual values are reviewed at each reporting date and adjusted if appropriate.

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

Revaluation reserve

Any increase in value arising on the revaluation of properties is credited to revaluation reserve in equity through consolidated statement of other comprehensive income, except to the extent that it reverses a revaluation decrease for the same property previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged.

A decrease in carrying amount arising on the revaluation of properties is charged to profit or loss except to the extent that it reverses a previously recognized revaluation gain on the property in which case it is debited to revaluation reserve in equity.

De-recognition

On subsequent disposal or retirement of a revalued property, the attributable revaluation surplus remaining in revaluation reserve is transferred directly to retained earnings.

16.1.2 *Capital work in progress (CWIP)*

Work in progress in respect of capital expenditure including land is classified as capital work in progress. Borrowing costs and other overheads directly attributable to the projects are included as costs until completion thereof. Where development work is carried out on land owned by the Group, the carrying value of the land is included under capital work in progress. For other properties that are developed with an intention of constructing an owner occupied property, both the capital expenditure and land are carried at cost, less impairment, if any, until the property is fully developed.

Development expenses are capitalized after successful initial feasibility is conducted, subject to an approved budget and formal sign-off of a summary scoping document by management. These development costs are shown as assets under capital work in progress.

Development costs carried forward are reviewed in subsequent periods to ensure that circumstances have not changed such that the criteria for capitalization still holds good. However in circumstances where the criteria has changed, the costs are written-off or provided for to the extent they are believed to be irrecoverable.

Regardless of the foregoing, if management has not obtained required approvals to proceed to the next development stage within 24 months after its inception, the project will be deemed impaired and the full accumulated work in progress balance of that project (excluding land value) will be written off and charged to profit or loss.

16.1.3 *Investment property including properties under construction*

Investment properties are properties held to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Following initial recognition at cost, investment property, principally comprising land with undetermined use, shopping malls and properties being constructed for future use as investment property, is stated at fair value at the reporting date.

Where the fair value of an investment property under development is not reliably determinable, such property is carried at the book value of the land and any development cost incurred to date, less any impairment losses, until the earlier of the date that construction is completed or the date at which fair value becomes reliably measurable.

Gains or losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Reclassification

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as an investment property. Any gain arising on re-measurement at transfer date is recognized in equity through consolidated statement of other comprehensive income. Any loss is recognized immediately in profit or loss except to the extent that it reverses a previously recognized revaluation gain on the same property in which case it is debited to equity. The amount recognized in equity on such property remains within equity until the property is disposed-off or withdrawn from use at which point the amount remaining in equity is transferred directly to retained earnings.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its carrying amount. Change in fair value up to the date of reclassification is recognized directly in profit or loss.

De-recognition

An investment property is derecognized when it is either disposed off or permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss on the retirement or disposal of an investment property is included in profit or loss in the period in which the property is derecognized. When investment property which was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

16.1.4 Right-of-use assets

Recognition and measurement

The Group recognizes 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 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 using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or 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 the underlying property, plant 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.

16.1.5 Development property

Properties in the process of construction or development for the purpose of sale on completion are classified as development properties. These are measured at lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of development property is determined on the basis of the cost of land plus construction costs incurred and includes borrowing costs capitalized. When the use of a property changes such that it is reclassified as a development property from investment property, its fair value at the date of reclassification becomes its cost for subsequent accounting.

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

16.2 Critical accounting estimates and judgement

Classification of properties

Investment property - accounting for dual-use properties

Investment property is property held to either earn rental income or capital appreciation. Certain properties of the Group include a portion that is held to generate rental income or capital appreciation and another portion that is held for own use by the Group in the supply of services or for administrative purposes, referred to as 'dual use properties'.

Dual use properties where portions can be sold or finance-leased separately are split between property, plant and equipment and investment properties based on the leasable value of each portion.

For some dual use properties developed on leasehold land or where the title of the property does not belong to the Group, portions cannot be sold or finance-leased separately. For such properties estimates are made to assess level of own use using leasable value of the self-occupied and let out portions.

If the level of own use of a property, as determined by leasable value, is insignificant, the entire property is classified as investment property, otherwise, it is classified as property, plant and equipment.

Valuation and apportionment of fair values between land and buildings

Where the valuation of a property comprises the aggregate value of land and building, the valuation is apportioned between land and building based on the reinstatement cost as computed by an external appraiser of the building, unless another appropriate basis is available for allocation.

Change in fair value apportioned to buildings is then allocated to the building structure as it is impracticable to obtain detailed fair value information at each component level of the building from the valuer or to use any other reasonable method of approximation to internally estimate such component values. Consequently, any increase in fair values is allocated to the structure of the buildings and depreciated over the remaining useful lives of the respective buildings.

Estimation or forecast of cost to complete (CTC)

The estimation or forecast of CTC on main contracts under execution involves uncertainties. This forecast to complete includes input from all budget stakeholders who review the Total Development Cost ('TDC') and not just construction related cost. The construction forecast, where available, includes the independent quantity surveyors ('QS') cost report which is reviewed and analyzed for completeness. Any gaps in the report (early warnings, leasing changes etc.) are adjusted within the forecast to complete.

Net realizable values of development property and real estate inventory

Properties in the process of construction or development for the purpose of sale on completion are classified as development property.

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

16.3 Measurement of fair values and valuation process

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

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

During the year, the overall valuation of the Group's shopping malls portfolio recorded a net fair value gain of AED 1,564 million (2024: AED 1,479 million). This is primarily driven by an overall increase in net rent across the core shopping malls vs 31 December 2024 and continued strong tenant sales in super regional UAE assets. Higher tenant sales across the super regional assets in 2025 had a positive impact on lease renewals and, consequently, on estimated rental values continuing the upward momentum from 2024.

For the hotel portfolio, the key drivers to the valuation are the discount rates applied and forecasted EBITDA generated from each asset's operations. During the year, overall valuation of the Group's hotel portfolio resulted in a net valuation gain of AED 43 million (2024: AED 22 million). The net valuation gain is a combination of net valuation loss assessed by independent external valuer, which has been fully offset by valuation gain mainly arising from reinstatement of depreciated carrying value to the fair value.

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

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

Property plant and equipment and Investment property includes a shopping mall with a value net of an estimated capital expenditure allowance of AED 1,405 million (2024: AED 1,193 million) to realize its fair value.

Summary of valuation of Group's property portfolio, including capital work in progress is given below.

(AED in millions)	Property, plant and equipment		Investment property	
	2025	2024	2025	2024
Assets valued by independent external valuers	6,688	6,723	37,143	34,879
Assets valued internally	129	129	1,448	1,625
	6,817	6,852	38,591	36,504

The fair values are categorized as a Level 3 fair value based on the inputs to the valuation technique used. The independent external valuers adopted valuations methodology consistent with the previous cycles.

For the year ended 31 December 2025, a net valuation gain of AED 1,681 million (2024: AED 1,301 million) has been recognized. This comprises a net valuation gain of AED 374 million (2024: AED 292 million) recognized in other comprehensive income and a net valuation gain of AED 1,301 million (2024: AED 1,009 million) recognized in profit or loss.

The significant unobservable inputs used in the valuation are as follows:

Class of asset	Key unobservable inputs	2025	2024
Shopping malls	Discount rates on income streams	9% to 22.5%	9% to 22.5%
	Compound annual growth rates of net operating income	1.85%	2.16%
Hotels	Discount rate	9.5% to 11.25%	9.5% to 11.25%
	Compound annual growth rates of EBITDA	4.50%	4.30%
Offices	Equivalent yield	8% to 9.25%	8% to 9.25%

Inter-relationship between key unobservable inputs and fair value measurement.

The estimated fair value would increase/(decrease) if:

- The discount rates were lower/(higher);
- The equivalent yield were lower/(higher); or
- The growth rates were higher/(lower).

Management has critically assessed the asset valuations and, in the current environment, are satisfied with the assumptions adopted and valuations reported.

16.4 PROPERTY, PLANT AND EQUIPMENT

<i>(AED in millions)</i>	Furniture		CWIP	Total
	Land and buildings	fixtures and equipment		
<i>Cost/revaluation</i>				
At 1 January 2024	7,660	12,188	826	20,674
Additions	108	306	364	778
Assets placed in service	108	405	(513)	-
Disposals/write offs/adjustments	-	(376)	(28)	(404)
Disposal of subsidiaries (note 7.3.1)	(729)	(39)	-	(768)
Transfer to investment properties-net (note 16.4.1 and 16.5)	(297)	-	-	(297)
Net gain on revaluation of properties (note 16.4.2)	354	-	-	354
Accumulated depreciation and impairment eliminated on revaluation	(365)	-	-	(365)
Effect of foreign exchange movements	(116)	(214)	(14)	(344)
At 31 December 2024 and 1 January 2025	6,723	12,270	635	19,628
Additions	111	330	515	956
Assets placed in service	10	310	(320)	-
Disposals/write offs/adjustments	-	(243)	(42)	(285)
Transfer from investment properties (note 16.5)	9	-	-	9
Transfer to investment properties-net (note 16.4.1 and 16.5)	(224)	-	-	(224)
Net gain on revaluation of properties (note 16.4.2)	394	-	-	394
Accumulated depreciation and impairment eliminated on revaluation	(348)	-	-	(348)
Reclassification to assets held for sale (note 7.4)	-	(243)	-	(243)
Effect of foreign exchange movements	13	95	(5)	103
At 31 December 2025	6,688	12,519	783	19,990

<i>(AED in millions)</i>	Land and buildings	Furniture fixtures and equipment	CWIP	Total
Accumulated depreciation/impairment				
At 1 January 2024	-	(9,157)	(60)	(9,217)
Charged during the year	(350)	(827)	-	(1,177)
Impairment loss (note 14.3)	(15)	(27)	(121)	(163)
Accumulated depreciation and impairment eliminated on revaluation	365	-	-	365
On disposals/write offs	-	322	-	322
Disposal of subsidiaries (note 7.3.1)	-	39	-	39
Effect of foreign exchange movements	-	148	(4)	144
At 31 December 2024 and 1 January 2025	-	(9,502)	(185)	(9,687)
Charged during the year	(348)	(779)	-	(1,127)
Impairment loss (note 14.3)	-	(8)	(75)	(83)
Accumulated depreciation and impairment eliminated on revaluation	348	-	-	348
On disposals/write offs	-	174	-	174
Reclassification to assets held for sale (note 7.4)	-	178	4	182
Effect of foreign exchange movements	-	(27)	8	(19)
At 31 December 2025	-	(9,964)	(248)	(10,212)
Carrying amounts				
At 31 December 2024	6,723	2,768	450	9,941
At 31 December 2025	6,688	2,555	535	9,778

16.4.1 During the current year, net balance amounting to AED 224 million (2024: AED 297 million) has been transferred to investment property from property, plant and equipment on account of changes in the proportion of properties held for own use by the Group.

16.4.2 The details of revaluation gain on property, plant and equipment are as follows:

<i>(AED in millions)</i>	2025	2024
Net gain recognized in revaluation reserve	374	292
Net gain recognized in profit or loss (note 16.5.1)	20	62
	394	354

16.4.3 If the properties had been stated under the historical cost basis, the carrying amounts would have been as follows:

<i>(AED in millions)</i>	2025		2024	
	Land	Buildings	Land	Buildings
Cost	873	7,001	911	6,870
Accumulated depreciation	-	(4,494)	-	(4,278)
Net carrying amount	873	2,507	911	2,592

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

<i>(AED in millions)</i>	2025	2024
Fair value of land and buildings	6,471	6,452
Less: Advances to contractors	(2)	(1)
Add: Lease liability	209	268
Add: Retention from contractor payments	2	2
Add: Project related trade payables and accruals	8	2
Net adjusted fair value	6,688	6,723

16.4.5 The carrying amount as at the reporting date includes an operational shopping mall in UAE amounting to AED 124 million (2024: AED 177 million) and operational shopping malls in Oman amounting to AED 297 million (2024: AED 230 million), which are constructed on leasehold lands (right-of-use assets). These leasehold lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is reserved with the Governments of UAE and Oman, respectively. If the respective leases are not renewed the land and buildings will be transferred to the Governments of UAE and Oman respectively at the end of the lease term.

The leasehold land on which the shopping mall in UAE has been built was obtained on a long term lease from the Government of Dubai for lease terms of 8 and 25 years for two different parcels of land. A portion of the lease was renewed during the year and the AED 153 million lease liability which had been provisionally recognized in prior years with respect to this portion was reversed by AED 29 million on renewal.

16.5 INVESTMENT PROPERTY

<i>(AED in millions)</i>	Land Undeveloped	Land and buildings	CWIP	Total
Cost/fair value				
At 1 January 2024	2,138	32,044	1,505	35,687
Additions	89	363	66	518
Disposals	(14)	(4)	-	(18)
Disposal of subsidiary (note 7.3.1)	-	(57)	-	(57)
Assets placed in service	-	106	(106)	-
Net valuation gain recognized in profit or loss (note 16.5.1)	(201)	1,148	-	947
Transfer from property, plant and equipment-net (note 16.4)	-	297	-	297
Transfer to development property-net (note 16.7)	(86)	(12)	-	(98)
Transfer to work-in-progress on commencement of development	(105)	-	105	-
Impairment loss (note 14.3)	-	(26)	(5)	(31)
Effect of foreign exchange movements	(53)	(683)	(5)	(741)
At 31 December 2024 and 1 January 2025	1,768	33,176	1,560	36,504
Additions	135	729	78	942
Disposals	(312)	(3)	-	(315)
Assets placed in service	-	62	(62)	-
Net valuation gain recognized in profit or loss (note 16.5.1)	40	1,247	-	1,287
Transfer from property, plant and equipment-net (note 16.4)	-	224	-	224
Transfer to property, plant and equipment-net (note 16.4)	-	-	(9)	(9)
Transfer to development property-net (note 16.7)	-	-	(114)	(114)
Impairment loss (note 14.3)	-	(9)	(25)	(34)
Effect of foreign exchange movements	5	95	6	106
At 31 December 2025	1,636	35,521	1,434	38,591

<i>(AED in millions)</i>	2025	2024
Net gain taken on revaluation of property, plant and equipment (note 16.4.2)	20	62
Net gain on valuation of investment properties	1,287	947
	1,307	1,009

16.5.2 Rental income derived from investment properties during the current year is AED 3,878 million (2024: AED 3,533 million) (note 8.2.1). The direct operating expenses arising from investment property that generated rental income during the current year amounted to AED 1,275 million (2024: AED 1,219 million).

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

<i>(AED in millions)</i>	2025	2024
Fair value of land and buildings	35,781	33,462
Less: Adjustment for accrued operating lease income	(385)	(340)
Less: Advances to contractors	(25)	(10)
Add: Lease liability	71	34
Add: Retention from contractor payments	19	11
Add: Project related trade payables and accruals	60	19
Net adjusted fair value	35,521	33,176

16.5.4 The carrying value as at the reporting date includes shopping malls on leasehold lands (right-of-use assets) in Oman amounting to AED 1,588 million (2024: AED 1,533 million). These leasehold lands are restricted to be used for commercial purposes in relation to the Group's businesses and the right to renew the lease is reserved with the Government Oman. If the leases are not renewed the land and buildings will be transferred to the Government Oman at the end of the lease term.

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

16.6 RIGHT-OF-USE ASSETS

<i>(AED in millions)</i>	2025	2024
Cost		
At 1 January	5,833	5,723
Additions during the year (note 30.3)	785	714
Derecognized on lease termination and modifications - net (note 30.3 and note 30.3.1)	(488)	(554)
Disposal of subsidiary	-	(2)
Reclassification to assets held for sale (note 7.4)	(116)	-
Effect of foreign exchange movements	8	(48)
At 31 December	6,022	5,833
Accumulated depreciation/impairment		
At 1 January	(2,926)	(2,707)
Depreciation charge for the year (note 11.2)	(653)	(656)
On lease modification and termination (note 30.3 and note 30.3.1)	359	427
Reclassification to assets held for sale (note 7.4)	56	-
Impairment loss (note 14.3)	(24)	(7)
Effect of foreign exchange movements	(6)	17
At 31 December	(3,194)	(2,926)
Carrying amount at 31 December	2,828	2,907

16.6.1 Details of the right-of-use assets included as part of property, plant and equipment and investment property are as follows:

- Two usufruct contracts with the Government of Sultanate of Oman for fifty years, which provides the Group usufruct rights over plots of land in Oman for a period of fifty years starting 2014 and 2017.

In 2014, the Group's subsidiary in Oman entered into a usufruct contract with the Government of Sultanate of Oman (the 'Parties'), which provided the subsidiary usufruct rights over plots of land in Oman for a period of fifty years. In 2023, the terms of the usufruct contract have been extended for another forty-nine years with lease payment terms subject to negotiations in a separate agreement. The negotiations for lease payments are to be finalized between the beginning of the forty first year until the end of fiftieth year. Accordingly, no additional lease liability has been recognized for the lease extension period.

- Long term lease from Government of Dubai for a lease terms of 8 and 25 years for different parts of land on which the Group has constructed a shopping mall (note 16.4.5).
- In December 2025, the Company entered into a land lease agreement with the Government entity in the UAE for a period of 20 years starting from November 2028.

16.7 DEVELOPMENT PROPERTY

<i>(AED in millions)</i>	2025	2024
At 1 January	2,190	2,690
Additions during the year	3,330	2,367
Transferred from investment property (note 16.7.1 and 16.5)	114	98
Transferred to cost of sales and inventory	(3,898)	(2,964)
Reversals during the year	(11)	(1)
Effect of foreign exchange movements	3	-
At 31 December	1,728	2,190

16.7.1 During the year, land amounting to AED 114 million, previously held as investment property, has been transferred to development property due to plan to develop a community project. In the prior year, land and certain real estate properties amounting to AED 98 million previously classified as investment property were reclassified to development property and real estate inventory intended for sale.

17. EQUITY-ACCOUNTED INVESTEEES

17.1 Material accounting policy information

Interests in equity-accounted investees: Associates and Joint ventures

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

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interest in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The financial statements of the Group's associates or joint ventures are prepared using consistent accounting policies. Wherever necessary, adjustments are made to bring accounting policies in line with those of the Group.

17.2	<i>(AED in millions)</i>	2025	2024
	Investment in associates (note 17.3)	140	115
	Investment in joint ventures (note 17.4)	656	746
		796	861

17.3 INVESTMENT IN ASSOCIATES

<i>(AED in millions)</i>	2025	2024
At 1 January	115	100
Additions during the year	2	2
Share of profit accounted through profit or loss (note 17.3.3)	73	60
<i>Dividend income:</i>		
- Declared and settled	(43)	(39)
- Declared but not received at the reporting date (note 17.3.1)	(6)	(6)
Impairment charge (notes 14.3)	(1)	(1)
Foreign currency translation differences from foreign operations	-	(1)
At 31 December	140	115

17.3.1 During the year, the Group's associate, Enova Facilities, declared cash dividend amounting to AED 43 million (2024: AED 36 million) representing the Group's share. Of this, AED 37 million was received (2024: AED 37 million) prior to the reporting date.

During the year, the Group's associate, Hollister paid cash dividend amounting to AED 6 million (2024: AED 9 million) representing the Group's share.

17.3.2 Details of Group's material associates are as follows:

Name of associate	Country of incorporation	Nature of business	Effective ownership	
			2025	2024
Enova Facilities Management Services LLC ('Enova')	United Arab Emirates	Facilities management	51%	51%
Hollister Fashion LLC	United Arab Emirates	Fashion retailer	51%	51%

17.3.3 Summarized un-audited financial information in respect of the Group's interest in associates are set out as follows:

<i>(AED in millions)</i>	2025	2024
Total assets	1,238	1,177
Total liabilities	(935)	(925)
Net assets	303	252
Carrying amount of interest in investee at the year end	140	115
Revenue	1,953	1,694
Profit for the year	131	106
Share of profit for the year	73	60

17.4 INVESTMENT IN JOINT VENTURES

<i>(AED in millions)</i>	2025	2024
At 1 January	746	745
Share of profit accounted through profit or loss (note 17.4.3)	80	83
Reduction of investment (note 17.4.1)	(60)	(30)
<i>Dividend income:</i>		
- Declared and settled	(110)	(52)
Acquisition under common control transaction (note 7.3.2)	-	102
Disposal (note 7.3.2)	-	(102)
At 31 December	656	746

17.4.1 During the year, the reduction of investment amounting to AED 60 million (2024: AED 30 million) relates to an equity payback from Sharjah Holding Co. PJSC.

17.4.2 Details of Group's material joint ventures are as follows:

Name of joint venture	Country of incorporation	Nature of business	Effective ownership	
			2025	2024
Sharjah Holding Co. PJSC	United Arab Emirates	Shopping malls and sale of real estate	50%	50%
Al Mouj Muscat S.A.O.C	Sultanate of Oman	Sale of real estate	50%	50%

17.4.3 Summarized unaudited financial information in respect of the Group's interest in joint ventures aggregated by geographical concentration between UAE and Oman is set out below:

<i>(AED in millions)</i>	UAE	Oman	Total
31 December 2025			
Non-current assets	309	294	603
Current assets	261	2,139	2,400
Current liabilities	(148)	(1,494)	(1,642)
Non-current liabilities	(31)	(19)	(50)
Net assets	391	920	1,311
Carrying amount of interest in the investee at the year end*	196	460	656
Revenue	81	840	921
Profit for the year	33	124	157
Share of profit for the year	18	62	80
31 December 2024			
Non-current assets	345	342	687
Current assets	426	2,149	2,575
Current liabilities	(262)	(1,348)	(1,610)
Non-current liabilities	-	(158)	(158)
Net assets	509	985	1,494
Carrying amount of interest in the investee at the year end*	254	492	746
Revenue	174	831	1,005
Profit for the year	48	118	166
Share of profit for the year	24	59	83

* Share of net assets in joint ventures is net of impairment.

18. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS**18.1 Material accounting policy information****18.1.1 Investments held at fair value through profit or loss**

The Group classifies investments as measured at fair value through profit or loss ("FVTPL") where they do not meet the criteria for measurement at amortized cost or at fair value through other comprehensive income, or where they are designated at FVTPL on initial recognition to eliminate or significantly reduce an accounting mismatch.

Investments measured at FVTPL are initially recognized at fair value. Transaction costs directly attributable to the acquisition of such investments are recognized immediately in profit or loss.

Subsequent to initial recognition, investments measured at FVTPL are carried at fair value. Any gains or losses arising from changes in fair value are recognized in the consolidated statement of profit or loss in the period in which they arise.

The Group derecognizes investments when the contractual rights to the cash flows from the investment expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the investment are transferred.

Investments are written off when there is no reasonable expectation of recovery.

18.2 Critical accounting estimates and judgement**Significant unobservable inputs for measuring fair values of investment**

A discount rate is used to determine the net present value of the expected future cash flows when using the Discounted Cash Flow valuation technique. The discount rate used is specific to each individual investment and reflects relevant factors such as liquidity risk, political/country risk, execution risk, foreign exchange risk etc.

Although the Group believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. The effect of change in fair value on the net assets of the Group is disclosed in note 18.3 below.

18.3 Measurement of fair values and valuation process

The fair value measurement of investments held at FVTPL has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

<i>(AED in millions)</i>	2025	2024
At 1 January	17	14
Net valuation gain on investments	1	3
At 31 December	18	17

The fair value of direct investments is assessed based on multiple valuation techniques including market multiples, precedent transactions, reported net asset value or discounted cash flows. Given the lack of comparable transactions and given that the investees are early stage start-ups results in significant variances in valuation across these techniques. The Group uses the valuation techniques or combination of these techniques to assess whether the carrying amount of the investment is appropriate.

<i>(AED in millions)</i>	2025	2024
Investment in unlisted securities	18	17

19. INTANGIBLE ASSETS AND GOODWILL

19.1 Material accounting policy information

Goodwill

All business combinations are accounted for by applying the purchase method except for acquisition of entities under common control. The excess of cost of acquisition over the Group’s interest in the fair value of the identifiable assets and liabilities at the date of acquisition is recorded as goodwill. Gain on bargain purchase arising on acquisition is immediately recognized in profit or loss.

Acquisitions of non-controlling interests are accounted for as transactions with other equity holders in their capacity as equity holders and therefore, goodwill is not recognized as a result of such transactions.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and is not tested for impairment separately.

Goodwill is tested annually for impairment and whenever there is an indicator for impairment. Goodwill is carried at cost less accumulated impairment losses, if any.

On disposal of a subsidiary / joint venture / associate, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

Other intangible assets

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses, if any. Where the payment term is deferred, the cost of the intangible asset is the cash price equivalent, which is the discounted amount of cash outflows over the payment term. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Cloud computing arrangements and applications

Cloud hosting arrangements are accounted for as intangible assets, provided the following conditions are met:

- The Group has the contractual right to take possession of the software at any time during the hosting period without significant penalty/payment, and
- It is feasible for the Group to either run the software on its own hardware or contract with a third party unrelated to the vendor to host the software.

Arrangements which do not meet the above criteria are accounted for as service contracts (charged to profit and loss over the period of service contract).

Arrangements that meet the above criteria are considered multiple-element arrangements to purchase both a software license and a service of hosting the software. These costs are allocated between the license and the hosting elements based on the relative fair value of each element.

Costs associated with the purchased license are accounted for under as intangible assets, if they meet the recognition criteria, whereas the hosting costs are expensed in the period in which they occur.

Amortization

Amortization is calculated on the cost of the asset, or other amount substituted for cost, less its estimated residual value. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

<i>Category of assets</i>	<i>Estimated useful life</i>
Metro naming rights	10 years
Others	3 - 4 years

19.2	<i>(AED in millions)</i>	Goodwill	Others	Total
Cost				
	At 1 January 2024	1,323	2,019	3,342
	Additions	-	269	269
	Disposals/write-offs	-	(7)	(7)
	Foreign currency translation differences from foreign operations	-	(1)	(1)
	At 31 December 2024 and 1 January 2025	1,323	2,280	3,603
	Additions	-	344	344
	Disposals/write-offs	-	(27)	(27)
	Reclassification to assets held for sale (note 7.4)	-	(9)	(9)
	Foreign currency translation differences from foreign operations	-	(1)	(1)
	At 31 December 2025	1,323	2,587	3,910
Accumulated amortization/impairment				
	At 1 January 2024	(182)	(1,472)	(1,654)
	Charge for the year	-	(202)	(202)
	Impairment loss (note 14.3, 19.4 & 19.5)	(87)	(43)	(130)
	On disposal/write-offs	-	1	1
	Foreign currency translation differences from foreign operations	-	1	1
	At 31 December 2024 and 1 January 2025	(269)	(1,715)	(1,984)
	Charge for the year	-	(216)	(216)
	On disposal/write-offs	-	1	1
	Reclassification to assets held for sale (note 7.4)	-	7	7
	Impairment loss (note 14.3, 19.4 & 19.5)	(98)	(6)	(104)
	At 31 December 2025	(367)	(1,929)	(2,296)
Carrying amounts				
	At 31 December 2024	1,054	565	1,619
	At 31 December 2025	956	658	1,614

19.3 In 2021, the Group entered into an agreement with a Government entity in the UAE to renew its naming rights for two stations of the Dubai Metro for a period of 10 years. Based on the present value of the future payments to be made, intangible assets have been recorded, which are amortized over the contract period using the incremental borrowing cost of the Group at 1.89% per annum, and a corresponding deferred liability was recorded (notes 25).

19.4 Goodwill includes AED 856 million (2024: 954 million) goodwill with respect to the acquisition of a retail business in 2017. The goodwill, mainly attributable to the synergies expected to be achieved from integrating the acquired business into the Group's existing retail business, including know-how of operating small scale supermarket business models, relationship with key landlords/stakeholders and increasing market share. Goodwill has been allocated to the acquired businesses in each of the countries i.e. UAE of AED 711 million (2024: AED 711 million), Bahrain of AED 28 million (2024: AED 94 million), and Kuwait of AED 118 million (2024: AED 149 million), and is tested annually for impairment.

Based on the impairment test, the estimated recoverable amount (calculated using value in use) of the CGU in the UAE exceeded its carrying amount. Management is confident that actual results will align with the projections and that the assumptions used in the goodwill impairment test are reasonable. As a result, no impairment loss has been recognised against goodwill allocated to UAE for the current year (2024: Nil).

For the Kuwait and Bahrain CGUs, recent geopolitical developments and the performance of the business has negatively affected the estimated recoverable amounts (value in use). As a result, impairment losses of AED 66 million (2024: AED 51 million) and AED 32 million (2024: AED 13 million) have been recognised for the Bahrain and Kuwait CGUs, respectively.

The impairment test is based on the “value in use” calculation. These calculations use cash flow projections based on estimated operating results of the businesses acquired in each of the countries (identified as a CGU for the purpose of impairment testing of goodwill). Following are the key assumptions used for the projected cash flows involving significant judgements and any negative variation can result in a potential impairment.

- *Cash flow projections* – The cash flow projections included specific estimates for five years at an average growth rate 0.5% to 5.5% (2024: 2% to 5.4%) and a stable average growth rate of 1.2% to 2.5% (2024: 1.9% to 2.2%) thereafter. The stable growth rate was determined based on management’s estimate of the long-term standard inflation rate, consistent with the assumptions that a market participant would make. Cash flow projections are done on the assumption of going concern.
- *Discount rates* – These represent the cost of capital adjusted for the respective country risk factors. The Group uses the post-tax industry average Weighted Average Cost of Capital which reflects the country specific risk adjusted discount rate. A discount rate of 7.7% to 11.4% (2024: 8.1% to 11.9%) has been determined and applied.

The assumptions used for the projected cash flows require significant judgements and any unfavorable changes including any disruptions caused by macro economical or geopolitical situation and its prolonged impact may result in a potential impairment.

- 19.5** In the prior year, impairment loss of AED 23 million was recognized against goodwill in Group's Entertainment business. The impairment pertains to a CGU in cinema operating unit and was triggered by decline in CGU's EBITDA due to adverse economic and competitive environment. The Group uses pre-tax discount rate of 12% (2024: 12%). The cash flow projections include specific estimates for five years at an average growth rate of 8% (2024: 5%) and stable average growth rate of 3% (2024: 3%) thereafter. The stable growth rate was determined based on management's estimate of the long-term standard inflation rate, consistent with the assumptions that a market participant would make.

20. OTHER NON-CURRENT ASSETS

<i>(AED in millions)</i>	2025	2024
<i>Long term portion of:</i>		
- Advances and deposits (note 22)	957	731
- Accrued income on operating leases (note 22)	372	304
- Unbilled receivables (note 20.1 and 22)	704	1,083
- Other receivables (note 22)	15	117
Long term prepaid lease premium (note 20.2)	14	19
	2,062	2,254

- 20.1** Unbilled receivables pertain to revenue recognized from property sales but not billed as at the reporting date.
- 20.2** This mainly represents the unamortized value of the payments made to the previous tenants of a hypermarket and a supermarket in respect of the right to enter the lease and also includes the payments made to the landlord of a hypermarket towards the cost of construction of the building in which the hypermarket is situated. These payments are in the nature of lease premiums and are amortized over the period of the respective leases.

21. INVENTORIES

21.1 Material accounting policy information

Inventories are measured at the lower of cost and net realizable value. Cost is stated net of rebates according to the agreements with suppliers. The cost of inventories is based on the latest purchase price, which is not materially different from the weighted average cost (“WAC”) principle and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

The Group reviews its inventories to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is any future sale ability of the product and the net realizable value for such product. Accordingly, provision is made where the net realizable value of inventories is less than cost based on best estimates by the management. The provision for obsolescence of inventory is based on the ageing and past movement of the inventory.

21.2 (AED in millions)	2025	2024
Inventory (net of provisions)	3,099	3,002
Reduction in cost from incidence of rebates and discounts	(181)	(172)
Goods in transit	72	50
Spares and consumables	28	42
Inventory classified as assets held for sale (note 7.4)	(77)	-
	2,941	2,922

Provision for stock obsolescence as at the year end amounted to AED 79 million (2024: AED 71 million). The Group estimates provision for stock obsolescence through a method based on ageing, rotation and profitability of an item. Provision rates have been determined specific to the nature of ageing of the items. Besides the above, specific provision is made on a case to case basis as deemed appropriate by the management.

22. TRADE AND OTHER RECEIVABLES

(AED in millions)	2025	2024
Trade receivables (note 34.3)	995	900
Advances and deposits	1,810	1,679
Prepayments	789	756
Unbilled receivables (note 20.1)	3,139	2,366
Accrued income on operating leases	412	341
Positive fair value of derivatives	-	137
Deposit against fair value movement of derivatives - interest bearing	72	72
Other receivables	380	559
	7,597	6,810
Provision for loss allowances (note 34.3)	(180)	(181)
	7,417	6,629
Less: long term portion (note 20)	(2,048)	(2,235)
Current portion	5,369	4,394

23. CASH IN HAND AND AT BANK

23.1 Material accounting policy information

For the purposes of cash flow statement, cash and cash equivalents comprise cash balances, call deposits and term deposits with an original maturity of less than three months. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

23.2 (AED in millions)	2025	2024
Cash in hand	187	200
Cash at bank	999	1,027
Fixed deposits and short-term treasury bills	45	-
	1,231	1,227
Restricted cash (note 23.5 and note 34.3)	3,535	3,836
	4,766	5,063

23.3 Cash in hand mainly represents daily sales takings at stores not deposited, the cash in operation at the central cashier office and petty cash.

23.4 Fixed deposits are obtained at prevailing market interest rates.

23.5 Restricted cash amounting to AED 3,452 million (2024: AED 3,762 million) represents the proceeds received from property sales, which is held in escrow accounts with financial institutions and restricted for use on development property expenditures. These deposits/balances are not under lien.

23.6 (AED in millions)	2025	2024
Cash in hand and at bank	4,766	5,063
Less: restricted cash	(3,535)	(3,836)
Less: bank overdrafts (note 28)	(249)	(426)
	982	801

24. TRADE AND OTHER PAYABLES

<i>(AED in millions)</i>	2025	2024
Trade payables - supplier finance arrangements (note 24.1)	441	358
Other trade payables	4,777	5,023
<i>Accruals</i>		
- Accrued expenses	1,832	1,702
- Project related accruals	750	471
- Accrued interest	81	91
Retentions payable	257	181
Negative fair value of derivatives	125	231
Other payables	538	390
	8,801	8,447

24.1 Supplier finance arrangements

The Group participates in supplier finance arrangement under which its suppliers may elect to receive early payment for their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Group and the Group repays the bank at a later date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide the willing suppliers early payment terms, compared with the related invoice payment due date. The Group has not derecognised the original trade payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement. From the Group's perspective, the arrangement does not significantly extend payment terms beyond the normal terms agreed with other supplier that are not participating; however, the arrangement does provide willing suppliers with the benefit of early payment. Additionally, the Group does not incur any additional interest towards the bank on the amounts due to the suppliers. The Group therefore includes the amounts subject to the arrangement within trade payables because the nature and function of these payables remains the same as those of other trade payables.

All payables under the arrangement are classified as current as at 31 December 2025 and 2024.

<i>(AED in millions)</i>	2025	2024
Carrying amount of financial liabilities		
Presented within trade and other payables	441	358
- of which suppliers have received payment from the bank	339	317

<i>(AED in millions)</i>	2025	2024
Range of payment due dates		
Trade payables subject to supplier finance arrangement (days after invoice date)	60 - 150	45 - 150
Comparable trade payables (days after invoice date)	15 - 90	15 - 90

Non cash changes

There were no significant non-cash changes in the carrying amount of financial liabilities subject to supplier finance arrangements.

The payments to the bank are included within the operating cash flows because they continue to be part of the normal operating cycle of the Group and their principal nature remains operating - i.e. payments for the purchase of goods and services. The payment to suppliers by the bank of AED 441 million (2024: AED 358 million) are considered non-cash transactions.

25. OTHER LIABILITIES

<i>(AED in millions)</i>	2025	2024
Advance receipts	1,343	1,334
Unearned income (note 25.1)	1,959	2,425
Unearned rental income	671	585
Deferred liability		
- Metro naming rights	57	68
- Unredeemed points liability (note 25.2)	141	111
- Others	50	16
	4,221	4,539
Non-current	151	107
Current	4,070	4,432

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

25.2 The liability with respect to the unredeemed reward points for Group's loyalty program, "Share", amounted to AED 55 million (2024: AED 34 million) at year-end. Breakage on points liability amounted to AED 12 million (2024: AED 12 million).

26. PROVISIONS**26.1 Material accounting policy information****26.1.1 Provisions**

A provision is recognized in the consolidated statement of financial position when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

26.1.2 Short term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus or profit sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be measured reliably.

26.1.3 Long term employee benefits

The Group offers a retention plan to certain senior management personnel under a special incentive scheme. A provision for the Group's obligation under the scheme is accrued by estimating the present obligation and the accrued value of the estimated future payments as at the reporting date in respect of all applicable employees for their services rendered during the year.

26.2	<i>(AED in millions)</i>	2025	2024
	Bonus provisions (note 26.3)	382	366
	Other provisions	158	43
		540	409
	Non-current	108	142
	Current	432	267
		540	409

26.3 The movement in provision for bonus and long term incentive plan is as follows:

<i>(AED in millions)</i>	2025	2024
At 1 January	366	442
Additions during the year - net	293	231
Reduction arising from payments / write backs	(277)	(304)
Foreign currency translation differences from foreign operations	-	(3)
At 31 December	382	366
Less: Current portion	(274)	(228)
Non-current portion	108	138

27. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include the Parent Company and its shareholders, fellow subsidiaries, associates, joint ventures, key management personnel and/or their close family members. Transactions with related parties are carried out at agreed terms.

27.1 SHORT TERM LOAN FROM A RELATED PARTY

<i>(AED in millions)</i>	2025	2024
At 1 January	798	498
Borrowed during the year	298	239
Repaid during the year	(1,094)	(127)
Settlement of intercompany balance (note 7.2)	-	188
At 31 December	2	798

27.2 LONG TERM LOAN FROM A RELATED PARTY

The Group has a loan agreement facility with the Bahrain Cinema Company BSC (lender). The loan can be drawn up to BHD 0.8 million (AED 8 million) and is repayable after four years. The loan facility is renewable every four years and carries a margin of sovereign Credit Default Spread (CDS) of Kingdom of Bahrain over the base lending rate. At the reporting date the balance outstanding against this loan amounted to AED 7 million (2024: AED 6 million).

27.3 DUE FROM RELATED PARTIES

<i>(AED in millions)</i>	2025	2024
Parent company	22	-
Subsidiaries of the Parent Company	-	2
Equity accounted investees	25	27
	47	29
Provision for doubtful receivables	(3)	(8)
	44	21

27.4 DUE TO RELATED PARTIES

<i>(AED in millions)</i>	2025	2024
Parent company	-	7
Subsidiaries of the Parent Company	1	1
Equity accounted investees	67	75
	68	83

27.5 COMPENSATION TO KEY MANAGEMENT PERSONNEL

<i>(AED in millions)</i>	2025	2024
Directors' fees and expenses	11	20
Employee benefits (salaries and allowances including provision for bonus)	82	91
Post employment benefits (provision for end of service benefits)	2	2
	95	113

27.6 OTHER TRANSACTIONS WITH RELATED PARTIES DURING THE YEAR

27.6.1 During the year, certain activities were undertaken on behalf of the Parent Company. Accordingly, costs amounting to AED 26 million (2024: AED 25 million) have been cross charged to the Parent Company. This includes senior executive time incurred on managing governance matters pertaining to the Parent Company.

28. BANK OVERDRAFT

In the ordinary course of business, companies within the Group use overdraft facilities from banks on market rate interest. The Group has bank overdraft facilities aggregating to AED 1,390 million (2024: AED 1,397 million). The facilities carry interest at -1.63% - 3.5% (2024: -1.63% - 3.5%) above the base lending equivalent and the drawn amounts are repayable on demand. At the reporting date, the carrying amount of bank overdraft amounted to AED 249 million (2024: AED 426 million).

29. LONG TERM LOANS

<i>(AED in millions)</i>	2025	2024
At 1 January	13,849	16,152
Borrowed during the year	5,637	2,820
Repaid during the year	(6,720)	(5,106)
Fair value movement	78	(35)
Net movement in unamortized arrangement and agency fee	(34)	18
At 31 December	12,810	13,849
Less: Current maturity of long term loans	-	(1,837)
Non-current portion	12,810	12,012

29.1 Details of drawn committed revolver facilities from banks are as follows:

				<i>(AED in millions)</i>	
Loan facility 'in millions	Base Lending Rate	Maturity date	Note	2025	2024
USD 800	SOFR	20-Oct-30		2,538	-
AED 3,054	EIBOR	20-Oct-30		929	650
USD 465	SOFR	27-Sep-27	29.1.1	-	-
AED 2,520	EIBOR	27-Sep-27	29.1.1	-	1,900
USD 665	SOFR	13-Jan-28		1,047	1,818
AED 1,229	EIBOR	13-Jan-28		-	1,229
				4,514	5,597
<i>Adjustments for:</i>					
Unamortized fees on issuance				(53)	(38)
				4,461	5,559

The Group has unsecured committed revolving facilities aggregating to AED 13,892 million (2024: AED 13,892 million). These floating rate facilities carry margins ranging from 1.10% to 1.35% (2024: 1.10% to 1.35%) per annum over the base lending rate.

29.1.1 The unsecured committed revolving facilities are structured into a sustainability linked loan (SLL), a financial instrument secured primarily on environmental, social and governance related performance. The structure calls for ratcheting of the margin, between 1 bps to 5 bps, if the Group is unable to meet its annual sustainability KPIs.

The loan is subject to the following covenants:

- Net worth must be greater than AED 15 billion: The net worth of the Group excluding goodwill was AED 38.2 billion as at 31 December 2025.
- Interest cover must be greater than 2:1: The interest cover ratio as at 31 December 2025 was 9:1.
- Net debt to equity ratio must be 70% or less: The net debt to equity ratio was 32% as at 31 December 2025.
- Percentage of assets pledged not to exceed 49%: The Group didn't have any pledged assets as at 31 December 2025.

29.2 Details of fixed rate Debt Capital Market facilities are as follows:

				<i>(AED in millions)</i>	
Bonds and sukuk	Pricing	Maturity date	Note	2025	2024
USD 500 million sukuk certificates	4.50% per annum, to be serviced every six months from returns generated from the Wakala portfolio	03-Nov-25	29.2.1	-	1,837
USD 600 million sukuk certificates	4.64% per annum, to be serviced every six months from returns generated from the Wakala portfolio	14-May-29	29.2.1	2,204	2,204
USD 600 million sukuk certificates	3.93% per annum, to be serviced every six months from returns generated from the Wakala portfolio	28-Feb-30	29.2.1	2,204	2,204
USD 100 million sukuk certificates	3.15% per annum, to be serviced every six months from returns generated from the Wakala portfolio	30-Nov-28	29.2.1	367	367
USD 500 million sukuk certificates	5.00% per annum, to be serviced every six months from returns generated from the Wakala portfolio	01-Jun-33	29.2.1	1,837	1,837
USD 500 million sukuk certificates	4.88% per annum, to be serviced every six months from returns generated from the Wakala portfolio	21-Oct-35	29.2.1	1,837	-
USD 800 million unsecured notes	4.75% per annum, payable every six months	07-May-24	29.2.2	-	-
				8,449	8,449
<i>Adjustments for:</i>					
Unamortized fees, discounts and premium on issuance				(46)	(27)
Fair value adjustment on borrowings hedged by interest rate swaps				(54)	(132)
				8,349	8,290

29.2.1 Under the Sukuk structure, MAF Sukuk Ltd (the Issuer) purchases an asset portfolio from the Group and enters into a Commodity Murabaha investment for a deferred sale price; together, these comprise the Wakala portfolio. In substance, the Wakala portfolio remains under the control of the Group and continues to be serviced by the Group, and the Sukuk holders have no recourse to the underlying assets. Profit on the fixed-rate Sukuk certificates is paid on a semi-annual basis from returns generated by the Wakala portfolio. The Sukuk Programme was originally listed on the London Stock Exchange in 2012, and all subsequent updates have been listed on Euronext Dublin and NASDAQ Dubai, UAE.

In 2019, the size of the Sukuk Trust Certificate Issuance Program ("Sukuk Program") was increased to USD 3,000 million. The size of the Sukuk Program had been increased from USD 1,000 million to USD 1,500 million in 2015 and the structure of the Program was amended to incorporate a Commodity Murabaha Investment option within the "Wakala" structure. The Sukuk certificates issued are senior unsecured and are listed on NASDAQ Dubai, UAE and Euronext Dublin.

All Sukuk certificates issued are senior unsecured and, other than the USD 100 million (AED 367 million) certificates maturing in November 2028, are listed on NASDAQ Dubai, UAE and Euronext Dublin.

During the year, ten-year Sukuk certificates amounting to USD 500 million (AED 1,837 million) issued in November 2015 were refinanced, and the Group issued ten-year Sukuk certificates maturing in 2035.

During 2023, the Group issued additional ten-year Sukuk certificates amounting to USD 500 million (AED 1,837 million) to refinance existing eligible projects in accordance with the Group's Green Finance Framework.

In November 2020, the Group issued unrated and unlisted eight-year Sukuk certificates of USD 100 million (AED 367 million) through a private placement under the Sukuk Programme. The carrying value of the Sukuk certificates issued in November 2020 approximated their fair value as at 31 December 2025 and 31 December 2024.

In May 2019 and October 2019, the Group issued additional ten-year Green Sukuk certificates in two tranches of USD 600 million each (total USD 1,200 million) to refinance existing eligible projects in accordance with the Group's Green Finance Framework.

Of the total amounts raised under the Sukuk Programme, USD 750 million (31 December 2024: USD 750 million) is hedged through interest rate swaps and is therefore measured at fair value.

29.2.2 The Group has a USD 3,000 million Global Medium Term Note (GMTN) Program listed on Euronext Dublin and NASDAQ Dubai, UAE. As at the reporting date there are no notes outstanding under the GMTN Program.

During 2023, the Group launched an invitation to holders of its outstanding notes of USD 800 million (AED 2,938 million) due in May 2024 (issued in 2014 and 2016), to tender notes for purchase for cash, out of which notes with a par value of USD 516.41 million (AED 1,897 million) were purchased, the accrued interest of USD 1.7 million (AED 6.3 million) was paid until the settlement date on the notes accepted for purchase. During the previous year, the principal amount of notes outstanding of USD 283.59 million (AED 1,042 million) was repurchased.

30. LEASES

30.1 Material accounting policy information

A As a lessee

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. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of lease in IFRS 16.

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 price. 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.

The Group recognizes 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 using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses and adjusted for certain remeasurements of the lease liability, if any.

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.

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
- 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 amortized cost using 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 an extension or a termination option or if there is a revised in-substance fixed lease payment.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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.

When the lease liability is remeasured, 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 zero.

The Group presents right-of-use assets as a separate line item in the consolidated statement of financial position except for right-of-use asset pertaining to properties, which are classified under land and building in 'Property, plant and equipment'. Right-of-use assets that meet the definition of investment property are presented within 'Investment property'. The Group presents lease liabilities separately in the statement of financial position.

Short-term leases and leases of low-value assets

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

A *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 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 a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognizes lease payments received under operating leases as income on straight-line basis over the lease term as 'rental income' in revenue.

30.2 **Critical accounting estimates and judgement**

Lease term

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract to determine the period for which the contract is enforceable. A lease is no longer enforceable when the Group (lessee) and the lessor, both, has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

In determining the lease term where the enforceability of the option solely rests with the Group, the management considers all facts and circumstances that create an economic incentive to exercise the option. Extension/renewal options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The following factors are most relevant:

- If there are significant penalties (contractual) to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If the lease improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Group also considers other factors including current market conditions, historical impairments on related CGUs, business plans etc.

Where the option on the lease term rests with both the Group (lessee) and the lessor, the Group considers that the option is not enforceable and that the term under the option is based on the consent of both parties and is not considered in the lease term since the Group cannot enforce the extension of the lease without the agreement of the lessor. In addition, economic incentives are also considered when evaluating the enforceability rights.

Variable lease payments

When discounting the minimum lease payments to calculate the lease liability, the Group assesses whether the rebates received from lessor under the “co-tenancy” clause are substantive (i.e. variable) or merely protective (i.e. in substance fixed payments). Where the rebate is substantive the Group considers the rebate when determining the minimum lease payments. If the rebate is assessed to be protective, the Group excludes the impact of rebate in calculation of lease liability.

Incremental borrowing rate

Generally, the Group uses its incremental borrowing rate as the discount rate. To determine the incremental borrowing rate, the Group uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for relevant sector. Given that the Group’s credit rating drives the credit spreads across all markets, individual country’s rating does not impact the spread. Base rates are adjusted based on the currencies involved.

30.3 LEASE LIABILITIES

<i>(AED in millions)</i>	2025	2024
At 1 January	3,787	3,851
Additions (note 16.6 and 30.3.3)	785	714
Interest accrued (note 12.2 and 30.3.3)	225	224
Payments made against lease liabilities	(855)	(815)
Derecognized on lease termination and modification (note 30.3.1)	(150)	(162)
Disposal of subsidiary	-	(2)
Liabilities directly associated with the assets held for sale (note 7.4)	(79)	-
Currency translation adjustment	6	(23)
At 31 December	3,719	3,787
Less: current maturity of lease liabilities (note 30.3.2)	(642)	(660)
Non-current portion	3,077	3,127

- 30.3.1** During the year, the Group reassessed the lease term of some of its leases, including the probability of exercising early termination and renewal options. Based on this reassessment the Group derecognized lease liabilities amounting to AED 150 million (2024: AED 162 million). The difference of AED 21 million (2024: AED 35 million) in the value of lease liability and the corresponding right-of-use asset of AED 129 million (2024: AED 127 million) (note 16.6) derecognized is credited to the consolidated statement of profit and loss as gain on cancellation / termination of lease.

30.3.2 Lease liabilities are as follows:

<i>(AED in millions)</i>	Future minimum lease payments		Interest		Present value of minimum lease payments	
	2025	2024	2025	2024	2025	2024
Less than one year	884	865	242	205	642	660
Between one and five years	2,256	2,159	578	573	1,678	1,586
More than five years	1,878	2,079	479	538	1,399	1,541
	5,018	5,103	1,299	1,316	3,719	3,787

The Group has discounted lease liabilities using incremental borrowing rates ranging from 1.34% to 29.40% (2024: 1.17% to 28.57%).

30.3.3 The Group leases many assets, including properties, retail stores, staff accommodations, office buildings and warehouses. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants on the Group.

For the year ended 31 December 2025, the Group recognized interest expense on lease liabilities amounting to AED 225 million (2024: AED 224 million) (note 12.2) and depreciation of right-of-use asset amounting to AED 653 million (2024: AED 656 million) (note 16.6). Expenses relating to short-term leases and contingent rent expense - net of rent concessions received, excluded from measurement of lease liabilities, amounted to AED 213 million (2024: AED 167 million) (note 11).

Some lease contracts contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new lease contracts to provide operational flexibility. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassess on a periodic basis whether there are significant changes in circumstances within its control.

The Company had non-cash additions to right-of-use assets and lease liabilities of AED 785 million in 2025 (2024: AED 714 million)

30.4 LEASES AS A LESSOR

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

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

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

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

<i>(AED in millions)</i>	Contractual cash flows		Inter-company eliminations		Net undiscounted lease payments	
	2025	2024	2025	2024	2025	2024
Less than one year	3,285	3,032	(356)	(313)	2,929	2,719
One to two years	2,552	2,202	(346)	(231)	2,206	1,971
Two to three years	1,963	1,579	(327)	(224)	1,636	1,355
Three to four years	1,418	1,161	(300)	(219)	1,118	942
Four to five years	881	818	(242)	(199)	639	619
More than five years	1,487	1,836	(1,047)	(1,230)	440	606
	11,586	10,628	(2,618)	(2,416)	8,968	8,212

31. POST EMPLOYMENT BENEFIT OBLIGATIONS

31.1 Material accounting policy information

31.1.1 Defined benefit plan

Provision for staff terminal benefits is calculated in accordance with the labor laws of the respective country in which they are employed. The Group's net obligation in respect of staff terminal benefits is calculated by estimating the amount of future benefit that employees have earned in return for their services in the current and prior periods, and is discounted to determine the present value of the obligation. The discount rate used is the average yield on high investment grade bonds that have maturity dates approximating the terms of the Group's obligation.

The principal assumptions for the calculation of the provision for staff terminal benefits at the reporting date are as follows:

	<i>2025</i>	<i>2024</i>
Discount rate	4.31% - 4.87%	4.94% - 5.00%
Future salary increase	3.00% - 7.00%	3.00% - 6.00%

31.1.2 Defined contribution plan

Under the UAE Federal Law No.7 of 1999 for Pension and Social Security, employers are required to contribute 12.5% of the 'contribution calculation salary' of those employees who are UAE nationals. These employees are also required to contribute 5% of the 'contribution calculation salary' to the scheme.

On 02 October 2023, Federal Decree Law No. (57) of 2023 came into effect which is applicable to the employees joining the labor market for the first time as of the effective date, provided that current subscribers will continue to be covered under the provisions of the Pension and Social Security Law No. (7) of 1999, even if the employee has joined a new employer after the effective date. Under this law the employers are required to contribute 12.5% or 15% of the 'contribution calculation salary' based on the salary bracket of those employees who are UAE nationals.

The Group's contribution is recognized as an expense in profit or loss as incurred.

<i>(AED in millions)</i>	2025	2024
Defined benefit plan	840	782
Defined contribution plan	5	3
	845	785

31.2.1 Reconciliation of defined benefit obligation liability at the reporting date:

<i>(AED in millions)</i>	2025	2024
At 1 January	782	788
Charge during the year	136	128
Payments / transfers made during the year	(72)	(131)
Liabilities directly associated with the assets held for sale (note 7.4)	(6)	-
Currency translation adjustment	-	(3)
At 31 December	840	782

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

<i>(AED in millions)</i>	2025	2024
Total expense recognized in profit or loss during the year	68	57
Contributions payable at the end of the reporting year	5	3

31.2.3 The Group recognized net remeasurement loss on defined benefit plans amounting to AED 11 million (2024: gain of AED 29 million) in other comprehensive income, arising primarily from change in actuarial assumptions pertaining to discount rates used in discounting the defined benefit plans. The Group uses market yields on government bonds, in absence of deep markets for high quality corporate bonds, in the geographies in which it operates.

32. SHARE CAPITAL AND RESERVES**32.1 Material accounting policy information**

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Incremental costs directly attributable to the issuance of an equity instrument are deducted from the initial measurement of the equity instruments.

32.2 SHARE CAPITAL

<i>(AED in millions)</i>	2025	2024
Authorized, issued and fully paid 4,869,227 shares of AED 1,000 each	4,869	4,869

32.3 STATUTORY RESERVE

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

32.4 HEDGING RESERVE

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedges related to hedged transactions that have not yet occurred.

32.5 CURRENCY TRANSLATION RESERVE

The currency translation reserve comprises all foreign currency differences arising from translation of the financial statements of foreign operations mainly in Lebanon and Egypt. During the year, the Group recorded net foreign currency translation gain of AED 128 million (2024: loss of AED 636 million).

33. HYBRID EQUITY INSTRUMENTS

					<i>(AED in millions)</i>	
Hybrid Perpetual	No Amount	Interest rate	Call date	Reset terms	2025	2024
March 2018	USD 400 million	6.375% payable semi-annually in arrears	20-Mar-26	8 years to first reset, thereafter 5 years and a new fixed rate plus the margin	-	1,464
June 2022	USD 500 million	7.875% payable semi-annually in arrears	30-Sep-27	5.25 years to first reset, thereafter 5 years and a new fixed rate plus the margin	1,128	1,819
November 2025	USD 500 million	5.748% payable semi-annually in arrears	20-Nov-30	5.25 years to first reset, thereafter 5 years and a new fixed rate plus the margin	1,823	-
					2,951	3,283

These hybrid perpetual note instruments are listed on Euronext Dublin. The Group may elect at its sole and absolute discretion not to pay interest on interest payment dates. Pursuant to the requirements of IAS 32 and the terms/conditions, these are classified as equity net of transaction costs of AED 25 million (2024: AED 18 million) and discount on issuance amounting to AED 5 million (2024: AED 5 million).

During the year the Company issued USD 500 million Hybrid Perpetual Notes. These non-call 5.25 year Hybrid Perpetual Notes are issued as the replacement for the Hybrid Perpetual Notes issued in March 2018 and June 2022, with the first call date falling in November 2030.

During the year, the Company also repurchased Notes issued in March 2018 with a par value of USD 400 million at par (AED 1,469 million). The Notes issued in June 2022, with a par value of USD 189.9 million (AED 698 million), were repurchased at a premium of USD 9 million (AED 33 million), recognized directly in the retained earnings. Transaction costs associated with the repurchase of the perpetual notes, amounting to USD 3 million (AED 12 million), have been reclassified from hybrid equity instruments and charged to retained earnings.

During the year, the Group paid coupon amounting to AED 265 million (2024: AED 238 million).

34. FINANCIAL INSTRUMENTS

Financial assets of the Group include cash at bank, trade and other receivables, amounts due from related parties, positive fair value of derivative financial instruments held as cash flow hedges and accounted for as FVTPL, short term loans, and long term loans, advances and receivables. Financial liabilities of the Group include amounts due to related parties, negative fair value of derivative financial instruments held as cash flow hedges and accounted for as FVTPL, short term loans, bank overdraft, long term loans and trade and other payables.

34.1 Material accounting policy information

34.1.1 Non-derivative financial assets

On initial recognition, a financial asset is classified and measured at: amortized 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 amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

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 other comprehensive income (OCI). This election is made on an investment-by-investment basis. Gains and losses recognized in other comprehensive income are not subsequently reclassified to profit or loss on disposal of the investment. Dividends are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment.

All financial assets that do not meet the criteria for measurement at amortized cost or at fair value through OCI are measured at fair value through profit or loss. Derivative financial instruments are measured at fair value through profit or loss unless they are designated in qualifying hedge relationships.

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. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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, 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).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional 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 additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

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

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

De-recognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

34.1.2 Non-derivative financial liabilities

The Group initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that Group becomes a party to the contractual provisions of the instrument.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any direct attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

Other financial liabilities comprise trade and other payables, accruals, retention payables, long-term loans, bank borrowings and related party balances.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognizes 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 recognized 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 recognized in profit or loss.

34.1.3 Derivative financial instruments and hedge accounting

Classification

The Group uses derivative financial instruments for risk management purposes to hedge its exposure to interest rate and foreign exchange risks arising from operational, financing and investment activities. These instruments include forwards, futures, swaps and options. Derivative financial instruments that are not designated in qualifying hedge relationships are measured at fair value through profit or loss (FVTPL) in accordance with IFRS 9.

Initial and subsequent measurement

In the normal course of business, the fair value of a derivative on initial recognition is the transaction price. Subsequent to initial recognition, derivative financial instruments are stated at fair values. Fair values are generally obtained by reference to quoted market prices in active markets, or by using valuation techniques when an active market does not exist. The positive mark to market values (unrealized gains) of derivative financial instruments is included in assets. While, the negative mark to market values (unrealized losses) of derivative financial instruments is included in liabilities.

Gains and losses on subsequent measurement

Gains or losses arising from changes in the fair value of derivative financial instruments that are not designated in qualifying hedge relationships are recognized in profit or loss.

Hedging instruments

When derivatives are designated as hedges, the Group classifies them as either:

- fair value hedges which hedge the change in the fair value of recognized assets or liabilities; or
- cash flow hedges which hedge the exposure to variability in highly probable future cash flows attributable to a recognized asset or liability or a forecast transaction.

Hedge accounting is applied to derivatives designated as hedging instruments in a fair value or cash flow hedge provided certain criteria are met.

Hedge documentation

At the inception of the hedge, formal documentation of the hedge relationship must be established. The hedge documentation prepared at the inception of the hedge must include a description of the following:

- The Group's risk management objective and strategy for undertaking the hedge;
- The nature of risk being hedged;
- Clear identification of the hedged item and the hedging instrument; and
- The method the Group will adopt to assess the effectiveness of the hedging relationship on an ongoing basis.

Hedge effectiveness testing

Hedge effectiveness is assessed by demonstrating an economic relationship between the hedged item and the hedging instrument, ensuring that credit risk does not dominate the value changes and that the hedge ratio reflects the Group's interest rate risk management strategy.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in profit or loss, along with changes in the fair value of the assets, liabilities or group thereof that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated in hedge reserve. Any change in fair value relating to an ineffective portion is recognized immediately in profit or loss.

Amounts accumulated in other comprehensive income are reclassified to profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. Where the hedged item results in the recognition of a non-financial asset or liability, the accumulated amount is included directly in the initial carrying amount of that asset or liability.

Discontinuance of hedge accounting

The hedge accounting is discontinued when a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting. At that point of time, any cumulative gain or loss on the hedging instrument that has been recognized in other comprehensive income remains in other comprehensive income until the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to profit or loss.

Hedges that do not qualify for hedge accounting

For hedges that do not qualify for hedge accounting, any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to profit or loss.

34.2 Financial risk management objectives and policies

The Board of Directors of Majid Al Futtaim Holding LLC has the overall responsibility for the management of risk throughout its Group companies. The Board establishes and regularly reviews the Group's risk management strategy, policies and procedures to ensure that they are in line with the Group strategies and objectives. The Group has constituted Audit and Risk Committees within the Board of Directors of Majid Al Futtaim Holding who are required to review and assess the risk management process. It ensures that the internal risk management framework is effective, that a sound system of risk management is in place, and is maintained to safeguard shareholders' interests. All Group companies are required to report on risk management on a regular basis, including management self-certification confirming that key risks within their areas have been reviewed and that relevant controls are in place and operating as designed.

The main risks arising from the Group's financial instruments are credit risk, liquidity risk, and market risk, including foreign currency risk, interest rate risk and equity risk. The management establishes and reviews policies for managing each of these risks.

34.3 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables. The Group manages its exposure to credit risk through established credit management practices, with exposures monitored on an ongoing basis.

Majority of the Group's income is by way of cash and advance receipts and are supported by a deposit equivalent to three month's advance rental. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group has a broad base of customers with no significant concentration of credit risk within trade receivables at 31 December 2025 and 31 December 2024.

Cash is placed with a diversified portfolio of reputable banks and the risk of default is considered remote. Management has assessed the recoverability of its trade receivables as at the reporting date and considers them to be recoverable. Amounts due from related parties are considered by management to be recoverable. All non-current receivables are due within five years of the reporting date and the fair values of trade and other receivables approximate to the carrying value.

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

<i>(AED in millions)</i>	2025	2024
Long term advances and receivables	957	731
Trade receivables (note 22)	995	900
Other receivables	5,401	4,813
Due from related parties	44	21
Cash at bank (including restricted cash)	4,579	4,863
	11,976	11,328

An analysis of the credit quality of trade receivables as at the reporting date is as follows:

<i>(AED in millions)</i>	2025	2024
Current balance	295	295
Past due 31 - 60 days	155	111
Past due 61 - 90 days	61	78
Past due 91 - 180 days	147	102
Past due over 180 days	337	314
	995	900
Less: provision for doubtful debts (note 22)	(180)	(181)
	815	719

The impairment losses on financial assets recognized in profit or loss were as follows:

<i>(AED in millions)</i>	2025	2024
Impairment loss on trade receivables	(16)	(45)

Trade receivables

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

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

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

For receivables pertaining to property sales, loss allowance is created when any uncertainty arises regarding collectability of receivables. A payment schedule is defined for each customer which is based on construction milestones for the property unit.

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

The movement in the provision for doubtful receivables during the year was as follows:

<i>(AED in millions)</i>	2025	2024
At 1 January	(181)	(145)
Impairment charge for the year	(16)	(45)
Amounts written off/reversals	17	9
	(180)	(181)

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

Cash and deposits with banks and financial institutions

The Group's cash and deposit balances with banks and financial institutions amounted to AED 4,579 million at 31 December 2025 (2024: AED 4,863 million). Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis, reflecting the short maturities of the exposures, and is not considered material to the Group's consolidated financial statements.

To manage the credit risk, the Group has concentrated its main activities with counter-parties which are deemed creditworthy based on internal assessment on each counter-party's financial position, credit rating and track record. Individual counterparty credit risk limits and concentration of exposures are set and actively monitored by the Group's treasury department. The Group considers that its cash and deposits with banks and financial institutions have low credit risk based on internal assessment which takes into consideration the external credit ratings of the counterparties.

Impairment on other financial assets carried at amortized cost, have been assessed on 12-month expected loss basis and is considered to be immaterial.

34.4 Liquidity risk

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

At 31 December 2025, the Group has net current assets of AED 18 million (2024: net current liabilities AED 2,700 million) which includes debt maturing in the short-term of AED 251 million (2024: AED 3,061 million) and current maturity of lease liabilities of AED 642 million (2024: AED 660 million). Further, at 31 December 2025 debt maturing in the long term is AED 12,817 million (2024: AED 12,018 million).

At 31 December 2025, the Group has undrawn committed facilities of AED 9,378 million (2024: AED 8,295 million) and cash in hand and at bank of AED 1,231 million (2024: AED 1,227 million) to cover its liquidity needs for at least the next 18 months. Additionally, cash held in escrow accounts amount to AED 3,535 million (2024: AED 3,836 million) to cover the development cost of associated projects.

The Group has a strong asset base of AED 70,960 million (2024: AED 68,833 million) and equity of AED 35,053 million (2024: AED 31,458 million) and manages liquidity to ensure that the Group is able to meet its obligations when they become due without incurring losses or risking damage to the Group's reputation. The Group's assessment of funding and liquidity shows sufficient liquidity for the foreseeable future through its cash and available committed lines.

The Group's liquidity cover and a BBB credit rating reiterates its credit strength, resilience of business model, quality of assets, strong corporate governance and prudent financial management.

<i>(AED in millions)</i>	Contractual cash flows				
	Carrying amount	Less than one year	Between one to two years	Between two to five years	More than five years
As at 31 December 2025					
Long term loans	12,810	619	620	10,683	4,335
Lease liabilities	3,719	884	564	1,692	1,878
Loans from related parties	9	9	-	-	-
Bank overdrafts	249	528	-	-	-
Trade and other payables	9,730	9,565	54	111	-
Due to related parties	68	68	-	-	-
Derivative liability for risk management					
- Derivative instruments accounted as FVTPL	125	38	30	69	-
	26,710	11,711	1,268	12,555	6,213
As at 31 December 2024					
Long term loans	13,849	2,513	607	9,251	4,373
Lease liabilities	3,787	865	540	1,619	2,079
Loan from related parties	804	820	-	-	-
Bank overdrafts	426	702	-	-	-
Trade and other payables	8,942	8,753	116	73	-
Due to related parties	83	83	-	-	-
Derivative liability for risk management					
- Derivative instruments accounted as FVTPL	231	71	47	134	3
	28,122	13,807	1,310	11,077	6,455

The outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled.

The interest payments on variable interest rate loans in the table above reflect the market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows and derivative instruments may be different from the amount in the above table as interest rates and exchange rates change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

34.5 Market risk

Market risk is the risk of changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Group's income or the value of its holdings of financial instruments. The Group seeks to apply hedge accounting to manage volatility in its profit or loss in relation to its exposure to interest rate risk.

34.5.1 Foreign currency risk

The Group is exposed to foreign currency risk on its net investments in foreign subsidiaries and operations. The Group is also exposed to foreign currency risk on purchases denominated in foreign currencies. The Group hedges the risk by obtaining foreign exchange forward contracts on all material foreign currency purchases. All of the forward exchange contracts have maturities of less than five years after the reporting date. Where necessary, forward exchange contracts are rolled over at maturity.

Aside from the foreign currency risk arising from Group's operations in Egypt and Lebanon (note 32.5), a significant portion of the Group's foreign currency borrowings and balances are denominated in US Dollar (USD) and other currencies linked to US Dollar. As the Company's functional currency is currently pegged to USD any fluctuation in exchange rate is not likely to have a significant impact on Group's equity and profit or loss.

Net investment hedges

The Group hedges certain foreign currency exposures due to Group's net investment in foreign subsidiaries by borrowing in foreign currencies and derivative products including forward currency contracts. To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the hedging instrument to a change in the exchange rate with changes in the investment in the foreign operations due to movement in the spot rate (the offset method). At 31 December 2025, the Group had foreign exchange forward contracts of AED Nil (2024: AED 22 million).

34.5.2 Interest rate risk

The Group's interest rate risk principally arises from long-term loans on floating rate. Loans issued at fixed rates expose the Group to fair value interest rate risk.

Interest rate risk is managed within the frame work of the interest rate risk management policy. The Group adopts a policy of maintaining target duration on its liability portfolio of about half year to three and a half years. This is achieved through cash and / or by using derivative financial instruments which are eligible for hedge accounting.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

<i>(AED in millions)</i>	2025	2024
<i>Fixed rate instruments</i>		
Financial liabilities	4,630	4,503
<i>Floating rate instruments</i>		
Financial assets	72	209
Financial liabilities*	(21,293)	(23,174)
	(21,221)	(22,965)

* Floating rate financial liabilities include loans of AED 4,514 million (2024: AED 5,597 million) for which interest rate risk is hedged by way of interest rate derivatives with notional amount of Nil (2024: USD 1,750 million).

Sensitivity analysis for variable rate instruments

A change of 100 basis points in the interest rate at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates remain constant.

	Increase / (decrease) basis points	Effect on profit or loss increase / (decrease)		Effect on other comprehensive income increase / (decrease)	
		2025	2024	2025	2024
Floating rate instrument	+ 100	(212)	(231)	-	-
Interest rate swaps designated as cash flow hedges	+ 100	-	157	-	(157)
Interest rate swaps designated as FVTPL	+ 100	(68)	(86)	-	-
Cash flow sensitivity (net)		(280)	(160)	-	(157)
Floating rate instrument	- 100	212	231	-	-
Interest rate swaps designated as cash flow hedges	- 100	-	(163)	-	163
Interest rate swaps designated as FVTPL	- 100	71	91	-	-
Cash flow sensitivity (net)		283	159	-	163

In these hedge relationships, the main sources of ineffectiveness may arise because of:

- the effect of counterparty's and Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in repricing dates between the swaps and the borrowings.

34.6 Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support future development of the business and maximize shareholder's value.

The Group uses net debt to equity ratio to monitor its capital among other metrics. Capital includes equity attributable to the equity holders including retained earnings, revaluation and other reserves. The Group has various borrowing arrangements which require maintaining certain net worth, interest coverage and debt equity ratio.

<i>(AED in millions)</i>	2025	2024
Interest bearing loans and borrowings (excluding lease liabilities)	13,149	15,170
Less: cash and bank balances (note 23.2)	(1,231)	(1,227)
Net debt	11,918	13,943
Total equity (excluding goodwill)	37,250	33,879
Net debt to equity ratio	32%	41%

34.7 Fair value measurement of financial assets and liabilities

The following table shows the carrying amount and fair values of financial assets and financial liabilities including their levels in the fair value hierarchy.

<i>(AED in millions)</i>	Carrying amount	Fair value		
		Level 1	Level 2	Level 3
<i>At 31 December 2025</i>				
Financial assets				
Investments held at fair value through profit or loss	18	-	-	18
	18	-	-	18
Financial liabilities				
Derivative instruments for risk management	125	-	125	-
Sukuk and Note liabilities*	8,082	-	8,069	-
	8,207	-	8,194	-

At 31 December 2024

Financial assets				
Investments held at fair value through profit or loss	17	-	-	17
Derivative instruments for risk management	137	-	137	-
	154	-	137	17
Financial liabilities				
Derivative instruments for risk management	231	-	231	-
Sukuk and Note liabilities	8,082	-	7,890	-
	8,313	-	8,121	-

* USD 100 million Sukuk certificates issued through a private placement in 2020 (note 29.2.1) under the Sukuk Program are not listed on any stock exchanges. The management believes that, the carrying amount of these certificates approximates the fair value.

The management believes that the fair value of the remaining financial assets and liabilities at the reporting date are not materially different from their carrying amounts.

When available, the Group measures the fair value of an instrument using the quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, the Group establishes fair value using valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current fair value of other instrument that are substantially the same, net present value techniques and discounted cash flow methods. The chosen valuation technique makes maximum use of market inputs, relies as little as possible on estimates specific to the Group, incorporates all factors that market participants would consider in setting a price, and is consistent with accepted economic methodologies for pricing financial instruments. Inputs to valuation techniques reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

The fair value of derivatives that are not exchange traded is estimated at the present value of the amount that the Group would receive or pay to terminate the contract at the reporting date taking into account current market conditions and the current creditworthiness of the counterparty.

The interest rates used to discount estimated cash flows, where applicable, are based on the spot rates derived from the interpolated per annum yield curve in respect of borrowings/derivatives which is 3.42% - 4.17% (2024: 4.07% - 4.58%) at the reporting date.

35. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

<i>(AED in millions)</i>	2025	2024
Capital commitments	4,828	3,476
Group's share of capital commitments in relation to its equity accounted investees	161	247
Letter of credits outstanding	226	192
Bank guarantees outstanding	1,719	1,124

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

Included within letter of credits and bank guarantees are performance guarantees amounting to AED 1,640 million (2024: AED 1,191 million) in favour of government authorities in the UAE for a real estate development project.

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

36. SUBSEQUENT EVENTS

There has been no significant events subsequent to the reporting date, other than those noted below, up to the date of authorization on 12 March 2026, which would have a material effect on the consolidated financial statements.

Subsequent to the year end, the Board of Directors recommended a dividend of AED 566 million with respect to the financial year 2025.

37. COMPARATIVES

Certain other comparative figures in the consolidated statement of financial position have been reclassified or arranged for better presentation in accordance with the requirements of IFRS Accounting Standards.