

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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REVIEW REPORT ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors Dubai Residential REIT Dubai United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim consolidated balance sheet of Dubai Residential REIT (the "Fund") and its subsidiaries (together, the "Group") as of 30 June 2025 and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and material accounting policy information and explanatory notes. The Fund Manager's Management is responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with International Accounting Standard 34, "Interim financial reporting" ("IAS 34") as issued by the International Accounting Standards Board ("IASB"). Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Other matter

The comparative information presented in the condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the period ended 30 June 2024 and the related notes has not been audited or reviewed.

Deloitte & Touche (M.E.)

Musa Ramahi Registration No.: 872 04 August 2025

Dubai

United Arab Emirates

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

		As at	As at
		30 June	31 December
		2025	2024
		(Reviewed)	(Audited)
	Note	AED'000	AED'000
ASSETS			
Non-current assets			
Property and equipment	6	18,255	17,822
Investment property	7	23,033,000	21,633,000
Intangible assets		1,889	2,528
Derivative financial instruments	8	-	19,558
		23,053,144	21,672,908
Current assets			
Trade and other receivables	9	40,511	68,498
Due from related parties	10(a)	11,194	23,717
Derivative financial instruments	8	10,267	, -
Cash and bank balances	11	839,095	1,968,472
		901,067	2,060,687
Total assets		23,954,211	23,733,595
EQUITY AND LIABILITIES			
Equity			
Unit capital	12	1,300,000	-
Share capital	12	-	300
Contributed capital	12	-	2,560,134
Legal reserve	13	5,750	5,750
Hedge reserve		10,267	19,558
Retained earnings		20,183,485	17,004,052
Total equity		21,499,502	19,589,794

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (continued)

		As at	As at	
	30 June	30 June	31 December	
		2025	2024	
		(Reviewed)	(Audited)	
	Note	AED'000	AED'000	
LIABILITIES				
Non-current liabilities				
Trade and other payables	14	7,492	7,003	
Borrowings	15	1,583,138	2,582,247	
Employees' end of service benefits		-	10,880	
		1,590,630	2,600,130	
Current liabilities				
Trade and other payables	14	516,512	518,056	
Due to related parties	10(b)	77,183	675,453	
Advances from customers		270,384	350,162	
		864,079	1,543,671	
Total liabilities		2,454,709	4,143,801	
Total equity and liabilities		23,954,211	23,733,595	
Net assets value (AED'000)		21,499,502	19,589,794	
Issued units (Units'000)		13,000,000	13,000,000	
Net asset value per unit (AED)		1.65	1.51	

The condensed interim consolidated financial statements were approved by the Board of Directors on 4 August 2025 __ and were signed on its behalf by:

Nabil Mohammad Ramadhan

Alahmadi

Chairman of the Board

Ahmed Nabil Obaid Saif

Alsuwaidi

Managing Director - DHAM REIT

Management LLC

Girish Kumar

Vice President - Finance - DHAM

REIT Management LLC

CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME

		Six-month perio	d ended 30 June 2024
		(Reviewed)	(Unreviewed)
	Note	AED'000	AED'000
Revenue	16	957,791	872,084
Direct costs	17	(229,998)	(214,864)
Gross profit		727,793	657,220
Other operating income		947	898
		728,740	658,118
Expenses			
General and administrative		(52,710)	(55,644)
Marketing and selling		(11,173)	(8,355)
Management fees	10(c)	(10,498)	-
Impairments and other gains - net		(4,651)	(11,550)
		(79,032)	(75,549)
Operating profit		649,708	582,569
Finance income		16,481	15,434
Finance costs		(43,905)	(32,739)
Finance costs - net		(27,424)	(17,305)
Profit before change in fair value of investment property		622,284	565,264
Gain on fair value of investment property	7	1,296,715	-
Profit for the period		1,918,999	565,264
Earnings per unit attributable to the Owners of the Fund before change in fair value of investment property			
Basic and diluted (AED)	18	0.05	0.04
Earnings per unit attributable to the Owners of the Fund			
Basic and diluted (AED)	18	0.15	0.04

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six-month period ended 30 June		
	2025 (Reviewed) AED'000	2024 (Unreviewed) AED'000	
Profit for the period	1,918,999	565,264	
Other comprehensive income Items that may be subsequently reclassified to consolidated statement of income			
Fair value loss on cash flow hedges	(9,291)	(5,955)	
Other comprehensive loss for the period	(9,291)	(5,955)	
Total comprehensive income for the period	1,909,708	559,309	

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

				Attributa	able to owners of th	e Fund		
	_	Unit	Share	Contributed		Hedge	Retained	
		capital	capital	capital	Legal reserve	reserve	earnings	Total
	Note	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
At 1 January 2025 (audited)		-	300	2,560,134	5,750	19,558	17,004,052	19,589,794
Profit for the period		-	-	-	-	-	1,918,999	1,918,999
Other comprehensive loss for the period		-	-	-	-	(9,291)	_	(9,291)
Total comprehensive income the period		-	-	-	-	(9,291)	1,918,999	1,909,708
Transactions with owners								
Issuance of unit capital	12	1,300,000	-	-	-	-	-	1,300,000
Capital reorganisation	12	-	(300)	(2,560,134)	-	-	1,260,434	(1,300,000)
		1,300,000	(300)	(2,560,134)	-	-	1,260,434	-
At 30 June 2025 (reviewed)		1,300,000	-	-	5,750	10,267	20,183,485	21,499,502
				A	Attributable to own	ers of the Fund		
	_		Share	Contributed		Hedge	Retained	
			capital AED'000	capital AED'000	Legal reserve AED'000	reserve AED'000	earnings AED'000	Total AED'000
At 1 January 2024 (audited)			300	1,957,662	450	41,599	17,992,960	19,992,971
Profit for the period			-	-	-	-	565,264	565,264
Other comprehensive loss for the period			_	-	-	(5,955)	-	(5,955
Total comprehensive income the period			-	-	-	(5,955)	565,264	559,309
At 30 June 2024 (unreviewed)			300	1,957,662	450	35,644	18,558,224	20,552,280

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

		Six-month per	iod ended 30 June 2024
<u></u>	Note	(Reviewed) AED'000	(Unreviewed) AED'000
Cash flows from operating activities			
Profit for the period		1,918,999	565,264
Adjustments for:			
Gain on fair value of investment property	7	(1,296,715)	-
Finance costs		43,905	32,739
Finance income		(16,481)	(15,434)
Provision for loss allowance on trade and other receivables		4,544	10,140
Depreciation and amortization		1,305	1,265
Provision for employees' end of service benefits		385	156
		655,942	594,130
Changes in working capital:			
Trade and other receivables, before provision and excluding			
advances to contractors and suppliers		(4,049)	(1,920)
Trade and other payables, excluding project and retention			
payables		2,225	1,858
Advances from customers		(79,778)	(2,523)
Due from related parties		(12,523)	41,617
Due to related parties		(542,446)	91,992
		19,371	725,154
Payment of employees' end of service benefits		(227)	(273)
Net cash generated from operating activities		19,144	724,881
Cash flows from investing activities			
Movement in fixed deposits with maturities greater than three			
months		831,635	(309,000)
Payments for investment property, net of project and retention			
payables, and advances to contractors and suppliers		(120,591)	(35,638)
Interest received		23,955	14,375
Purchase of property and equipment		(1,099)	-
Purchase of intangible assets		-	(2,285)
Net cash generated from/(used in) investing activities		733,900	(332,548)
Cash flows from financing activities			
Repayment of borrowings		(1,000,000)	-
Interest and transaction costs paid		(50,786)	(31,791)
Cash used in financing activities		(1,050,786)	(31,791)
Net (decrease)/increase in cash and cash equivalents		(297,742)	360,542
	11	1,136,837	222,409

1. LEGAL STATUS AND ACTIVITIES

Dubai Residential REIT ("Dubai Residential" or the "Fund") is a Real Estate Investment Trust ("REIT") established as shariah-compliant income-generating closed-ended fund in the Emirate of Dubai, United Arab Emirates ("UAE"). Dubai Residential was granted license by Securities and Commodities Authority (SCA) on 23 May 2025 (date of incorporation), in accordance with the Federal Law No. (32) of year 2021 concerning the Commercial Companies and the SCA Board of Directors' Chairman Decision No. (01/RM) of 2023 Concerning the Regulations as to Investment Funds. The Fund's registered address is P.O. Box 66000, Dubai, United Arab Emirates.

The Fund was a wholly owned subsidiary of DHAM Investments LLC (the "Parent Company") prior to the change in capital structure on account of the initial public offering ("IPO"), as described below. DHAM LLC and Dubai Holding Commercial Operations Group LLC are intermediate parent companies (herein referred individually to as the "Intermediate Parent Company") and Dubai Holding LLC is the ultimate parent company (the "Ultimate Parent Company"). The "Ultimate Controlling Party" of the Fund is the Government of Dubai. The Fund and its subsidiaries (as listed below) are collectively referred to as the "Group".

DHAM REIT Management LLC (the "Fund Manager") was appointed to act as the fund manager of Dubai Residential with effect from the establishment of Dubai Residential. The Fund Manager is owned 99% by DHAM LLC (the "Intermediate Parent Company") and 1% by DHAM FZ LLC.

Dubai Residential currently consolidates the following subsidiaries, which are incorporated and operating in Dubai, United Arab Emirates:

Name of the legal entity	Principal business activity	Place of business/incorporation	Effective ownership*
Dubai Residential LLC	Leasing and property	UAE	100%
(previously known as 'Dubai	management		
Asset Management LLC')	-		
Dubai Residential Assets LLC*	Leasing and property management	UAE	100%
BW Residences LLC*	Leasing and property management	UAE	100%
Al Khail Towers LLC*	Leasing and property management	UAE	100%
The Gardens Co. LLC*	Leasing and property management	UAE	100%
Nakheel Residential Properties LLC*	Leasing and property management	UAE	100%
DAM FZ LLC (newly incorporated on 1 October 2024)	Leasing and property management	UAE	100%

^{*} These are wholly owned subsidiaries of Dubai Residential LLC, except for a 1% shareholding by DAM FZ LLC.

The Group is principally engaged in residential real estate leasing business.

On 28 May 2025, the Fund was admitted to be listed on the Dubai Financial Market ("DFM") through an IPO whereby 15% of its unit capital were sold to the public.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The condensed interim consolidated financial statements for the six-month period ended 30 June 2025 have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board ("IASB") and comply with the applicable requirements of the laws in the UAE. These condensed interim consolidated financial statements do not include all the information, accounting policies and disclosures required in the annual financial statements and should be read in conjunction with the audited special purpose carve-out financial statements of Dubai Residential LLC and its Subsidiaries ("Predecessor Business") for the year ended 31 December 2024 issued on 28 March 2025, relating to the businesses now comprising the Group, included in the Fund's offering memorandum dated 13 May 2025 issued in connection with its listing.

a) New standards and interpretations effective for periods beginning on or after 1 January 2025

In the current period, the Group has applied a number of amendments to IFRS Accounting Standards and interpretations issued by the IASB that are effective for an annual period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in the condensed interim consolidated financial statements of the Group.

b) New standards and interpretations issued but not yet effective nor early adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the condensed interim consolidated financial statements of the Group and have not been early adopted by the Group. None of these are expected to have a significant effect on the condensed interim consolidated financial statements of the Group.

2.2 Basis of measurement

These condensed interim consolidated financial statements have been presented on the historical cost basis, except for the following;

- Financial assets/liabilities at fair value through profit or loss, including derivative financial instruments, that are measured at fair value; and
- Investment properties that are measured at fair value.

This is consistent with the measurement principles applied in the special purpose carve-out financial statements of the Predecessor Business. Except for tax related policies for which the new judgment and policies described in note 3 below.

2.3 Common control acquisition and predecessor accounting

On 25 April 2025, the Parent Company transferred Dubai Residential LLC and its subsidiaries, as listed in Note 1, to Dubai Residential in exchange for full unit capital of Dubai Residential. The difference between the carrying value of the subsidiaries transferred and units capital issued to the Parent Company was accounted within retained earnings. This transaction represents a business combination under common control, as Dubai Residential LLC and its subsidiaries were ultimately controlled by the same Ultimate Parent Company both before and after the acquisition by the Fund.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.3 Common control acquisition and predecessor accounting (continued)

In addition, on 18 March 2024, the ownership of Nakheel PJSC and Meydan Group LLC ("NAM") along with their respective subsidiaries were transferred by the Ultimate Controlling Party to certain entities owned by the Ultimate Parent Company. In turn, certain NAM subsidiaries and assets were transferred on 1 July 2024 to the Predecessor Business. Moreover, certain assets and entities have been carved-out to establish the Group. These carve-ins and carve-outs together with the transfer of Dubai Residential LLC and its Subsidiaries from the Parent Company to Dubai Residential are collectively referred to as the "Group Reorganisation".

In the absence of specific guidance in IFRS 3 Business Combinations for transactions under common control, the Group has applied the guidance in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. As the Group Reorganisation did not result in any change of economic substance and it involved transfer of entities under common control both before and after the transfer, management has determined that the predecessor method of accounting provides the most relevant and reliable information and faithfully represents the economic substance of this transaction. Accordingly, the condensed interim consolidated financial statements of the Group are prepared to reflect that the Group Reorganisation is in substance a continuation of the subsidiaries engaged in real estate residential leasing business as if the Fund has always owned them since the earliest period presented in these condensed interim consolidated financial statements.

As these condensed interim consolidated financial statements have been prepared on the basis that the Fund has existed since the earliest reporting period, these condensed interim consolidated financial statements reflect adjustments to the special purpose carve-out financial statements of the Predecessor Business to eliminate the impact of current or deferred tax expense and associated assets and liabilities reflecting the expected tax exemption of the UAE Corporate Tax Law and the undertaking by the Immediate Parent Company as described in note 3 below.

2.4 Comparative information and prior common control combinations

The comparative information presented has been prepared to reflect the consolidated results and financial position of the Predecessor Business that ultimately comprise the Group as if all common control combinations had occurred at the beginning of the earliest period presented (1 January 2024).

These comparatives have been prepared on a consistent basis with the accounting policies applied in the current interim period, as detailed in Note 2 to the audited special purpose carve-out financial statements of the Predecessor Business.

Change in presentation of balance sheet

In accordance with IAS 1 Presentation of Financial statements, the presentation of the balance sheet has been changed from presentation based on liquidity to current/non-current classification presentation. Based on internal assessment and considering the nature of operations of the Fund, the current/non-current presentation basis of presentation provides information that is reliable and more relevant to the users of these financial statements.

2.5 Functional and presentation currency

The condensed interim consolidated financial statements are presented in the United Arab Emirates Dirham (AED), which is the Fund's functional currency. All values are rounded to the nearest thousand (AED'000), except when otherwise indicated.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.6 Earnings per unit

The Group presents basic and diluted earnings per unit ("EPU") data for its ordinary units. Basis earnings per unit is calculated by dividing the condensed interim consolidated profit or loss attributable to ordinary unitholders of the Fund by the weighted average number of ordinary units outstanding during the year. Diluted earnings per unit is determined by adjusting the consolidated profit or loss attributable to ordinary unitholders and the weighted number of ordinary units outstanding for the effects of all dilutive potential ordinary units.

2.7 Dividend distribution

Dividend distribution to the Fund's unitholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Board of Directors.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited special purpose carve-out financial statements of Predecessor Business, as included in the offering memorandum, except for common cost allocations which relate only to the comparative information and the application of tax exemption which are described below.

The significant judgement in these condensed interim consolidated financial statements relate to the application of the predecessor accounting method for common control acquisitions and the Group Reorganisation which is disclosed in note 2 to this condensed interim consolidated financial statements.

JUDGEMENT ON APPLICATION OF TAX EXEMPTION

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new CT regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023.

The standard corporate tax rate under the CT Law is 9% for mainland UAE entities, while entities qualifying under the qualifying free zone regime are subject to 0%, provided they meet the relevant conditions.

According to Article 10 and Article 4(1)(f) of the CT Law provide for an exemption available to Qualifying Investment Funds, including REITs. Further, the Wholly Owned Subsidiaries of the REITs that undertake part or whole of the activity of the exempt REIT or are engaged exclusively in holding assets or investing funds for the benefit of the exempt REIT would also be exempt under Article 4(1)(h) of the CT Law.

The Fund was incorporated on 23 May 2025 and listed its units on the Dubai Financial Market on 28 May 2025. In accordance with Cabinet Decision No. 34 of 2025 and Ministerial Decision No. 96 of 2025, REIT meets the criteria to qualify for REIT exemption on 28th May 2025 and is therefore expected to be exempt from Corporate Tax from this date. Further, the Wholly Owned Subsidiaries of the REIT are expected to be exempt under Article 4(1)(h) of the CT Law from 28 May 2025. The REIT has filed an exemption application with the Federal Tax Authority and is awaiting approval of the application. The Group's management believes that the approval will be granted as the REIT, have met all criteria stipulated by the federal tax authority and therefore have not recorded any corporate tax related adjustments in these condensed interim consolidated financial statements from the earliest period presented.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

JUDGEMENT ON APPLICATION OF TAX EXEMPTION (continued)

The subsidiaries of the REIT are individual tax filling entities and will be subject to corporate tax obligations up until the date that the group became tax exempt. However, the Intermediate Parent Company has provided an undertaking to reimburse any corporate tax related obligations of the Group including its subsidiaries that may arise as part of corporate tax assessments regardless of the period to which these obligations relate.

On the basis that the REIT and its Wholly Owned Subsidiaries will obtain the approval for the exemptions effective from 28 May 2025 and considering the Group is following predecessor method of accounting and an undertaking from the Intermediate Parent Company for any corporate tax related obligation, no current or deferred tax expense and associated asset or liability is recorded in current or comparative reporting periods.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

The Group's operations and debt financing exposes it to a variety of financial risks: market risk (including currency risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses financial instruments to hedge certain risk exposures.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; they should be read in conjunction with the Group's audited special purpose carve-out financial statements of Predecessor Business for the year ended 31 December 2024. There have been no changes in any risk management policies since 31 December 2024.

4.2 Liquidity risk

Compared to 31 December 2024, there has been no material change in the contractual undiscounted cash outflows for financial liabilities during the period. At 30 June 2025, the Group had undrawn borrowing facilities amounting to AED 2,073,666,000 (31 December 2024: AED 1,073,345,000)

5. SEASONALITY OF OPERATIONS

The Group's financial results for any period are not necessarily indicative of results to be expected for the full year. No income of a seasonal nature was recorded during the period.

6. PROPERTY AND EQUIPMENT

	Building interior				
	improvements, furniture and	Commutan		Canital wants in	
	fixtures AED'000	Computer hardware AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
At 30 June 2025					
Cost	16,634	2,287	218	2,695	21,834
Accumulated depreciation	(2,401)	(960)	(218)	-	(3,579)
Net book amount (reviewed)	14,233	1,327	-	2,695	18,255
Movement in net book amount					
At 1 January 2025	14,398	1,400	-	2,024	17,822
Additions	428	-	=	671	1,099
Charge for the period	(593)	(73)	=	=	(666)
At 30 June 2025 (reviewed)	14,233	1,327	-	2,695	18,255
At 31 December 2024					
Cost	16,206	2,287	218	2,024	20,735
Accumulated depreciation	(1,808)	(887)	(218)	-	(2,913)
Net book amount (audited)	14,398	1,400	-	2,024	17,822

The depreciation charge for the six-month period ended 30 June 2025 is recognised under general and administrative expenses amounting to AED 666,000 [for the six-month period ended 30 June 2024 (unreviewed): AED 351,000].

7. INVESTMENT PROPERTY

	AED'000
At 1 January 2024 (audited)	19,679,300
*Transfer of investment property from related parties	224,306
Additions	183,827
Net gain on fair valuations	1,545,567
At 31 December 2024 (audited)	21,633,000
At 1 January 2025 (audited)	21,633,000
Additions	103,285
Net gain on fair valuations	1,296,715
At 31 June 2025 (reviewed)	23,033,000

^{*} This includes AED 223,329,000 relating to investment property transferred from Meydan.

The Fund reported a fair value gain of AED 1,296,715,000 on its investment properties during the period. The increase primarily reflects upward trends in market rental rates, while the underlying valuation approach and assumptions remained consistent with the prior period.

The fair value of investment properties is determined based on valuations performed by independent qualified valuers. The valuation techniques considered current market conditions, comparable transactions, and discounted cash flow models.

Investment properties are classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs in the valuation process.

8. DERIVATIVE FINANCIAL INSTRUMENTS

	Notional amount	Assets
	AED '000	AED '000
At 30 June 2025 (reviewed)		
Designated as cash flow hedges		
Interest rate swap contracts	480,000	10,267
Less: non-current portion		-
Current portion		10,267
	Notional amount	Assets
	AED '000	AED '000
At 31 December 2024 (audited)		
Designated as cash flow hedges		
Interest rate swap contracts	600,000	19,558
Less: non-current portion		(19,558)
Current portion		_

As at 30 June 2025, derivative financial instruments include interest rate swaps entered into with a related party financial institution with a fair value of AED 3,859,000 [31 December 2024 (audited): AED 7,302,000].

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (continued)

9. TRADE AND OTHER RECEIVABLES

	30 June	31 December
	2025	2024
	(Reviewed)	(Audited)
	AED'000	AED'000
Trade receivables	265,408	265,510
Less: loss allowance	(252,970)	(249,886)
	12,438	15,624
Unbilled receivables	8,657	5,114
Less: loss allowance	(4,609)	(4,609)
	4,048	505
Advances to contractors and suppliers	13,257	34,163
Prepayments	5,168	6,222
Other receivables	5,600	11,984
	40,511	68,498
Less: non-current portion	-	-
Current portion	40,511	68,498

10. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the Ultimate Parent Company, Parent Company, Fund Manager management, and other subsidiaries of the Parent Company (fellow subsidiaries) and businesses, which are controlled directly by key management personnel. The related party transactions and balances arise in the normal course of business primarily on sale and purchase of goods and services and loan and treasury arrangements.

(a) Due from related parties:

	30 June 2025 (Reviewed) AED'000	31 December 2024 (Audited) AED'000
Fellow subsidiaries	10,184	23,717
Other related parties	1,010	-
	11,194	23,717

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (continued)

10. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(b) Due to related parties:

	30 June 2025 (Reviewed) AED'000	31 December 2024 (Audited) AED'000
Fellow subsidiaries Other related parties	77,183 -	674,059 1,394
	77,183	675,453

(c) Related party transactions:

During the period, the Group entered into the following significant transactions with related parties:

	Six-month period ended 30 June	
	2025	2024 (Unreviewed)
	(Reviewed)	
	AED'000	AED'000
Ultimate Parent Company		
Expenses recharged	-	93
Fellow subsidiaries		
Cost recharges	56,040	62,993
Rental and service income	24,287	24,366
Management fee*	10,498	-
Operation and maintenance costs	10,395	31,128
Expenses recharged	4,560	-
Other related parties		
Operation and maintenance costs	14,737	14,210
Finance income from derivative financial instruments	3,298	6,372
Finance income from cash and bank balances	3,258	4,102
Rental and service income	91	326
Finance cost and other bank changes on bank borrowing	-	24,884

^{*} In lieu of the cost recharges from a fellow subsidiary, the Fund entered an agreement with DHAM REIT Management LLC ("the Fund Manager") for the provision of services, following the Global Offering, the Fund Manager will be entitled to receive from the Fund on a semi-annual basis, the management fee, equal to the 10 percent of profit for the relevant semi-annual period before gains on fair valuation of investment property after deduction of any amounts already paid by the Group to the Fund Manager or an affiliate of the Fund Manager for services provided.

11. CASH AND BANK BALANCES

	30 June	31 December
	2025	2024
	(Reviewed)	(Audited)
	AED'000	AED'000
Cash at banks		
- Current account	609,095	988,837
- Fixed deposits	230,000	979,635
	839,095	1,968,472

Cash and cash equivalents include the following for the purposes of condensed interim consolidated statement of cash flows:

	30 June 2025 (Reviewed) AED'000	31 December 2024 (Audited) AED'000
Cash and bank balances	839,095	1,968,472
Less: fixed deposits with maturities greater than three months	-	(831,635)
	839,095	1,136,837

As at 30 June 2025, cash and bank balances include AED 61,719,000 [31 December 2024 (audited): AED 640,263,000] held with a related party financial institution.

12. UNIT CAPITAL

On 23 May 2025, the total recognised and issued unit capital of the Fund is 13,000,000,000 units of AED 0.1 each. All units were fully paid-up. As part of capital reorganisationn, share capital and contributed capital amounting to AED 300,000 and AED 2,560,134,000, respectively, are derecognised and net impact was realised by transferring the same to the retained earnings of the Group amounting to AED 1,260,434,000.

13. LEGAL RESERVE

In accordance with the Companies Law and Articles of Association, 5% of the profit for the year of each UAE limited liability registered company are transferred to a legal reserve, which is not distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the paid-up share capital of the respective subsidiaries of the Fund since there is no requirement to maintain legal reserve for the Fund.

14. TRADE AND OTHER PAYABLES

	30 June	31 December
	2025	2024
	(Reviewed)	(Audited)
	AED'000	AED'000
Trade results	26.056	71.766
Trade payables	26,056	71,766
Accrued expenses	244,234	212,392
Refundable deposits	143,895	143,344
Retentions payables	44,561	52,068
Project payables	22,378	11,271
Other payables	42,880	34,218
	524,004	525,059
Less: non-current portion	(7,492)	(7,003)
Current portion	516,512	518,056

15. BORROWINGS

	30 June 2025 (Reviewed) AED'000	31 December 2024 (Audited) AED'000
Bank borrowings Unamortised transaction costs Carrying amount	1,600,000 (16,862) 1,583,138	2,600,000 (17,753) 2,582,247

As at 30 June 2025, all bank borrowings are due after more than 12 months and are therefore, classified as non-current liabilities.

Movement in borrowings are analysed as follows:

	Total AED'000
At 1 January 2024 (audited)	1,345,280
Repayments	(1,360,000)
Proceeds from borrowings	2,600,000
Capitalisation of transaction costs	(18,365)
Amortisation of transaction costs	15,332
At 31 December 2024 (audited)	2,582,247
At 1 January 2025 (audited)	2,582,247
Repayments	(1,000,000)
Amortisation of transaction costs	1,982
Capitalisation of transaction costs	(1,091)
At 30 June 2025 (reviewed)	1,583,138

The Group has not had any defaults of principal, interest or redemption amounts during the period on its borrowed funds.

16. REVENUE

	Six-month period ended 30 June	
	2025 (Reviewed) AED'000	2024 (Unreviewed) AED'000
Operating lease income	954,953	868,318
Revenue from contracts with customers		
Services	2,838	3,766
	957,791	872,084

17. DIRECT COSTS

	Six-month period ended 30 June	
	2025 (Reviewed) AED'000	2024 (Unreviewed) AED'000
		400.00
Operation and maintenance costs	207,274	180,983
Payroll and related costs	22,724	33,881
	229,998	214,864

18. EARNINGS PER UNIT

Basic earnings per unit amounts are calculated by dividing profit for the period attributable to ordinary unit holders of the Fund by the weighted average number of ordinary units outstanding during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per unit are identical. The calculation of basic and diluted earnings per unit attributable to the owners of the Fund before change in fair value of investment property, and basic and diluted earnings per unit attributable to the owners of the Fund are based on the following data:

	Six-month perio	Six-month period ended 30 June	
	2025	2024	
	(Reviewed)	(Unreviewed)	
Earnings			
Earnings for the purpose of basic and diluted earnings per unit before			
change in fair value of investment property (profit for the period			
attributable to owners of the Fund before change in fair value of			
investment property) rounded to the nearest AED'000	622,284	565,264	
Weighted average number of units:			
Weighted average number of ordinary units for the purpose of basic and			
diluted earnings per unit rounded to the nearest AED'000	13,000,000	13,000,000	
Basic and diluted earnings per unit attributable to Owners of the			
Fund before change in fair value of investment property rounded to			
the nearest Fil	0.05	0.04	

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (continued)

18. EARNINGS PER UNIT (continued)

	Six-month period ended 30 June	
	2025	2024
	(Reviewed)	(Unreviewed)
Earnings		
Earnings for the purpose of basic and diluted earnings per unit (profit		
for the period attributable to owners of the Fund) rounded to the nearest		
AED'000	1,918,999	565,264
Weighted average number of units:		
Weighted average number of ordinary units for the purpose of basic and		
diluted earnings per unit rounded to the nearest AED'000	13,000,000	13,000,000
Basic and diluted earnings per unit attributable to Owners of the		
Fund rounded to the nearest Fil	0.15	0.04

Since the Fund is incorporated on 23 May 2025 with 13,000,000,000 ordinary units, and application of predecessor accounting, the same have been considered as weighted average number of units for the purpose of earning per unit calculation for period ending 30 June 2025 and 30 June 2024 (unreviewed).

19. COMMITMENTS

Capital commitments

The Group has project commitments of AED 38,777,000 (31 December 2024: AED 68,163,000) for projects in progress classified within capital-work-in-progress. These commitments represent the value of contracts issued as at 30 June 2025, net of invoices received, and accruals made at that date.

The Group also has capital commitments for the purchase of property and equipment for an amount of AED 3,299,000 (31 December 2024: AED 90,000).

20. SEGMENT REPORTING

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as the Managing Director of Fund Manager and Investment Committee Chairman that makes strategic decisions.

Management has determined the operating segments based on the reports reviewed by the Managing Director of Fund Manager and Investment Committee Chairman in making strategic decisions. Information reported to the Managing Director of Fund Manager and Investment Committee Chairman, as the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the financial performance of each business segment only. No information that includes the segments' assets and liabilities are reported to the Managing Director of Fund Manager and Investment Committee Chairman.

The Group is organised into the following reportable segments based on the type of the leasing property: (i) Premium, (ii) Community, (iii) Affordable, (iv) Corporate Housing and (v) Others. The following describes the types of properties, products or services that fall within each of the reportable segments defined above:

- Premium: It includes premium developments in prime areas and lifestyle destinations, offering superior amenities and attractions.
- ii. **Community**: It includes family-friendly gated communities with specialized local retail centers and leisure / fitness facilities.
- iii. Affordable: It includes cost effective housing, providing value and accessibility.
- iv. **Corporate Housing**: It includes purpose-built properties for corporate and industrial staff.
- v. Others: It includes businesses that individually do not meet the criteria of a reportable segment.

20. SEGMENT REPORTING (continued)

The operating segments derive their revenue primarily from operating lease income. The Group operates only in Dubai, United Arab Emirates and accordingly no further geographical analysis of revenues, profit, assets and liabilities is given. Segment revenue reported represents revenue generated from external customers and there was no intersegment revenue.

The accounting policies of the reportable segments are the same as the Group's audited special purpose carve-out financial statements of Predecessor Business for the year ended 31 December 2024 accounting policies described in note 2. Segment results represent the profit earned by each segment before interest, and depreciation and amortisation.

The segment information for the operating segments for the six-month period ended 30 June 2025 is as follows:

	Corporate								
	Premium	Community	Affordable	Housing	Others	Total			
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000			
Revenue	79,494	454,056	336,850	43,860	43,531	957,791			
Direct costs*	(16,358)	(96,297)	(67,670)	(16,791)	(10,158)	(207,274)			
Other operating income	47	32	866	-	2	947			
Payroll and related costs	(4,194)	(23,925)	(18,674)	(2,352)	(1,059)	(50,204)			
General and administrative*	(2,143)	(12,423)	(10,045)	(1,166)	(925)	(26,702)			
Marketing and selling*	(540)	(4,422)	(2,869)	(335)	(230)	(8,396)			
Management fee	(871)	(5,007)	(3,692)	(481)	(447)	(10,498)			
Impairments and other gains -									
net	1,014	(1,123)	(4,798)	(47)	303	(4,651)			
Segment results before									
interest and depreciation									
and amortisation	56,449	310,891	229,968	22,688	31,017	651,013			
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Depreciation and amortisation	(58)	(553)	(611)	(54)	(29)	(1,305)			
Finance costs	-	-	-	-	(43,905)	(43,905)			
Finance income	517	2,971	1,772	17	11,204	16,481			
	56,908	313,309	231,129	22,651	(1,713)	622,284			
Unallocated gain on fair value									
of investment property						1,296,715			
Profit for the period						1,918,999			

^{*}Direct costs, General and administrative and Marketing and selling excludes payroll and related costs.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 June 2025 (continued)

20. SEGMENT REPORTING (continued)

The segment information for the operating segments for the six-month period ended 30 June 2024 (unreviewed) is as follows:

	Corporate								
	Premium	Community	Affordable	Housing	Others	Total			
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000			
Revenue	70,889	420,569	301,853	38,504	40,269	872,084			
Direct costs*	(14,660)	(83,708)	(52,046)	(18,884)	(11,685)	(180,983)			
Other operating income	18	542	334	-	4	898			
Payroll and related costs	(4,879)	(29,568)	(22,702)	(3,186)	(122)	(60,457)			
General and administrative*	(2,689)	(13,534)	(11,615)	(1,133)	(1,546)	(30,517)			
Marketing and selling*	(500)	(2,444)	(2,230)	(442)	(25)	(5,641)			
Management fee	-	_	-	-	-	_			
Impairments and other gains -									
net	803	(5,689)	(6,930)	281	(15)	(11,550)			
Segment results before									
interest and depreciation									
and amortisation	48,982	286,168	206,664	15,140	26,880	583,834			
Depreciation and amortisation	(73)	(645)	(457)	(87)	(3)	(1,265)			
Finance costs	(73)	(0+3)	(437)	(07)	(32,739)	(32,739)			
Finance income	880	1,082	1,115	_	12,357	15,434			
T mance mesme	49,789	286,605	207,322	15,053	6,495	565,264			
Unallocated gain on fair value	- ,			- , , , , ,	-, -	,			
of investment property						-			
Profit for the period						565,264			

^{*}Direct costs, General and administrative and Marketing and selling excludes payroll and related costs.

21. Subsequent event

On 4 August 2025, the Board of Directors has approved an interim cash dividend of AED 550,000,000 (AED 0.04 per unit).