

MANAZEL PJSC

Condensed interim consolidated financial information and
Independent auditor's review report

For the six months period ended June 30, 2026

MANAZEL PJSC

Condensed interim consolidated financial information and Independent auditor's review report for the six months period ended June 30, 2026

Table of contents

	Page:
Independent auditor's report on review of the condensed interim consolidated financial information	1 - 2
Condensed interim consolidated financial information	
- Condensed interim consolidated statement of financial position	3
- Condensed interim consolidated statement of profit and loss and comprehensive income	4
- Condensed interim consolidated statement of changes in equity	5
- Condensed interim consolidated statement of cash flows	6
- Notes to the condensed interim consolidated financial information	7 - 25



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Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Information To the Board of Directors of Manazel PJSC

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Manazel PJSC (the "Company") and its subsidiaries (together, the "Group") as at June 30 2026, the related condensed interim consolidated statement of profit and loss and comprehensive income, condensed interim consolidated statement of changes in equity, condensed interim consolidated statement of cash flows for the six months period then ended and material accounting policies and other explanatory notes. The management is responsible for the preparation and fair presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting (IAS 34)" of International Financial Reporting Standards (IFRS Accounting Standards). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information of Manazel PJSC is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting".

Materiality Uncertainty Related to Going Concern

We draw attention to Note 23 to the condensed interim consolidated financial information, which indicates that the Group incurred a net loss of AED 303.3 million for the period ended June 30, 2026. At the date of the condensed interim consolidated statement of financial position, the Group had an accumulated deficit amounted to AED 213.7 million. Furthermore, the Group has limited ongoing development activities and is experiencing delays in the recovery of significant receivable balances and remains dependent on the successful restructuring of its financing arrangements. As stated in Note 23, these events and conditions, along with other matters set forth therein, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matters

- We also draw attention to Note 22 to the condensed interim consolidated financial information, which discloses that the Group has long outstanding receivables amounting to AED 378 million from government-related entities. These receivables pertain to infrastructure costs, incurred by the Group in connection with various development projects. Management is engaged in ongoing discussions with the relevant authorities and submitted the necessary documentation to substantiate the claim. However, the timing and certainty of reimbursement remain unclear at this stage.



Independent Auditor's Report on Review of Condensed Interim Consolidated Financial Information (Continued)

To the Board of Directors of Manazel PJSC (Continued)

Emphasis of Matters (Continued)

- a) We draw attention to Note 13 to the condensed interim consolidated financial information, which describes that, as at 30 June 2026, the Group has outstanding borrowings which are subject to ongoing restructuring discussions with the respective lenders. No principal and finance cost repayments have been made in respect of these financing facilities during the six-month period ended 30 June 2026.

Our conclusion is not modified in respect of these matters.



BDO CHARTERED ACCOUNTANTS & ADVISORS

Abu Dhabi

Yunus Yusuf Saif

Reg. No. 418

October 09, 2026

MANAZEL PJSC**Condensed Interim Consolidated Statement of Financial Position as at June 30, 2026**

		June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) Restated	December 31, 2024 AED'000 (Audited) Restated
	Note			
ASSETS				
Bank balances and cash	5	26,314	22,611	11,372
Trade and other receivables	6	359,030	375,286	583,260
Right of use asset		548	921	1,474
Development work-in-progress	7	27,584	488,486	793,802
Recoverable infrastructure costs, net	22	378,350	378,350	378,350
Investment properties	8	4,069,249	4,067,659	3,562,411
Property, plant and equipment	9	149,709	151,929	156,438
Deferred tax assets	10	64,747	32,874	6,543
Total assets		5,075,531	5,518,116	5,493,650
EQUITY AND LIABILITIES				
Share capital	11	2,600,000	2,600,000	2,600,000
Reserves		419,810	419,810	430,667
(Accumulated deficit) retained earnings		(213,784)	89,561	82,158
Total equity		2,806,026	3,109,371	3,112,825
LIABILITIES				
Trade and other payables	12	1,018,232	1,155,568	955,677
Provision for tax		2,226	3,222	4,522
Deferred tax liabilities	10	13,175	13,175	-
Lease liabilities		569	944	1,499
Bank borrowings	13	1,212,894	1,212,894	1,396,503
Advance from customers		14,174	14,081	14,164
Employees' end of service benefits		8,235	8,861	8,460
Total liabilities		2,269,505	2,408,745	2,380,825
Total equity and liabilities		5,075,531	5,518,116	5,493,650



Mr. Mohamed M. Al Qubaisi
Chairman
October 09, 2026



Mr. Mamdouh Fathy
Chief Executive Officer

MANAZEL PJSC**Condensed interim consolidated statement of profit and loss and comprehensive income for the six months period ended June 30, 2026**

		6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) Restated
	Note		
Revenue	15	211,501	47,732
Cost of revenue	15	(485,959)	(29,566)
Gross (loss) profit		(274,458)	18,166
Other income		1,365	423
		(273,093)	18,589
General and administrative expenses	16	(23,794)	(25,495)
Selling and marketing expenses		(209)	(206)
Impairment (loss) reversal on financial assets	17	(432)	43,485
Finance cost	18	(37,690)	(56,155)
Net loss before tax for the period		(335,218)	(19,782)
Tax benefit (expense)	10	31,873	(390)
Net loss after tax for the period		(303,345)	(20,172)
Other comprehensive income:			
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		(303,345)	(20,172)
Loss per share			
Basic and diluted loss (In AED per share)	4	(0.11667)	(0.00776)

The notes on pages 7 to 25 form part of the condensed interim consolidated financial information

MANAZEL PJSC

Condensed interim consolidated statement of changes in equity for the six months ended June 30, 2026

	Share capital	Statutory reserve	Fair value reserve	Revaluation reserve for property, plant and equipment	Excess of cash consideration over net assets relating to acquisition of non- controlling interest	Total reserves	Retained earning (Accumulated deficit)	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Balance at December 31, 2024 (audited - as previously reported)	2,600,000	290,641	(75,958)	293,369	(153,343)	354,709	(19,081)	2,935,628
Effect of restatement (Note 21)	-	-	75,958	-	-	75,958	101,239	177,197
Balance at December 31, 2024 (audited - restated)	2,600,000	290,641	-	293,369	(153,343)	430,667	82,158	3,112,825
Total comprehensive income for the period (restated) (Note 21)	-	-	-	-	-	-	(20,172)	(20,172)
Balance at June 30, 2025 (unaudited - restated)	2,600,000	290,641	-	293,369	(153,343)	430,667	61,986	3,092,653
Balance at December 31 2025 (audited - restated)	2,600,000	290,641	-	282,512	(153,343)	419,810	89,561	3,109,371
Total comprehensive loss for the period	-	-	-	-	-	-	(303,345)	(303,345)
Balance at June 30, 2026 (Unaudited)	2,600,000	290,641	-	282,512	(153,343)	419,810	(213,784)	2,806,026

The notes on pages 7 to 25 form part of the condensed interim consolidated financial information

MANAZEL PJSC**Condensed interim consolidated statement of cash flows for the six months ended June 30, 2026**

		6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) <u>Restated</u>
Cash flows from operating activities	Note		
Net loss before tax for the period		(335,218)	(19,782)
Adjustments for:			
Depreciation on property and equipment	9	2,283	2,698
Impairment loss on development work in progress	7	70,467	-
Impairment loss (reversal) on financial assets	6	432	(43,485)
Finance cost	18	37,690	56,155
Provision for employees' end of service benefits		358	281
Operating loss before working capital changes		(223,988)	(4,133)
Decrease/(increase) in development work in progress	7	390,689	(458)
Decrease in trade and other receivables	6	15,496	194,238
Increase in advance from customers		106	113
(Decrease)/increase in trade and other payables	12	(175,760)	84,368
Cash generated from operations		6,543	274,128
Employees' end of service benefits paid		(1,186)	(1,585)
<i>Net cash generated from operating activities</i>		<u>5,357</u>	<u>272,543</u>
Cash flows from investing activities			
Purchase of property and equipment	9	(64)	(161)
Proceeds from disposal of investment properties	8	2,900	-
Purchase of investment properties	8	(4,490)	(239,892)
<i>Net cash used in investing activities</i>		<u>(1,654)</u>	<u>(240,053)</u>
Cash flows from financing activities			
Increase in bank borrowings		-	(20,882)
Repayment of principal portion of lease liabilities		-	(369)
<i>Net cash used in financing activities</i>		<u>-</u>	<u>(21,251)</u>
Net increase in cash and cash equivalents		<u>3,703</u>	<u>11,239</u>
Cash and cash equivalents at beginning of the period		<u>21,586</u>	<u>10,347</u>
Cash and cash equivalents at end of the period	5	<u><u>25,289</u></u>	<u><u>21,586</u></u>

The notes on pages 7 to 25 form part of the condensed interim consolidated financial information

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026****1 Corporate Information**

Manazel PJSC (the "Company" or the "Parent") was established on April 12, 2006 as a private jointstock company and was registered on 13 May 2006 under license number CN - 1005008 with the Department of Economic Development, Abu Dhabi, United Arab Emirates.

The Company and its subsidiaries (together referred to as the "Group") are principally engaged in the Shari'a compliant real estate business including development, sales, investment, construction, management and associated services.

1.1 Operational subsidiaries

Sl.No	Company	Country of incorporation
1	Manazel International Capital - Jordan L.L.C.	Jordan
2	Manazel International Capital Co. L.L.C	U.A.E
3	Manazel International Capital - Saudi Arabia Ltd	K.S.A
4	Manazel Specialists Real Estate L.L.C.	U.A.E
5	Census International Company L.L.C.	U.A.E
6	Capital Cooling L.L.C.	U.A.E
7	The Outlet Capital Mall L.L.C.	U.A.E
8	Al Reef Capital Real Estate L.L.C.	U.A.E
9	Merzab Community Development Real Estate Sole Proprietorship L.L.C	U.A.E
10	The Guard Public Security Guarding Services L.L.C.	U.A.E
11	Tatweer Capital Co. L.L.C*	U.A.E
12	Tools Man General Maintenance L.L.C.	U.A.E

1.2 Non operational subsidiaries

Sl.No	Name of Subsidiaries	Country of incorporation
1	Edara Company L.L.C.	U.A.E
2	Manazel Capital Real Estate Owned by Manazel Real Estate - PJSC-Sole Proprietorship L.L.C.	U.A.E
3	Manazel Malls L.L.C.	U.A.E
4	Manazel International General Contracting L.L.C.	U.A.E
5	Manazel Health Care L.L.C.	U.A.E
6	Bayti Engineering Consultancy L.L.C.	U.A.E
7	Manazel Cinema L.L.C.	U.A.E
8	Karak Drive Cafe L.L.C.	U.A.E
9	City Loop L.L.C.	U.A.E
10	Al Manazel Real Estate Owned by Manazel Real Estate PJSC - Sole Proprietorship L L C	U.A.E
11	Manazel Hospitality L.L.C.	U.A.E
12	Manazel International Capital - Saudi Arabia Ltd	K.S.A
13	Portel Parcel Services L.L.C.	U.A.E

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****1 Corporate Information (Continued)****1.2 Non operational subsidiaries (Continued)**

These companies remained dormant during the period.

*Tatweer Capital Co. L.L.C. shares are registered in the name of two key managerial persons. These persons have collateralised their share fully in favour of the Company and empowered the Company to act by proxy in respect of the total shares with an assignment of all rights and obligations relating to the shares of the Company. The proxy is irrevocable unless otherwise agreed in writing by the Company.

The interim condensed consolidated financial information of the Group for the period ended June 30 2026 were authorized for issuance by the Board of Directors on October 09, 2026

2 Basis of presentation and accounting policies**2.1 Basis of preparation**

The interim condensed consolidated statement of financial information have been prepared on a going concern basis and in accordance with and comply with IAS 34 "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB) as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable requirements of the laws of the U.A.E.

The interim condensed consolidated financial information does not include all the statements and disclosures required in the annual financial information and should be read in conjunction with the Group's annual consolidated financial statements for the year ended December 31, 2025. In addition, the results for the six months period ended June 30, 2026, are not necessarily indicative of the results of the Group that may be expressed for the financial year ending December 31, 2026.

The same accounting policies, presentation and methods of computation have been followed in this interim condensed consolidated financial information as were applied in preparing and presenting the annual consolidated financial statements for the year ended December 31, 2025. Specific disclosure notes/numbers have been reclassified and rearranged from the prior period condensed interim financial information to conform to the current period's presentation.

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

2.2 Basis of consolidation

The condensed interim consolidated financial information incorporate the financial information of Manazel PJSC (the Parent) and the entities controlled by the Parent. Control is achieved when the Parent:

- Has power over the investee;
- Is exposed, or has the rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Parent obtains control, and continue to be consolidated until the date when such control ceases. The Parent reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Parent has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent considers all relevant facts and circumstances in assessing whether or not the Parent's voting rights in an investee are sufficient to give it power, including:

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****2 Basis of presentation and accounting policies (Continued)****2.2 Basis of consolidation (Continued)**

- The size of the Parent's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Parent, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Parent has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at the previous Shareholders' meeting.

When the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the cumulative translation differences recorded in equity;
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained;
- Recognizes any surplus or deficit in the consolidated statement of comprehensive income;
- Reclassifies the Parent's share of components previously recognized in other comprehensive income to profit and loss or retained earnings, as appropriate.

Where necessary, adjustments are made to the condensed interim consolidated financial information of subsidiaries to bring their accounting policies into line with those adopted at the Group level.

2.2.1 Eliminations on consolidation

Inter-entity transactions, balances, income and expenses from transactions between entities are eliminated. Profits and losses resulting from inter-entity transactions that are recognized in the assets are also eliminated. Interim condensed consolidated financial information are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.2.2 Non-controlling interests

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. After the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and non-controlling interests.

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****2 Basis of presentation and accounting policies (Continued)****2.2 Basis of consolidation (Continued)****2.2.2 Non-controlling interests (Continued)**

Total comprehensive income of the subsidiaries is attributed to the owners of the Group and the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Group.

2.2.3 Loss of control

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest and
- the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognized in other comprehensive income concerning that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable or the cost on initial recognition of an investment in an associate or a joint venture.

2.3 Material accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial information for the year ended December 31 2025, except for the adoption of new standards and amendments to standards effective for the annual periods beginning on or after January 1 2026.

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

Impact of accounting standards to be applied in future periods

The IASB has issued new standards and amendments that are not yet effective for the reporting period ended 30 June 2026 and have not been early adopted by the Group. These include IFRS 18 Presentation and Disclosure in Financial Statements, which introduces new requirements for presentation and disclosure in the financial statements, including specified subtotals in the statement of profit or loss, classification of income and expenses into defined categories and disclosures of management-defined performance measures. IFRS 18 also includes consequential amendments to other standards, including IAS 7 and IFRS 7. The Group is currently assessing the impact of IFRS 18 on the interim condensed consolidated financial statements.

Other new standards and amendments issued but not yet effective are not expected to have a material impact on the Group's interim condensed consolidated financial statements

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****3 Significant accounting Judgements and key sources of estimation uncertainty**

The preparation of these condensed interim consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis in preparing these condensed financial information, the significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those applied in the Group consolidated financial statements as at and for the year ended December 2025, except for the effects of the adoption of new standards and interpretations effective from January 01, 2026.

The following key judgements and estimates were applied in the preparation of these condensed interim consolidated financial information.

Classification of properties

In the process of classifying properties, management has made various judgements. Judgement is needed to determine whether a property qualifies as an investment property, property, plant and equipment, development work-in-progress and/or property held for sale. The Group develops criteria so that it can exercise that judgement consistently in accordance with the definitions of investment property, property, plant and equipment, development work-in-progress and property held for sale. In making its judgement, management considered the detailed criteria and related guidance for the classification of properties as set out in IAS 2, IAS 16, and IAS 40, in particular, the intended usage of property as determined by management.

Transfer to/from investment properties

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease. Transfers are made from investment properties when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to owner-occupation or sell.

Reimbursement of infrastructure-related costs

The Group, being master developer for real estate projects, incurs certain infrastructure related costs relating to development of projects which are reimbursable by government and related authorities as per the memorandum of understanding and / or acknowledgements by such government-related authorities. Determination of the amount of reimbursement of costs recoverable from government authorities requires significant judgement. The management takes into account the latest communications with the related government-related authorities. As at 30 June 2026, the Group has an outstanding amount of AED 378 million, adjusted for expected credit losses (December 31, 2025: AED 378 million) representing costs reimbursable by the relevant authorities. Any difference between the amounts actually reimbursed by the government-related authorities in future periods and the amounts expected will be recognised in the profit or loss. Management has determined that the amounts to be collected is as a minimum, expected to cover the amounts currently recognised as receivable and, therefore, not exposed to additional credit risk.

Cash flows supporting going concern assumption

The condensed interim consolidated financial information of the Group has been prepared on a going concern basis as the management is confident in generating adequate cash flows to meet the Group's working capital and financial commitments as they fall due covering a period at least 12 months from June 30, 2026. Judgement is required in the assessment of the key cash flow assumptions which are most sensitive to applying the going concern basis of accounting.

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****4 Basic and diluted earnings per share attributable to ordinary equity holders of the parent**

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive instruments.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) <u>Restated</u>
Loss for the period attributable to equity holders	(303,345)	(20,172)
Weighted average number of ordinary shares at January 1 in issue	2,600,000	2,600,000
Weighted average number of ordinary shares at June 30 in issue	2,600,000	2,600,000
Basic and diluted loss per share	<u>(0.11667)</u>	<u>(0.00776)</u>

The Group does not have any instruments which would have a dilutive impact on earnings per share when converted or exercised.

5 Bank balances and cash

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) <u>Restated</u>
Bank balances and cash	25,289	21,586
Restricted deposits	<u>1,025</u>	<u>1,025</u>
Bank balances and cash	26,314	22,611
Restricted deposits	<u>(1,025)</u>	<u>(1,025)</u>
Cash and cash equivalent	<u>25,289</u>	<u>21,586</u>

Restricted deposits represent deposits held with an islamic bank in Abu Dhabi and can be utilised for certain specific purpose.

MANAZEL PJSC

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)

6 Trade and other receivables

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) <u>Restated</u>
Trade receivables	187,179	202,992
Prepayments	8,626	10,796
Advances	313,393	313,034
Receivable from sale of properties	197,357	201,176
Rent receivable	156,583	150,109
Others	45,539	46,394
	<u>908,677</u>	<u>924,501</u>
Less: Allowance for expected credit losses	<u>(549,647)</u>	<u>(549,215)</u>
	<u><u>359,030</u></u>	<u><u>375,286</u></u>

7 Development work-in-progress

Development work-in-progress represents development and construction costs incurred on properties being constructed, and the movement during the period/year is as follows:

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) <u>Restated</u>
Opening balance	488,486	793,802
Additions during the period/ year	254	561
Transfer to investment properties	-	(174,779)
Impairment during the period/ year	(70,467)	(1,098)
Cost of properties sold during the period/year	<u>(390,689)</u>	<u>(130,000)</u>
Balance at June 30/ December 31	<u><u>27,584</u></u>	<u><u>488,486</u></u>

During the period, the Group transferred certain plots of land classified as development work-in-progress, having a carrying amount of AED 390.7 million, to a counterparty in settlement of an outstanding obligation of AED 171.6 million. The settlement arose following the Group's inability to transfer certain villas previously agreed with the counterparty due to a court-directed transfer of those villas to another party. Accordingly, the Group derecognised the development properties transferred and settled the related obligation.

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****8 Investment Properties**

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) <u>Restated</u>
Commercial properties	<u>4,069,249</u>	<u>4,067,659</u>

The fair valuation of the investment properties was performed for the financial year ended December 31, 2025, As at 30 June 2026, management performed an assessment of the carrying values of the investment properties and concluded that there were no material changes in the fair values of the properties since the last external valuation. Accordingly, no fair value adjustment has been recognised during the period ended June 30, 2026.

Movement in investment properties during the period/year is as follows:

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) <u>Restated</u>
Balance at January 1	4,067,659	3,562,411
Additions during the period/year	4,490	433,550
Transfers from development work-in-progress	-	174,779
Disposal during the period/year	(2,900)	(416,705)
Loan settlement	-	(56,250)
Change in fair value during the period/ year, net	-	369,874
Balance at June 30/ December 31	<u>4,069,249</u>	<u>4,067,659</u>

Investment properties include the Capital Mall and Ghantoot lands with fair values of AED 1.5 billion and AED 378 million, respectively, as at the reporting date. The legal titles to the Capital Mall and Ghantoot lands are registered in the names of United Group Holdings and East and West Properties, respectively. However, the beneficial ownership of these properties rests with the Group, which holds the substantive rights and obligations associated with the properties. Accordingly, the properties are recognised as investment properties in the condensed interim consolidated statement of financial position and are measured at fair value in accordance with the Group's accounting policy for investment properties.

9 Property, plant and equipment

During the period, additions in property, plant and equipment amounted to AED 64 thousand (December 31, 2025: AED 292 thousand) and depreciation charge amounted to AED 2.283 million (six-month period ended June 30, 2025: AED 2.16 million).

MANAZEL PJSC

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)

10 Corporate tax

Tax expense is calculated at 9% for the period ended 30 June 2026, representing the best estimate of the average annual effective tax rate expected to apply for the full period, applied to the pre tax income for the period.

	6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) Restated
Current tax		
Current income tax		
Current income tax charge	-	(348)
Deferred income tax		
Relating to taxable losses carried forward	31,873	(42)
Current tax benefit (expense) recognized in condensed interim consolidated statement of profit or loss and other comprehensive income	31,873	(390)
Reconciliation of current tax and accounting profit:		
Loss before tax for the period	(335,218)	(20,172)
Add: tax adjustments	(18,923)	5,430
Less: exempt threshold	-	(750)
Tax base	(354,141)	(15,492)
Tax at the applicable rate of 9%	(31,873)	390
Tax (benefit) expense during the period	(31,873)	390

Deferred tax asset

	Temporary difference AED'000	Tax rate	Deferred tax asset AED'000
Opening balance at January 01, 2026	365,262	9%	32,874
Taxable losses carried forward	354,141	9%	31,873
Closing balance at June 30, 2026	719,403		64,747

Deferred tax liability

	Temporary difference AED'000	Tax rate	Deferred tax liability AED'000
Unrealised gain and depreciation cost carried forward	146,387	9%	13,175

MANAZEL PJSC

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)

11 Share capital

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) Restated
Authorized, issued and fully paid-up capital of AED 1/- each	2,600,000	2,600,000

12 Trade and other payables

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) Restated
Trade payables	153,896	333,800
Dividend payable	91,607	91,621
Payable against purchase of land	367,078	367,079
Accruals	31,360	30,662
Retentions	18,104	18,105
Deferred income	63,223	57,772
Finance cost payable	267,995	231,253
Refundable deposit	11,585	11,909
Others	13,384	13,367
	1,018,232	1,155,568

13 Bank borrowings

The following facilities represent financing from banks:

	Expected profit	Maturity	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) Restated
Term financing arrangement 1*	Variable rate	2013 to 2026	69,943	69,943
Term financing arrangement 2	Variable rate	2016 to 2025	32,799	32,799
Term financing arrangement 3	Variable rate	2016 to 2023	440,000	440,000
Term financing arrangement 4	Variable rate	2016 to 2023	327,000	327,000
Term financing arrangement 5	Variable rate	2019 to 2025	177,762	177,762
Term financing arrangement 6	Variable rate	2019 to 2025	37,890	37,890
Term financing arrangement 7	Variable rate	2021 to 2031	127,500	127,500
			1,212,894	1,212,894

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****13 Bank borrowings (Continued)**

Movements in bank borrowings during the period are as follows:

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) <u>Restated</u>
As at January 1	1,212,894	1,396,503
Repayment of bank borrowings	<u>-</u>	<u>(183,609)</u>
Closing balance	<u><u>1,212,894</u></u>	<u><u>1,212,894</u></u>

*This financing facility has been subject to legal proceedings with the lender. In previous years, a court judgment was issued pursuant to which the outstanding balance was required to be settled in 17 instalments. The Group has not made the instalment payments in accordance with the repayment schedule prescribed by the court judgment.

The management is in the process of restructuring bank financing facilities as at 30 June 2026. No principal and finance cost repayments were made in respect of these facilities during the six-month period ended 30 June 2026. The restructuring discussions with the respective lenders are ongoing and, as at the date of approval of this condensed interim consolidated financial information, no restructuring arrangements have been finalized. Management continues to monitor the progress of the restructuring discussions and the Group's liquidity position.

Bank borrowings are secured by several security documents, including registered mortgages over various properties of the Group and assignment of rental proceeds. Bank borrowings carry a profit range of 5.5% to 6.6% per annum.

14 Related parties transactions and balances

These represent transactions with related parties, i.e. associated companies, major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. The management approves pricing policies and terms of these transactions.

Significant transactions in the income statement with related parties during the period were as follows:

	6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) <u>Restated</u>
Key management remuneration	6,942	6,007
Short-term employment benefits	318	1,093
Number of key management personnel	<u><u>10</u></u>	<u><u>8</u></u>

MANAZEL PJSC

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)

15 Revenue and cost of revenue

	6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) Restated
Revenue		
Property management fees	8,229	8,977
Rental income	22,093	26,698
Revenue from district cooling services	2,102	1,943
Facility management services and others	7,527	10,114
Sale of properties (refer note 7)	171,550	-
	<u>211,501</u>	<u>47,732</u>
Cost of revenue		
Operating cost of rental properties	13,104	14,239
Cost of property management	4,531	5,846
Cost of district cooling services	1,676	1,912
Cost of facility management services and others	5,492	7,569
Cost of properties sold (refer note 7)	390,689	-
Impairment loss on development work in progress (refer note 7)	70,467	-
	<u>485,959</u>	<u>29,566</u>

16 General and administrative expenses

	6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) Restated
Payroll and employee-related expenses	13,927	14,404
Depreciation	484	483
Rent expense	269	212
Legal and professional charges	4,995	8,190
Transportation expense	121	123
Other expenses	3,998	2,083
	<u>23,794</u>	<u>25,495</u>

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)****17 Impairment (loss) reversal on financial assets**

During the six-month period ended 30 June 2026, the Group recognized impairment losses on trade receivables under the IFRS 9 expected credit loss model. The comparative period included a reversal of a previously recognized expected credit loss allowance relating to a specific receivable balance, which was settled during the six-month period ended 30 June 2025 through the buyback of residential properties from the same customer. Accordingly, the related loss allowance was reversed and recognized in profit or loss during the comparative period.

18 Finance cost

	6 months ended June 30, 2026 AED'000 (Unaudited)	6 months ended June 30, 2025 AED'000 (Unaudited) Restated
Finance costs incurred during the period (net of reversals)	37,690	71,971
Unwinding of discount of receivable/payables*	-	(15,816)
Finance cost charged to condensed interim statement of profit or loss and other comprehensive income	37,690	56,155

*Unwinding of discounting on receivables majorly includes the unwinding during buyback of properties.

19 Contingencies and commitments**Commitments**

Development expenditure and investments contracted for at the end of the reporting period but not provided for are as follows:

	June 30, 2026 AED'000 (Unaudited)	December 31, 2025 AED'000 (Audited) Restated
Development work-in-progress, investment properties under construction	-	250,000

Contingencies

There are certain claims under litigation against the Group. Although it is not possible at this time to predict the outcome of these claims, management does not expect these claims to have a material adverse effect on the Group's financial position.

20 Segment information

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the management of the Group to allocate resources to the segment and assess its performance. Information is reported to the chief operating decision-makers for resource allocation, and performance assessment is based on the following strategic business units offering products and services to the different markets. Segment performance is evaluated based on gross profit and changes in fair values of investment properties, and reversal of impairments.

The Group is operating in the United Arab Emirates only.

MANAZEL PJSC,

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)

20 Segment information (Continued)

The following table represents the revenue and profit information for the Group's operating segments for the six months ended June 30 2026 and June 30 2025.

Six months ended June 30 2026 (Unaudited)

	Investment properties portfolio	Property development and sales	Property management fee and related activities	District cooling services	Facility management and others	Group
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	22,093	171,550	8,229	2,102	7,527	211,501
Cost of revenue	(13,102)	(461,156)	(4,531)	(1,676)	(5,494)	(485,959)
Segment profit/(loss)	8,991	(289,606)	3,698	426	2,033	(274,458)
Selling and marketing expenses						(209)
General and administrative expenses						(23,794)
Loss allowances written back						(432)
Finance costs						(37,690)
Other income						1,365
Loss before tax for the period						(335,218)
CT tax expense						31,873
Net loss after tax						(303,345)

MANAZEL PJSC,

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 *(Continued)*20 Segment information *(Continued)*

Six months ended June 30 2025 (Unaudited)

	Investment properties portfolio AED'000	Property management fee and related activities AED'000	District cooling services AED'000	Facility management and others AED'000	Group AED'000
	Restated	Restated	Restated	Restated	Restated
Revenue	26,698	8,977	1,943	10,114	47,732
Cost of revenue	(14,239)	(5,846)	(1,912)	(7,569)	(29,566)
Segment profit/(loss)	12,459	3,131	31	2,545	18,166
Selling and marketing expenses					(206)
General and administrative expenses					(25,495)
Reversal of impairment on financial assets					43,485
Finance costs					(56,155)
Other income					423
Loss before tax for the period					(19,782)
CT tax expense					(390)
Net loss after tax					(20,172)

MANAZEL PJSC,

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 *(Continued)***20 Segment information *(Continued)***

The following table represents the assets and liabilities for the Group's operating segments as at June 30 2026 and June 30 2025.

	Property development and sales AED'000	Investment properties portfolio AED'000	Property management fee and related activities AED'000	District cooling services AED'000	Facility management and others AED'000	Total segments AED'000	Unallocated AED'000	Consolidated AED'000
As at June 30 2026 (Unaudited)								
Assets	545,905	29,378	4,069,248	145,783	3,809	4,794,123	281,408	5,075,531
Liabilities	<u>(1,610,187)</u>	<u>(9,002)</u>	<u>(148,612)</u>	<u>(1,242)</u>	<u>(3,914)</u>	<u>(1,772,957)</u>	<u>(496,548)</u>	<u>(2,269,505)</u>
As at June 30 2025 (Unaudited)								
Assets	2,091,875	30,028	2,778,261	151,587	7,007	5,058,758	281,924	5,340,682
Liabilities	<u>(1,570,839)</u>	<u>(25,759)</u>	<u>(157,253)</u>	<u>(7,895)</u>	<u>(7,012)</u>	<u>(1,768,758)</u>	<u>(637,033)</u>	<u>(2,405,791)</u>

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)**

21 Effect of restatement

During the current period, management identified certain errors relating to prior years. In accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates' and Errors, the comparative information has been restated and the cumulative effect of the corrections as at the beginning of the earliest practicable years has been recognized in opening retained earnings.

Furthermore previous period's figures have also been regrouped or reclassified wherever necessary to conform to the current period's presentation.

Details of the restatement is as follows:

(a) Reclassification of land from property, plant and equipment to investment properties

Management identified the classification and intended use of certain land and determined that the change in use from owner-occupied property to investment properties had occurred in 2021. Accordingly, the properties should have been reclassified from property, plant and equipment to investment properties from that time. The comparative financial information has therefore been restated to reflect the appropriate classification of these land.

Following the reclassification, the properties have been measured at fair value in accordance with the Group's accounting policy for investment properties. The fair value movements that should have been recognised in the profit or loss in the respective prior periods have also been recognized as part of the restatement. The cumulative effect relating to periods preceding the earliest comparative period presented has been recognised in opening retained earnings.

(b) Recognition of accrued finance cost

Management identified that finance costs relating to certain outstanding borrowings had not been accrued in the appropriate reporting periods. The unrecorded finance costs relate to the financial years ended 31 December 2024 and 31 December 2025.

Accordingly, the comparative financial information has been restated to recognise the finance costs attributable to the respective prior years, together with the corresponding liability.

(c) Reversal of fair value reserve relating to disposed investment

Management identified that a fair value reserve relating to an investment disposed of in 2016 had remained within equity following the disposal. Accordingly, the comparative financial information has been restated to transfer the related reserve balance to retained earnings as a correction of a prior-period error.

(d) Correction in accounting of sale of development work-in-progress

Management identified an error in the accounting for the sale of development properties pursuant to an agreement dated 10 July 2025. The Group had erroneously derecognised development work in progress based on the sales consideration rather than its carrying cost. In addition, the related sale and cost of properties sold were not recorded. Consequently, development work-in-progress was understated by AED 50 million, revenue was understated by AED 80 million and cost of properties sold was understated by AED 130 million. The error has been corrected retrospectively by restating the comparative financial information.

MANAZEL PJSC

Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)

21 Effect of restatement (Continued)

Consolidated statement of financial position for the year ended December 31, 2025	As previously reported AED'000 (Audited)	Restatement AED'000 (Audited)	As restated AED'000 (Audited)
Investment properties	2,975,287	1,092,372	4,067,659
Property, plant and equipment	922,198	(770,269)	151,929
Development work-in-progress	538,486	(50,000)	488,486
Retained earning	6,173	83,388	89,561
Reserves	343,852	75,958	419,810
Trade and other payables	1,042,810	112,758	1,155,568
Condensed interim consolidated statement of profit and loss and other comprehensive income for the period ended June 30, 2025	As previously reported AED'000 (Unaudited)	Restatement AED'000 (Unaudited)	As restated AED'000 (Unaudited)
Finance costs	(36,720)	(19,435)	(56,155)

Consolidated statement of financial position for the year ended December 31, 2024	As previously reported AED'000 (Audited)	Restatement AED'000 (Audited)	As restated AED'000 (Audited)
Investment properties	2,482,872	1,079,539	3,562,411
Property, plant and equipment	984,892	(828,454)	156,438
Retained earning	(19,081)	101,239	82,158
Reserves	354,709	75,958	430,667
Trade and other payables	881,789	73,888	955,677

22 Recoverable infrastructure cost

Recoverable infrastructure costs represent amounts receivable from government-related entities in respect of infrastructure costs incurred by the Group between 2017 and 2021 in connection with the development of Al Reef 1 and Al Reef 2. The Group incurred total infrastructure costs amounting to AED 585 million. Up to June 30, 2026, the Group had received AED 171 million. The remaining amount of AED 414 million has been claimed from the relevant government entities and remains under discussion as at the reporting date.

In previous years, the Group recognised an impairment allowance of AED 36 million against the outstanding receivable. Management has assessed the recoverability of the outstanding balance based on the status of the claims and other relevant information available as at the reporting date. Accordingly, no additional impairment allowance was recognised during the six-month period ended June 30, 2026. The net carrying amount of the infrastructure cost reimbursement receivable as at June 30, 2026 amounts to AED 378 million.

MANAZEL PJSC**Notes to the condensed interim consolidated financial information for the six months period ended June 30, 2026 (Continued)**

23 Going concern

The Group incurred a net loss of AED 303.3 million for the period ended 30 June 2026 and had an accumulated deficit of AED 213.7 million as at that date. The Group also has limited ongoing development activities and experienced delays in the recovery of significant receivable balances, and remains dependent on the successful restructuring of its financing arrangements. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

The condensed interim consolidated financial information has been prepared by the Management on a going concern basis. In making this assessment, the Board of Directors and Management have considered that the Group is actively pursuing the recovery of significant receivable balances and continuing discussions with lenders to restructure financing arrangements and align repayment obligations. In addition, Management is progressing the necessary arrangements to commence the development of a new project by 2027. These initiatives are expected to enhance the Group's liquidity position and support its ability to continue as a going concern. Accordingly, the Board of Directors has, at the time of approving this condensed interim consolidated financial information, reasonable expectation that the Group has adequate resources to continue to operate in the foreseeable future. Hence, this condensed interim consolidated financial information have been prepared on a going concern basis.

24 Dividend

No dividends were declared and paid during the six-month period ended June 30, 2026.

25 Events after the reporting period*Disposal of subsidiary*

On 31 August 2026, subsequent to the reporting date, the Group transferred its entire ownership interest in Manazel International Capital LLC, a wholly owned subsidiary holding interests relating to a land project in Jordan, as part of an arrangement with Arakar Alternative Fund I. Under the arrangement, the transfer represents an in-kind contribution in consideration for units in Arakar Alternative Fund I, with no cash consideration payable.

As at the date of approval of these condensed interim consolidated financial information, the subscription and issuance of the corresponding units in Arakar Alternative Fund I is under process and has not yet been completed.