

P N C Investments L.L.C

Unaudited Condensed Consolidated Interim
Financial Information

For the period ended June 30, 2025

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information
For the period ended June 30, 2025

Table of contents

	Page
Directors' report	1
Report on Review of Unaudited Condensed Consolidated Interim Financial Information	2
Condensed consolidated statement of financial position	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of changes in equity	5
Condensed consolidated statement of cash flows	6
Notes to the unaudited condensed consolidated interim financial information	7 – 39

Directors' report

The Directors are pleased to submit their report along with the unaudited condensed consolidated interim financial information of P N C Investments L.L.C (the "Company") and its subsidiaries (together referred to as the "Group") for the six-month period ended June 30, 2025.

Main business and operations

The principal activities of the Group are real estate development, investment in land and properties, security control services, general security guard services, sales development, asset holding company, capital investment, district cooling services, refrigeration and cold storage equipment trading and management in various enterprises.

The operating results and financial position of the Group are fully set out in the attached unaudited condensed consolidated interim financial information.

The Group reported a net profit of AED 1,940,088 thousand (unaudited) for the six-month period ended June 30, 2025 (2024: AED 1,059,782 thousand (unaudited)).

Sukuk listing

On July 17, 2023, Sobha Sukuk Limited (the "SPV I"), issued 300,000 five-year Sukuk Certificates with a face value of USD 1,000 each, listed on London Stock Exchange and Nasdaq Dubai (ISIN: XS2633136234), an international financial exchange in the Middle East, amounting to USD 300 million with a coupon rate of 8.75% per annum payable semi-annually from January 17, 2024.

On December 6, 2023, P N C Investments L.L.C (the obligor of Sukuk Certificates issued by Sobha Sukuk Limited or 'Sukuk Certificates' or 'Trust Certificates') repurchased and cancelled Trust Certificates with a face value of USD 15 million. Further, on May 29, 2024, the Company repurchased and cancelled Trust Certificates with a face value of USD 15 million.

On September 17, 2024, the SPV I further issued 230,000 Sukuk Certificates with a face value of USD 1,000 each, to form a single series with the 300,000 Sukuk Certificates previously issued on July 17, 2023, resulting in a total of 500,000 Sukuk Certificates with a maturity date of July 17, 2028.

On May 19, 2025, Sobha Sukuk I Holding Limited (the "SPV II"), issued 500,000 45 month Sukuk Certificates with a face value of USD 1,000 each, listed on London Stock Exchange and Nasdaq Dubai (ISIN: XS3073626601), an international financial exchange in the Middle East, amounting to USD 500 million with a coupon rate of 7.955% per annum payable semi-annually from November 19 2025.

As at the reporting date, Sukuk Certificates with a face value of USD 500 million each remain issued and outstanding by SPV I and SPV II. The fair value of the Sukuk Certificates issued by SPV I and SPV II as of the reporting date was USD 1,038.09 and USD 1,023.4 per sukuk respectively.

Going concern

As at the reporting date, the Directors have considered the going concern basis of accounting in preparing the unaudited condensed consolidated interim financial information. Based on their assessment, the business of the Group is a going concern, with no material uncertainties that would prevent it from continuing its operations for the foreseeable future.

Directors

The Directors during the period and to the date of this report are:

- Mr. Francis Alfred;
- Mr. Jyoti Kumar Agarwal (resigned on February 5, 2025);
- Mr. Ravi PNC Menon; and
- Mr. Mahmoud Al Burai.

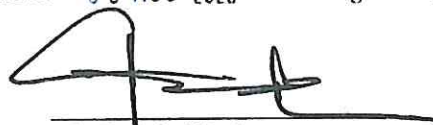
Auditors

Grant Thornton were appointed to review the unaudited condensed consolidated interim financial information for the six-month period ended June 30, 2025. The Directors resolved to release Grant Thornton from any liabilities arising from the review of the unaudited condensed consolidated interim financial information for the six-month period ended June 30, 2025.

The unaudited condensed consolidated interim financial information for the six-month period ended June 30, 2025 (including comparatives) were approved by the Board on 05 AUG 2025 and signed on their behalf by:



Mr. Ravi PNC Menon
Director
Dubai, United Arab Emirates



Mr. Francis Alfred
Director
Dubai, United Arab Emirates

**Report on Review of Unaudited Condensed Consolidated Interim Financial Information
To the Shareholders of P N C Investments L.L.C***Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of P N C Investments L.L.C (the "Company") and its subsidiaries (together referred to as the "Group") as of June 30, 2025 and the related condensed consolidated statements of comprehensive income, changes in equity, cash flows for the six-month period then ended, and material accounting policy information and selected explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 ("IAS 34") *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on this unaudited condensed consolidated interim 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 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 condensed consolidated interim financial information does not present fairly, in all material respects, the condensed consolidated financial position of the Group as at June 30, 2025, and of its condensed consolidated financial performance and its condensed consolidated cash flows for the six-month period then ended in accordance with IAS 34.


GRANT THORNTON UAE
Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates**5 August 2025**

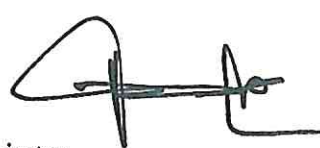
P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Condensed consolidated statement of financial position
As at June 30, 2025

	Notes	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
ASSETS			
Non-current			
Property and equipment	6	428,976	272,753
Intangible assets	7	11,713	5,314
Right-of-use assets	8	94,974	19,567
Investment properties	9	626,300	3,038,826
Investment in joint ventures	11	866,057	425,391
		<u>2,028,020</u>	<u>3,761,851</u>
Current			
Properties under development	10	5,448,602	2,939,949
Trade and other receivables	13	7,753,860	6,253,750
Due from related parties	15	416,672	171,666
Cash and cash equivalents	14	5,634,514	2,825,892
		<u>19,253,648</u>	<u>12,191,257</u>
TOTAL ASSETS		<u>21,281,668</u>	<u>15,953,108</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	16	300	300
Statutory reserve	17	1,150	1,150
Retained earnings		10,657,664	9,019,362
Capital contribution	18	1,000,000	-
Total equity attributable to Shareholders of the Company		<u>11,659,114</u>	<u>9,020,812</u>
Non-controlling interest	19	188,995	188,999
TOTAL EQUITY		<u>11,848,109</u>	<u>9,209,811</u>
LIABILITIES			
Non-current			
Employees' end of service benefits	21	19,949	16,321
Borrowings	22	3,736,078	1,941,862
Loan from shareholders	15	-	1,000,000
Finance lease liabilities	23	71,942	20,033
Trade and other payables	24	599,977	308,014
Deferred tax liability	31	4,305	38,713
		<u>4,432,251</u>	<u>3,324,943</u>
Current			
Borrowings	22	243,622	67,594
Finance lease liabilities	23	24,126	-
Trade and other payables	24	4,520,779	2,946,720
Due to related parties	15	212,781	404,040
		<u>5,001,308</u>	<u>3,418,354</u>
TOTAL LIABILITIES		<u>9,433,559</u>	<u>6,743,297</u>
TOTAL EQUITY AND LIABILITIES		<u>21,281,668</u>	<u>15,953,108</u>

This unaudited condensed consolidated interim financial information for the period ended June 30, 2025 (including comparatives) were approved by the Board on **05 AUG 2025** and signed on their behalf by:


Mr. Ravi PNC Menon
Director
Dubai, United Arab Emirates


Mr. Francis Alfred
Director
Dubai, United Arab Emirates

The accompanying notes from 1 to 37 form an integral part of this unaudited condensed consolidated interim financial information.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Condensed consolidated statement of comprehensive income
For the period ended June 30, 2025

		Six-month period ended	
	Notes	June 30, 2025 AED '000 (Unaudited)	June 30, 2024 AED '000 (Unaudited)
Revenue	25	7,194,286	3,929,292
Direct costs	26	(3,890,891)	(2,349,602)
GROSS PROFIT		3,303,395	1,579,690
Administrative and general expenses	27	(510,661)	(264,950)
Depreciation and amortization		(22,608)	(17,730)
Selling and marketing expenses	28	(627,396)	(722,009)
Gain on fair value of investment properties		-	545,125
Finance costs – net	29	(178,196)	(89,858)
Share of profit from joint ventures		63,166	-
Other income	34	98,366	134,243
PROFIT BEFORE TAX		2,126,066	1,164,511
Income tax	31	(185,978)	(104,729)
NET PROFIT FOR THE PERIOD		1,940,088	1,059,782
Other comprehensive income			
Foreign exchange differences arising on translating foreign operation		-	5
		-	5
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		1,940,088	1,059,787
Net profit for the period attributable to:			
Shareholders of the Company		1,940,092	1,059,785
Non-controlling interest		(4)	(3)
		1,940,088	1,059,782
Total comprehensive income attributable to:			
Shareholders of the Company		1,940,092	1,059,790
Non-controlling interest		(4)	(3)
		1,940,088	1,059,787

The accompanying notes from 1 to 37 form an integral part of this unaudited condensed consolidated interim financial information.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Condensed consolidated statement of changes in equity
For the period ended June 30, 2025

	Share capital AED '000	Statutory reserve AED '000	Fair value reserve AED '000	Foreign currency translation reserve AED '000	Retained earnings AED '000	Capital contribution AED '000	Attributable to the Shareholders of the Company AED '000	Non-controlling interest AED '000	Total equity AED '000
Balance at January 1, 2024 (audited)	300	150	1,500,291	-	8,182,372	-	9,683,113	315,010	9,998,123
Increase in investment in a subsidiary (Note 19.1) (unaudited)	-	-	-	-	90,987	-	90,987	(126,004)	(35,017)
Gain on disposal of branch (Note 33) (unaudited)	-	-	-	-	3,169	-	3,169	-	3,169
Net profit for the period (unaudited)	-	-	-	-	1,059,785	-	1,059,785	(3)	1,059,782
Other comprehensive income (unaudited)	-	-	-	5	-	-	5	-	5
Dividend (Note 16.1) (unaudited)	-	-	-	-	(372,520)	-	(372,520)	-	(372,520)
Transfer of non-cash asset to shareholders (Note 12) (unaudited)	-	-	-	-	(2,011,692)	-	(2,011,692)	-	(2,011,692)
Transfer of fair value reserve to retained earnings (Note 20) (unaudited)	-	-	(1,500,291)	-	1,500,291	-	-	-	-
Balance at June 30, 2024 (unaudited)	300	150	-	5	8,452,392	-	8,452,847	189,003	8,641,850
Balance at January 1, 2025 (audited)	300	1,150	-	-	9,019,362	-	9,020,812	188,999	9,209,811
Net profit for the period (unaudited)	-	-	-	-	1,940,092	-	1,940,092	(4)	1,940,088
Capital contribution (Note 18) (unaudited)	-	-	-	-	-	1,000,000	1,000,000	-	1,000,000
Dividend (Note 16.1) (unaudited)	-	-	-	-	(301,790)	-	(301,790)	-	(301,790)
Balance at June 30, 2025 (unaudited)	300	1,150	-	-	10,657,664	1,000,000	11,659,114	188,995	11,848,109

The accompanying notes from 1 to 37 form an integral part of this unaudited condensed consolidated interim financial information.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Condensed consolidated statement of cash flows
For the period ended June 30, 2025

	Notes	(Unaudited) Six-month period ended June 30, 2025 AED '000	(Unaudited) Six-month period ended June 30, 2024 AED '000
OPERATING ACTIVITIES			
Profit before tax		2,126,066	1,164,511
Cash flow adjustments	35	143,116	(432,649)
<i>Operating cash flows before net changes in working capital</i>		2,269,182	731,862
Net changes in working capital	35	45,767	1,257,705
Employees' end of service benefits paid		(1,850)	(886)
Net cash from operating activities		2,313,099	1,988,681
INVESTING ACTIVITIES			
Purchase of property and equipment		(167,146)	(7,631)
Proceeds from sale of properties and equipment		-	57
Investment in joint ventures		(25,000)	-
Proceeds from disposal of branch		-	3,194
Purchase of intangible assets		(7,070)	(150)
Purchase of investment properties		(914,814)	(914,071)
Net cash used in investing activities		(1,114,030)	(918,601)
FINANCING ACTIVITIES			
Proceeds from borrowings		2,155,273	148,741
Repayment of finance lease liability		(14,874)	-
Interest paid on loan from related party		(20,000)	(43,275)
Loan processing fees paid	29	(669)	(754)
Dividend paid	16.1	(301,790)	(372,520)
Increase in investment in subsidiary		-	(35,017)
Repayment of borrowings		(195,897)	(495,660)
Advances paid to minority shareholders		(12,490)	-
Net cash from/(used in) financing activities		1,609,553	(798,485)
Net change in cash and cash equivalents		2,808,622	271,595
Cash and cash equivalents, beginning of period		2,825,892	2,106,505
Exchange differences on cash and cash equivalents		-	7
Cash and cash equivalents, end of period		5,634,514	2,378,107
Non-cash transaction:			
Transfer of non-cash asset to shareholders	12	-	2,011,692
Transfer of loan from shareholders to capital contribution	15	1,000,000	-

The accompanying notes from 1 to 37 form an integral part of this unaudited condensed consolidated interim financial information.

P N C Investments L.L.C

Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information For the period ended June 30, 2025

1 Legal status and nature of operations

P N C Investments L.L.C (the “Company”) is a limited liability company incorporated in Dubai, United Arab Emirates (UAE) on November 1, 2011 under license no. 661013 issued by Department of Economic Development, Government of Dubai. The registered office of the Company is P.O. Box 125245, Dubai, UAE.

The Company and its subsidiaries are collectively referred to as the “Group”.

The principal activities of the Group are real estate development, investment inland and properties, security control services, general security guard services, sales development, asset holding company, capital investment, district cooling services, refrigeration and cold storage equipment trading and management in various enterprises.

On December 9, 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 is effective for accounting periods beginning on or after June 1, 2023. The CT Law confirms the rate of 9% to be applied to taxable income exceeding AED 375,000. As the Group’s accounting year ends on December 31, accordingly the effective implementation date for the Group is from January 1, 2024, to December 31, 2024, with the first return to be filed on or before September 30, 2025. Refer Note 31 for the provision of corporate tax estimated for the period ended June 30, 2025.

The Company holds investments in the following entities (the “Subsidiaries”) as at the reporting date which have been consolidated in this unaudited condensed consolidated interim financial information:

Name of subsidiaries	Country of incorporation and operation	Principal activity	Ownership interest	
			(Unaudited) June 30, 2025	(Audited) December 31, 2024
Sobha L.L.C (a)	UAE	Real estate development	100%	100%
Sobha Lifestyle City Limited (b)	UAE	Investment in land and properties	88.89%	88.89%
Sobha Capital L.L.C (c)	UAE	Capital investment and management in various enterprises	100%	100%
Sobha Furniture Systems L.L.C (d)	UAE	Furniture manufacturing	100%	100%
Sobha Energy Solutions L.L.C (e)	UAE	District cooling services, refrigeration and cold storage equipment trading	100%	100%

a) Sobha L.L.C (SLLC) is a limited liability company under UAE Federal Law Decree No. (32) of 2021.

b) Sobha Lifestyle City Limited (SLCL) is a limited liability company under Jebel Ali Free Zone Offshore Companies Regulations of 2018.

c) Sobha Capital L.L.C is a limited liability company registered under license number 684321 under UAE Federal Law Decree No. (32) of 2021.

d) Sobha Furniture Systems L.L.C is a limited liability company registered under the license number 1217823 under UAE Federal Law Decree No. (32) of 2021.

e) Sobha Energy Solutions L.L.C is a limited liability company registered under the license number 1045580 under UAE Federal Decree-Law No. (32) of 2021 was acquired from a related party on November 11, 2024 (refer Note 32).

During the prior year, the Company disposed of its interest in certain subsidiaries and a branch. Refer note 33.

P N C Investments L.L.C

Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)

For the period ended June 30, 2025

1 Legal status and nature of operations (continued)

Special purpose vehicles

- Sobha Sukuk Limited (the “SPV I”) is a limited liability company incorporated in the Cayman Islands.
- Sobha Sukuk I Holding Limited (the “SPV II”) is a private company incorporated in Dubai International Financial Centre (DIFC).

The SPVs were established for the specific purpose of acting as a securitization vehicle. The Group does not hold any direct or indirect interest in the shareholding of the SPVs. The arrangement with the SPVs has been assessed by the Group in accordance with IFRS 10, considering factors such as power and control, the variability of returns related to economic activities, and the linkages between the Group and the SPVs.

Joint ventures

On July 10, 2024, the Company entered into a Joint Venture agreement with UAQ Properties to form a joint venture named Sobha Al Siniya FZC a free zone company registered under license number 010296 under Umm Al Quwain Free Trade Zone Authority.

On June 11, 2025, the Company entered into a Joint Venture agreement with UAQ Properties to form a joint venture named Sobha UAQ Properties L.L.C, a limited liability company registered under license number LIC-COM-50201 under Department of Economic Development, Government of Umm Al Quwain.

2 Basis of preparation

This unaudited condensed consolidated interim financial information is for the six-month period ended June 30, 2025, and are presented in United Arab Emirates Dirham (AED), which is the functional currency of the Company.

This unaudited condensed consolidated interim financial information has been prepared in accordance with IAS 34 ‘Interim Financial Reporting’ and does not include all of the information required in annual financial statements in accordance with International Financial Reporting Standards (IFRSs) and should be read in conjunction with the consolidated financial statements of the Group for the year ended December 31, 2024. Further, results for the six-month period ended June 30, 2025, are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

The same accounting policies, presentation and methods of computation have been followed in this unaudited condensed consolidated interim financial information as were applied for the preparation and presentation of the annual audited consolidated financial statements of the Group for the year ended December 31, 2024.

3 Standards, interpretations and amendments to existing standards

3.1 Standards, interpretations and amendments to existing standards that are effective

New standards and amendments that are effective and do not have a significant impact on the unaudited condensed consolidated interim financial information include:

- Lack of Exchangeability (Amendments to IAS 21)

The above amendment does not have a significant impact on the unaudited condensed consolidated interim financial information therefore the disclosures have not been made.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

3 Standards, interpretations and amendments to existing standards
(continued)

3.2 Standards, interpretations and amendments to existing standards that are
not yet effective and have not been adopted early by the Group

At the date of authorization of this unaudited condensed consolidated interim financial information, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the International Accounting Standards Board (IASB). None of these standards or amendments to existing standards have been adopted early by the Group.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current period have not been disclosed as they are not expected to have a material impact on the Group's unaudited condensed consolidated interim financial information.

4 Material accounting policies

The unaudited condensed consolidated interim financial information have been prepared in accordance with the accounting policies adopted in the Group's most recent annual consolidated financial statements for the year ended December 31, 2024.

5 Significant management judgements in applying accounting policies

When preparing the unaudited condensed consolidated interim financial information management undertakes significant judgments, estimates and assumptions in applying the accounting policies of the Company that have the most significant effect on the unaudited condensed consolidated interim financial information and about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumptions applied in the unaudited condensed consolidated interim financial information, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual consolidated financial statements for the year ended December 31, 2024.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)
For the period ended June 30, 2025

6 Property and equipment

	Land	Buildings	Machinery and other equipment	Furniture and fixtures	Vehicles	Aircraft	Other assets	Capital work in progress (a)	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
2025									
Cost									
Balance at January 1, 2025 (audited)	121,311	82,620	22,167	2,825	7,272	-	11,257	111,390	358,842
Additions (unaudited)	-	-	3,309	403	7,096	-	-	156,338	167,146
Balance at June 30, 2025 (unaudited)	121,311	82,620	25,476	3,228	14,368	-	11,257	267,728	525,988
Accumulated depreciation									
Balance at January 1, 2025 (audited)	-	56,820	10,200	2,110	5,702	-	11,257	-	86,089
Charge for the period (unaudited)	-	8,194	2,120	198	411	-	-	-	10,923
Balance at June 30, 2025 (unaudited)	-	65,014	12,320	2,308	6,113	-	11,257	-	97,012
Carrying amounts at June 30, 2025 (unaudited)	121,311	17,606	13,156	920	8,255	-	-	267,728	428,976

(a) Capital work in progress represents the following:

- Construction and design cost for temporary office building, which is expected to be ready for use by the end of the year 2025. As of the reporting date, the Company has a capital commitment amounting to AED 12,227 thousand (December 31, 2024 (audited): AED 8,774 thousand) relating to the temporary office building.
 - Construction and design cost for factory building, which is expected to be ready for use by the end of the year 2025. As of the reporting date, the Company has a capital commitment amounting to AED 240,953 thousand (December 31, 2024 (audited): AED 364,756 thousand) relating to the factory building.
 - Construction and design cost for office building, which is expected to be ready for use by the end of the year 2026. As of the reporting date, the Company has a capital commitment amounting to AED 406,561 thousand (December 31, 2024 (audited): AED 429,815 thousand) relating to the office building.
- (b) As of the reporting date, certain vehicles with a net book value of AED 6,004 thousand (2024: AED Nil) were mortgaged with certain financial institutions.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)
For the period ended June 30, 2025

6	Property and equipment (continued)	Land AED '000	Buildings AED '000	Machinery and other equipment AED '000	Furniture and fixtures AED '000	Vehicles AED '000	Aircraft AED '000	Other assets AED '000	Capital work in progress AED '000	Total AED '000
2024										
Cost										
Balance at January 1, 2024 (audited)		-	77,747	15,454	2,763	6,317	158,836	11,257	-	272,374
Additions		-	4,873	9,959	445	1,500	-	-	111,561	128,338
Transferred from investment properties (Note 9)		114,511	-	-	-	-	-	-	-	114,511
Transferred from properties under development (Note 10)		6,800	-	-	-	-	-	-	-	6,800
Disposals		-	-	-	-	(529)	-	-	-	(529)
On disposal of branch and subsidiaries (Note 33)		-	-	(3,246)	(383)	(16)	(158,836)	-	(171)	(162,652)
Balance at December 31, 2024 (audited)		121,311	82,620	22,167	2,825	7,272	-	11,257	111,390	358,842
Accumulated depreciation										
Balance at January 1, 2024 (audited)		-	41,027	10,167	2,089	6,018	17,276	10,891	-	87,468
Charge for the year*		-	15,793	2,785	321	216	14,538	366	-	34,019
Disposal		-	-	-	-	(529)	-	-	-	(529)
On disposal of branch and subsidiaries (Note 33)		-	-	(2,752)	(300)	(3)	(31,814)	-	-	(34,869)
Balance at December 31, 2024 (audited)		-	56,820	10,200	2,110	5,702	-	11,257	-	86,089
Carrying amounts at December 31, 2024 (audited)		121,311	25,800	11,967	715	1,570	-	-	111,390	272,753

*Depreciation charge of AED 14,926 thousand pertains to discontinued operations.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

7 Intangible assets

	Computer software AED '000	Intangible assets under development* AED '000	Total AED '000
2025			
Cost			
Balance at January 1, 2025 (audited)	7,580	2,928	10,508
Additions (unaudited)	4,999	2,071	7,070
Balance at June 30, 2025 (unaudited)	12,579	4,999	17,578
Accumulated amortization			
Balance at January 1, 2025 (audited)	5,194	-	5,194
Charge for the period (unaudited)	671	-	671
Balance at June 30, 2025 (unaudited)	5,865	-	5,865
	6,714	4,999	11,713

*Intangible assets under development pertain to an ERP software being developed by the Group, as of the reporting date. The ERP software is expected to be ready for use before the end of the fiscal year 2025. As of the reporting date, the Group has a capital commitment amounting to AED 2,166 thousand (December 31, 2024 (audited): AED 4,237 thousand) pertaining to the ERP software (refer Note 30).

	Computer software AED '000	Intangible assets under development AED '000	Total AED '000
2024			
Cost			
Balance at January 1, 2024 (audited)	7,940	-	7,940
Additions	-	2,928	2,928
Written-off	(360)	-	(360)
Balance at December 31, 2024 (audited)	7,580	2,928	10,508
Accumulated amortization			
Balance at January 1, 2024 (audited)	4,768	-	4,768
Charge for the year	426	-	426
Balance at December 31, 2024 (audited)	5,194	-	5,194
	2,386	2,928	5,314

8 Right-of-use assets

	Aircraft AED '000	Land AED '000	Total AED '000
2025			
Cost			
Balance at January 1, 2025 (audited)	-	20,044	20,044
Additions (unaudited)	86,421	-	86,421
Balance at June 30, 2025 (unaudited)	86,421	20,044	106,465
Accumulated amortization			
Balance at January 1, 2025 (audited)	-	477	477
Charge for the period (unaudited)	10,803	211	11,014
Balance at June 30, 2025 (unaudited)	10,803	688	11,491
	75,618	19,356	94,974

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

8 Right of use assets (continued)

	Aircraft AED '000	Land AED '000	Total AED '000
2024			
Cost			
Balance at January 1, 2024 (audited)	-	-	-
Additions (audited)	-	20,044	20,044
Balance at December 31, 2024 (audited)	-	20,044	20,044
Accumulated amortization			
Balance at January 1, 2024 (audited)	-	-	-
Charge for the year (audited)	-	477	477
Balance at December 31, 2024 (audited)	-	477	477
	-	19,567	19,567

9 Investment properties

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	3,038,826	2,278,310
Fair value gain	-	545,125
Additions	1,430,121	2,752,855
Additions to investment properties under development	32,394	20,056
Transferred to property and equipment (a) (Note 6)	-	(114,511)
Transferred to properties under development (Note 10)	(3,875,041)	(2,443,009)
	626,300	3,038,826

P N C Investments L.L.C**Unaudited Condensed Consolidated Interim Financial Information****Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025****9 Investment properties (continued)**

Particulars	Location	(Unaudited) June 30, 2025	(Audited) December 31, 2024
		AED '000	AED '000
Building	Commercial space in 'Sobha Sapphire' – Business Bay, Dubai, UAE	24,847	24,847
Building	Neighborhood clubhouse, Sobha Hartland, Dubai, UAE (f)	14,656	14,656
Land	Plot No 194, Bukadra, Dubai (a)	233,656	669,627
Land	Plot 31 – 32, Sobha Hartland, Al Merkadh, Dubai, UAE (b)	88,180	88,180
Land	Plot No 1374, Jebel Ali Industrial First, Dubai, UAE (c)	46,029	46,029
Land	Plot No 11, Al Yufrah 1, Dubai, UAE (d)	75,516	769,475
Land	Plot No 489, Jebel Ali First Community, Dubai, UAE (e)	90,966	1,405,956
Under development	Sobha Mall, Sobha Hartland, Dubai, UAE (g)	49,451	19,617
Under development	Technicians' residence, Jebel Ali Industrial First, Dubai, UAE (h)	2,999	439
		626,300	3,038,826

Certain plots of land and building have been pledged as security for the Group's borrowings (note 22).

- (a) On May 31, 2024, and June 15, 2024, the Group transferred investment property located at Plot No 194, Bukadra, Dubai, UAE, amounting to AED 209,935 thousand and AED 151,799 thousand respectively to properties under development, for the purpose of developing real estate projects on the said property.

The Group recorded a fair value gain of AED 58,371 thousand in respect of this property, pursuant to the fair valuation exercise carried out on June 29, 2024. On July 8, 2024, October 23, 2024, and November 25, 2024, the Group transferred investment property amounting to AED 313,604 thousand, AED 160,315 thousand and AED 558,124 thousand respectively for the purpose of developing real estate projects on the said property. Further during the year 2024, the Group transferred AED 114,511 thousand to property and equipment for the construction of Global square office.

On February 10, 2025, and June 30, 2025, the Group transferred investment property amounting to AED 172,271 thousand and AED 263,700 thousand respectively, for the purpose of developing real estate projects on the said property.

- (b) Plot 31 – 32, Sobha Hartland, Al Merkadh, Dubai, UAE pertains to land parcels acquired as a result of acquisition of Sobha Capital LLC, through a common control transaction on September 30, 2023. The Group recorded a fair value gain of AED 3,333 thousand in respect of this property, pursuant to the fair valuation exercise carried out on December 31, 2023. Further the Group recorded a fair value gain of AED 290 thousand in respect of this property, pursuant to the fair valuation exercise carried out on June 29, 2024.
- (c) On May 3, 2023, the Company purchased an investment property located at Plot No. 1374 (599-221), Jebel Ali Industrial First, Dubai, UAE for an amount of AED 46,029 thousand (including Dubai Land Department (DLD) fees).

**Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025**

9 Investment properties (continued)

- (d) On May 31, 2024, the Company purchased an investment property located at Plot No. 11, Al Yufrah 1, Dubai, UAE for an amount of AED 634,400 thousand (including DLD fees). The Group recorded a fair value gain of AED 204,679 thousand in respect of this property, pursuant to the fair valuation exercise carried out on June 29, 2024. On August 8, 2024, the Group transferred investment property amounting to AED 69,604 thousand to properties under development, for the purpose of developing real estate projects on the said property. Further, on June 30, 2025, the Group transferred investment property amounting to AED 693,959 thousand to properties under development, for the purpose of developing real estate projects on the said property.
- (e) On June 21, 2024, the Company entered into an agreement to purchase an investment property located at Plot No 489, Jebel Ali first community, Dubai, UAE for a total consideration amount of AED 1,508,000 thousand (including DLD fees), payable in installments over 2 years. Accordingly, the cash price equivalent value of the investment property amounted to AED 1,405,956 thousand. On May 2, 2025, the Group transferred investment property amounting to AED 1,314,990 thousand to properties under development, for the purpose of developing real estate projects on the said property.
- (f) During the year 2024, the Company developed a building “Neighborhood clubhouse” located at Sobha Hartland, Dubai, UAE for an amount of AED 14,656 thousand which comprises of construction costs amounting to AED 14,087 thousand and design and supervision costs amounting to AED 569 thousand.
- (g) During the year 2024, the Company started developing “Sobha Mall” located at Sobha Hartland, Dubai, UAE. The addition to investment property under development amounted to AED 19,617 thousand which comprises of construction costs amounting to AED 17,553 thousand and design and supervision costs amounting to AED 2,064 thousand. During the current period, the Company incurred further construction costs amounting to AED 27,715 thousand and design and supervision costs amounting to AED 2,119 thousand. The said investment property is expected to be ready by the end of the year 2026.
- (h) During the year 2024, the Group started developing “Technicians’ residence” located at Jabel Ali Industrial First, Dubai, UAE. The addition to investment under development amounted to AED 439 thousand which comprises of construction costs amounting to AED 438 thousand and design and supervising costs amounting to AED 1 thousand. During the current period, the Company incurred further construction costs amounting to AED 1,257 thousand and design and supervision costs of AED 1,303 thousand. Development is expected to be ready for use by the end of the year 2025.
- (i) On February 1, 2024, the Company entered into an agreement to purchase an investment property located at Plot No. 674 – (258, 260 & 301-303), Motor City Dubai, UAE for a total consideration of AED 408,005 thousand (including DLD fees), payable in instalments over a period of 2 years. Accordingly, the cash price equivalent value of the investment property amounted to AED 377,746 thousand. The Group recorded a fair value gain of AED 167,841 thousand in respect of this property, pursuant to the fair valuation exercise carried out on March 29, 2024. On March 29, 2024, the Group transferred investment property amounting to AED 545,587 thousand to properties under development, for the purpose of developing real estate projects on the said property. On March 27, 2024, the Company purchased an investment property located at Plot No. 674 – (318 & 319), Motor City Dubai, UAE for an amount of AED 320,097 thousand (including DLD fees). The Group recorded a fair value gain of AED 113,944 thousand in respect of this property, pursuant to the fair valuation exercise carried out on June 30, 2024. On September 5, 2024, the Group transferred investment property amounting to AED 434,041 thousand to properties under development, for the purpose of developing real estate projects on the said property.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

9 Investment properties (continued)

- (j) On June 6, 2025, the Company purchased an investment property located at Plot No. C1a, Al Bahyah, Abu Dhabi City, UAE, for a total consideration of AED 1,546,077 thousand (including DLD fees and brokerage commission), payable in instalments over a period of 33 months. Accordingly, the cash price equivalent value of the investment property amounted to AED 1,430,121 thousand. On June 30, 2025, the Group transferred investment property amounting to AED 1,430,121 thousand to properties under development for the purpose of developing real estate projects on the said property.

As of the reporting date, the Company has AED 1,646,575 thousand (2024: AED 1,086,838 thousand), payable in relation to the purchase of investment properties (refer Note 24).

Note 36 sets out the method used for the determination of the estimated fair value of the investment properties.

10 Properties under development

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	AED '000	AED '000
Land held for future development	3,352,363	-
Properties under development	2,096,239	2,939,949
	<u>5,448,602</u>	<u>2,939,949</u>

Movement in the properties under development during the period is as follows:

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	AED '000	AED '000
Opening balance	2,939,949	2,269,535
Transferred from investment properties (Note 9)	3,875,041	2,443,009
Additions during the period/year	2,524,503	3,613,450
Transferred to direct costs – net	(3,890,891)	(5,379,245)
Transferred to property and equipment (Note 6)	-	(6,800)
Closing balance	<u>5,448,602</u>	<u>2,939,949</u>

Properties under development represents the cost of land, development cost of villas, apartments and infrastructure being developed within the Sobha Hartland project, located at Mohammed Bin Rashid Al Maktoum City, Sobha One project located at Ras Al Khor, S-Tower project located at Sheikh Zayed Road, Dubai, Sobha Verde project located at Al Thanyah Fifth Community, Dubai, Sobha Reserve project located at Plot No 1238 (643-8092), Wadi Al Safa Two, Dubai, Sobha Sea Haven project located at Al Marsa, Dubai Marina, Dubai, UAE, Sobha Hartland II project located at Bukadra, Dubai, UAE, Sobha Orbis project located at Motor City, Dubai, UAE, Sobha Elwood project located at Al Yufrah 1, Dubai, UAE, Sobha Solis project located at Motor City, Dubai, UAE, and Sobha Central project located at Sheikh Zayed Road, Dubai, UAE.

During the period, no borrowing costs were capitalized as additions to properties under development (December 2024 (audited): AED 77,294 thousand).

P N C Investments L.L.C**Unaudited Condensed Consolidated Interim Financial Information****Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025****11 Investment in joint ventures**

Name of the joint ventures	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Company at period/year end	
			(Unaudited) June 30, 2025	(Audited) December 31, 2024
Sobha Al Siniya FZC	United Arab Emirates	Real estate development and sales	50%	50%
Sobha UAQ Properties L.L.C	United Arab Emirates	Real estate development and sales	50%	-

On July 10, 2024, the Company entered into a Joint Venture agreement with UAQ PROPERTIES to form a joint venture Sobha Al Siniya FZC.

On June 11, 2025, the Company entered into a Joint Venture agreement with UAQ PROPERTIES to form a joint venture, Sobha UAQ Properties L.L.C.

The Company and UAQ properties are collectively referred to as the "JV Partners".

The investment in joint ventures is accounted for using the equity method in accordance with IAS 28 - Investments in Associates and Joint Ventures.

The movement in carrying amounts of the investment in joint ventures is as follows:

	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	AED '000	AED '000
Opening balance	425,391	-
Additions*	377,500	402,500
Share of profit for the period/year	63,166	22,891
Closing balance	866,057	425,391

*Investment amounts of AED 378,750 thousand to Sobha Al Siniya FZC and AED 175,000 thousand to Sobha UAQ Properties L.L.C remains payable as at the reporting date. Additional investments in joint ventures have been made by JV Partners in proportion to its existing ownership interests. Accordingly, the percentage of shareholding in these joint ventures remains unchanged.

No dividends were received from joint ventures during the period ended June 30, 2025.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)
For the period ended June 30, 2025

11 Investment in joint ventures (continued)

Summarized financial information for the joint ventures is set out below:

	Sobha Al Siniya FZC		Sobha UAQ Properties L.L.C	
	(Unaudited) June 30, 2025	(Audited) December 31, 2024	(Unaudited) June 30, 2025	(Audited) December 31, 2024
	AED'000	AED'000	AED'000	AED'000
Non-current assets				
Current assets*	356,866	300,495	192,740	-
Total assets	4,282,625	1,446,626	301,819	-
	4,639,491	1,747,121	494,559	-
Current liabilities	3,308,987	896,340	92,949	-
Total liabilities	3,308,987	896,340	92,949	-
Net assets	1,330,504	850,781	401,610	-
*Includes cash and cash equivalents	1,799,120	864,899	52,140	-
Revenue	289,581	113,237	4,055	-
Profit and total comprehensive income for the period/year	124,723	45,781	1,609	-
Corporate tax expense	(12,298)	(4,491)	(122)	-

A reconciliation of the summarized financial information to the carrying amount of the investment in joint ventures is set out below:

	Sobha Al Siniya FZC		Sobha UAQ Properties L.L.C		Total
	(Unaudited) June 30, 2025	(Audited) December 31, 2024	(Unaudited) June 30, 2025	(Audited) December 31, 2024	(Unaudited) June 30, 2025
	AED'000	AED'000	AED'000	AED'000	AED'000
Total net assets	1,330,504	850,781	401,610	-	1,732,114
Proportion of ownership interests held by the Group	50%	50%	50%	-	50%
Carrying amount of the investments	665,252	425,391	200,805	-	866,057
Investment in joint venture	580,000	402,500	200,000	-	780,000
Accumulated share of profits	85,252	22,891	805	-	86,057
Carrying amount of the investments	665,252	425,391	200,805	-	866,057
					425,391

P N C Investments L.L.C**Unaudited Condensed Consolidated Interim Financial Information****Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025****12 Financial asset**

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Future sale proceeds of equity instrument at Fair Value Through Other Comprehensive Income (FVOCI)	-	-

Movement in the financial asset is as follows:

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	-	2,011,692
Transfer of non-cash asset to shareholders*	-	(2,011,692)
Closing balance	-	-

The shareholders (the "Declarants") of the Company, being the legal and beneficial owners of 48.58% of the shares in Sobha Limited, an entity listed in India ("Sobha Limited Shares"), had entered into a Deed of Declaration in favour of the Company, declaring to assign to the Company any sale proceeds received in the event of any sale, transfer or other similar disposal of the Sobha Limited Shares. Consequently, the Company accounted for such assignment to receive the proceeds as a financial asset and the valuation was linked to the fair value of the Sobha Limited Shares as determined with reference to the published price in the quoted market.

*On March 4, 2024, the Company and the Declarants mutually terminated the Deed of Declaration with an effective date of January 1, 2024, and accordingly, the Company no longer has the rights to proceeds from any sale, transfer or other similar disposal of the Sobha Limited Shares. Consequently, the Company has cancelled the rights to sale proceeds from Sobha Limited Shares, with the resulting impact recorded in the retained earnings of the Group. Further the corresponding fair value reserve amounting to AED 1,500,291 thousand has been transferred to retained earnings (Note 20).

P N C Investments L.L.C

Unaudited Condensed Consolidated Interim Financial Information

**Notes to the unaudited condensed consolidated interim financial information
(continued)**

For the period ended June 30, 2025

13 Trade and other receivables

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
<i>Financial assets</i>		
Trade receivables	6,925,416	5,809,178
Deposits	45,987	56,994
Other receivables	7,206	246
	<u>6,978,609</u>	<u>5,866,418</u>
<i>Non-financial assets</i>		
Deferred expenses*	381,099	90,113
Advance to suppliers	197,735	149,118
Advances**	69,990	57,500
VAT receivable	63,937	61,486
Prepayments	57,554	25,728
Staff advances	4,936	3,387
	<u>775,251</u>	<u>387,332</u>
	<u>7,753,860</u>	<u>6,253,750</u>

* This represents commission paid to third party brokers.

**Advances of AED 69,990 thousand (2024: AED 57,500 thousand) represents amounts paid in advance to certain minority shareholders of Sobha Lifestyle City Limited, in relation to the purchase of certain shares of the minority shareholders. The said advances shall be treated as an increase in investment in a subsidiary after the completion of the necessary legal process.

The ageing of trade receivables as of the reporting date can be analysed as follows:

	Days overdue				
	Unbilled	0-90	91-180	Over 180	Total
	AED '000	AED '000	AED '000	AED '000	AED '000
Trade receivables					
June 30, 2025 (unaudited)	4,076,673	2,186,707	469,532	192,504	6,925,416
December 31, 2024 (audited)	3,721,658	1,482,294	452,020	153,206	5,809,178

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)
For the period ended June 30, 2025

14 Cash and cash equivalents

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Cash on hand	513	379
Cash at banks		
- in escrow account*	3,211,680	2,414,257
- in current account	925,512	336,311
- in fixed deposit accounts	1,453,030	54,420
- in DSRA/FSRA accounts	43,779	20,525
	<u>5,634,001</u>	<u>2,825,513</u>
Cash and cash equivalents	<u>5,634,514</u>	<u>2,825,892</u>

*The balance in escrow account relates to advance collected from customers which are available for payments relating to the construction of properties.

Certain escrow accounts maintained in the name of Sobha L.L.C are under lien against the Group's borrowings (Note 22).

15 Related parties

The Group in the normal course of business carries on business with other enterprises that fall within the definition of a related party. The Group's related parties include its Shareholders, key management personnel, and entities controlled by such parties. Transactions with related parties normally comprise transfer of resources, services, or obligations between the parties. Transactions carried out with related parties are measured at amounts agreed by both parties.

Balances with related parties included in the condensed consolidated statement of financial position are as follows:

	(Unaudited) June 30, 2025 AED' 000	(Audited) December 31, 2024 AED' 000
Due from related parties		
<i>Shareholder</i>		
Mr. Puthan N C Menon	-	39,524
<i>Joint venture</i>		
Sobha Al Siniya FZC	48,762	132,142
<i>Entities under common control</i>		
Latinem Gardens LLC	12	-
PNC Architects L.L.C	3,840	-
Sobha Constructions LLC*	364,058	-
	<u>416,672</u>	<u>171,666</u>

*This pertains to advances paid to Sobha Constructions LLC for the development of properties under construction.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

15 Related parties (continued)

	(Unaudited) June 30, 2025 AED' 000	(Audited) December 31, 2024 AED' 000
Due to related parties		
<i>Joint venture</i>		
Sobha UAQ Properties L.L.C	169,710	-
<i>Entities under common control</i>		
Sobha Constructions L.L.C	-	361,775
Sobha Furniture Industries L.L.C	2,994	527
PNC Architects L.L.C	-	31,964
Latinem Facilities Management LLC	5,169	4,805
Latinem Securities L.L.C	1,420	1,141
Latinem Landscaping L.L.C	5,238	2,335
SOBHA & BR AVIATION DWC LLC	1,318	102
Stay By Latinem	178	-
Sobha Real Estate UK Ltd	365	-
Sobha Corporate L.L.C	26,074	879
Latinem Private Limited – India	315	512
	<u>212,781</u>	<u>404,040</u>
	(Unaudited) June 30, 2025 AED' 000	(Audited) December 31, 2024 AED' 000
Loan from shareholders		
Opening balance	1,000,000	1,001,650
Transferred to capital contribution*	(1,000,000)	-
Interest expense on loan from shareholders	20,000	81,437
Repaid during the year	(20,000)	(83,087)
Closing balance	<u>-</u>	<u>1,000,000</u>

*On March 31, 2025, the loan from shareholders was converted into capital contribution (refer Note 18).

Key management personnel compensation

Key management personnel of the Group are the Chairman, Co-Chairman, Group Chief Financial Officer, Chief Executive Officer, Chief Financial Officer, Directors and the Manager. During the period, the key management personnel compensation was as follows:

	(Unaudited) Six-month period ended June 30, 2025 AED '000	(Unaudited) Six-month period ended June 30, 2024 AED '000
Salaries and benefits	<u>57,943</u>	<u>51,205</u>

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)
For the period ended June 30, 2025

15 Related parties (continued)

Significant transactions with related parties

Significant transactions carried out with related parties are as follows:

	(Unaudited) Six-month period ended June 30, 2025 AED '000	(Unaudited) Six-month period ended June 30, 2024 AED '000
<i>Entities under common control</i>		
Construction and development expenses for properties under development	2,594,003	1,174,379
Project design and supervision fee charged by a related party	99,744	76,432
Royalty expenses (Note 28)	72,226	40,500
Development management fees (Note 34)	9,593	-
<i>Shareholders</i>		
Interest on loan from shareholders (Note 29)	20,000	41,625
Transfer of non-cash asset to shareholders (Note 12)	-	2,011,692
Dividends (Note 16.1)	301,790	372,520

16 Share capital

The authorized, issued and fully paid-up share capital of the Company is AED 300,000 divided into 300 shares of AED 1,000 each.

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Authorised, issued and fully paid-up share capital (300 shares)	300	300

The shareholding is as follows:

	(Unaudited) June 30, 2025			(Audited) December 31, 2024		
	%	No. of shares	AED'000	%	No. of shares	AED'000
Mr. Puthan N C Menon	53%	159	159	53%	159	159
Mrs. Sobha Menon Raghavan Nair	47%	141	141	47%	141	141
	100%	300	300	100%	300	300

16.1 Dividend

On February 5, 2025, the board of directors approved the consolidated financial statements of the Group for the year ended December 31, 2024, and declared a dividend of AED 125,290 thousand based on the financial results of the Group. Further, on April 23, 2025, the Company declared and paid an interim dividend amounting to AED 176,500 thousand (June 30, 2024 (unaudited): AED 372,520 thousand).

P N C Investments L.L.C**Unaudited Condensed Consolidated Interim Financial Information****Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025****17 Statutory reserve**

In accordance with the Articles of Association of the Company and Article 103 of the Federal Law Decree No. (32) of 2021, a minimum of 5% of the net profit of the Company is required to be allocated every year. Such transfers are required to be made until the balance on the statutory reserve equals one-half of the Company's paid-up share capital.

18 Capital contribution

On March 31, 2025, the shareholders of the Company resolved to convert the outstanding loan balance amounting to AED 1,000,000 thousand into capital contribution. The capital contribution is not subject to withdrawal in the foreseeable future and repayment is at the sole discretion of the Company.

19 Non-controlling interest (NCI)

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Sobha Lifestyle City Limited (a)	<u>188,995</u>	<u>188,999</u>

(a) This represents 11.11% (2024: 11.11%) interest held by various shareholders in the capital and reserves of Sobha Lifestyle City Limited at the reporting date.

The movement in NCI is as follows:

	Sobha Lifestyle City Limited AED '000
2025	
Balance at January 1, 2025 (audited)	188,999
Share of loss for the period (unaudited)	(4)
Balance at June 30, 2025 (unaudited)	<u>188,995</u>
2024	
Balance at January 1, 2024 (audited)	315,010
Increase of investment in subsidiary (audited)	(126,004)
Share of loss for the year (audited)	(7)
Balance at December 31, 2024 (audited)	<u>188,999</u>

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)
For the period ended June 30, 2025

19 Non-controlling interest (NCI) (continued)

19.1 Subsidiary with material non-controlling interests

The Group's condensed consolidated interim financial information include the following subsidiary, with material non-controlling interests (NCI):

Name	Proportion of ownership interests held by the NCI		Loss allocated to NCI		Principal activity and principal place of business
	(Unaudited) June 30, 2025	(Audited) December 31, 2024	(Unaudited) June 30, 2025	(Audited) December 31, 2024	
			AED '000	AED '000	
Sobha Lifestyle City Limited	11.11%	11.11%	4	7	Investment in land and properties approved by JAFZA or any other free hold property in the United Arab Emirates

Summarized financial information for the subsidiary in which material non-controlling interests has been identified before intragroup eliminations, is set out below:

Sobha Lifestyle City Limited			
	(Unaudited) June 30, 2025	(Audited) December 31, 2024	
	AED '000	AED '000	
Non-current	-	-	
Current assets	2,019,767	2,019,767	
Total assets	2,019,767	2,019,767	
Non-current	-	-	
Current liabilities	318,771	318,771	
Total liabilities	318,771	318,771	
Equity attributable to Shareholders of the Company	1,512,001	1,511,997	
Non-controlling interests	188,995	188,999	

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)
For the period ended June 30, 2025

19 Non-controlling interest (NCI) (continued)

19.1 Subsidiary with material non-controlling interests (continued)

	Sobha Lifestyle City Limited	
	(Unaudited)	(Unaudited)
	June 30, 2025	June 30, 2024
	AED '000	AED '000
Revenue	-	-
Loss for the period attributable to Shareholders of the Company	(35)	(20)
Loss for the period attributable to NCI	(4)	(3)
Net loss for the period	(39)	(23)
Net cash used in operating activities	-	-
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Net cash outflow	-	-

The increase in investment in the subsidiary was affected as follows:

	Sobha Lifestyle City Limited	
	(Unaudited)	(Audited)
	June 30, 2025	December 31, 2024
	AED '000	AED '000
Consideration for purchase of additional interests	-	35,017
Carrying value of the additional interests acquired	-	(126,004)
Recognised in retained earnings	-	(90,987)

P N C Investments L.L.C**Unaudited Condensed Consolidated Interim Financial Information****Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025****20 Fair value reserve**

The carrying value of fair value reserve as at the reporting date and the movement during the period can be analyzed as follows:

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	-	1,500,291
Transfer to retained earnings on transfer of non-cash asset to shareholders (Note 12)	-	(1,500,291)
Closing balance	-	-

21 Employees' end of service benefits

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	16,321	15,212
On disposal of branch (Note 33)	-	(238)
Charge for the period/year	5,478	11,279
Transferred to a related party	-	(3,360)
Payments made during the period/year	(1,850)	(6,572)
Closing balance	19,949	16,321

22 Borrowings

	(Unaudited) June 30, 2025			(Audited) December 31, 2024		
	Current AED '000	Non-current AED '000	Total AED '000	Current AED '000	Non-current AED '000	Total AED '000
Term finance	144,735	144,735	289,470	67,594	101,299	168,893
Short term loan	97,792	-	97,792	-	-	-
Sukuk	-	3,586,962	3,586,962	-	1,840,563	1,840,563
Vehicle loan	1,095	4,381	5,476	-	-	-
	243,622	3,736,078	3,979,700	67,594	1,941,862	2,009,456

The movement in borrowings is as follows:

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	2,009,456	1,527,125
Proceeds during the period/year	2,155,273	1,191,238
On disposal of subsidiary (Note 33)	-	(89,868)
Interest expense on borrowings	10,868	89,442
Repayments during the period/year	(195,897)	(708,481)
Closing balance	3,979,700	2,009,456

P N C Investments L.L.C

Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information (continued)

For the period ended June 30, 2025

22 Borrowings (continued)

Sukuk Certificates

On July 17, 2023, Sobha Sukuk Limited (the “SPV I”), issued 300,000 five-year Sukuk Certificates with a face value of USD 1,000 each, listed on London Stock Exchange and Nasdaq Dubai (ISIN: XS2633136234), an international financial exchange in the Middle East, amounting to USD 300 million with a coupon rate of 8.75% per annum payable semi-annually from January 17, 2024.

On December 6, 2023, P N C Investments L.L.C (the obligor of Sukuk Certificates issued by Sobha Sukuk Limited) repurchased and cancelled Sukuk Certificates with a face value of USD 15 million. Further, on May 29, 2024, the Company repurchased and cancelled Sukuk Certificates with a face value of USD 15 million.

On September 17, 2024, the SPV I further issued 230,000 Sukuk Certificates with a face value of USD 1,000 each, to form a single series with the 300,000 Sukuk Certificates previously issued on July 17, 2023, resulting in a total of 500,000 Sukuk Certificates being issued.

On May 19, 2025, Sobha Sukuk I Holding Limited (the “SPV II”), issued 500,000 45 month Sukuk Certificates with a face value of USD 1,000 each, listed on London Stock Exchange and Nasdaq Dubai (ISIN: XS3073626601), amounting to USD 500 million with a coupon rate of 8% per annum payable semi-annually from November 19, 2025.

During the reporting period, the Company purchased Sukuk Certificates issued by SPV I, amounting to AED 75,986 thousand and subsequently sold Sukuk Certificates, amounting to AED 5,682 thousand. As a result, the net amount of AED 70,304 thousand purchased by the Company as of the reporting date has been offset against the outstanding amount of Sukuk Certificates in issue.

As at the reporting date, Sukuk Certificates with a face value of USD 500 million remain issued and outstanding by SPV I and Sukuk Certificates with a face value of USD 500 million remain issued and outstanding by SPV II. The fair value of the Sukuk Certificates issued by SPV I and SPV II as of the reporting date was USD 1,038.09 and USD 1,023.4 per sukuk respectively.

Loan from financial institutions

Loan from financial institutions represents term finance and foreign currency loan obtained from financial institutions.

1) Term finance:

During the year 2021, SLLC availed a term loan facility (“Facility 1”) from a financial institution with a sanctioned limit of AED 735 million, of which SLLC received an amount of AED 105 million during the 2022. In the year 2023, SLLC received an additional amount of AED 208 million from the financial institution. The total principal balance outstanding on this loan as of December 31, 2023, amounted to AED 200 million. During the prior year, in January 2024, the loan was settled in full by SLLC.

Sobha Jet Limited entered into a new term loan facility amounting to USD 30 million (“Facility 2”) on December 21, 2023, in respect of the purchase of an aircraft. The loan is to be repaid in 60 equal monthly instalments commencing January 2024. The principal outstanding loan as of the reporting date amounted to USD 27 million (AED 99 million). As a result of disposal of Sobha Jet Limited, the outstanding amount of USD 24 million (AED 90 million) as of December 24, 2024, was transferred to a related party (refer Note 33).

On June 24, 2024, the Company entered into a new term loan facility (“Facility 3”) amounting to AED 400 million of which the Company received AED 205 million during the prior year. The loan is to be repaid in 12 quarterly equal installments. The term finance facility carries a variable profit rate at the prevailing market rates. Further, in March 2025, the Company received an additional amount of AED 195 million. The principal outstanding loan as of June 30, 2025, amounted to AED 289 million (December 31, 2024: AED 169 million).

P N C Investments L.L.C**Unaudited Condensed Consolidated Interim Financial Information****Notes to the unaudited condensed consolidated interim financial information
(continued)****For the period ended June 30, 2025****22 Borrowings (continued)****Loan from financial institutions (continued)**2) Short term finance:

On November 1, 2023, the Company entered into a new short-term working capital loan facility ("Facility 4") with a financial institution carrying an interest rate of SOFR + 3.6% per annum. During the current period, the loan amounting to USD 50 million (AED 181 million) was settled in full by the Company. Further, on June 7, 2024, the Company availed an additional amount of USD 20 million (AED 74 million). Further, during the previous year, the outstanding loan amounting to USD 20 million (AED 74 million) was settled in full by the Company.

On May 8, 2025, the Company entered into a new term loan facility ("Facility 5") with a financial institution amounting to USD 22 million (AED 81 million), carrying an interest rate of 1 Month SOFR + 2.70%. The loan is for a period of one year. The principal outstanding loan as of the reporting date amounted to AED 80 million.

On May 6, 2025, the Company entered into a new term loan facility ("Facility 6") with a financial institution amounting to USD 15 million of which the Company received USD 10 million (AED 36.7 million) during the current period. The facility carries an interest rate of 12 Month SOFR + 0.85%. The loan is for a period of one year. The principal outstanding loan as of the reporting date amounted to USD 4.75 million (AED 17 million).

3) Vehicle loan:

On March 14, 2025, the Company entered into asset financing agreements ("Facility 7" & "Facility 8") with a financial institution totaling to AED 5,715 thousand. The loans are repayable in instalments over a tenure of 60 months.

The above outstanding borrowing facilities are secured by way of:

- Pledge by way of mortgage on Plot No. MS 7, MS 8 and 347-924 located in Hartland, Dubai, UAE, Plot No. MA 01, MC 01, CH 1, CH 2 and SG 01 located in Hartland II, Dubai, UAE, Plot No. 599-0221 in Jabel Ali, Dubai, UAE, and Plot No. 346-611 located in Business Bay, Dubai, UAE.
- Pledge of 'Facility Service Reserve Account' / 'Debt Service Reserve Account.';
- Trade receivables from Sobha Hartland Waves, Sobha Hartland Waves Grande and Sobha Hartland Villas – Phase III projects have been assigned as a security.
- Assignment of insurance policies to respective financial institutions, as per the agreed terms;

The table below analyses the borrowings into relevant maturity groupings based on the contractual maturity date.

	Within one year AED '000	More than one year AED '000	Total AED '000
June 30, 2025 (Unaudited)	243,622	3,736,078	3,979,700
December 31, 2024 (Audited)	67,594	1,941,862	2,009,456

23 Finance lease liabilities

Finance lease liabilities recognised in the condensed consolidated statement of financial position can be analysed as follows:

	(Unaudited) June 30, 2025		(Audited) December 31, 2024	
	Current AED '000	Non-current AED '000	Current AED '000	Non-current AED '000
Finance lease liabilities	24,126	71,942	-	20,033

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)
For the period ended June 30, 2025

23 Finance lease liabilities (continued)

The movement in the finance lease liabilities are as follows:

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	20,033	-
Additions	86,421	20,044
Finance cost	4,488	2,005
Repayments	(14,874)	(2,016)
Closing balance	96,068	20,033

Future minimum finance lease payments at the end of each reporting period are as follows:

	Minimum lease payments due		
	Within one year AED '000	More than one year AED '000	Total AED '000
June 30, 2025 (Unaudited)			
Lease payments	29,747	151,510	181,257
Finance charges	(5,621)	(79,568)	(85,189)
Net present value	24,126	71,942	96,068
 December 31, 2024 (Audited)			
Lease payments	-	94,547	94,547
Finance charges	-	(74,514)	(74,514)
Net present value	-	20,033	20,033

24 Trade and other payables

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Financial liabilities		
Trade payables*	1,869,656	1,200,598
Staff payables	26,230	234
Accruals	454,876	417,893
Interest accrued on Sukuk Certificates	91,251	77,080
Other	9,533	6,603
	2,451,546	1,702,408
Non-financial liabilities		
Provision for corporate tax	362,958	142,572
Advance from customers**	2,157,600	1,281,448
Excess billings	148,652	128,306
	2,669,210	1,552,326
	5,120,756	3,254,734
Less: current portion	(4,520,779)	(2,946,720)
Non-current portion	599,977	308,014

P N C Investments L.L.C

Unaudited Condensed Consolidated Interim Financial Information

**Notes to the unaudited condensed consolidated interim financial information
(continued)**

For the period ended June 30, 2025

24 Trade and other payables (continued)

*Trade payables as of the reporting date include AED 1,646,575 thousand (2024: AED 1,086,838 thousand) payable in relation to the purchase of investment properties (refer note 9).

**Advance from customers mainly represents amount received from customers against sale of villas, apartments and properties in accordance with the payment schedule stated in the sale and purchase agreements with customers.

The movement in consideration payable with respect to investment properties are as follows:

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Opening balance	1,086,838	691,425
Purchase of investment properties (Note 9)	1,430,121	2,752,855
Unwinding impact	44,430	63,176
Repayment during the period/year	(914,814)	(2,420,618)
Closing balance	1,646,575	1,086,838
Less: current portion	(1,046,598)	(778,824)
Non-current portion	599,977	308,014

The table below analyses the consideration payable with respect to investment properties into relevant maturity groupings based on the contractual maturity date.

	Within one year AED '000	More than one year AED '000	Total AED '000
June 30, 2025 (Unaudited)			
Payments	1,140,834	646,394	1,787,228
Finance charges	(94,236)	(46,417)	(140,653)
Net present value	1,046,598	599,977	1,646,575
December 31, 2024 (Audited)			
Payments	840,100	315,866	1,155,966
Finance charges	(61,276)	(7,852)	(69,128)
Net present value	778,824	308,014	1,086,838

25 Revenue

	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Revenue from sale of apartments and villas	7,215,941	3,991,251
Less: units cancelled during the period*	(21,655)	(61,959)
	7,194,286	3,929,292

*As a result of customer defaults, sales and purchase agreements with customers for 18 units (2024: 62 units) were cancelled and the Group has reinstated these units.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

26 Direct costs

	(Unaudited) June 30, 2025	(Unaudited) June 30, 2024
	AED '000	AED '000
Construction cost	2,359,961	1,113,019
Land cost	1,151,775	947,568
Infrastructure cost	148,189	115,809
Design cost	100,812	69,891
Finance cost	71,132	57,016
Overheads	71,115	83,594
Less: cost of units cancelled during the period	(12,093)	(37,295)
	<u>3,890,891</u>	<u>2,349,602</u>

27 Administrative and general expenses

	(Unaudited) June 30, 2025	(Unaudited) June 30, 2024
	AED '000	AED '000
Salaries and other benefits	245,794	113,666
Commission expense	132,998	95,919
Charity and donations	57,700	5,400
Communication expense	15,539	13,683
Legal and professional fees	13,646	11,633
Repairs and maintenance	9,701	2,923
Aircraft management fees	7,644	4,673
Utilities	5,878	2,515
Printing and stationary	2,556	1,954
Bank charges	1,245	1,167
Other	17,960	11,417
	<u>510,661</u>	<u>264,950</u>

28 Selling and marketing expenses

	(Unaudited) June 30, 2025	(Unaudited) June 30, 2024
	AED '000	AED '000
Advertisement and marketing	296,907	247,476
Commission expense	258,263	434,033
Royalty expense (Note 15)	72,226	40,500
	<u>627,396</u>	<u>722,009</u>

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)
For the period ended June 30, 2025

29 Finance costs – net

	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Interest on borrowings*	108,609	57,838
Interest capitalized to properties under development	-	(21,910)
Net interest on borrowings	108,609	35,928
Interest on finance lease liability	4,488	1,164
Interest on loan from shareholders (Note 15)	20,000	41,625
Unwinding impact on consideration payable	44,430	10,387
Loan processing fees	669	754
	<u>178,196</u>	<u>89,858</u>

*Interest on borrowings include interest accrued on Sukuk Certificates.

30 Guarantees, contingencies and capital commitments

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Capital commitments for properties under development	18,414,899	16,066,472
Performance guarantees	97,607	173,607
Capital commitment for capital work in progress	659,741	803,345
Capital commitment for investment property under development	184,522	203,694
Capital commitment for intangible assets under development	2,166	4,237
Capital commitment for purchase of investment properties	1,684,238	-
Commitment towards Mohammed Bin Rashid Al Maktoum Global Initiatives	<u>350,000</u>	<u>-</u>

There are considerable estimates required in determining the provision for income taxes (note 31). However, due to the novelty of CT Law, there may be transactions for which the ultimate tax liability may not be ascertained during the tax assessment period. The final tax impact on such transactions if any, will be assessed and recorded in the period in which the probability of such tax liabilities' settlement would be more likely than not.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

31 Income tax

Tax expense recognised in condensed consolidated statement of comprehensive income comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

The calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the balance sheet liability method.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income.

Furthermore, the income tax expense relates to Group's operations in the United Arab Emirates and the United Kingdom which is subject to an effective tax rate of 9% and 19% respectively.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Income tax expense comprises of the following:

	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Current tax expense		
Current period	185,978	60,228
Deferred tax expense		
Temporary differences	-	44,501
Tax expense	<u>185,978</u>	<u>104,729</u>

Movement in the income tax payable is as follows:

	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Opening balance	142,572	-
Provided during the period	185,978	60,228
Realization of fair value gain on investment properties	34,408	-
Closing balance	<u>362,958</u>	<u>60,228</u>

Reconciliation of effective tax rate is as follows:

	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Profit before tax	2,126,066	1,164,511
Share of profit from equity accounted investments	(63,166)	-
Profit on non-taxable entity	-	(3,629)
Loss on non-profitable entity	39	1,805
Basic exemption	(375)	(375)
	<u>2,062,564</u>	<u>1,162,312</u>
Tax using the domestic tax rate of 9%	185,631	104,608
Effect of inadmissible income	-	(44,501)
Effect of inadmissible expense	347	121
	<u>185,978</u>	<u>60,228</u>

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

31 Income tax (continued)

Deferred tax liability attributable to the following item has been recognised:

	(Unaudited) June 30, 2025		
	Assets	Liabilities	Net
	AED '000	AED '000	AED '000
Fair value gain on investment properties	-	4,305	4,305
	-	4,305	4,305

	(Audited) December 31, 2024		
	Assets	Liabilities	Net
	AED '000	AED '000	AED '000
Fair value gain on investment properties	-	38,713	38,713
	-	38,713	38,713

Movement recognised in deferred tax liabilities during the period:

	Balance as at January 1, 2025 (Audited) AED '000	Movement during the period (Unaudited) AED '000	Balance as at June 30, 2025 (Unaudited) AED '000
Fair value gain on investment properties	38,713	(34,408)	4,305
	38,713	(34,408)	4,305

Deferred tax asset attributable to the following item has been recognised:

	(Unaudited) June 30, 2025		
	Assets	Liabilities	Net
	AED '000	AED '000	AED '000
Property and equipment	-	-	-
	-	-	-

	(Audited) December 31, 2024		
	Assets	Liabilities	Net
	AED '000	AED '000	AED '000
Property and equipment	-	-	-
	-	-	-

Movement recognised in deferred tax assets during the period/year:

	Balance as at January 1, 2025 (Audited) AED '000	Movement during the period (Unaudited) AED '000	Balance as at June 30, 2025 (Unaudited) AED '000
Property and equipment	-	-	-
	-	-	-

	Balance as at January 1, 2024 (Audited) AED '000	On disposal of subsidiary (Audited) AED '000	Balance as at December 31, 2024 (Audited) AED '000
Property and equipment	83	(83)	-
	83	(83)	-

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)
For the period ended June 30, 2025

32 Acquisition involving entity under common control

On November 11, 2024, the Company acquired the business of Sobha Energy Solutions L.L.C, a related party for AED 39 thousand. The net assets recognized on acquisition involving an entity under common control can be analyzed as follows:

	Sobha Energy Solutions L.L.C November 11, 2024 AED '000
ASSETS	
Due from related parties	300
Cash and bank balance	10
	<u>310</u>
LIABILITIES	
Trade and other payables	229
Due to related parties	42
	<u>271</u>
Net asset value on acquisition of Sobha Energy Solutions L.L.C	<u>39</u>
	2024 AED '000
Net asset value on acquisition	39
Consideration payable	39
Gain/(loss) on acquisition (recognized in retained earnings)	<u>-</u>
The net cash inflow on acquisition of subsidiary through common control transactions can be analyzed as follows:	
	2024 AED '000
Cash acquired on acquisition of subsidiary	10
Consideration paid during the year	-
Net cash inflow on acquisition of subsidiary	<u>10</u>

33 Discontinued operations

During the year ended December 31, 2024, the Company disposed of the following entities to related parties as disclosed below:

- Latinem Securities (Br of P N C Investments L.L.C) (the "Branch") ("LSL"), to Sobha Constructions L.L.C, for AED 3,890 thousand on January 1, 2024.
- Sobha Furniture Design Studio S.R.L ("SFSRL") to PNC Architects, for AED 239 thousand on December 4, 2024.
- Sobha Real Estate UK Limited. ("SRUKL") to Sobha Corporate L.L.C, for AED 5 on December 20, 2024.
- Sobha Jet Limited ("SJL") to Mr. Puthan N C Menon for AED 43,692 thousand on December 24, 2024.

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

33 Discontinued operations (continued)

The financial performance of discontinued operations for the period to the date of disposal is set out below:

	LSL January 1, 2024 AED '000	SFSRL December 4, 2024 AED '000	SRUKL December 20, 2024 AED '000	SJL December 24, 2024 AED '000	Total AED '000
Administrative and general expenses	-	(2,790)	(332)	(2,156)	(5,278)
Depreciation and amortization	-	(388)	-	(14,538)	(14,926)
Operating loss	-	(3,178)	(332)	(16,694)	(20,204)
Finance costs – net	-	-	-	(6,742)	(6,742)
Loss for the year from discontinued operations	-	(3,178)	(332)	(23,436)	(26,946)

The carrying amounts of assets and liabilities transferred were as follows:

	LSL January 1, 2024 AED '000	SFSRL December 4, 2024 AED '000	SRUKL December 20, 2024 AED '000	SJL December 24, 2024 AED '000	Total AED '000
ASSETS					
Property and equipment	13	173	576	127,021	127,783
Deferred tax asset	-	-	83	-	83
Trade and other receivables	5,488	31	1,704	7,178	14,401
Due from related parties	6,720	-	-	-	6,720
Cash and bank balance	696	43	383	234	1,356
	12,917	247	2,746	134,433	150,343
LIABILITIES					
Trade and other payables	1,840	8	57	11	1,916
Employees' end of service benefits	238	-	-	-	238
Borrowings	-	-	-	89,868	89,868
Due to related parties	10,118	-	-	862	10,980
	12,196	8	57	90,741	103,002
Net assets (A)	721	239	2,689	43,692	47,341
Purchase consideration (B)	3,890	239	-	43,692	47,821
Gain/(loss) on disposal (recognized in retained earnings) [(B)-(A)]	3,169	-	(2,689)	-	480

The net cash inflow on discontinued operations can be analyzed as follows:

	AED '000
Consideration received during the year	3,890
Cash balance on date of disposal	(1,356)
Net cash inflow on discontinued operations	2,534

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

34 Other income

	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Late payment charges	15,164	83,771
Interest income on deposits	60,509	45,945
Development management fees (Note 15)	9,593	-
Gain on sale of properties and equipment	-	57
Others	13,100	4,470
	<u>98,366</u>	<u>134,243</u>

35 Cash flow adjustments and net changes in working capital

The following cash flow adjustments and net changes in working capital have been made to net profit to arrive at the operating cash flows:

	Notes	(Unaudited) June 30, 2025 AED '000	(Unaudited) June 30, 2024 AED '000
Adjustments for:			
Depreciation and amortization		22,608	17,730
Gain on fair value of investment properties		-	(545,125)
Loan processing fees		669	754
Profit share from investment in joint ventures		(63,166)	-
Net interest expense on borrowings	29	108,609	35,928
Interest expense on loan from related parties	29	20,000	41,625
Unwinding impact on consideration payable	29	44,430	10,387
Interest expense on finance lease liabilities	29	4,488	1,164
Gain on sale of properties and equipment	34	-	(57)
Provision for employees' end of service benefits		5,478	4,945
		<u>143,116</u>	<u>(432,649)</u>
Net changes in working capital:			
Trade and other receivables		(1,487,620)	(143,122)
Due from related parties		(454,900)	977
Due to related parties		(366,259)	(76,397)
Trade and other payables		988,158	478,827
Properties under development		1,366,388	997,420
		<u>45,767</u>	<u>1,257,705</u>

36 Fair value measurement

Assets and liabilities measured at fair value in the condensed consolidated statement of financial position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

P N C Investments L.L.C
Unaudited Condensed Consolidated Interim Financial Information

Notes to the unaudited condensed consolidated interim financial information
(continued)

For the period ended June 30, 2025

36 Fair value measurement (continued)

The following table shows the levels within the hierarchy of financial and non-financial asset measured at fair value:

	Notes	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total AED '000
(Unaudited) June 30, 2025					
Investment properties (Note 9)	(i)	-	626,300	-	626,300
(Audited) December 31, 2024					
Investment properties (Note 9)	(i)	-	3,038,826	-	3,038,826

(i) Investment properties

Fair value of the investment property is estimated based on an appraisal performed by independent, professionally qualified property valuers. The significant inputs and assumptions are developed in close consultation with the management. The valuation processes and fair value changes are reviewed by the management at each reporting date.

The valuation was carried out towards the end of the reporting period by the valuers using a market approach considering the Gross Floor Area (GFA) of the plot of land and units of commercial space in the building. In determining the fair value, the valuers considered the sales comparison method. The significant unobservable input in the fair value estimation is an adjustment to reflect recent market transactions and factors specific to the subject properties. Although this input is a subjective judgement, management considers that the overall valuation would not be materially affected by reasonably possible alternative assumptions.

37 Capital management policies and procedures

Capital includes equity attributable to the equity holders of the Group. The Group's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the Group's business.

The management of the Group currently monitors the leverage on a periodic basis to ensure that the overall leverage is at manageable levels and that adequate profitability is being retained in the business to ensure a healthy capital structure.

The Group's capital management objectives are to maintain a strong credit rating and healthy ratios in order to support its business; to provide adequate returns to and maximize shareholders' value; and to maintain an optimal capital structure to reduce the cost of capital.

The Group's capital structure follows:

	(Unaudited) June 30, 2025 AED '000	(Audited) December 31, 2024 AED '000
Total equity attributable to the Shareholders of the Company	11,659,114	9,020,812
Cash and cash equivalents	5,634,514	2,825,892