

**Al-Dhafra Technical Services L.L.C (Previously
known as Al-Dhafra Co-operative Society)**

Financial statements

For the year ended 31 December 2025

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
Co-operative Society)
Financial statements
For the year ended 31 December 2025**

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Independent Auditor’s Report To the Shareholders of Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra Co-operative Society)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Al-Dhafra Technical Services (Previously known as Al-Dhafra Co-operative Society) (the “Company”), which comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (*Including International Independence Standards*) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Independent Auditor's Report

To the Shareholders of Al-Dhafra Technical Services (Previously known as Al-Dhafra Co-operative Society) (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements (continued)

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditor's Report

To the Shareholders of Al-Dhafra Technical Services (Previously known as Al-Dhafra Co-operative Society) (continued)

Report on the Audit of the Financial Statements (continued)

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

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

- i) we have obtained all the information we considered necessary for the purposes of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of UAE Federal Law No. (32) of 2021 and the Memorandum of Association of the Company;
- iii) The Company has maintained proper books of account;
- iv) note 23 to the financial statements discloses material related party transactions and the terms under which they were conducted;
- v) Investments are included in note 20 to the financial statements and include purchases made by the Company during the year ended 31 December 2025; and
- vi) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, or of its Article of Association which would materially affect its activities or its financial position as at 31 December 2025.

GRANT THORNTON UAE



Mohamed Aly
Registration No: 5657
Abu Dhabi, United Arab Emirates




17 February 2026

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
Co-operative Society)
Financial Statements**

**Statement of financial position
As at 31 December 2025**

	Notes	2025 AED	2024 AED
Assets			
Non-current assets			
Property and equipment	6	410,356,840	250,871,392
Goodwill	5&8	19,525,778	-
Intangible assets	7	1,428,158,847	-
Investments in financial assets at FVTOCI	20	3,709,500	1,854,750
Total non-current assets		1,861,750,965	252,726,142
Current assets			
Inventories	9	3,456,933	6,280,691
Trade and other receivables	10	191,084,406	132,089,576
Cash and cash equivalents	11	505,320,690	200,819,804
Total current assets		699,862,029	339,190,071
Total assets		2,561,612,994	591,916,213
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	15-1	114,134,800	76,422,600
Shares to be issued	15-1	76,185,619	-
Share premium	15-2	1,441,384,359	-
Legal reserve	15-3	152,845,200	152,845,200
Retained earnings		417,152,121	176,703,355
Total shareholders' equity		2,201,702,099	405,971,155
Liabilities			
Non-current liabilities			
Employees' end of service benefits	14	3,541,747	2,542,726
Trade and other payables	12	15,712,792	24,758,289
Total non-current liabilities		19,254,539	27,301,015
Current liabilities			
Trade and other payables	12	308,213,494	142,481,982
Income tax payable	22-2	32,442,862	13,840,678
Provision for community improvement	13	-	2,321,383
Total current liabilities		340,656,356	158,644,043
Total liabilities		359,910,895	185,945,058
Total Shareholders' equity and liabilities		2,561,612,994	591,916,213

These financial statements were approved for issue on 17 February 2026 by the Board of Directors and signed on their behalf by:



Captain Mohamed Juma Alshamsi

Chairman of the Board



Mr. Abdulkhaliq Saleh Alameri

Chief Executive Officer

The accompanying notes from 1 to 27 are an integral part of these financial statements.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
Co-operative Society)
Financial Statements**

**Statement of comprehensive income
For the year ended 31 December 2025**

	Notes	2025 AED	2024 AED
Revenues	16	695,669,713	317,846,515
Cost of revenues	17	(169,217,155)	(107,996,232)
Gross profit		526,452,558	209,850,283
General and administrative expenses	18	(151,803,015)	(42,032,314)
Allowance for expected credit losses	10	(54,926,278)	(16,156,245)
Other income		7,047,088	101,642
Finance income		8,115,433	1,635,374
Finance cost		(1,669,203)	(2,803,688)
Profit for the year before tax		333,216,583	150,595,052
Income tax expense	22-1	(32,145,585)	(13,840,678)
Profit for the year after tax		301,070,998	136,754,374
Other comprehensive income		-	-
Total comprehensive income for the year		301,070,998	136,754,374

The accompanying notes from 1 to 27 are an integral part of these financial statements.

Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra Co-operative Society)
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Statement of changes in shareholders' equity
For the year ended 31 December 2025

	Share capital AED	Shares to be issued AED	Share premium AED	Legal reserve AED	Retained earnings AED	Total equity AED
Balance at 1 January 2024	76,422,600	-	-	152,845,200	80,234,582	309,502,382
Transferred to provision for community improvement (note 13)	-	-	-	-	(2,074,301)	(2,074,301)
Dividends declared (note 21)	-	-	-	-	(38,211,300)	(38,211,300)
Total comprehensive income for the year	-	-	-	-	136,754,374	136,754,374
Balance at 31 December 2024	76,422,600	-	-	152,845,200	176,703,355	405,971,155
Balance at 1 January 2025	76,422,600	-	-	152,845,200	176,703,355	405,971,155
Issue of shares (note 15)	37,712,200	-	1,441,384,359	-	-	1,479,096,559
Shares to be issued as a result of the merger (note 15-1)	-	76,185,619	-	-	-	76,185,619
Dividends declared (note 21)	-	-	-	-	(60,622,232)	(60,622,232)
Total comprehensive income for the year	-	-	-	-	301,070,998	301,070,998
Balance at 31 December 2025	114,134,800	76,185,619	1,441,384,359	152,845,200	417,152,121	2,201,702,099

The accompanying notes from 1 to 27 are an integral part of these financial statements.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
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Financial Statements**

**Statement of cash flow
For the year ended 31 December 2025**

	Notes	2025 AED	2024 AED
Cash flows from operating activities			
Profit for the year before tax		333,216,583	150,595,052
Depreciation expenses	6	76,153,217	44,488,050
Amortization expenses	7	538,800	-
Allowance for expected credit losses on trade receivables	10	54,926,278	16,156,245
Provision for employees' end of service benefits	14	1,043,094	689,375
Provision for board of directors' remuneration	18	11,000,000	3,750,000
Impairment loss on property and equipment	6	544,963	-
Allowance for slow-moving and obsolete inventories	9	3,765,116	-
Finance cost		1,669,203	2,803,688
Gain on sale of property and equipment		(5,611,021)	-
Finance income		(8,115,433)	(1,635,374)
Operating income before changes in working capital		469,130,800	216,847,036
Changes in working capital:			
Change in trade and other receivables		(65,695,987)	12,283,800
Change in inventory		(941,358)	197,629
Change in trade and other payables		97,470,702	44,179,123
Cash flow generated from operating activities		499,964,157	273,507,588
Employees' end of service benefits paid	14	(1,120,638)	(2,039,093)
Payments for community improvement		(2,321,383)	(700,000)
Payment of tax	22-2	(24,724,075)	-
Net cash flow generated from operating activities		471,798,061	270,768,495
Cash flows from investing activities			
Purchases of property and equipment	6	(184,013,442)	(77,812,217)
Purchases of intangible assets	7	(54,000)	-
Proceeds from disposal of property and equipment		5,820,586	-
Payment for acquisition of Delma fish and marine segments		(95,660,675)	-
Cash acquired on business combination	5	161,087,679	-
Purchase of investments in financial assets at FVTOCI	20	(1,854,750)	(1,854,750)
Net cash flow used in investing activities		(114,674,602)	(79,666,967)
Cash flows from financing activities			
Dividends paid	21	(59,068,803)	(38,211,300)
Finance cost paid		(1,669,203)	(2,803,688)
Interest from fixed deposits received		8,115,433	1,635,374
Net cash flow used in financing activities		(52,622,573)	(39,379,614)
Net change in cash and cash equivalents during the year			
		304,500,886	151,721,914
Cash and cash equivalents at beginning of the year	11	200,819,804	49,097,890
Cash and cash equivalents - end of the year	11	505,320,690	200,819,804
Non-cash transactions			
Property and equipment		54,374,751	-
Intangible assets		1,428,643,647	-
Issuance of share capital		37,712,200	-
Shares to be issued		76,185,619	-
Share premium		1,441,384,359	-
The accompanying notes from 1 to 27 are an integral part of these financial statements			

Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra Co-operative Society) Financial Statements

Notes to the financial statements For the year ended 31 December 2025

1. Legal status and nature of operations

Al-Dhafra Technical Services (Previously known as Al-Dhafra Co-operative Society) was established in the Emirate of Abu Dhabi in the Western Region - Madinat Zayed - pursuant to Ministerial Resolution No. (29) dated 29 June 1977, issued by the Ministry of Social Affairs. It is registered with the Department of Economic Development - Abu Dhabi under Trade License No. CN-1002108. It was established on 02 September 1989 and registered with federal and local government agencies in accordance with Law No. (13) of 1976 and registered under No. (3) in the records of the Ministry's Cooperation Department.

On 10 January 2025, management obtained a new trade license reflecting the revised structure of the Company, allowing it to operate as a Limited Liability Company – Sole Proprietorship, under license number **CN-1002108** and the legal name **Al Dhafra Technical Services L.L.C – S.P.C.** This new structure encompassed the remaining sectors of the former Company as well as the Car Rental segment of Delma Cooperative Society. Subsequently, on 27 March 2025, the establishment contract for the new entity was issued, and on 23 April 2025, the Company's name was formally updated to **Al Dhafra Technical Services L.L.C.**

On 11 February 2026, management obtained a new trade license reflecting the revised legal name of the Company as **Serh Group for Technical Services L.L.C.**, under license number **CN-1002108**. Management also issued an addendum to the establishment contract to formally document the updated legal name (note 25).

The Company headquarters and legal domicile is located in the Western Region - Madinat Zayed and it carries out its work in the Emirate of Abu Dhabi.

2. Basis of preparation

2.1 Statement of compliance with IFRS Accounting Standards

These financial statements have been prepared in accordance with IFRS Accounting Standards promulgated by International Accounting Standards Board (IASB) and interpretations thereof issued by the International Financial Reporting Interpretation Committee and applicable requirements of the UAE Federal Law No. (32) of 2021, as amended.

The financial statements are prepared on an accrual basis and under the historical cost convention except for the investments in financial assets at FVTOCI and the provision for employees end of services benefits, which is calculated in line with UAE labour laws.

2.2 Functional and reporting currency

These financial statements are presented in UAE Dirhams (AED), being the functional and presentation currency of the Company. All the financial information presented in these financial statements has been rounded off to the nearest dirham except where otherwise indicated.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
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Financial Statements**

**Notes to the financial statements (continued)
For the year ended 31 December 2025**

2. Basis of preparation (continued)

2.3 Standards, interpretations and amendments to existing standards

Standards, interpretations and amendments to existing standards that are effective in 2025

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2025, have been applied in these financial statements:

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the SASB standards to enhance their international applicability

The application of these revised IFRS Accounting Standards has no material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Standards and interpretations in issue but not yet effective and has not been adopted early by the Company

The Company has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	1 January 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	1 January 2027
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)	1 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the period of initial application.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
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Financial Statements**

**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information

Financial instruments

Financial instruments are recognized in statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Financial assets

Recognition and measurement

The Company has the following financial assets: cash and bank balances, trade and other receivables (excluding advances and prepaid expenses), and investments in financial assets at FVTOCI. Financial assets, other than those designated and effective as hedging instruments (if any), are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL), or;
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the Company's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the statement of comprehensive income are presented within finance costs, finance income or other financial items, except for impairment of trade and other receivables which is presented separately in the statement of statement of comprehensive income.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
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Financial Statements**

**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and other receivables, and amounts due from related party fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The Company does not have financial assets at fair value through profit or loss (FVTPL) as at 31 December 2025 and 2024.

Financial assets at fair value through other comprehensive income – debt instrument

The Company accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

The Company does not have financial assets at fair value through other comprehensive income – debt instrument as at 31 December 2025 and 2024.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
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Financial Statements**

**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Financial instruments (continued)

Financial assets at fair value through other comprehensive income – equity instrument

The Company made an irrevocable election to present in other comprehensive income changes in the fair value of an investment in an equity instrument that is not held for trading. This election is made on an instrument-by-instrument (share-by-share) basis. Amounts presented in other comprehensive income will not be subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Company measures expected loss allowances at an amount equal to lifetime ECL, except for those financial instruments on which credit risk has not increased significantly since their initial recognition, in which case 12-month ECL are measured.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after reporting date.

Measurement of ECL

ECL are probability-weighted estimate of credit losses. They are measured as follows:

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).
- financial assets that are credit-impaired at the reporting date: as the difference between the gross carrying amount and the present value of estimated future cash flows.
- undrawn loan commitments: as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and
- financial guarantee contracts: the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Financial instruments (continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables, Board of directors' remuneration and due to related party are classified as 'financial liabilities' and are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

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

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Offsetting financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously.

Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

These are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Company, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for identified Company.

Cash and bank balances

Cash and bank balances are items, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and bank balances in the statement of financial position comprise balance in bank account and are initially and subsequently recorded at fair value.

**Al-Dhafra Technical Services L.L.C (Previously known as Al-Dhafra
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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Fair value of financial instruments

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include:

- Using recent arm's length market transactions;
- Reference to the current fair value of another instrument that is substantially the same; or
A discounted cash flow analysis or other valuation models.

Property and equipment

Property and equipment are stated at historical cost net of accumulated depreciation and accumulated impairment losses if any.

Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of income as incurred.

Depreciation of an asset starts when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings and caravans	12-25
Motor vehicles and equipment	5-10
Tanks and generators	5
Furniture and office equipment	4
Decorations, fixtures and fittings	3
Machines and tools	3
Machinery and equipment	4
Marine Fleets	10
Fishing Boats	10
Other fixed assets	4

Property and equipment are derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognizing of the asset is included in the statement of comprehensive income when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication exists, and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and value in use.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income.

Concession rights

Concession rights include costs incurred to obtain certain concession rights and are amortised on a straight-line basis in the statement of profit or loss over their estimated useful life of 39 years for Marine and 31 years for Fish from the date of acquisition.

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Cost comprises invoice value plus applicable landing charges in the case of spares and consumables. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the cash-generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs to sell or value in use.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless it was assumed in the course of a business combination.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Value added tax

In accordance with the Federal Decree Law No. (8) of 2017 Value Added Tax (VAT) has been introduced from 1 January 2018 at a rate of 5% of taxable supplies. With this regard the Company collects VAT on certain income and pays VAT on certain expenses incurred. The difference between input and output tax net is payable to the Federal Tax Authority (FTA).

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

End of service benefits obligation

A provision for employees' end of service benefits is made for the full amount due to employees for their periods of service up to the reporting date in accordance with the UAE Labour Law and is reported as a separate line item under non-current liabilities.

The entitlement to end of service benefits is based upon the employee's salary and length of service, subject to the completion of a minimum service period as specified in the UAE Labour Law. The expected costs of these benefits are accrued over the period of employment.

Revenue recognition

The Company recognises revenue from contracts with customers based on the five-step model:

- Step 1: Identify the contracts) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

For performance obligations where none of the above conditions are met, revenue is recognised at a point in time at which the performance obligation is satisfied.

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

Revenue is recognised in the financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable, can be measured reliably.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Revenue recognition (continued)

Revenue is recognised from the Company's activities as follows:

(a) Oil and gas sector

Revenues from rental heavy equipment and labour are recognized over a period of time consistently and specifically by referring to the relevant terms in the associated leasing contract.

(b) Revenues from Al-Warra office

Revenues from access permits are recognized over a period of time the permits are granted to the customers while revenues from renting equipment and buss is recognized over the time consistently and specifically by referring to the relevant terms in the associated leasing contract.

(c) Revenues from marine

Revenue from marine services is recognized over time, as it relates to the rental of vessels to third parties.

(d) Revenues from sale of fish

Revenue from the sale of fish is recognized at the point in time when control of the goods is transferred to the customer.

Expenses

All expenses, including operating expenses, general and administrative expenses, and other expenses, are recognized and charged to the statement of comprehensive income in the financial period in which these expenses were incurred.

Finance income

Finance income comprises interest income on short-term investments and other bank deposits. Interest income is recognised as it is accrued in the statement of comprehensive income, using the effective interest method.

Contingent

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Liabilities which are probable are recorded in the financial statements under accounts trade and other payables. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Fair value measurement

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and other receivables (excluding advances and prepaid expenses). Financial liabilities consist of trade and other payables.

The fair values of financial instruments are not materially different from their carrying value.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company's supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intend to settle its current tax assets and liabilities on a net basis current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Leases

The Company as a Lessee

The Company considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Leases (continued)

The Company as a Lessee (continued)

To apply this definition the Company assesses whether the contract meets key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Leases (continued)

The Company as a Lessor

As a lessor the Company classifies its leases as either operating or finance leases.

A Company assessed whether it transfers substantially all the risks and rewards of ownership. Those assets that do not transfer substantially all the risks and rewards are classified as operating leases.

Rental income is accounted for on a straight-line basis over the lease term and is included in revenue due to its operating nature.

Business combinations and goodwill

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

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

3. Material accounting policy information (continued)

Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Impairment of goodwill

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

4. Significant management judgement in applying accounting policies and estimation uncertainty

4.1 Significant management judgement in applying accounting policies

While applying the accounting policies as stated in Note 3, management of the Company has made certain judgements, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgements and estimates made by management, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

4. Significant management judgement in applying accounting policies and estimation uncertainty (continued)

4.2 Key sources of estimation of uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Useful lives of property and equipment and intangible assets

The Company's management determines the estimated useful lives of its property and equipment and intangible assets for calculating depreciation / amortisation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation / amortisation charge would be adjusted where management believes that the useful lives differ from previous estimates. Where management determines that the useful life or residual value of an asset requires amendment, the net book amount in excess of the residual value is depreciated / amortised over the revised remaining useful life.

Impairment of goodwill

In assessing impairment, management estimates the recoverable amount of each cash generating unit based on expected future cash flows and uses an interest rate to discount them.

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**Notes to the financial statements (continued)
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4. Significant management judgement in applying accounting policies and estimation uncertainty (continued)

4.2 Key sources of estimation of uncertainty (continued)

Impairment of property and equipment and intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model.

Whenever the carrying amount of any property exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Allowance for Expected Credit Losses (ECL)

The Company uses a provision matrix to calculate Lifetime ECLs for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

At the reporting date, gross trade receivables, were AED 142,789,199 (2024: AED 116,594,917) an allowance for expected credit losses amounting to AED 75,855,094 (2024: AED 22,960,543). Any difference between the amounts collected in future periods and the amounts expected will be recognized in the statement of comprehensive income. (refer to note 10)

The Company has determined the expected credit loss on bank balances to be insignificant considering that the counterparty banks are investment grade category and has a low probability of default and loss at given default.

Business combination

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgment by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Company's management uses all available information to make these fair value determinations.

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Notes to the financial statements (continued) For the year ended 31 December 2025

5. Business Combinations

Acquisitions during the year under IFRS 3 Business Combination

Effective 1 January 2025, the Company acquired Al-Warra offshore, Fish and Marine Sectors of Delma Cooperative Society (“Delma Business”) and merge it with its operations through a share swap arrangement, whereby the shareholders of Delma Business were issued 39,654,688 shares of Al Dhafra Technical Services L.L.C. These shares had a total fair value of AED 1,555,282,178. The transaction was accounted for as a business combination in accordance with IFRS 3. Furthermore, Delma would cease to exist as a result of the merger and would not recognize any accounting gains.

Background of the merge

Delma Co-operative Society (the “Society”) was established on 4 February 1981 in the Emirate of Abu Dhabi, Delma Island, pursuant to Ministerial Decree No. 24/1 dated 31 March 1981 issued by the Ministry of Social Affairs. The Society was registered with the federal and local authorities in accordance with Federal Law No. 13 of 1976 and was recorded under registration number 9 in the Co-operation Management Register.

In November 2023, the Department of Economic Development issued Resolution No. (59) of 2023 regarding the merger of cooperative societies in the Emirate of Abu Dhabi. Pursuant to this resolution, the merger of Al Ain Cooperative Society, Al Dhafra Cooperative Society, and Delma Cooperative Society (the “Merged Societies”) into Abu Dhabi Co-operative Society, subsequently known as Mair Group P.J.S.C was approved, with the decision becoming legally effective on 9 November 2023.

Pursuant to the DED Resolution, specific sectors of the merging societies, including Retail and Real Estate activities, were consolidated under Mair Group P.J.S.C in exchange for the issuance and distribution of share capital to the existing shareholders of the merging societies. Other activities that were not included in the merger—namely, the Oil and Gas sector and the Al-Warra Office of Al Dhafra Cooperative Society, as well as Al-Warra offshore, Fish and Marine sectors of Delma Cooperative Society—were combined and continued under Al Dhafra Technical Services L.L.C., the new legal form of the legacy Al Dhafra Cooperative Society.

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**Notes to the financial statements (continued)
For the year ended 31 December 2025**

5. Business Combinations (continued)

Acquisitions during the year under IFRS 3 Business Combination (continued)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Delma Business as at the date of acquisition were as follows:

	1 January 2025 AED
Assets	
Non-current assets	
Property and equipment	54,374,751
Intangible assets	1,428,643,647
Trade and other receivables	48,225,121
Cash and bank balances	161,087,679
Total assets	<u>1,692,331,198</u>
Liabilities	
Employees' end of service benefits	1,076,565
Trade and other payables	144,317,559
Income tax payable	11,180,674
Total liabilities	<u>156,574,798</u>
Net assets	<u>1,535,756,400</u>
Purchase consideration	<u>1,555,282,178</u>
Goodwill arising on acquisition	<u>19,525,778</u>

Valuation basis

The fair values assigned to the identifiable assets and liabilities of Delma Business were determined based on valuations performed by an independent management expert as part of the purchase price allocation. The valuation methodologies applied were consistent with IFRS 13 "Fair value measurement" and IFRS 3 "Business combinations".

The enterprise value of Delma Business was determined using the income approach, specifically the Discounted Cash Flow (DCF) method, applied separately to each of operating segment of Delma Technical Services L.L.C – S.P.C., namely:

- Al Wara Offshore
- Marine
- Fish

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**Notes to the financial statements (continued)
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5. Business Combinations (continued)

Acquisitions during the year under IFRS 3 Business Combination (continued)

Valuation basis (continued)

Forecast cash flows for the periods from 2025 to 2029 were based on management-approved business plans and discounted using segment-specific discount rates derived from market-based inputs. These included risk-free rates, industry betas, equity risk premium, country risk premium and capital structure benchmarks.

For the Al Wara offshore and Fish segments, terminal values were estimated using the Gordon Growth Method, applying long-term growth assumptions aligned with UAE inflation expectations.

For the Marine segment—where operations are tied to the useful lives of vessels—cash flows were projected through the end of each vessel’s economic life, and no terminal value was assumed. Instead, estimated salvage values were included based on Light Displacement Tonnage (LDT) or reproduction cost percentages, grown for inflation up to disposal dates.

Valuation of identifiable intangible assets

The following intangible assets were identified and valued as part of the acquisition:

- Al Wara offshore concession agreement (indefinite useful life)
- Marine concession agreement
- ADNOC Fish customer relationship

These intangible assets were valued using the Multi-Period Excess Earnings Method (MEEM), which isolates cash flows attributable solely to the intangible asset after deducting contributory asset charges for supporting assets such as working capital, tangible assets and workforce.

Useful lives were determined based on legal rights, contract terms, historical operating patterns and management expectations. In cases where the concession rights were understood to have no defined expiry (e.g., Al Wara offshore), an indefinite useful life was assigned.

Valuation of tangible assets

Tangible assets acquired within the business segments of Delma Business including marine fleets, vehicles, fishing boats, machinery, furniture, and office equipment, were valued using:

- The market approach, where observable market data existed (primarily for vehicles and vessels); and
- The depreciated replacement cost method, where assets were specialised or lacked market comparables.

Replacement costs were derived by indexing historical acquisition costs using asset-specific inflation indices. Adjustments were made for physical deterioration, functional obsolescence, and economic obsolescence as appropriate.

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Notes to the financial statements (continued)
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6 Property and equipment

	Buildings and caravans	Motor vehicles and equipment	Tanks and generators	Furniture and office equipment	Decorations, fixtures and fittings	Machines and tools	Machinery and equipment	Marine fleets	Fishing boats	Other fixed assets	Capital work-in-progress	Total
	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED	AED
Cost:												
As at 1 January 2024	97,463,482	431,891,225	13,851,961	15,648,723	18,182,283	3,910,520	-	-	-	-	4,764,189	585,712,383
Additions	-	77,113,670	15,580	66,011	4,500	-	-	-	-	-	612,456	77,812,217
As at 31 December 2024	97,463,482	509,004,895	13,867,541	15,714,734	18,186,783	3,910,520	-	-	-	-	5,376,645	663,524,600
Acquired in business combination (note 5)	-	15,428,600	-	217,851	-	-	893,100	36,019,000	1,411,501	404,699	-	54,374,751
Additions	2,031,000	146,361,665	226,000	837,374	26,250	-	669,270	1,231,916	-	-	32,629,967	184,013,442
Disposals	(6,011,829)	(46,874,417)	-	(5,000)	-	-	-	(105,500)	(724,000)	-	-	(53,720,746)
As at 31 December 2025	93,482,653	623,920,743	14,093,541	16,764,959	18,213,033	3,910,520	1,562,370	37,145,416	687,501	404,699	38,006,612	848,192,047
Accumulated Depreciation:												
As at 1 January 2024	68,580,560	249,326,447	13,444,720	15,186,708	17,770,431	3,856,292	-	-	-	-	-	368,165,158
Depreciation for the year	1,408,072	42,436,887	170,724	345,644	96,511	30,212	-	-	-	-	-	44,488,050
As at 31 December 2024	69,988,632	291,763,334	13,615,444	15,532,352	17,866,942	3,886,504	-	-	-	-	-	412,653,208
Depreciation for the year	2,410,074	68,534,458	184,788	357,512	188,833	22,321	437,526	3,835,779	80,820	101,106	-	76,153,217
Impairment loss for the year	-	-	-	-	-	-	-	-	-	-	544,963	544,963
Disposals	(6,001,100)	(45,508,743)	-	(4,999)	-	-	-	(482)	(857)	-	-	(51,516,181)
As at 31 December 2025	66,397,606	314,789,049	13,800,232	15,884,865	18,055,775	3,908,825	437,526	3,835,297	79,963	101,106	544,963	437,835,207
Net book value:												
As at 31 December 2025	27,085,047	309,131,694	293,309	880,094	157,258	1,695	1,124,844	33,310,119	607,538	303,593	37,461,649	410,356,840
As at 31 December 2024	27,474,850	217,241,561	252,097	182,382	319,841	24,016	-	-	-	-	5,376,645	250,871,392

Depreciation expenses were distributed in the statement of comprehensive income as follows:

	31 December 2025	31 December 2024
	AED	AED
Cost of revenues (Note 17)	74,722,356	44,359,042
General and administrative expenses (Note 18)	1,430,861	129,008
	<u>76,153,217</u>	<u>44,488,050</u>

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7 Intangible assets

	Computer software AED	ADNOC Fish agreement AED	Concession agreement - Marine AED	Concession agreement - Al Wara Offshore AED	Total AED
Cost:					
As at 1 January 2025	-	-	-	-	-
Acquired in business combination (note 5)	140,000	4,277,244	10,885,192	1,413,341,211	1,428,643,647
Additions during the year	54,000	-	-	-	54,000
As at 31 December 2025	<u>194,000</u>	<u>4,277,244</u>	<u>10,885,192</u>	<u>1,413,341,211</u>	<u>1,428,697,647</u>
Accumulated amortization:					
As at 1 January 2025	-	-	-	-	-
Amortization during the year	77,992	109,673	351,135	-	538,800
As at 31 December 2025	<u>77,992</u>	<u>109,673</u>	<u>351,135</u>	<u>-</u>	<u>538,800</u>
Carrying value					
As at 31 December 2025	<u><u>116,008</u></u>	<u><u>4,167,571</u></u>	<u><u>10,534,057</u></u>	<u><u>1,413,341,211</u></u>	<u><u>1,428,158,847</u></u>

Amortization expenses were distributed in the statement of comprehensive income as follows:

	31 December 2025 AED	31 December 2024 AED
Cost of revenues (Note 17)	460,808	-
General and administrative expenses (Note 18)	77,992	-
	<u>538,800</u>	<u>-</u>

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8 Goodwill

The goodwill arising from the acquisition of Delma Business represents the excess of the purchase consideration settled through the issuance of shares over the fair value of the identifiable net assets acquired. The total purchase consideration amounted to AED 1,555.2 million, while the fair value of Delma Business's identifiable net assets was AED 1,535.7 million, resulting in recognized goodwill of AED 19.5 million (refer to note 5).

9 Inventories

	2025	2024
	AED	AED
Spare parts	7,530,231	5,706,305
Tyres	-	539,939
Fuel and oil & gas	-	342,629
	<u>7,530,231</u>	<u>6,588,873</u>
Less: allowance for slow-moving and obsolete inventories	<u>(4,073,298)</u>	<u>(308,182)</u>
	<u><u>3,456,933</u></u>	<u><u>6,280,691</u></u>

The movements of the allowance for slow-moving and obsolete inventories were as follows:

	2025	2024
	AED	AED
At 1 January	308,182	342,005
Charges	3,765,116	-
Recoveries	-	(33,823)
At 31 December	<u><u>4,073,298</u></u>	<u><u>308,182</u></u>

10 Trade and other receivables

	2025	2024
	AED	AED
Trade receivables, gross	142,789,199	116,594,917
Less: allowance for expected credit loss	<u>(75,855,094)</u>	<u>(22,960,543)</u>
Trade receivables, net	66,934,105	93,634,374
Advances to suppliers	54,950,261	2,203,313
Prepayments	29,633,592	7,551,824
Accrued revenues, net*	20,612,259	11,656,014
Retention receivables	10,903,832	8,866,678
Deposits	4,575,920	2,330,309
Employees receivables	418,880	331,592
Other receivables	<u>3,055,557</u>	<u>5,515,472</u>
	<u><u>191,084,406</u></u>	<u><u>132,089,576</u></u>

* The accrued revenue amounts presented above are shown net of a provision totalling AED 5,611,945.

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10 Trade and other receivables (continued)

The maturity periods for trade receivables are as follows:

31 December 2025	Total AED	Less than 30 days AED	30 to 60 days AED	61 to 90 days AED	More than 90 days AED
Trade receivables, gross	<u>142,789,199</u>	<u>22,829,165</u>	<u>9,185,334</u>	<u>5,752,508</u>	<u>105,022,192</u>
31 December 2024	Total AED	Less than 30 days AED	30 to 60 days AED	61 to 90 days AED	More than 90 days AED
Trade receivables, gross	<u>116,594,917</u>	<u>44,143,123</u>	<u>6,303,602</u>	<u>5,904,604</u>	<u>60,243,588</u>

Movement in the allowance for expected credit loss during the year was as follows:

	2025 AED	2024 AED
Balance as at 1 January	22,960,543	6,804,298
Acquired in business combination	3,580,218	-
Charged during the year	49,314,333	16,156,245
Balance as at 31 December	<u>75,855,094</u>	<u>22,960,543</u>

Movement in the allowance for expected credit loss during the year as presented in statement of comprehensive income is as follows:

	2025 AED	2024 AED
Allowance for expected credit loss on trade receivables	49,314,333	16,156,245
Allowance for expected credit loss on accrued revenues	5,611,945	-
	<u>54,926,278</u>	<u>16,156,245</u>

11 Cash and cash equivalents

	2025 AED	2024 AED
Cash on hand	590,974	427,949
Bank accounts	116,019,129	40,469,855
Time deposits*	388,710,587	159,922,000
	<u>505,320,690</u>	<u>200,819,804</u>

There are no restrictions on bank balances and time deposits at the time of approval of the financial statements.

* These represent deposits with bank amounting to AED 388 million as at 31 December 2025 (2024: 159 million), carry average interest at the rate of 3.61% per annum with original maturity of less than 3 months.

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12 Trade and other payables

	2025 AED	2024 AED
Advances from customers	140,168,730	30,806,659
Trade payables	125,429,662	119,551,441
Provision and accruals	30,947,656	1,218,098
Board of directors' remuneration	11,000,000	3,750,000
Dividend payables	10,331,934	7,541,252
Accrued employees' bonus	2,958,838	2,754,210
VAT	648,428	87,249
Other payables	2,441,038	1,531,362
	<u>323,926,286</u>	<u>167,240,271</u>
Less: non-current portion	<u>(15,712,792)</u>	<u>(24,758,289)</u>
	<u>308,213,494</u>	<u>142,481,982</u>

The non-current portion of trade and other payables pertains to vehicle purchases from agencies. The payable balance will be settled after one year. However, management believes that the discounting impact of the non-current payables is not significant to the financial statements.

13 Provision for community improvement

	2025 AED	2024 AED
Balance as at 1 January	2,321,383	947,082
Charged during the year	-	2,074,301
Paid during the year	<u>(2,321,383)</u>	<u>(700,000)</u>
Balance as at 31 December	<u>-</u>	<u>2,321,383</u>

14 Employees' end of service benefits

	2025 AED	2024 AED
Balance as at 1 January	2,542,726	3,892,444
Acquired in business combination (note 5)	1,076,565	-
Charged during the year	1,043,094	689,375
Paid during the year	<u>(1,120,638)</u>	<u>(2,039,093)</u>
Balance as at 31 December	<u>3,541,747</u>	<u>2,542,726</u>

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15 Shareholders' equity

15-1 Share capital and shares to be issued

Name of shareholder	AED	No. of shares	Percent %
31 December 2025			
Company shareholders	<u>114,134,800</u>	<u>114,134,800</u>	<u>100</u>
31 December 2024			
Company shareholders	<u>76,422,600</u>	<u>764,226</u>	<u>100</u>
		2025	2024
		AED	AED
Balance as at 1 January	<u>76,422,600</u>	76,422,600	
Issue of share capital	<u>37,712,200</u>	-	
Balance as at 31 December	<u><u>114,134,800</u></u>	<u><u>76,422,600</u></u>	

In 2025, The Department of Economic Development approved the Company's request to increase its share capital from AED 76,422,600 (764,226 shares) to AED 114,134,800 (114,134,800 shares), reflecting the addition of AED 37,712,200 (37,712,200 shares) and the stock split of 100:1, increasing the Company's number of shares from 764,226 to 76,422,600 and reducing the par value per share from 100 dirhams per share to 1 dirham per share.

Effective 1 January 2025, the Company acquired Delma Business through a share-swap arrangement. Under this transaction, the shareholders of Delma Business were issued a total of 39,654,688 shares of Al Dhafra Technical Services L.L.C., out of which 37,712,200 shares were issued during 2025, and an additional 1,942,488 shares were issued on 4 February 2026. The shares issued had an aggregate fair value of AED 1,555,282,178. The transaction has been accounted for as a business combination in accordance with IFRS-3.

15-2 Share premium

During the year, Al Dhafra Technical Services L.L.C. acquired Delma Business, by issuing shares to the shareholders of Delma Business. A total of 39,654,688 new shares were issued at a par value of AED 1 and a fair value of AED 39.2 per share. Out of which, 37,712,200 shares were issued in 2025, with an additional 1,942,488 shares were issued on 4 February 2026. Accordingly, AED 37,712,200 was recognized as share capital, and the remaining AED 1,441,384,359 was recorded as share premium. Subsequently, on 4 February 2026, 1,942,488 shares (AED 1,942,488) were issued as share capital and AED 74,243,131 as share premium.

15-3 Legal reserve

In accordance with UAE Federal Law No. (32) of 2021, as amended and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 5% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law. The Company decided to continue such transfer even though the reserve has already reached 50% of the capital.

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16 Revenues

	2025	2024
	AED	AED
Revenue from contracts with customers:		
Revenue from Al Warra office (note 16-1)	572,456,238	205,635,213
Revenue from Oil and Gas sector	110,513,822	112,211,302
Revenue from Fish	3,755,653	-
	<u>686,725,713</u>	<u>317,846,515</u>
Revenue from vessels rentals:		
Revenue from Marine	8,944,000	-
Total revenues	<u>695,669,713</u>	<u>317,846,515</u>

Geographical markets

All revenues are generated from the United Arab Emirates.

16-1 Revenue of Al-Warra office

	2025	2024
	AED	AED
Access permits	465,628,178	118,695,071
Leasing motor vehicles and equipment	106,828,060	86,940,142
	<u>572,456,238</u>	<u>205,635,213</u>

16-2 Timing of revenue recognition

	2025	2024
	AED	AED
Revenues recognized at a point in time	114,269,475	112,211,302
Revenues recognized over a period of time	572,456,238	205,635,213
	<u>686,725,713</u>	<u>317,846,515</u>

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17 Cost of revenues

	2025 AED	2024 AED
Depreciation expenses	74,722,356	44,359,042
Staff cost	42,214,309	31,837,558
Fuel & vehicles supplies	10,999,127	10,449,339
Repair and maintenance	7,372,915	5,456,709
Rent	7,197,397	3,235,494
Security permits	6,186,724	3,100,531
Food and beverage	4,977,306	2,977,787
Inventory provision expense	3,765,116	-
Cost of sales - Fish	3,141,070	-
Insurance	2,016,003	1,753,143
Utilities	1,593,887	1,188,096
License and subscription	1,170,246	1,014,944
Amortization expenses	460,808	-
Legal and professional	158,000	175,832
Other expenses	3,241,891	2,447,757
	<u>169,217,155</u>	<u>107,996,232</u>

18 General and administrative expenses

	2025 AED	2024 AED
Management fee	74,846,338	30,483,221
Legal and professional	28,544,819	3,406,194
Staff salaries and benefits	12,746,640	3,267,385
Write offs *	10,923,975	-
Board of Director remuneration	11,000,000	3,750,000
Sponsorship expense	6,763,521	-
Hospitality, events, travel and accommodation	1,451,005	-
Depreciation expenses	1,430,861	129,008
IT expense	1,157,231	255,727
Impairment expense of property and equipment	544,963	-
Amortization expenses	77,992	-
Other expenses	2,315,670	740,779
	<u>151,803,015</u>	<u>42,032,314</u>

* This amount includes write-offs for some trade other receivable accounts.

19 Contingent liabilities

In the normal course of business, the Company has the below letter of guarantee:

	2025 AED	2024 AED
Letter of guarantee	<u>92,225,292</u>	<u>89,081,484</u>

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20 Investments in financial assets carried at FVTOCI

	2025 AED	2024 AED
Unquoted financial assets	3,709,500	1,854,750
	<u>3,709,500</u>	<u>1,854,750</u>

Changes in investments in financial assets carried at FVTOCI during the year were as follows:

	2025 AED	2024 AED
At the beginning of the period	1,854,750	-
Additions during the period	1,854,750	1,854,750
At the end of the period	<u>3,709,500</u>	<u>1,854,750</u>

21 Dividend

On 17 February 2026, the Board of Directors proposed a cash dividend amounting to AED 90,321,299 relating to the profits for the year ended 31 December 2025 for the Shareholders to approve in the next Annual General Meeting.

On 5 March 2025, the Board of Directors approved cash dividends amounting to AED 60,622,232 relating to the profits for the year ended 31 December 2024.

On 6 June 2024, the Shareholders of the Company approved during the Annual General Meeting the distribution as cash dividends amounting to AED 38,211,300 relating to the profits for the year ended 31 December 2023.

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22 Income tax

22-1 Income tax expense

The charge for the year is calculated based upon the adjusted net profit for the year at rates of tax applicable. The charge to the statement of comprehensive income for the year is as follows:

	2025 AED	2024 AED
Charge for the year	<u>32,145,585</u>	13,840,678

Reconciliation of Company's tax on profit based on accounting and profit as per the tax laws is as follows:

	2025 AED	2024 AED
Profit before taxation	<u>333,216,583</u>	150,595,052
Non-deductible expenditure as per the Corporate Tax Law		
- Expenses not deductible for tax purposes	<u>24,331,583</u>	3,565,264
Income tax using the domestic corporate tax rate @ 9%	<u><u>32,145,585</u></u>	<u>13,840,678</u>

22-2 Income tax payable

	2025 AED	2024 AED
Balance as at 1 January	13,840,678	-
Acquired in business combination	11,180,674	-
Paid during the year	(24,724,075)	-
Charged during the year	<u>32,145,585</u>	13,840,678
Balance as at 31 December	<u><u>32,442,862</u></u>	<u>13,840,678</u>

23 Related party transactions

Related parties include the Company's major shareholders, Directors and key management personnel, and businesses controlled by them and their families or over which they exercise a significant influence in financial and operating decisions.

The remuneration of directors and other members of key management during the year was as follows:

	2025 AED	2024 AED
Key management compensation:		
Board Remuneration	<u>11,000,000</u>	3,750,000
Salaries, bonuses and other benefits	<u>6,544,880</u>	1,078,196
Post-employment benefits	<u>641,190</u>	161,729
	<u><u>7,186,070</u></u>	<u>1,239,925</u>

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24 Risk management

Management of the Company monitors and manages the financial risks relating to its business and operations. These risks include capital risk, credit risk, market risk and liquidity risk.

It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

Capital risk management

The capital is managed by the Company in a way that it is able to continue as a going concern while maximising returns to the Shareholders.

The capital structure of the Company is equity comprising of issued share capital.

As at 31 December 2025, the Company is mainly funded by the Shareholders and has no external debts.

As a risk management policy, the Company reviews its cost of capital and risks associated with capital. The Company balances its capital structure based on the above review.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company and arises principally from the Company's receivables and bank balances. The Company has adopted a policy of only dealing with creditworthy counterparties and assess the rating of its banks. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. The Company's bank accounts are placed with a high credit quality financial institutions.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographic location.

The carrying amount of financial assets represents the Company's maximum exposure to credit risk as at the end of the reporting period. The Company is not exposed to concentration of credit risk from its financial assets.

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24 Risk management (continued)

Capital risk management (continued)

The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarized below:

	2025 AED	2024 AED
Trade and other receivables "excluding prepayments and advances"	106,500,553	122,334,439
Cash and cash equivalents (excluding cash on hand)	504,729,716	200,391,855
	<u>611,230,269</u>	<u>322,726,294</u>

Market risk management

Market risk arises from the use of interest-bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk), interest rates (interest rate risk), or other market factors (price risk). The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk), interest rates (interest rate risk) and other market factors (other price risk).

(a) Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuation arise. The Company is mainly exposed to UAE Dirhams ("AED"). Since the AED is pegged to the USD, the Company is not exposed to any significant exchange rate fluctuations.

(b) Foreign currency risk management

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Most of the Company's transactions are carried out in AED. The Company does not have significant exposures related to foreign currency fluctuations.

(c) Other price risk management

The Company holds investments in financial assets measured at FVTOCI that are exposed to price risk; however, management has assessed the exposure and concluded that the impact is not material.

Liquidity risk management

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has built an appropriate liquidity risk management framework for the management of its short, medium and long-term funding and liquidity requirements.

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24 Risk management (continued)

Liquidity risk management (continued)

The following table shows the contractual maturities (representing undiscounted contractual cash flows) of the Company's financial liabilities.

	Due within 1 year AED	Due between 2-5 years AED	Total AED
As at 31 December 2025			
Trade and other payables (excluding advances)	168,044,764	15,712,792	183,757,556
Income tax payable	32,442,862	-	32,442,862
Total undiscounted financial liabilities	200,487,626	15,712,792	216,200,418
	Due within 1 year AED	Due between 2-5 years AED	Total AED
As at 31 December 2024			
Trade and other payables (excluding advances)	111,675,323	24,758,289	136,433,612
Income tax payable	13,840,678	-	13,840,678
Total undiscounted financial liabilities	125,516,001	24,758,289	150,274,290

25 Fair value measurement

Company measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other inputs used in estimating discount rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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Notes to the financial statements (continued)
For the year ended 31 December 2025

25 Fair value measurement (continued)

The Company uses widely recognised valuation models to determine the fair value of common and simple financial instruments and require little management judgement and estimation. Observable prices or model inputs are usually available in the market for listed debt and equity securities. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognise transfers between levels of fair value hierarchy at the end of the reporting period during which the change occurred.

The following table presents the Company's assets that are measured at fair value at 31 December 2025.

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Investments in financial assets at FVTOCI				
Unquoted equities	-	-	3,709,500	3,709,500
	-	-	3,709,500	3,709,500

26 Subsequent events

- On 4 February 2026, the Company increased its share capital by issuing 1,942,488 shares, with a par value of AED 1,942,488, in connection with the acquisition of Delma Business.
- During 2026, a strategic investor was admitted to the Company through in kind contribution of land and buildings. As a result, the Company will issue 14,543,620 new shares to this investor, leading to a corresponding increase in share capital of AED 14,543,620.
- On 11 February 2026, management obtained a new trade license reflecting the revised legal name of the Company as **Serh Group for Technical Services L.L.C.**, under license number **CN-1002108**. Management also issued an addendum to the establishment contract to formally document the updated legal name.
- On 17 February 2026, the Board of Directors proposed a cash dividend amounting to AED 90,321,299 relating to the profits for the year ended 31 December 2025 for the Shareholders to approve in the next Annual General Meeting.

27 Approval of the financial statements

The financial statements were approved and authorized for issuance on 17 February 2026.