

MAIR Group P.J.S.C.  
(Formerly known as Abu Dhabi  
Co-operative Society)

Independent auditor's reports and  
consolidated financial statements  
*for the year ended 31 December 2025*

**Principal business address:**  
P O Box 833  
Abu Dhabi  
UAE

MAIR Group P.J.S.C.  
(formerly Abu Dhabi Co-operative Society)

Reports and consolidated financial statements  
*for the year ended 31 December 2025*

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# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Board of Directors' Report *for the year ended 31 December 2025*

The Board of Directors of MAIR Group P.J.S.C. ("MAIR" or the "Company") has the pleasure of submitting their report, together with the audited consolidated financial statements of MAIR and its subsidiaries (together, referred to as, the "Group") for the fiscal year ended 31 December 2025.

### **The Principal Business Activities of MAIR Group**

MAIR Group is a public joint stock company listed in the First Market of Abu Dhabi Securities Exchange ("ADX") as of 9 December 2024. The Company emerged as a result of the conversion of the Abu Dhabi Cooperative Society ("ADCOOP") from a cooperative society into a public joint stock company.

The Group manages a portfolio of strategic investments based in Abu Dhabi with the objective of supporting the sustainable growth of the Emirate of Abu Dhabi, side by side with the economic development and achievement of community welfare. MAIR manages a group of businesses residing in its investment portfolio including SPAR and ADCOOP that is considered as one of the top five retail brands in the UAE, additionally, Makani, the real estate arm of MAIR, plays a key role in driving strategic growth in commercial real estate and food retail shops. Through the development of shopping and community malls, Makani directly contributes to the economic growth of Abu Dhabi.

The principal activities of the Company, as stated in its Articles of Association, include the import and sale of foodstuffs, household equipment and general retail items. In addition, the Group has a portfolio of real estate investments which are leased to third parties to generate rental income and also provide administrative consultancy and support services.

### **The Development of MAIR Group**

Abu Dhabi Cooperative Society was registered in the records of the Co-operative Department under the Ministry of Labor and Social Affairs Decree No. 21/1 of 1980, dated 6 May 1980.

On 9 November 2023, the Department of Economic Development in Abu Dhabi ("DED") issued Administrative Resolution no. 59 (Resolution 59) to merge three cooperative societies – Al Ain Cooperative Society ("AACS"), Delma Cooperative Society ("DCS"), and the Al Dhafra Cooperative Society ("ADCS") (together, the "Subject Entities") into ADCOOP.

As per Resolution 59, the Subject Entities were dissolved, by cancelling their licenses and having their assets and liabilities merged to ADCOOP. The Subject Entities will cease to exist, and their operations will form part of ADCOOP.

#### *Transformation into a Public Joint Stock Company*

Pursuant to the resolution issued by the Department of Economic Development on 6 February 2024, the legal structure of ADCOOP has been changed to a Public Joint Stock Company ("P.J.S.C."). Its name is changed to MAIR Group P.J.S.C. and UAE Federal Decree Law No. (32) of 2021 applied to the Company starting from 6 February 2024.

## **Financial Performance in 2025**

### **Revenue from contracts with customers**

Revenues from contracts with customers during the year 2025 amounted to AED 1,659 million compared to AED 1,792 million during 2024, a decrease of AED 133 million.

### **Revenues from investment property rentals**

Revenues from property activity during the year 2025 amounted to AED 222 million compared to AED 211 million during 2024, an increase of AED 11 million.

### **Net Profit**

Net profit during the current year 2025 amounted to AED 191 million compared to year 2024 of AED 171 million, with an increase of AED 20 million.

## **Dividends for the Fiscal Year 2025**

Based on the above, the Board of Directors proposes a dividend for the year ended 31 December 2025 of AED 95,404,500, which is subject to the approval of the shareholders at the Annual General Meeting in 2026.

## **Outlook for 2026**

2026 will see the rollout of the Abu Dhabi Citizens' Food Products exclusive program, continued private-label expansion, the start of store remodeling at ADCOOP, and further growth in Makani's commercial real estate portfolio.

## **Accounts**

The Directors have reviewed and approved the consolidated financial statements of the Group for the year ended 31 December 2025.

## **Release**

The Directors release the external auditor and management from any liability in connection with their duties for the year ended 31 December 2025.

## **Transactions with Related Parties**

The consolidated financial statements disclose related party transactions and balances in note 30. All transactions are carried out as part of our normal course of business and in compliance with applicable laws and regulations.

## **Auditors**

KPMG Lower Gulf Limited ("KPMG") was appointed as external auditors for the Group for the year ended 31 December 2025. KPMG has expressed their readiness to continue in this role. A recommendation for KPMG reappointment for the subsequent financial year will be presented at the Annual General Meeting.

### **Statement of Disclosure to Auditors**

The Directors of MAIR Group hereby certify, to the best of their knowledge and belief, that there is no relevant audit information of which the Group's auditor is unaware. Furthermore, the Directors confirm that they have taken all necessary and reasonable steps to ascertain any relevant audit information and to ensure that the Group's auditor has been duly informed of such information, in compliance with applicable legal and regulatory requirements.

### **Board of Directors**

The Board of Directors in its current tenure consists of nine members as follows, their memberships are valid for three years from the date of appointment.

	<b>Director</b>	<b>Capacity</b>	<b>Date of Appointment</b>
1	Captain Mohamed Juma Alshamsi	Chairman	9 November 2023
2	Mr. Nehayan Hamad Alameri	Board Member, Managing Director and Group CEO	9 November 2023
3	H.E. Mansoor Mohamed Alhamed	Board Member	9 November 2023
4	H.E. Mohamed Haji Alkhoori	Board Member	9 November 2023
5	Mr. Ali Rashed Alrashdi	Board Member	9 November 2023
6	Ms. Futoon Hamdan Almazrouei	Board Member	9 November 2023
7	Mr. Majed Ateeq Almheiri	Board Member	9 November 2023
8	Mr. Musabah Alkendi Almarar	Board Member	9 November 2023
9	H.E. Abubaker Seddiq Alkhoori	Board Member	9 December 2024

The Board of Directors extends its appreciation to the management and staff for their dedication and performance throughout the past year. Their commitment to operational excellence has been central to our results, and we remain confident that this same focus will drive our success in 2026.

**On behalf of MAIR Group**



**Captain Mohamed Juma Alshamsi**  
Chairman



KPMG Lower Gulf Limited  
Level 19, Nation Tower 2  
Corniche Road, P.O. Box 7613  
Abu Dhabi, United Arab Emirates  
Tel. +971 (2) 401 4800, www.kpmg.com/ae

## Independent auditors' report

### To the Shareholders of MAIR Group P.J.S.C.

#### Report on the Audit of the Consolidated Financial Statements

##### Opinion

We have audited the consolidated financial statements of MAIR Group P.J.S.C. ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

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

##### Basis for Opinion

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

##### Key Audit Matters

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

**Key Audit Matters (continued)**

**Assessment of fair value (“the value”) of investment properties and land and building included under property and equipment “the properties”**

Refer to notes 15 and 16 to the Group’s consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2025, the carrying amounts of the Group’s investment properties and land and building included under property and equipment amounts to AED 2,184,136 thousand (2024:AED 1,856,846 thousand) and AED 477,497 thousand (2024: AED 509,364 thousand) respectively, which collectively referred to as “the properties” valuing these properties involves significant judgement, based on various assumptions and prevailing market conditions.</p> <p>Investment properties are initially measured at cost and subsequently measured at fair value, land and buildings are initially measured at cost and subsequently measured at revalued amounts.</p> <p>The Group engages professionally qualified management appointed valuers to assess the value for its properties. This process assessment of the value involves significant judgement in estimating the underlying assumptions to be applied.</p> <p>Valuation techniques used in determining fair value included mainly income approach and market comparable approach.</p> <p>The valuation of the properties involves a high degree of estimation uncertainty, as it is highly sensitive to key assumptions such as market rent, capitalization rates, discount rates, price per square foot and prevailing market conditions.</p> <p>These assumptions require significant management judgment and are inherently subjective. Reasonably possible changes in these inputs could result in material movements in the reported fair values, thereby directly impacting the financial position and performance of the Group. Accordingly, this was identified as a key audit matter.</p>	<p>As part of our audit procedures, we;</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the Group’s accounting policies related to measurement of the properties against the requirements of the relevant accounting standards and our understanding of the business and industry practice.</li> <li>• Have evaluated the qualification, competency, experience and independence of the management appointed valuers and read the terms of engagement of the valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work.</li> <li>• Involved KPMG real estate valuation specialist, who on a sample basis, assessed valuation methodologies used in the valuation process and challenged assumptions for key estimates of market rent, capitalization rates, discount rates and price per square foot used in the valuation by comparing them against market rates and available industry date. Taking into consideration comparability and market factors.</li> <li>• On a sample basis, performed audit procedures to test the completeness and accuracy of source data provided to the valuation experts by Group, used in determination of value by comparing it to underlying supporting information.</li> <li>• Performed sensitivity analysis on the significant assumptions to evaluate the extent of the impact of changes in the key assumptions to the conclusions reached by the Group.</li> <li>▲ Assessed the adequacy of the disclosure in the consolidated financial statements in accordance with applicable financial reporting framework.</li> </ul>

**Key Audit Matters (continued)**

Impairment Testing of Goodwill	
See Note 18 to the Group's consolidated financial statements.	
The key audit matter	How the matter was addressed in our audit
<p>The Group has recognized goodwill amounting to AED 930,014 thousand (2024: AED 930,014 thousand). Goodwill represents approximately 16.6% of the Group's total assets in the consolidated statement of financial position as of 31 December 2025.</p> <p>The goodwill has been fully allocated to the retail Cash-Generating Unit (CGU) which consists of various stores, branches, supermarkets, hypermarkets and brands.</p> <p>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements, and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of the CGUs is determined as the higher of value in use or fair value less costs of disposal. Since value in use is higher, it has been calculated using discounted forecast cash flow models.</p> <p>These models use several key assumptions with high degree of estimation uncertainty, cash flow projections, including forecasted revenue, operating cost, capital expenditure, revenue growth, gross margin, terminal value growth rate and determination of the weighted-average cost of capital (discount rate). Accordingly, this was identified as a key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process of identifying CGU, including identification of impairment triggers, allocation of goodwill and determining carrying amount of CGU.</li> <li>• Obtained the valuation model prepared by management and involved KPMG valuation specialists to assist in evaluating the appropriateness of the assumptions applied to key inputs such as terminal value growth rate, discount rates applied. Which included comparing the weighted-average cost of capital (WACC) with sector averages for the relevant markets in which the CGUs operate.</li> <li>• Evaluated the appropriateness of the assumptions applied to key inputs such as gross margin and operating cost, and reconciled the cashflows used in the valuation working to the business plan approved by board of directors and our own assessment based on knowledge of the group's business.</li> <li>• Checked the mathematical accuracy of the working provided by the management.</li> <li>• Performing our own sensitivity analysis, which included assessing the effect of reasonably possible changes in forecasted cash flows to evaluate the impact on the currently estimated headroom for the retail CGU: and</li> <li>• Assessed the adequacy of the financial statement disclosures, including disclosures of key assumptions and judgements in accordance with applicable financial reporting framework.</li> </ul>

**Other Information**

Management is responsible for the other information. The other information comprises the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Board of Directors' report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Annual Report after that date.

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

### Other Information (continued)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

Those charged with Governance are responsible for overseeing the Group's financial reporting process.

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

### Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 control that we identify during our audit.

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

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

### Report on Other Legal and Regulatory Requirements

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

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Board of Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 21 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2025;
- vi) note 30 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted; and
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or in respect of the Company, its Articles of Association, which would materially affect its activities or its consolidated financial position as at 31 December 2025.

KPMG Lower Gulf Limited



Maher AlKatout  
Registration No.: 5453  
Abu Dhabi, United Arab Emirates

Date: **23 MAR 2026**

MAIR Group P.J.S.C.  
(formerly Abu Dhabi Co-operative Society)

Consolidated statement of profit or loss  
for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000 (Reclassified)
<b>Continuing operations</b>			
Revenue from contracts with customers (retail)		1,658,865	1,792,400
Rental revenue		221,938	211,172
Other revenue		74,878	56,630
<b>Total revenues</b>	5	<b>1,955,681</b>	2,060,202
Cost of retail goods sold		<b>(1,282,806)</b>	(1,352,661)
<b>Gross profit</b>		<b>672,875</b>	707,541
General, administrative and selling expenses	8	<b>(227,556)</b>	(238,699)
Employee benefits expense	9	<b>(232,667)</b>	(203,282)
Depreciation and amortisation	10	<b>(119,822)</b>	(124,071)
Impairment reversal /(loss) on trade and other receivables	23	2,798	(22,237)
Impairment loss on non-current assets	15,19	<b>(5,582)</b>	(31,392)
Other operating income, <i>net</i>	11	<b>115,657</b>	122,523
<b>Operating profit</b>		<b>205,703</b>	210,383
Share of profit of equity accounted investees, <i>net of tax</i>	20	<b>11,826</b>	9,552
Other income		<b>9,947</b>	3,533
Finance costs	12	<b>(26,140)</b>	(83,950)
Finance income	12	<b>7,441</b>	26,371
<b>Profit before tax from continuing operations</b>		<b>208,777</b>	165,889
Income tax expense	34	<b>(17,968)</b>	(12,675)
<b>Profit from continuing operations</b>		<b>190,809</b>	153,214
<b>Discontinued operations</b>			
Profit from discontinued operations, <i>net of tax</i>	13	-	17,935
<b>Profit for the year</b>		<b>190,809</b>	171,149
<b>Basic and diluted earnings per share in dirhams</b>	14	<b>0.086</b>	0.077
<b>Basic and diluted earnings per share for profit from continuing operations in dirhams</b>	14	<b>0.086</b>	0.069

The comparative information has been re-presented due to a change in classification, refer to Note 5 and 37.

The notes on pages 16 to 94 are an integral part of these consolidated financial statements.

The independent auditors' report is set out on pages 4 to 8.

**MAIR Group P.J.S.C.**  
**(formerly Abu Dhabi Co-operative Society)**

**Consolidated statement of other comprehensive income**  
*for the year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <b>AED'000</b>	2024 AED'000
<b>Profit for the year</b>		<b>190,809</b>	171,149
<b>Other comprehensive income:</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Fair value gains on debt investments at fair value through other comprehensive income (FVOCI)	<i>21</i>	-	2,112
<i>Items that will not be subsequently reclassified to profit or loss:</i>			
Changes in the fair value of equity investments at FVOCI	<i>21</i>	<b>5,213</b>	3,980
Related tax	<i>34</i>	<b>(43)</b>	786
Gain from revaluation of property and equipment	<i>15</i>	<b>39,294</b>	55,866
Related tax	<i>34</i>	<b>(3,536)</b>	(5,028)
<b>Other comprehensive income for the year</b>		<b>40,928</b>	57,716
<b>Total comprehensive income for the year</b>		<b>231,737</b>	228,865

*The notes on pages 16 to 94 are an integral part of these consolidated financial statements.*

*The independent auditors' report is set out on pages 4 to 8.*

MAIR Group P.J.S.C.  
(formerly Abu Dhabi Co-operative Society)

Consolidated statement of financial position  
as at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>AED'000</b>	2024 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	<i>15</i>	<b>687,840</b>	825,307
Investment properties	<i>16</i>	<b>2,184,136</b>	1,856,846
Intangible assets	<i>17</i>	<b>31,585</b>	28,979
Goodwill	<i>18</i>	<b>930,014</b>	930,014
Right-of-use assets	<i>19</i>	<b>713,153</b>	619,011
Investment in equity-accounted investees	<i>20</i>	<b>193,071</b>	181,245
Investments at fair value through other comprehensive income	<i>21</i>	<b>31,064</b>	65,199
		<hr/>	<hr/>
<b>Total non-current assets</b>		<b>4,770,863</b>	4,506,601
<b>Current assets</b>			
Investments at fair value through profit or loss	<i>21</i>	<b>55,606</b>	65,627
Inventories	<i>22</i>	<b>186,751</b>	204,426
Trade and other receivables	<i>23</i>	<b>212,543</b>	293,928
Cash and bank balances	<i>24</i>	<b>385,182</b>	504,303
		<hr/>	<hr/>
		<b>840,082</b>	1,068,284
Assets classified as held for sale	<i>13</i>	-	98,207
		<hr/>	<hr/>
<b>Total current assets</b>		<b>840,082</b>	1,166,491
		<hr/>	<hr/>
<b>Total assets</b>		<b>5,610,945</b>	5,673,092
		<hr/> <hr/>	<hr/> <hr/>

**MAIR Group P.J.S.C.**  
**(formerly Abu Dhabi Co-operative Society)**

Consolidated statement of financial position *(continued)*  
as at 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>AED'000</b>	2024 AED'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	25	<b>1,115,362</b>	1,115,362
Share premium	25	<b>2,299,960</b>	2,299,960
Statutory reserve	26	<b>557,681</b>	556,808
Investments fair value reserve		<b>(1,110)</b>	(11,470)
Revaluation reserve		<b>111,275</b>	80,067
Retained earnings		<b>267,448</b>	213,222
<b>Total equity</b>		<b>4,350,616</b>	4,253,949
<b>Non-current liabilities</b>			
Employees' end of service benefits	27	<b>26,733</b>	27,471
Lease liabilities	19	<b>724,786</b>	608,528
Borrowings	28	-	157,790
<b>Total non-current liabilities</b>		<b>751,519</b>	793,789
<b>Current liabilities</b>			
Trade and other payables	29	<b>425,650</b>	524,777
Lease liabilities	19	<b>83,160</b>	86,372
Borrowings	28	-	13,000
		<b>508,810</b>	624,149
Liabilities directly associated with assets classified as held for sale	13	-	1,205
<b>Total current liabilities</b>		<b>508,810</b>	625,354
<b>Total liabilities</b>		<b>1,260,329</b>	1,419,143
<b>Total equity and liabilities</b>		<b>5,610,945</b>	5,673,092

To the best of our knowledge, the consolidated financial statements fairly present, in all material respects, the financial position, results of operation and cash flows of the Group as of, and for, the year ended 31 December 2025.

These consolidated financial statements were approved for issue by the Board of Directors on 23 March 2026, and signed on their behalf by:



\_\_\_\_\_  
**Captain Mohamed Juma Alshamsi**  
Chairman



\_\_\_\_\_  
**Mr. Nehayan Hamad Alameri**  
Managing Director & Group CEO



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**Mr. Steven Green**  
Group CFO

*The notes on pages 16 to 94 are an integral part of these consolidated financial statements.  
The independent auditors' report is set out on pages 4 to 8.*

MAIR Group P.J.S.C.  
(formerly Abu Dhabi Co-operative Society)

Consolidated statement of changes in equity  
for the year ended 31 December 2025

	Share capital AED'000	Share premium AED'000	Shares to be issued AED'000	Statutory reserve AED'000	Investment fair value reserve AED'000	Revaluation reserve AED'000	Retained earnings AED'000	Total AED'000
Balance at 1 January 2024	899,190	1,593,136	922,996	539,693	(148,529)	29,229	327,779	4,163,494
Profit for the year	-	-	-	-	-	-	171,149	171,149
Other comprehensive income for the year	-	-	-	-	6,878	50,838	-	57,716
Total comprehensive income for the year	-	-	-	-	6,878	50,838	171,149	228,865
Issue of ordinary shares (note 25)	216,172	706,824	(922,996)	-	-	-	-	-
Dividends for the year ended 31 December 2023	-	-	-	-	-	-	(135,070)	(135,070)
Transfer to statutory reserve (note 26)	-	-	-	17,115	-	-	(17,115)	-
Disposal of equity investments designated at FVOCI	-	-	-	-	133,521	-	(133,521)	-
Disposal of debt investments designated at FVOCI	-	-	-	-	(3,340)	-	-	(3,340)
Balance at 31 December 2024	<u>1,115,362</u>	<u>2,299,960</u>	<u>-</u>	<u>556,808</u>	<u>(11,470)</u>	<u>80,067</u>	<u>213,222</u>	<u>4,253,949</u>
Balance at 1 January 2025	<b>1,115,362</b>	<b>2,299,960</b>	-	<b>556,808</b>	<b>(11,470)</b>	<b>80,067</b>	<b>213,222</b>	<b>4,253,949</b>
Profit for the year	-	-	-	-	-	-	<b>190,809</b>	<b>190,809</b>
Other comprehensive income for the year	-	-	-	-	<b>5,170</b>	<b>35,758</b>	-	<b>40,928</b>
Total comprehensive income for the year	-	-	-	-	<b>5,170</b>	<b>35,758</b>	<b>190,809</b>	<b>231,737</b>
Dividends for the year ended 31 December 2024	-	-	-	-	-	-	<b>(135,070)</b>	<b>(135,070)</b>
Transfer to statutory reserve (note 26)	-	-	-	<b>873</b>	-	-	<b>(873)</b>	-
Disposal of property and equipment	-	-	-	-	-	<b>(4,550)</b>	<b>4,550</b>	-
Disposal of equity investments designated at FVOCI	-	-	-	-	<b>5,190</b>	-	<b>(5,190)</b>	-
<b>Balance at 31 December 2025</b>	<b><u>1,115,362</u></b>	<b><u>2,299,960</u></b>	<b><u>-</u></b>	<b><u>557,681</u></b>	<b><u>(1,110)</u></b>	<b><u>111,275</u></b>	<b><u>267,448</u></b>	<b><u>4,350,616</u></b>

The notes on pages 16 to 94 are an integral part of these consolidated financial statements.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000 (Reclassified)
<b>Cash flows from operating activities</b>			
Profit for the year		190,809	171,149
<i>Adjustments for:</i>			
Provision for employees' end of service benefits	9, 27	5,519	6,270
Depreciation of property and equipment	10, 15	40,290	55,048
Amortisation of intangible assets	10, 17	5,257	6,510
Depreciation of right-of-use assets (ROU)	10, 19	74,275	70,051
Dividend income	11	(2,603)	(13,146)
Changes in fair value of investments at FVTPL	11, 21	(6,319)	2,571
Changes in fair value of investment properties	11, 16	(45,884)	(9,332)
Gain on disposal of investment properties	11	(3,643)	(45,420)
Loss on derecognition of a ROU IP	11, 16	3,266	-
Gain on disposal of assets and liabilities held for sale	11	(42,500)	(49,241)
Loss /(gain) on disposal of property and equipment	11	88	(67)
Net loss /(gain) on disposal of investments at FVOCI	11	50	(10,710)
Gain on disposal of investments at FVTPL	11	(479)	(21)
Gain from derecognition of lease contracts	11	(15,432)	(560)
Write-off of property and equipment	11	2,191	1,673
Write-off of intangible assets	11	58	-
Loss on revaluation of property and equipment	11	5,083	-
OCI reserve recycled to P&L on disposal of FVOCI debt investments	11	-	(3,340)
Realised loss on sale of FVOCI debt instruments	11	-	818
Loss from modification of lease liabilities	11	21	-
Finance income	12	(7,441)	(26,371)
Interest expense on lease liabilities	12, 19	24,941	35,392
Interest expense on borrowings	12	1,199	48,558
Gain on disposal of discontinued operation, <i>net of tax</i>	13	-	(17,840)
Impairment of property and equipment and ROU	15, 19	5,582	21,954
Impairment reversal on property and equipment	11, 15	(920)	-
Share of profit of equity accounted investees, <i>net of tax</i>	20	(11,826)	(9,552)
Impairment loss on equity accounted investees	20	-	9,438
Impairment (reversal)/ loss on slow moving inventories	22	(2,986)	3,272
Impairment (reversal) /loss on trade and other receivables	23	(2,798)	22,237
Income tax expense	34	17,968	12,675
		<b>233,766</b>	<b>282,016</b>
<i>Changes in:</i>			
Inventories		20,661	39,878
Trade and other receivables		86,132	(68,896)
Trade and other payables		(86,477)	15,335
<b>Cash generated from operating activities</b>		<b>254,082</b>	<b>268,333</b>
Employees' end of service benefits paid	27	(6,252)	(11,607)
Income tax paid	34	(17,094)	-
<b>Net cash generated from operating activities</b>		<b>230,736</b>	<b>256,726</b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Consolidated statement of cash flows *(continued)*  
for the year ended 31 December 2025

	<i>Notes</i>	<b>2025</b> <b>AED'000</b>	2024 AED'000 <i>(Reclassified)</i>
<b>Cash flows from investing activities</b>			
Acquisition of property and equipment	<i>15</i>	<b>(183,083)</b>	(138,625)
Acquisition of investment properties	<i>16</i>	<b>(25,313)</b>	-
Acquisition of intangible assets	<i>17</i>	<b>(7,921)</b>	(295)
Proceeds from disposal of held for sale assets and liabilities		<b>180,661</b>	150,000
Proceeds from disposal of investments at FVOCI		<b>39,298</b>	230,286
Proceeds from disposal of investment properties		<b>36,645</b>	78,750
Proceeds from disposal of investments at FVTPL		<b>16,819</b>	20,958
Proceeds from disposal of property and equipment		<b>228</b>	2,494
Proceeds from disposal of intangible assets		-	19
Interest received		<b>6,831</b>	26,371
Dividends received from investments	<i>11</i>	<b>2,603</b>	13,146
<b>Net cash from investing activities</b>		<b>66,768</b>	383,104
<b>Cash flows from financing activities</b>			
Repayment of borrowings	<i>28</i>	<b>(170,790)</b>	(554,309)
Dividends paid		<b>(147,736)</b>	(135,732)
Payment of lease liabilities	<i>19</i>	<b>(50,727)</b>	(79,568)
Interest paid on lease liabilities	<i>19</i>	<b>(41,733)</b>	(35,392)
Interest paid on borrowings		<b>(5,639)</b>	(63,719)
<b>Net cash used in financing activities</b>		<b>(416,625)</b>	(868,720)
<b>Net decrease in cash and cash equivalents</b>		<b>(119,121)</b>	(228,890)
Effect of changes in restricted cash	<i>24</i>	<b>11,084</b>	(53,188)
Cash and cash equivalents at 1 January		<b>431,432</b>	713,510
<b>Cash and cash equivalents at 31 December</b>	<i>24</i>	<b>323,395</b>	431,432

Restricted cash is excluded from cash and cash equivalents for the purposes of the cash flow statement in accordance with IAS 7. See note 24 for the amount and nature of restrictions.

*The comparative information has been re-presented due to a change in classification, refer to Note 37.*

*The notes on pages 16 to 94 are an integral part of these consolidated financial statements.*

*The independent auditors' report is set out on pages 4 to 8.*

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements

### 1 General information

MAIR Group P.J.S.C. (formerly known as “Abu Dhabi Co-operative Society”), was established under the Ministry of Labour and Social Affairs (the “Ministry”) Decree No. 21/1 of 1980, dated 6 May 1980, and is registered in the records of the Co-operative Department at the Ministry under the name Abu Dhabi Co-operative Society.

Pursuant to the resolution issued by Department of Economic Development on 6 February 2024, the legal structure of Abu Dhabi Co-operative Society has been changed to a Public Joint Stock Company (“P.J.S.C.”), its legal name was then changed to MAIR Group P.J.S.C. (“MAIR Group”).

MAIR Group’s registered address is P.O. Box 833, Abu Dhabi, United Arab Emirates.

The principal activities of the Group are the import and sale of food stuff, household equipment, general retail items, real estate enterprise investment, development, real estate lease and management services, administrative consultancy and studies.

These consolidated financial statements include the results of operations and the financial position of MAIR Group and its subsidiaries (together referred to as the “Group”), as shown below:

<b>Name of the subsidiary</b>	<b>Country of Incorporation</b>	<b>Principal activities</b>	<b>% interest held 2025</b>	<b>% interest held 2024</b>
ADCOOP - L.L.C - O.P.C (CN-5339417)	United Arab Emirates	Supermarket, retail sale of fresh fish and marine animals and retail sale of fresh meat	100	100
ADCOOP Supermarket L.L.C. (previously known as Mega Mart LLC) (CN-627850) <sup>1</sup>	United Arab Emirates	Supermarket	100	100
Earth Super Market Sole Proprietorship LLC (CN-2822334) <sup>2</sup>	United Arab Emirates	Supermarket, retail sales of fresh fish and marine animals and retail sales of fresh meat	-	100
Coops Super Market – Sole Proprietorship LLC (CN-4550724) <sup>2</sup>	United Arab Emirates	Supermarket, importing and exporting	-	100
Al Dhafra Express – Sole Proprietorship LLC (CN-4130604) <sup>2</sup>	United Arab Emirates	Supermarket and grocery	-	100
Makani Real Estate Sole Proprietorship L.L.C (CN-2630020)	United Arab Emirates	Real estate lease and management services, real estate enterprise investment, development, institution and management	100	100
Makani Al Ain Mall – Sole Proprietorship L.L.C (CN-4635701) <sup>3</sup>	United Arab Emirates	Real estate lease and management services, real estate enterprise investment, development, institution and management	-	100

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 1 General information *(continued)*

Name of the subsidiary	Country of Incorporation	Principal activities	% interest held 2025	% interest held 2024
Delma Cooperative Society Heavy Rental Equipment – Sole Proprietorship LLC (CN – 4283709) <sup>4</sup>	United Arab Emirates	Heavy Machines and Equipment Renting	-	100
Delma Motel – Sole Proprietorship LLC (CN – 2239572)	United Arab Emirates	Hotel	100	100
Makani AL Wagan Hotel – L.L.C – S.P.C. (CN – 6262173) <sup>5</sup>	United Arab Emirates	Hotel	100	-

1. During the year, the legal name of Megamart L.L.C. has been changed to ADCOOP Supermarket L.L.C.
2. During the year, Earth Supermarket L.L.C, COOPs Supermarket L.L.C, Al Dhafra Express trade license has been dissolved and no longer exists as a legal entity. Its trade license has been converted to ADCOOP - L.L.C - O.P.C (“ADCOOP”) Branch.
3. During the year, Makani Al Ain Mall – Sole Proprietorship L.L.C trade license has been dissolved and no longer exists as a legal entity. Its trade license has been converted to Makani Real Estate Sole Proprietorship L.L.C (“Makani”) Branch.
4. During the year, Delma Cooperative Society Heavy Rental Equipment – Sole Proprietorship LLC (which was a dormant company) trade license has been dissolved and no longer exists as a legal entity.
5. During the year, Makani Real Estate Sole Proprietorship L.L.C has formed a 100% subsidiary named Makani AL Wagan Hotel – L.L.C – S.P.C. to carry out Hotel activities.

## 2 Basis of preparation

### (a) Compliance statement

The consolidated financial statements of MAIR Group have been prepared in accordance with IFRS Accounting Standards and the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended and UAE Federal Decree Law No. (6) of 2025. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards,
- IAS Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements were authorised for issue by the Board of Directors on 23 March 2026.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **2 Basis of preparation** *(continued)*

#### **(b) Going concern**

These consolidated financial statements have been prepared on a going-concern basis as management believes that the Group has adequate resources to continue in operational existence for the foreseeable future.

#### **(c) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the parent company and entities controlled by the parent company (its subsidiaries) made up to 31 December each year.

Control is achieved when the parent company:

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

The parent company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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

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

Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the parent company gains control until the date when the parent company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **2 Basis of preparation** *(continued)*

### **(c) Basis of consolidation** *(continued)*

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

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

#### *Interest in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates.

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

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases. Under equity method, distributions received from equity-accounted investees will be treated as a reduction to the carrying amount of the investment.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **2 Basis of preparation** *(continued)*

#### **(d) Business combinations**

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired include inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred into the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

#### *Goodwill or bargain purchase gain*

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

#### **(e) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured at fair value on each reporting date:

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **2 Basis of preparation** *(continued)*

### **(e) Basis of measurement** *(continued)*

- Investments at fair value through other comprehensive income.
- Investments at fair value through profit and loss.
- Land and buildings under property and equipment; and
- Investment properties.

### **(f) Functional and presentation currency**

These consolidated financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Parent company's functional currency. Except as indicated, financial information has been presented in AED.

### **(g) Use of estimates and judgments**

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are described in note 35.

## **3 Material accounting policy information**

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclose accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the consolidated financial statements.

### **(a) Revenue recognition**

*Revenue recognition under IFRS 15 Revenue from Contracts with Customer:*

The Group recognizes revenue from contracts with customers based on the five-step model set out in IFRS 15:

*Step 1: Identify the contract(s) with a customer*

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

*Step 2: Identify the performance obligations in the contract*

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(a) Revenue recognition** *(continued)*

A performance obligation is a unit of accounts and a promise in a contract with a customer to transfer a good or service to the customer.

#### *Step 3: Determine the transaction price*

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

#### *Step 4: Allocate the transaction price to the performance obligations in the contract*

For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

#### *Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation*

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

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

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

Revenue is measured at an amount that reflects the considerations to which an entity expects to be entitled in exchange for selling goods or rendering services to the customers, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected sales discounts and volume discounts, which are estimated based on historical data or forecast and projections. The Group recognizes revenue after the services are rendered to its customers and on the basis of contractual rates agreed with the customers.

The stand-alone selling prices are determined based on the observable price at which the Group sells the goods or services. For items that are not sold separately the Group estimates standalone selling prices using other methods.

#### ***Sale of goods***

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

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(a) Revenue recognition** *(continued)*

#### ***Other operating revenue***

Other operating revenue comprises amounts receivable by the Group towards display income, marketing and advertisement income, listing fees and supplier rebates.

#### *i) Display income*

Income from space management is the charge to suppliers for displaying goods for sale in branches.

#### *ii) Marketing and advertisement income*

Marketing and advertisement income include the income generated from various suppliers for the additional services like additional space for charts and banners and advertising on the Group's screens provided to the suppliers for promotions and advertisement of their goods in the malls.

#### *iii) Loyalty programme*

The Group operates a loyalty programme ("ADCOOP Plus") under which customers earn reward points based on their purchases. These points do not have an expiry period. Accordingly, a provision relating to the loyalty programme is recognised at the end of the reporting period based on the outstanding reward points earned by customers. Revenue associated with the award points is deferred and recognised when the points are redeemed by customers.

#### *iv) Listing fee*

Income from listing fees is generated from suppliers at a point in time based on the occurrence.

#### ***Support service***

The Group recognizes support service fees as income in accordance with the terms of the support services agreement. The Group provides support and other related services (i.e., finance, human resources, procurement, legal, compliance, etc.) in exchange for support services fee.

### **(b) Finance income and costs**

Finance income comprises of interest income on fixed deposits with banks. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise of interest expense on borrowing, interest on lease obligations and bank charges. Finance costs are recognised in profit or loss. General and specific finance costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **3 Material accounting policy information *(continued)***

#### ***(c) Government grants***

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants that take the form of a non-monetary asset, such as lands, are measured at a nominal amount when there is reasonable assurance that the grant will be received and any condition attached to them have been fulfilled.

#### ***(d) Foreign currency***

##### *Foreign currency transactions*

Transactions in foreign currencies are translated into AED at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

#### ***(e) Property and equipment***

##### ***Recognition and measurement***

Except for land and buildings, items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### *(e) Property and equipment (continued)*

#### ***Recognition and measurement (continued)***

Land and buildings under property and equipment are initially recognised at cost. Subsequent to initial recognition, these are stated at their revalued amounts, being the fair value at the date of revaluation.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the property's revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### ***Subsequent expenditure***

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### ***Depreciation***

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

	<i>Years</i>
Leasehold improvements	3 – 10
Motor vehicles	4
Furniture and equipment	5 – 10

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

#### ***Capital work in progress***

Properties in the course of construction for supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when assets are ready for their intended use.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(f) Investment properties**

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value, which reflects market conditions at the reporting date.

Any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, any related amount included in the investment fair value reserve is transferred to retained earnings.

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease.

#### *Properties with dual use*

Properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes and are “dual use properties”. In such cases, if these portions (with dual use) could be sold separately (or leased out separately), the Group accounts for the portions separately. However, if the portions could not be sold separately, the property is considered as property and equipment if a significant portion is held for use in the production or supply of goods or services or for administrative purposes, otherwise it is considered as an investment property.

### **(g) Intangible assets**

#### ***Intangible assets acquired separately***

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the estimated useful life of the asset. The estimated useful life and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### ***Intangible assets acquired in a business combination***

Intangible assets acquired in a business combination and recognized separately from goodwill are recognized initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

The estimated useful lives for the current and comparative years of significant items of intangible assets are as follows:

	<i>Years</i>
Computer software	5
Customer relationship <i>(only comparative year)</i>	26
Concession agreement <i>(only comparative year)</i>	31
Brand	5-15

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(g) Intangible assets** *(continued)*

#### ***Intangible assets acquired in a business combination*** *(continued)*

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

#### *Goodwill*

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### **(h) Assets classified as held for sale and discontinued operations**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(h) Assets classified as held for sale and discontinued operations** *(continued)*

When the Group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met. The Group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale (and for which significant influence continues to be exercised) will continue to be accounted for using the equity method.

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

### **(i) Impairment of non-financial assets excluding goodwill**

At each reporting date, the Group reviews the carrying amounts of its 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). For impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (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 recognized immediately in profit or loss, 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 recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, 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.

### **(j) Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **3 Material accounting policy information** *(continued)*

#### **(j) Leases** *(continued)*

##### *I. As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **3 Material accounting policy information** *(continued)*

#### **(j) Leases** *(continued)*

##### *I. As a lessee (continued)*

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to nil.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and is included in the line 'General and administrative expenses' in the consolidated statement of profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'Right-of-use assets and lease liabilities' in 'Lease liabilities' in the statement of financial position.

##### *Short-term leases and leases of low-value assets*

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

##### *II. As a lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for a major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(j) Leases** *(continued)*

#### *II. As a lessor (continued)*

##### *Rental income from operating leases*

Rental income from operating leases is recognized on a straight-line basis over the lease term unless another systematic basis is more representative of the time patterns in which the economic benefits from the leased assets are derived. The Group has recognized this rental income as part of “Revenue from Investment properties rentals”.

### **(k) Financial instruments**

#### ***Recognition and initial measurement***

Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a contract receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A contract receivable without a significant financing component is initially measured at the transaction price.

#### ***Classification and subsequent measurement***

##### **Financial assets**

On initial recognition, a financial asset is classified as subsequently measured at: amortized cost; fair value through other comprehensive income (FVOCI) – debt instrument; FVOCI – equity instrument; or FVTPL.

A financial asset that meets the following conditions and is not designated as at FVTPL, is measured at amortized cost:

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

A debt instrument that meets the following conditions and is not designated as at FVTPL, is measured at FVOCI:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(k) Financial instruments** *(continued)*

#### ***Classification and subsequent measurement*** *(continued)*

##### **Financial assets** *(continued)*

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is a contingent consideration recognized in a business combination.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

##### **Financial assets – Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### ***Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest***

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 3 Material accounting policy information *(continued)*

### *(k) Financial instruments (continued)*

#### ***Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest (continued)***

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flow such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows.
- terms that may adjust the contractual coupon rate, including variable-rate features.
- prepayment and extension features; and
- terms that limit the Group's claim for cash flows from specified assets (e.g. non-recourse features).

#### ***Financial assets – Subsequent measurement and gains and losses***

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

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

**Debt investments at FVOCI** These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

**Equity investments at FVOCI** These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

#### ***Financial liabilities – Classification, subsequent measurement and gains and losses***

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(k) Financial instruments** *(continued)*

#### ***Derecognition***

##### *Financial assets*

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

The Group enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

##### *Financial liabilities*

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

#### ***Offsetting***

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

### **(l) Cash and cash equivalents**

In the statement of financial position, cash and cash equivalents comprise cash (i.e., cash on hand and demand deposits) and bank balances. Bank balances are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. These are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the statement of financial position.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### ***(m) Trade receivables and other financial assets – Impairment***

*Non-derivative financial assets*

*Financial instruments*

Impairments on financial assets are accounted for using a three-stage forward-looking expected credit loss (ECL) approach in line with IFRS 9. The Group recognizes loss allowances for ECLs on:

- financial assets measured at amortized cost; and
- debt securities measured at fair value through other comprehensive income

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and tenant receivables are measured at an amount equal to lifetime ECLs. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group'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. In addition to that a specific provision is recorded for some cases where there is a probability of default for these receivable balances.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers the financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held) or the financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### **(m) Trade receivables and other financial assets – Impairment** *(continued)*

#### *Financial instruments and contract assets*

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

#### *Credit-impaired financial assets*

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

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

- significant financial difficulty of the borrower or issuer.
- a breach of contract such as a default.
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise.
- it is probable that the borrower will enter bankruptcy or another financial reorganisation; or
- the disappearance of an active market for security because of financial difficulties.

#### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of assets.

#### *Write-off*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **3 Material accounting policy information *(continued)***

#### ***(n) Inventories***

Inventories are measured at the lower of cost and net realisable value. Cost is determined on an average cost basis and includes invoiced cost, transport and handling costs. Net realisable value represents the estimated selling price less further costs to be incurred in marketing, selling and distribution.

#### *Rebates*

The Group has agreements with suppliers whereby volume-related rebates and various other supplier benefits and discounts are received in connection with the purchase of goods. This income received from suppliers relates to adjustments to the core cost price of a product and is considered part of the purchase price for that product. Income is recognised on an accrual basis when earned by the Group and the income can be measured reliably based on the terms of the contract.

Where the income earned relates to inventories which are held by the Group at the end of a period, the income is included within the cost of those inventories, and recognised in cost of sales upon sale of those inventories.

#### ***(o) Provisions***

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted at pre-tax rate. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### ***(p) Employee benefits***

The Group provides end-of-service benefits to its employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security. Such contributions are charged to the profit or loss during the employees' period of service.

#### ***(q) Fair value measurement***

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

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **3 Material accounting policy information *(continued)***

#### ***(q) Fair value measurement (continued)***

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

There is no quoted price in an active market, then the Group uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

#### ***(r) Dividend income***

Dividend income from investments is recognized when the shareholders' right to receive payment has been established provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

#### ***(s) Taxes***

Income tax expense comprises current and deferred tax. It's recognized in statements of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or other comprehensive items.

#### ***Current Tax***

Current tax comprises the expected tax payable or receivable on the taxable income or for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **3 Material accounting policy information** *(continued)*

### *(s) Taxes (continued)*

#### ***Deferred tax***

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

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

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

#### ***Value added tax (VAT)***

Expenses and assets are recognized net of the amount of VAT, except:

- when the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- when receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **3 Material accounting policy information *(continued)***

#### ***(t) Current vs non-current classification***

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other assets and liabilities as non-current.

#### ***(u) Share capital***

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares are recognized as deduction from equity.

#### ***(v) Share premium***

Share premium represents the amount received by the Group over and above the face value of equity shares issued. It is recorded in a separate reserve within Equity.

#### ***(w) Gross profit***

This represents gross profits from revenue from retail business customers, rental income and other revenues after deducting the cost of goods sold for retail business only without deducting any other costs associated with the rental income and other revenues.

### **4 New standards or amendments**

Several new amendments are effective for annual reporting periods beginning after 1 January 2025. These new amendments do not have any material impact on the Group's consolidated financial statements. The Group has not early adopted the following new or amended accounting standards or interpretation that have been issued but are not yet effective in preparing consolidated financial statements.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### 4 New standards or amendments *(continued)*

#### a) *New and amended standards that are effective for the current period*

In the current period, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the amounts or the disclosures reported in these consolidated financial statements.

Effective date	New accounting standards or amendments
1 January 2025	<i>Lack of exchangeability – Amendments to “IAS 21”</i>

#### b) *New standards and amendments in issue but not yet effective*

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the group.

Effective date	New accounting standards or amendments
1 January 2026	<i>Classification and measurement of financial instruments – Amendments to “IFRS 9” and “IFRS 7”</i>
1 January 2026	<i>Contracts Referencing Nature-dependent Electricity – Amendments to “IFRS 9” and “IFRS 7”</i>
1 January 2027	<i>Annual improvements to IFRS Accounting Standards – Volume 11</i>
1 January 2027	<i>IFRS 18 – Presentation and Disclosure in Financial Statements</i>
1 January 2027	<i>IFRS 19 – Subsidiaries without public accountability: Disclosure</i>
Effective date deferred indefinitely / Early adoption available	<i>Sale or contribution of assets between an investor and its associates or joint venture – Amendments to IFRS 10 and IAS 28</i>

The above stated new standards and amendments are not expected to have any significant impact on the consolidated financial statements of the Group except “IFRS 18” which will replace “IAS 1”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Although IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive. Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements and disclosures. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- IFRS 18 requires the Group to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. The Group will present a newly defined operating profit subtotal which will impact on how operating profit is calculated and reported. However, the adoption of IFRS 18 will have no impact on the Group’s net profit
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- In addition, the Group is required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 4 New standards or amendments *(continued)*

### b) *New standards and amendments in issue but not yet effective (continued)*

The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

There are no other applicable new standards or amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the consolidated financial statements of the Group.

## 5 Revenue

	2025 AED'000	2024 AED'000 <i>(Reclassified)</i>
<b>Revenue from contracts with customers <i>(retail)</i></b>		
Sale of goods	1,561,163	1,661,862
Other operating revenue*	97,702	130,538
	<u>1,658,865</u>	<u>1,792,400</u>
<b>Other revenue**</b>	<b>74,878</b>	56,630
	<u>1,733,743</u>	<u>1,849,030</u>
<b>Revenue from Investment properties rentals:</b>		
Rental revenue	221,938	211,172
<b>Total revenue</b>	<b><u>1,955,681</u></b>	<b><u>2,060,202</u></b>

\* Other operating revenue includes income from marketing, advertisement, listing fees and display of merchants' inventories.

\*\* Other revenue includes amount of AED 74,878 thousand (2024: AED 53,177 thousand) pertains to income generated from support services agreement with an affiliate company where the Group provides support and other related services (i.e., finance, human resources, procurement, legal, compliance, etc.) in exchange for support services fee. Revenue from support services reclassified from "Other operating income" as reported in previous year to "Other revenue" as these activities have become part of the Company's regular operations.

The group leases out its investment property. The group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The group has estimated the contractual lease payments to be received within 1 year to be AED 250,320 thousand.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 5 Revenue *(continued)*

### *Timing of revenue recognition*

	2025 AED'000	2024 AED'000 <i>(Reclassified)</i>
Revenue recognized at point in time	1,597,902	1,708,755
Revenue recognized over time	135,841	140,275
	<u>1,733,743</u>	<u>1,849,030</u>

### *Geographical distribution of revenue*

The revenue recognized during the period is earned locally since the Group only operates in the United Arab Emirates.

## 6 Supplier arrangements

Supplier incentives, rebates and discounts, collectively known as 'supplier arrangements', represent a material deduction to cost of sales and directly affect the Group's reported margin.

Income is recognised when earned by the Group when all obligations per the terms of the contract have been satisfied. Any supplier arrangements which are linked to inventory purchases are estimated and recorded as part of the cost of the related inventory. This amount will be recognised as a reduction to cost of sales when the inventory is sold. Unpaid amounts relating to supplier arrangements are recognised within trade and other receivables, unless there is a legal right of offset, in which case it is recognised within trade and other payables. Amounts which have been invoiced but not yet paid at the balance sheet date are categorised as supplier arrangements due, while the amounts not yet invoiced are categorised as accrued supplier arrangements.

The types of supplier arrangements applicable to the Group are as follows:

Discounts and supplier incentives – these represent the majority of all supplier arrangements and are linked to individual unit sales. The incentive is typically based on an agreed sum per item sold on promotion for a period and therefore is considered part of the purchase price of that product.

Fixed amounts – these are agreed with suppliers primarily to support in-store activity including promotions, such as utilising specific space. Income earned from these activities are recognised as part of other operating revenue in note 5.

Supplier rebates – these are typically agreed on an annual basis, aligned with the Group's financial year. The rebate amount is linked to pre-agreed targets such as sales volumes. Supplier rebates are recognised as reduction to cost of sales.

Marketing and advertising income – advertising income from suppliers through in-store and online marketing and advertising campaigns. Income earned from these activities are recognised as part of other operating revenue in note 5.

During the year, the total discounts and rebates offset against Cost of goods sold amounted to AED 288,603 thousand (2024: AED 238,530 thousand).

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### 7 Operating segments

The Group reports its operating segments based on the internal reports that are regularly reviewed by the Chief Operating Decision Maker (“CODM”) in order to allocate resources and assess performance. The Group is organised into business units based on its products and services. The Group has identified two reportable segments - Retail and Real Estate. In addition to these primary segments, the Group also operates in several industries including fisheries, recruitment, motel, ice factory and others, which are smaller business activities in comparison to Retail and Real Estate segments and therefore not monitored separately by CODM. In accordance with IFRS 8, the details of these reportable segments are as follows:

**Retail** This segment comprises supermarkets and hypermarkets engaged in the sale of retail goods to customers. Financial performance is monitored at a retail-operations level. Individual brands are aggregated and reported collectively as part of the Retail segment.

**Real estate** This segment includes land and buildings held for rental purposes. Financial performance is monitored based on the nature of the real estate asset whether it is land or a building or both used to generate rental income or long-term value appreciation or both. .

**MAIR Holding and others** This segment includes assets and liabilities directly managed by MAIR headquarters such as property and equipment, bank balances, investments in securities, and investment properties (not held for rental purposes). It involves central revenue, including income from support services and dividend income, and costs such as head office operating expenses.

Other operations included within this segment are:

- Support service revenue;
- Motel and car driving school (*applicable only for 2024*);
- Recruitment services (*applicable only for 2024*); and
- Marine transportation, fish business (*applicable only for 2024*);

The activities listed above are not considered reportable segments, as each business does not individually meet the quantitative thresholds and is not separately reviewed by the Chief Operating Decision Maker.

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements *(continued)*

7 **Operating segments** *(continued)*

*The following is an analysis of the Group's revenue and results by reportable segments:*

	Retail 2025 AED'000	Real estate 2025 AED'000	MAIR Holding and others 2025 AED'000	Total 2025 AED'000
Revenue from contracts with customers				
- Sale of goods	1,561,163	-	-	1,561,163
- Other operating revenue	97,702	-	-	97,702
Other revenue	-	-	74,878	74,878
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenue from contracts with customers	1,658,865	-	74,878	1,733,743
Rental revenue	1,808	220,130	-	221,938
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total external revenue</b>	<b>1,660,673</b>	<b>220,130</b>	<b>74,878</b>	<b>1,955,681</b>
Cost of goods sold	(1,282,806)	-	-	(1,282,806)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Gross profit</b>	<b>377,867</b>	<b>220,130</b>	<b>74,878</b>	<b>672,875</b>
General, administrative and selling expenses	(127,723)	(49,512)	(50,321)	(227,556)
Employee benefits expense	(155,449)	(17,018)	(60,200)	(232,667)
Depreciation and amortization	(104,648)	(9,396)	(5,778)	(119,822)
Impairment (reversal) /loss on trade and other receivables	(3,447)	6,245	-	2,798
Impairment on non-current assets	(5,582)	-	-	(5,582)
Other operating (expense) /income, net	(5,486)	55,745	65,398	115,657
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Operating (loss) /profit</b>	<b>(24,468)</b>	<b>206,194</b>	<b>23,977</b>	<b>205,703</b>
Share of profit of equity accounted investees, <i>net of tax</i>	-	-	11,826	11,826
Other income	7,612	2,285	50	9,947
Finance costs	(18,530)	(7,610)	-	(26,140)
Finance income	-	-	7,441	7,441
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Profit before tax</b>	<b>(35,386)</b>	<b>200,869</b>	<b>43,294</b>	<b>208,777</b>
Income tax benefit /(expense)	3,045	(17,287)	(3,726)	(17,968)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>(Loss) /profit for the year</b>	<b>(32,341)</b>	<b>183,582</b>	<b>39,568</b>	<b>190,809</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements (continued)

7 Operating segments (continued)

	Retail 2024 (Reclassified) AED'000	Real estate 2024 (Reclassified) AED'000	MAIR Holding and others 2024 (Reclassified) AED'000	Total 2024 (Reclassified) AED'000
Revenue from contracts with customers				
- Sale of goods	1,661,862	-	-	1,661,862
- Other operating revenue	130,538	-	-	130,538
Other revenue	-	-	56,630	56,630
Total revenue from contracts with customers	1,792,400	-	56,630	1,849,030
Rental revenue	7,558	203,614	-	211,172
Total external revenue	1,799,958	203,614	56,630	2,060,202
Cost of goods sold	(1,352,661)	-	-	(1,352,661)
Gross profit	447,297	203,614	56,630	707,541
General, administrative and selling expenses	(130,795)	(47,552)	(60,352)	(238,699)
Employee benefits expense	(144,792)	(17,140)	(41,350)	(203,282)
Depreciation and amortization	(108,428)	(9,772)	(5,871)	(124,071)
Impairment loss on trade and other receivables	(12,671)	(12,068)	2,502	(22,237)
Impairment on non-current assets	(21,664)	-	(9,728)	(31,392)
Other operating income, net	4,629	9,468	108,426	122,523
Operating profit	33,576	126,550	50,257	210,383
Share of profit of equity accounted investees, net of tax	-	-	9,552	9,552
Other income	2,908	625	-	3,533
Finance costs	(20,677)	(63,273)	-	(83,950)
Finance income	-	-	26,371	26,371
Profit before tax from continuing operations	15,807	63,902	86,180	165,889
Income tax expense	(1,424)	(5,760)	(5,491)	(12,675)
Profit after tax from continuing operations	14,383	58,142	80,689	153,214
Profit after tax from discontinued operations, net of tax	-	-	17,935	17,935
Profit for the year	14,383	58,142	98,624	171,149

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 7 Operating segments *(continued)*

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment. This is the measure reported to the Group's Chief Executive Officer, considered to be Chief Operating Decision Maker ("CODM"), for the purpose of resource allocation and assessment of segment performance.

	<b>Retail 2025 AED'000</b>	<b>Real estate 2025 AED'000</b>	<b>MAIR Holding and others 2025 AED'000</b>	<b>Total 2025 AED'000</b>
<b>Segment assets</b>	<b>2,463,062</b>	<b>2,605,785</b>	<b>542,098</b>	<b>5,610,945</b>
<b>Equity-accounted investees</b>	<b>-</b>	<b>-</b>	<b>193,071</b>	<b>193,071</b>
<b>Capital expenditure</b>	<b>56,848</b>	<b>159,469</b>	<b>-</b>	<b>216,317</b>
<b>Segment liabilities</b>	<b>589,452</b>	<b>545,948</b>	<b>124,929</b>	<b>1,260,329</b>
	<b>Retail 2024 AED'000</b>	<b>Real estate 2024 AED'000</b>	<b>MAIR Holding and others 2024 AED'000</b>	<b>Total 2024 AED'000</b>
<b>Total segment assets</b>	<b>2,673,641</b>	<b>1,963,121</b>	<b>1,036,330</b>	<b>5,673,092</b>
<b>Equity-accounted investees</b>	<b>-</b>	<b>-</b>	<b>181,245</b>	<b>181,245</b>
<b>Capital expenditure</b>	<b>85,623</b>	<b>51,647</b>	<b>1,337</b>	<b>138,607</b>
<b>Segment liabilities</b>	<b>859,189</b>	<b>367,943</b>	<b>192,011</b>	<b>1,419,143</b>

For the purpose of monitoring segment performance and allocating resources between segments, the Group's Chief Executive Officer monitors the revenues and profits attributable to each segment.

### *Information about major customers*

No single customer contributed 10 per cent or more to the Group's revenue in either 2025 or 2024.

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements *(continued)*

**8 General, administrative and selling expenses**

	2025 AED'000	2024 AED'000
Utilities	45,765	43,810
Repair and maintenance	20,438	22,190
Professional fees <i>(refer to (i) and (ii) below)</i>	19,434	41,808
Advertisements	15,980	16,529
Security services	14,128	13,570
Bank charges	13,878	13,533
Cleaning services	12,838	13,205
Rent on low value and short-term lease	16,676	13,014
IT expenses	13,447	6,768
Directors' remuneration <i>(refer to (iii) below)</i>	11,848	10,000
Shipping and transportation	11,014	9,875
E-commerce commissions	8,011	10,607
Consumables	7,956	8,460
Insurance	6,453	6,041
Other expenses	9,690	9,289
	<u>227,556</u>	<u>238,699</u>

i) *Professional fees include consultancy, advisory, accounting, strategic planning, and valuation expenses incurred by the Group entities.*

ii) *Professional fees include audit fees amounting to AED 1,480 thousand (2024: AED 1,114 thousand).*

iii) *Directors' remuneration payable - Directors' remuneration assigned to the Board of Directors is AED 11,848 thousand (2024: AED 10,000 thousand).*

**9 Employee benefits expense**

	2025 AED'000	2024 AED'000
Salaries and wages	179,721	149,640
Medical insurance	11,860	7,970
End of service benefits	5,519	6,205
Pension	3,895	3,016
Other benefits	31,672	36,451
	<u>232,667</u>	<u>203,282</u>

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements *(continued)*

**10 Depreciation and amortization**

	2025 AED'000	2024 AED'000
Amortisation of right of use assets <i>(note 19)</i>	74,275	70,051
Depreciation on property and equipment <i>(note 13,15)</i>	40,290	48,962
Amortisation of intangible assets <i>(note 13,17)</i>	5,257	5,058
	<u>119,822</u>	<u>124,071</u>

**11 Other operating income / (expenses)**

	2025 AED'000	2024 AED'000 <i>(Reclassified)</i>
Change in fair value of investment properties <i>(note 16)</i>	45,884	9,332
Gain on disposal of assets held for sale <i>(note 13)</i>	42,500	49,241
Gain on derecognition of right of use assets and lease liabilities	15,432	560
Reversal of provision	7,862	-
Change in fair value of equity instruments (FVTPL)	6,319	(2,571)
Gain on disposal of investment properties	3,643	45,420
Dividends from investments	2,603	13,146
Reversal of impairment loss on property and equipment <i>(note 15)</i>	920	-
Realised gain on sale of equity instruments (FVTPL)	479	21
Gain from recovery of written-off receivables	-	4,487
Realised gains on sale of debt instruments (FVOCI)	-	3,340
Loss on revaluation of Property and equipment <i>(note 15)</i>	(5,083)	-
Loss on derecognition of a Lease - ROU IP <i>(note 16)</i>	(3,266)	-
Loss on write-off of property and equipment	(2,191)	(1,673)
Loss /(gain) on disposal of property and equipment	(88)	67
Write-off of intangible assets	(58)	-
Realised (loss) / gain on sale of equity instruments (FVOCI)	(50)	10,710
Loss on remeasurement of lease liabilities	(21)	-
Realised loss on sale of debt instruments (FVOCI)	-	(818)
Others	772	(8,739)
	<u>115,657</u>	<u>122,523</u>

**12 Finance income and costs**

	2025 AED'000	2024 AED'000
Interest income	7,441	26,371
Interest expense on borrowings	1,199	48,558
Interest expense on lease liabilities	24,941	35,392
	<u>26,140</u>	<u>83,950</u>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 13 Assets classified as held for sale and discontinued operations

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	98,207	223,749
Transferred to held for sale (note (i))	42,500	98,207
Completion of sale (note (ii))	(140,707)	(223,749)
<b>Balance at the end of the year</b>	<b>-</b>	<b>98,207</b>

- (i) In July 2025, the Group had an active plan to sell a land parcel located in Abu Dhabi with a fair value of AED 42,500 thousand. Accordingly, this property had been classified from property and equipment to Non-Current Assets Held for Sale in accordance with the requirements of IFRS 5.

In 2024, the Group had a plan to sell the Marine and Fish businesses with a carrying value of AED 96,866 thousand and liabilities associated with those assets having carrying value of AED 1,205 thousand. In addition, an equity investment was carried out at FVOCI with a carrying value of AED 1,341 thousand. Accordingly, these were classified as assets / liabilities held for sale since the carrying amount of the assets will be recovered principally through the sale transaction. This aligns with the Group's strategic focus on retail and real estate businesses, including ventures connected to food and beverages.

- (ii) In October 2025, the Group sold its land parcel for AED 85,000 thousand resulting in net gain from disposal of AED 42,500 thousand (*refer note 11*).

In July 2025, the Group successfully disposed of the equity investment for AED 1,341 thousand (carrying value AED 1,341 thousand), resulting in no gain or loss on disposal.

In January 2025, MAIR was able to sell the Marine and Fish business for AED 95,661 thousand.

	<b>Marine and Fish business 2025 AED'000</b>
<b>Assets</b>	
Trade and other receivables	24,735
Property and equipment ( <i>note 15</i> )	29,091
Intangible assets ( <i>note 17</i> )	43,040
	<b>96,866</b>
<b>Liabilities</b>	
Trade and other payables	(810)
Employees end of service benefits	(395)
	<b>(1,205)</b>
Net assets directly associated with disposal group	<b>95,661</b>
Less: sales proceeds	<b>(95,661)</b>
Gain / (loss) on disposal	<b>-</b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 13 Assets classified as held for sale and discontinued operations *(continued)*

On 10 January 2024, the Group sold its effective 60% shareholding in both WAM and AMM (collectively referred to as the “Entities”), with carrying value of assets amounting to AED 87,575 thousand which were wholly owned subsidiaries of the Group. Due to this divestment, the Group lost control of the Entities while the remaining effective stake in the Entities (i.e., 40% in both WAM and AMM) has been retained at fair value and is accounted for using the equity method, effective from the date of divestment. This divestment resulted in a loss of AED 9,865 thousand for WAM and a gain of AED 27,705 thousand for AMM recognised in the statement of profit or loss.

On 10 January 2024, the Group sold its effective 10% shareholding in Al Masa Animal Feed (“AAF”), with carrying value of assets amounting to AED 1,255 thousand leaving it with a remaining effective stake of 40% in AAF. This divestment resulted in a gain of AED 3,185 thousand.

In March 2024, the Group successfully sold Kezad warehouse with carrying value amounting to AED 105,013 thousand resulting in a gain of AED 46,056 thousand.

In March 2024, management changed its intention regarding the sale of the Khalifa staff accommodation and certain buildings and land plots. This led to a change in the accounting and the presentation for these assets amounting to AED 29,906 thousand which was transferred from assets held for sale to investment properties.

The net gain recognized from sale of discontinued operations (WAM and AMM) have been reported separately in the statement of profit and loss as profit from discontinued operations. Subsequent to the loss of control over the Entities, the Group has continued to purchase from and sell goods to the Entities.

### A. Results of discontinued operations

The results of the discontinued operations comprising WAM, AMM and Marine and Fish businesses, which have been included in the profit for the year 2024, were as follows:

	2024 AED'000
Other revenue	13,682
Cost of goods sold	(2,125)
General, administrative and selling expenses	(4,517)
Employee benefits expense	(3,549)
Depreciation and amortization	(7,538)
Other operating income	299
<b>Operating loss</b>	<b>(3,748)</b>
Finance income	3,843
<b>Profit from discontinued operations</b>	<b>95</b>
Gain on sale of discontinued operations*	17,840
<b>Profit from discontinued operation, net of tax</b>	<b>17,935</b>

\* Gain recognised from the sale of 60% stake in WAM and AMM in 2024.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 13 Assets classified as held for sale and discontinued operations *(continued)*

### B. Cash flows from discontinued operations

	2024 AED'000
Net cash from (used in) operating activities	(8,596)
Net cash generated from investing activities	3,175
	<hr/>
<b>Net change in cash flows during the period</b>	<b>(5,421)</b>
	<hr/> <hr/>

Earnings per share for the Discontinued operations have been disclosed under note 14.

## 14 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	2025 AED '000	2024 AED '000
<b>Profit / (loss)</b>		
Continuing operations	190,809	153,214
Discontinued operations	-	17,935
	<hr/>	<hr/>
<b>Total profit</b>	<b>190,809</b>	<b>171,149</b>
	<hr/> <hr/>	<hr/> <hr/>
	2025	2024
<b>(in thousands)</b>		
Weighted average number of ordinary shares post share split	<b>2,230,723</b>	2,230,723
	<hr/> <hr/>	<hr/> <hr/>
<b>Earnings per share in dirhams</b>		
Continuing operations	<b>0.086</b>	0.069
Discontinued operations	-	0.008
	<hr/>	<hr/>
<b>Basic and diluted earnings per share in dirhams</b>	<b>0.086</b>	0.077
	<hr/> <hr/>	<hr/> <hr/>

On 26 September 2024, The Department of Economic Development approved the Group's request to increase its share capital from AED 899,190 thousand (89,919,005 shares) to AED 1,115,362 thousand (111,536,157 shares), reflecting the addition of AED 216,172 thousand (21,617,152 shares). On 3 October 2024, the Shareholders at the Annual General Meeting approved the stock split of 1:20, increasing the Group's number of shares from 111,536,157 to 2,230,723,140 and reducing the par value per share from 10 dirhams to 50 fils. The shares were actually issued on 17 October 2024.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements (continued)

15 Property and equipment

	Land and buildings AED'000	Leasehold improvement AED'000	Motor vehicles AED'000	Furniture & equipment AED'000	Capital work in progress (CWIP) AED'000	Total AED'000
<b>Cost or revaluation:</b>						
As at 1 January 2024	453,499	290,480	60,109	159,050	151,433	1,114,571
Additions	-	8,605	1,817	15,604	112,286	138,312
Capitalization of borrowing costs	-	-	-	-	313	313
Transfers from CWIP	-	11,542	-	18,012	(29,554)	-
Transfers to investment property (note 16)	-	-	-	-	(80,451)	(80,451)
Transfers to intangible assets (note 17)	-	-	-	-	(1,340)	(1,340)
Transfers from held for sale (note 13)	-	-	-	1,069	-	1,069
Write off	-	-	-	-	(1,673)	(1,673)
Disposals	-	(2,510)	(2,397)	(5,883)	-	(10,790)
Transfer of Marine & Fish businesses to held for sale (note 13)	-	-	(36,002)	(1,159)	-	(37,161)
Revaluation gain recognised in OCI	55,865	-	-	-	-	55,865
<b>As at 31 December 2024</b>	<b>509,364</b>	<b>308,117</b>	<b>23,527</b>	<b>186,693</b>	<b>151,014</b>	<b>1,178,715</b>
Additions	-	22,217	834	24,342	135,690	183,083
Transfers from CWIP	52,112	16,933	-	564	(69,609)	-
Transfers to investment property (note 16)	(100,240)	-	-	-	(190,350)	(290,590)
Transfers from investment property (note 16)	24,751	-	-	-	-	24,751
Transfers to held for sale	(42,500)	-	-	-	-	(42,500)
Write off	-	(6,045)	(959)	(7,746)	(421)	(15,171)
Disposals	-	-	-	(3,737)	-	(3,737)
Revaluation gain recognised in OCI	39,294	-	-	-	-	39,294
Revaluation loss recognised in profit or loss	(5,083)	-	-	-	-	(5,083)
Reclassification	(201)	1,388	517	(1,960)	256	-
<b>As at 31 December 2025</b>	<b>477,497</b>	<b>342,610</b>	<b>23,919</b>	<b>198,156</b>	<b>26,580</b>	<b>1,068,762</b>
<b>Accumulated depreciation and impairment losses:</b>						
As at 1 January 2024	-	185,830	16,910	90,099	-	292,839
Charge for the year	-	13,531	10,812	30,705	-	55,048
Impairment loss	-	15,234	693	6,027	-	21,954
Disposals	-	(1,887)	(1,944)	(4,532)	-	(8,363)
Transfer of Marine & Fish businesses to held for sale (note 13)	-	-	(7,592)	(478)	-	(8,070)
<b>As at 31 December 2024</b>	<b>-</b>	<b>212,708</b>	<b>18,879</b>	<b>121,821</b>	<b>-</b>	<b>353,408</b>
Charge for the year	-	11,973	2,760	25,557	-	40,290
Impairment loss	-	4,545	-	-	-	4,545
Reversal of Impairment loss	-	(920)	-	-	-	(920)
Write off	-	(4,467)	(959)	(7,554)	-	(12,980)
Disposals	-	-	-	(3,421)	-	(3,421)
<b>As at 31 December 2025</b>	<b>-</b>	<b>223,839</b>	<b>20,680</b>	<b>136,403</b>	<b>-</b>	<b>380,922</b>
Carrying amount:						
As at 31 December 2024	509,364	95,409	4,648	64,872	151,014	825,307
<b>As at 31 December 2025</b>	<b>477,497</b>	<b>118,771</b>	<b>3,239</b>	<b>61,753</b>	<b>26,580</b>	<b>687,840</b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## **15 Property and equipment** *(continued)*

### *Fair value measurement of the Group's land and buildings*

The Group's lands are stated at their revalued amounts, being the fair value at the date of revaluation and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's land and buildings as at 31 December 2025 and 31 December 2024 were performed by independent valuers (the "Valuers") not related to the Group.

The Valuers have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the buildings was determined using the investment approach that reflects the capitalization of an income stream at a given rate.

There has been no change to the valuation technique during the year except as disclosed under note 33.

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements *(continued)*

**15 Property and equipment** *(continued)*

*Fair value measurement of the Group's land and buildings (continued)*

<b>Type of holding by the Group</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>
Owned buildings on owned lands and granted lands – Other than villas	The market value of the freehold properties is determined using the investment approach, while the lands are valued separately using the market comparable approach. The value of the building is then computed as the residual amount.	Market rent per square foot (SQF) range from AED 169 Per SQF to AED 1,466.00 Per SQF. <i>(2024: AED 10.00 Per SQF to AED 116.95 Per SQF)</i> .  Capitalisation rates range from 8.5% - 13% <i>(2024: 7.8% - 11.0%)</i>
Owned buildings on owned lands and granted lands – Villas	An exception to the above approach is for villas, where the market value of the villas is determined using the market comparable approach. The separate value of the lands is calculated using the market comparable approach with a special assumption that the land is vacant. The value of the building is then computed as the residual amount.	Nil <i>(2024: AED 43.19 Per SQF to AED 270.83 Per SQF)</i> .
Owned buildings on leasehold lands	The market value of the leasehold properties is determined using the investment approach over the remaining useful life of the lease, while also considering deductions for the market rent of the land.	Market rent per square foot (SQF) range from AED 342 per SQF to AED 1,782 per SQF. <i>(2024: AED 11.30 per SQF to AED 123.10 per SQF)</i> .  Capitalisation rates range from 9% - 12% <i>(2024: 9.5% - 14.0%)</i>
Vacant lands (includes granted lands)	Market comparable approach for lands valuation.	Nil <i>(2024: AED 18.58 Per SQF to AED 545.98 Per SQF)</i> .

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements (continued)

**15 Property and equipment** (continued)

*Fair value measurement of the Group's land and buildings (continued)*

Type of holding by the Group	Fair value at 31 December 2025 AED'000	+5% change in estimated market rent AED'000	-5% change in estimated market rent AED'000	+5% change in Discounted Rate AED'000	-5% change in Discounted Rate AED'000	+25 bps change in capitalization Rate AED'000	-25 bps change in capitalization Rate AED'000
Owned buildings on owned lands and granted lands – Other than villas	<b>305,884</b>	<b>14,986</b>	<b>(14,564)</b>	<b>(4,465)</b>	<b>4,989</b>	<b>(3,077)</b>	<b>3,686</b>
Owned buildings on leasehold lands	<b>171,613</b>	<b>8,627</b>	<b>(8,565)</b>	<b>(2,660)</b>	<b>2,780</b>	<b>(1,814)</b>	<b>1,979</b>
Type of holding by the Group	Fair value at 31 December 2024 AED'000	+5% change in estimated market rent AED'000	-5% change in estimated market rent AED'000	+25 bps change in capitalization rate AED'000	-25 bps change in capitalization rate AED'000	+ 5% change in price per square foot AED'000	- 5% change in price per square foot AED'000
Owned buildings on owned lands and granted lands – Other than villas	204,148	9,455	(13,738)	(5,727)	1,475	-	-
Owned buildings on owned lands and granted lands – Villas	16,904	-	-	-	-	845	(845)
Owned buildings on leasehold lands	135,386	6,719	(5,014)	(1,623)	3,466	-	-
Vacant lands	152,926	-	-	-	-	7,646	(7,647)

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### 15 Property and equipment *(continued)*

The estimated fair value would increase (decrease) if the expected market rent per square foot were higher (lower), the capitalization rate was lower (higher), and the price per square foot were higher (lower).

#### *Land grants from the Government*

The Group owns various plots of land provided free of cost by the Government of Abu Dhabi. These properties were considered as government grants and recorded at nominal value.

Subsequent to grant date, the plots of land are remeasured at fair value as at the reporting date in line with the Group's accounting policy for land and buildings under property and equipment. Granted lands had a fair value of AED 115,985 thousand as at 31 December 2025 *(2024: AED 161,431 thousand)*.

The fair value of land and buildings valued based on the market comparable method and income capitalisation method are classified as Level 2 and Level 3 respectively in the fair value hierarchy as at the end of the reporting period. Refer note 33 for transfers during the year. There were no transfers during 2024.

During 2025, the Group carried out an impairment assessment to review the carrying amounts of the property and equipment to determine whether there is any indication that those assets have suffered an impairment loss. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit "CGU" which is the store level for the Group. The Group estimated the recoverable amount of the CGU to which the asset belongs by determining the value in use by calculating the discounted cash flows for each store, which is the lowest CGU level. For stores where there is a plan to close in the next years or where the recoverable amount was estimated to be less than its carrying amount, the carrying amount of the CGU was reduced to its recoverable amount. Key assumptions such as discount rate and average growth rate were 10% *(2024: 8.4%)* and 5.6% *(2024: 5.4%)*, respectively. Growth rates are as per the approved budget.

An impairment loss is recognised in the statement of profit or loss amounted to AED 4,545 thousand *(2024: AED 21,954 thousand)*.

### 16 Investment properties

	Land and buildings AED'000	Right-of-use assets AED'000	Capital work in progress AED'000	Total AED'000
At 1 January 2025	1,703,501	100,956	52,389	1,856,846
Additions during the year	3,257	-	22,056	25,313
Disposals during the year	(33,002)	-	-	(33,002)
Capitalization of leases	-	-	26,522	26,522
Transfer to property and equipment <i>(note 15)</i>	(24,751)	-	-	(24,751)
Transfers from property and equipment <i>(note 15)</i>	100,240	-	190,350	290,590
Transfers from capital work in progress	78,953	-	(78,953)	-
Derecognition of ROU IP	-	(3,266)	-	(3,266)
Changes in fair value	57,208	(11,324)	-	45,884
<b>At 31 December 2025</b>	<b>1,885,406</b>	<b>86,366</b>	<b>212,364</b>	<b>2,184,136</b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 16 Investment properties *(continued)*

	Land and buildings AED'000	Right-of-use assets AED'000	Capital work in progress AED'000	Total AED'000
At 1 January 2024	1,654,536	115,951	-	1,770,487
Disposals during the year	(33,330)	-	-	(33,330)
Transfers to held for sale <i>(note 13)</i>	29,906	-	-	29,906
Transfers from property and equipment <i>(note 15)</i>	-	-	80,451	80,451
Transfers from capital work in progress	28,062	-	(28,062)	-
Changes in fair value	24,327	(14,995)	-	9,332
At 31 December 2024	<u>1,703,501</u>	<u>100,956</u>	<u>52,389</u>	<u>1,856,846</u>

The rental income and operating expenses relating to investment properties during the reporting period are as follows:

	2025 AED'000	2024 AED'000
Rental income from investment properties	<b>221,938</b>	211,172
Operating expenses for investment properties	<b>(103,399)</b>	(72,482)

Investment properties contain a number of commercial properties, primarily commercial spaces in shopping malls, that are leased to third parties. The average period of these leases are 3 years (2024: 3 years). The fair value of the Group's investment properties at the end of the reporting period were based on valuations conducted by an independent valuer. The Valuers have appropriate qualifications and recent experience in the fair value measurement of properties in the relevant locations.

The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change in the valuation technique during the year.

The fair value of the freehold land was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The fair value of the buildings was determined using the investment method approach that reflects the capitalization of an income stream at a given rate.

The fair value of investment property as a right-of-use asset, reflects market participants' assumptions about the discount rate and the expected cash flows, including variable lease payments that are expected to become payable. While the expected cash flows include the impact of the lease payments expected to be made, then it is necessary to add back the carrying amount of any recognised lease liability to arrive at the fair value of the right of use of assets classified as an investment property.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 16 Investment properties *(continued)*

There has been no change to the valuation technique during the year.

Type of holding by the Group	Valuation technique	Significant unobservable inputs
Owned buildings on owned lands and granted lands – Other than villas	The market value of the freehold properties is determined using the investment approach, while the lands are valued separately using the market comparable approach. The value of the building is then computed as the residual amount.	Market rent per square foot (SQF) range from AED 169 Per SQF to AED 1,466 Per SQF. <i>(2024: AED 10.00 Per SQF to AED 116.95 Per SQF)</i> .  Capitalisation rates range from 8% - 13% <i>(2024: 7.8% - 11.0%)</i> .
Owned buildings on owned lands and granted lands – Villas	An exception to the above approach is for villas, where the market value of the villas is determined using the market comparable approach. The separate value of the lands is calculated using the market comparable approach with a special assumption that the land is vacant. The value of the building is then computed as the residual amount.	Price per square foot (SQF) range from AED 25 Per SQF to AED 244 Per SQF. <i>(2024: AED 43.19 Per SQF to AED 270.83 Per SQF)</i> .
Owned buildings on leasehold lands	The market value of the leasehold properties is determined using the investment approach over the remaining useful life of the lease, while also considering deductions for the market rent of the land.	Market rent per square foot (SQF) range from AED 262 per SQF to AED 1,782 per SQF. <i>(2024: AED 11.30 per SQF to AED 123.10 per SQF)</i> .  Capitalisation rates range from 9% - 12% <i>(2024: 9.5% - 14.0%)</i> .
Vacant lands (includes granted lands)	Market comparable approach for lands valuation.	Price per square foot (SQF) range from AED 64 Per SQF to AED 6,081 Per SQF. <i>(2024: AED 18.58 Per SQF to AED 545.98 Per SQF)</i> .
Leasehold land	Market rent of the ground lease is determined using the comparable approach.	Market rent per square foot (SQF) range from AED 54.35 per SQF to AED 99.84 per SQF. <i>(2024: AED 54.35 per SQF to AED 99.84 per SQF)</i> .

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Notes to the consolidated financial statements (continued)

16 Investment properties (continued)

Type of holding by the Group	Fair value at 31 December 2025 AED'000	+5% change in estimated market rent AED'000	-5% change in estimated market rent AED'000	+5% change in Discounted Rate AED'000	-5% change in Discounted Rate AED'000	+25 bps change in capitalization Rate AED'000	-25 bps change in capitalization Rate AED'000	+ 5% change in price per square foot AED'000	- 5% change in price per square foot AED'000	+ 5% change in market rent of lease AED'000	- 5% change in market rent of lease AED'000
Owned buildings on owned lands and granted lands – Other than villas	1,462,572	70,851	(71,418)	(23,666)	23,612	(17,692)	18,145	221	(221)	-	-
Owned buildings on owned lands and granted lands – Villas	88,070	-	-	-	-	-	-	4,404	(4,404)	-	-
Owned buildings on leasehold lands	229,762	10,636	(10,628)	(3,686)	3,780	(2,540)	2,696	-	-	-	-
Vacant lands	105,002	-	-	-	-	-	-	5,920	(5,920)	-	-
Leasehold land	86,366	-	-	-	-	-	-	-	-	4,320	(4,320)

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 16 Investment properties *(continued)*

Type of holding by the Group	Fair value at 31 December 2024 AED'000	+5% change in estimated market rent AED'000	-5% change in estimated market rent AED'000	+25 bps change in capitalization rate AED'000	-25 bps change in capitalization rate AED'000	+ 5% change in price per square foot AED'000	- 5% change in price per square foot AED'000	+ 5% change in market rent of lease AED'000	- 5% change in market rent of lease AED'000
Owned buildings on owned lands and granted lands – Other than villas	1,342,475	55,360	(56,464)	(35,905)	36,362	-	-	-	-
Owned buildings on owned lands and granted lands – Villas	84,163	-	-	-	-	4,208	(4,208)	-	-
Owned buildings on leasehold lands	178,574	6,300	(5,680)	(3,355)	4,176	-	-	-	-
Vacant lands	98,289	-	-	-	-	3,227	(6,441)	-	-
Leasehold land	100,956	-	-	-	-	-	-	5,050	(5,046)

The estimated fair value would increase (decrease) if the expected market rent per square foot were higher (lower), the capitalization rate were lower (higher), the price per square foot were higher (lower), the market rent of the ground lease were higher (lower).

The investment properties consist of plots of land, shopping malls built on freehold and leasehold lands, and buildings in the United Arab Emirates, which are held by the Group for capital appreciation and rental earning. Additionally, there are leasehold properties that are further subleased for rental purposes.

Investment properties valued based on the market comparable method and income capitalisation method are classified as Level 2 and Level 3 respectively in the fair value hierarchy as at the end of the reporting period. Refer note 33 for further details.

Land and buildings investment properties and investment properties held as right-of-use assets are carried at fair value. For capital work in progress investment properties the fair value is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, hence it is measured at cost until either its fair value becomes reliably measurable, or construction is completed.

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Notes to the consolidated financial statements *(continued)*

17 Intangible assets

	Computer software AED'000	Customer relationship AED'000	Concession agreement AED'000	Brands AED'000	Capital work in progress (CWIP) AED'000	Total AED'000
Cost						
At 1 January 2024	8,161	22,830	21,888	23,154	2,480	78,513
Additions	50	-	-	-	245	295
Transfers to related party	-	-	-	-	(640)	(640)
Transfers from property and equipment <i>(note 15)</i>	-	-	-	-	1,340	1,340
Transfers from CWIP	1,841	-	-	-	(1,841)	-
Disposals	(27)	-	-	-	-	(27)
Transfers to assets held for sale <i>(note 13)</i>	-	(22,830)	(21,888)	-	-	(44,718)
<b>As at 31 December 2024</b>	<b>10,025</b>	<b>-</b>	<b>-</b>	<b>23,154</b>	<b>1,584</b>	<b>34,763</b>
Additions	5,325	-	-	-	2,596	7,921
Transfers from CWIP	1,340	-	-	-	(1,340)	-
Write offs	(147)	-	-	-	-	(147)
<b>As at 31 December 2025</b>	<b>16,543</b>	<b>-</b>	<b>-</b>	<b>23,154</b>	<b>2,840</b>	<b>42,537</b>
Accumulated amortization						
At 1 January 2024	474	125	101	260	-	960
Charge for the year	3,294	805	647	1,764	-	6,510
Transfers of Marine and Fish businesses to held for sale <i>(note 13)</i>	-	(930)	(748)	-	-	(1,678)
Disposals	(8)	-	-	-	-	(8)
<b>As at 31 December 2024</b>	<b>3,760</b>	<b>-</b>	<b>-</b>	<b>2,024</b>	<b>-</b>	<b>5,784</b>
Charge for the year	3,433	-	-	1,824	-	5,257
Write offs	(89)	-	-	-	-	(89)
<b>As at 31 December 2025</b>	<b>7,104</b>	<b>-</b>	<b>-</b>	<b>3,848</b>	<b>-</b>	<b>10,952</b>
Carrying amount:						
As at 31 December 2024	6,265	-	-	21,130	1,584	28,979
<b>As at 31 December 2025</b>	<b>9,439</b>	<b>-</b>	<b>-</b>	<b>19,306</b>	<b>2,840</b>	<b>31,585</b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 18 Goodwill

	2025 AED'000	2024 AED'000
<i>Cost</i>		
At 1 January	930,014	1,009,204
Derecognition of associated goodwill on disposal of WAM, and AMM*	-	(79,190)
<b>At 31 December</b>	<b>930,014</b>	<b>930,014</b>

During 2014, the Group entered into an agreement with Mega Mart LLC (“Mega Mart”) for the acquisition of Mega Mart’s supermarkets, effective from 15 March 2014 (“the Agreement”). As per the Agreement, the Group acquired all rights and entitlements of Mega Mart from contracts and licenses existing on transaction date; the assets and liabilities stipulated in the Agreement; and full undisputed ownership of Mega Mart, including the trade name.

On 9 November 2023, the Department of Economic Development in Abu Dhabi (DED) issued Administrative Resolution no. 59 to merge three cooperative societies – Al Ain Cooperative Society (AACS), Delma Cooperative Society (DCS), and the Al Dhafra Cooperative Society (ADCS) (together, the “Subject Entities”) into ADCOOP (currently known as MAIR Group) resulting a goodwill from the merger with the Subject Entities.

\* The AED 79,190 thousand decrease in the Goodwill was caused by the disposal of ownership interests in WAM (60%) and AMM (60%) during the year. The Group now holds only 40% stake on each of the WAM and AMM.

During year 2024, the Group has finalised purchase price allocation of Al Ain Cooperative Society, Delma Cooperative Society and Al Dhafra Cooperative Society. The finalisation of purchase price allocation during the year did not result in any adjustment to initial goodwill.

### Carrying amount of Goodwill allocated to the CGUs:

For the purpose of impairment testing under IAS 36, goodwill recognised by the Group is required to be allocated to each of MAIR Group’s Cash Generating Units (“CGUs”), or groups of CGUs, that are expected to benefit from the synergies of such business combination. MAIR Group has assessed that the goodwill arising from the acquisition of AACS, DCS and ADCS should be fully allocated to the Retail segment. The Group expects the acquisition to generate synergies within the Retail segment through cost savings from combining operational management, including sales, reporting, marketing and human resources functions, as well as improved efficiency in procurement, logistics and better vendor arrangements. Additionally, the Group anticipates that the better reputation of existing brands will enhance the performance of the retail branches of AACS, DCS and ADCS by way of association. Conversely, the Group does not foresee that the business combination will enable better pricing terms with existing tenants or attract more tenants in the Real Estate segment. Furthermore, they do not expect that the business combination would result in economies of scale, higher growth, higher cash flow or any financial advantage to the real estate properties of AACS, DCS and ADCS.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 18 Goodwill *(continued)*

### Carrying amount of Goodwill allocated to the CGUs: *(continued)*

While operational efficiencies and cost savings are anticipated from integrating the real estate operations of AACS, DCS and ADCS into the Group, these synergies are considered insignificant for any goodwill recognised in the combination to be identified and allocated to the Real Estate segment. Therefore, the goodwill recognised from the acquisition of businesses including Mega Mart will be allocated and tested for impairment at the operating segment level of the Group, as that constitutes the level at which the goodwill will be monitored for internal management purposes.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

### Retail segment

The recoverable amount of the 'Retail' segment as a group cash-generating units is AED 2,129,786 thousand (2024: 1,819,700 thousand) which is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a 5 years period and a pre-tax discount rate of 10% (2024: 10.5 to 12.5 per cent) per annum calculated based on the cost of equity (which is estimated using the capital asset pricing model ("CAPM")) and the cost of debt.

The key assumptions used by management in setting the financial budgets for the initial 5 years period was as follows:

#### *Forecast sales growth rates and expected relevant costs*

Forecast sales growth rates and costs are as per the approved budget for the Group which is based on past experience adjusted for the historic measures, sales/market trends and the strategic decisions made in respect of the retail segment.

#### *Operating profits*

Operating profits are forecast based on historical experience of operating margins, adjusted for the impact of changes to product costs and cost saving initiatives.

#### *Terminal value growth rate*

Cash flows beyond that 5-year period have been extrapolated using a steady 2 per cent per annum growth rate (2024: 2 per cent per annum). The steady growth rate of 2 per cent is based on the average of long-term inflation forecasts from 2026 to 2050 of the UAE, sourced from the Economic Intelligence Unit.

The group has sufficient headroom in its goodwill impairment test, indicating that the carrying value of goodwill is well supported by the underlying assets and cash flows of the Group. This ensures that the risk of impairment remains remote under current conditions even under a range of sensitivity scenarios applied to key assumptions such as discount rates, growth rates, and future cash flows, the group's goodwill value remains unaffected. These stress tests confirm that, even with reasonable variations, there is no indication of impairment.

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Notes to the consolidated financial statements *(continued)*

**19 Leases**

***Right-of-use assets***

	2025 AED'000	2024 AED'000
<b><i>Cost</i></b>		
At 1 January	889,652	802,800
Additions during the year	148,531	159,529
Modification of lease liability	33,926	-
Derecognition of right-of-use assets	(11,615)	(19,743)
Derecognition of expired lease contracts	-	(52,934)
<b>At 31 December</b>	<b>1,060,494</b>	<b>889,652</b>
<b><i>Accumulated depreciation</i></b>		
At 1 January	270,641	264,415
Charge for the year	74,275	70,051
Capitalization of Depreciation	9,730	-
Derecognition of right-of-use assets	(8,342)	(10,891)
Impairment of ROU	1,037	-
Derecognition of expired lease contracts	-	(52,934)
<b>At 31 December</b>	<b>347,341</b>	<b>270,641</b>
<b>Carrying amount at 31 December</b>	<b>713,153</b>	<b>619,011</b>

An impairment loss is recognised in the statement of profit or loss amounted to AED 1,037 thousand (2024: Nil). The Group leases lands, shopping centres and stores. The lease terms range from 2 to 50 years (2024: 2 to 50 years).

*Amounts recognised in profit and loss:*

	2025 AED'000	2024 AED'000
Depreciation of right-of-use assets recognized (note 10)	74,275	70,051
Rent on low value and short-term lease (note 8)	16,676	13,014
Interest expense on lease liabilities (note 12)	24,941	35,392

***Lease liabilities***

	2025 AED'000	2024 AED'000
At 1 January	694,900	625,942
Additions during the year	148,531	157,938
Modification of lease liability	33,947	-
Interest expense on lease liabilities	24,941	35,392
Capitalization of lease interest	16,792	-
Payments during the year	(92,460)	(114,960)
Derecognition of lease liability	(18,705)	(9,412)
<b>Balance as at 31 December</b>	<b>807,946</b>	<b>694,900</b>
Current	83,160	86,372
Non-current	724,786	608,528
	<b>807,946</b>	<b>694,900</b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### 19 Leases *(continued)*

During the year, the lease contract was modified due to changes in contractual terms related to lease payments, resulting in a lease modification amounting to AED 33,926 thousand (2024: Nil) under right of use asset and AED 33,947 thousand (2024: Nil) under lease liabilities.

During the year, the Group derecognised lease liabilities amounting to AED 18,705 thousand (2024: AED 9,412 thousand) as a result of termination of lease contracts prior to the end of the lease term.

During the year, the Group has total cash outflows for leases amounting to AED 92,460 thousand (2024: AED 114,960).

The provision balance for site restoration costs as on 31 December 2025 amounting to AED 1,702 thousand (2024: AED 1,591 thousand). The provision balance related to site restoration has been recognised under the trade and other payables.

The Group does not face a significant liquidity risk with regards to its liabilities. Lease liabilities are monitored within the Group's treasury function.

### 20 Investment in equity-accounted investees

Details of the Group's investment in equity-accounted investees are as follows:

Name of the associate	Principal activity	Place of incorporation	Ownership interest	
			2025 %	2024 %
Wahat Al Masa General Trading L.L.C ("WAM")	Trading	United Arab Emirates	40	40
Al Masa Mills Factory L.L.C ("AMM")	Milling and Trading	United Arab Emirates	-	40
AlMasa Farms Animals Factory L.L.C ("AAF")	Trading	United Arab Emirates	-	40
Consumer Cooperative Union ("CCU")	Trading	United Arab Emirates	51.30	51.30

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 20 Investment in equity-accounted investees *(continued)*

The movement in the investment in equity-accounted investees is as follows:

	<b>WAM</b> <b>AED'000</b>	<b>AMM</b> <b>AED'000</b>	<b>AAF</b> <b>AED'000</b>	<b>CCU</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
As at January 1, 2024	-	-	5,022	24,662	29,684
Investment in WAM and AMM	9,640	36,320	-	-	45,960
Additional investment during the year	105,487	-	-	-	105,487
Impairment on investment	-	-	-	(9,438)	(9,438)
Share of profit/ (loss), net of tax	12,103	40	(2,821)	230	9,552
<b>As at January 1, 2025</b>	<b>127,230</b>	<b>36,360</b>	<b>2,201</b>	<b>15,454</b>	<b>181,245</b>
Share of profit/ (loss), net of tax	8,899	1,435	1,687	(195)	11,826
Total before ownership transfer	<b>136,129</b>	<b>37,795</b>	<b>3,888</b>	<b>15,259</b>	<b>193,071</b>
Adjustment on account of Ownership transfer	<b>41,683</b>	<b>(37,795)</b>	<b>(3,888)</b>	-	-
<b>As at 31 December 2025</b>	<b>177,812</b>	<b>-</b>	<b>-</b>	<b>15,259</b>	<b>193,071</b>

On 31 December 2025, the Group along with other shareholder has entered into ownership transfer agreement with Wahat Al Masa General trading LLC (“WAM”), AlMasa Farms Animal Factory LLC (“AAF”) and Al Masa Mills LLC (“AMM”) to transfer its 40% ownership in AAF and AMM to WAM. This transaction has been accounted for using the predecessor accounting method under the common control exemption; therefore, no gain or loss has been recognized on the transfer of ownership.

On 10 January 2024, the Group sold its effective 60% shareholding in both WAM and AMM, which were wholly owned subsidiaries of the Group. In addition to selling a 10% shareholding in AAF, leaving it with a remaining effective stake of 40%. Refer to note 13.

During 2024, the Group made an additional investment of AED 105,489 thousand in WAM. This investment was executed through conversion of a portion of the outstanding amount (recorded as related party balance due from WAM) to additional contributed capital as part of WAM’s equity and as additional investment in associate in MAIR’s Group consolidated financial statements.

As part of the Group’s impairment assessment exercise for all investment in associates, no impairment was required for the year 2025. For the year 2024, the Group recognised an impairment of AED 9,438 thousand against the CCU investment to reflect the carrying value of the investment.

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Notes to the consolidated financial statements *(continued)*

**20 Investment in equity-accounted investees *(continued)***

Below are the profit and loss information and financial position of material associates for the respective periods.

<b>Associate</b>	<b>2025</b>	<b>2025</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>WAM</b>	<b>CCU</b>
Non-current assets	125,840	4,803
Current assets	132,120	27,537
Non-current liabilities	(42,309)	(472)
Current liabilities	(38,871)	(4,278)
Net assets (100%)	<u>176,780</u>	<u>27,590</u>
Group's share of net assets	70,712	14,153
Goodwill	<u>107,099</u>	<u>1,106</u>
Group's Carrying amount of investment	<u>177,811</u>	<u>15,259</u>
Revenue	359,858	22,052
Profit/ (loss) for the period	34,560	149
Total comprehensive income	<u>34,560</u>	<u>149</u>
Group's share of total comprehensive income	<u>13,824</u>	<u>77</u>

The associates had no material contingent liabilities or capital commitments as at 31 December 2025.

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Notes to the consolidated financial statements *(continued)*

**20 Investment in equity-accounted investees *(continued)***

Associate	2024	2024	2024	2024
	AED'000 WAM	AED'000 AMM	AED'000 AAF	AED'000 CCU
Non-current assets	965	46,007	39,462	5,043
Current assets	77,418	18,303	33,125	29,974
Non-current liabilities	(265)	(54)	(277)	(578)
Current liabilities	(27,302)	(63,715)	(81,640)	(6,471)
Net assets (100%)	<u>50,816</u>	<u>541</u>	<u>(9,330)</u>	<u>27,968</u>
Group's share of net assets	20,327	216	-	14,348
Goodwill	<u>106,903</u>	<u>36,144</u>	<u>2,201</u>	<u>1,106</u>
Group's Carrying amount of investment	<u>127,230</u>	<u>36,360</u>	<u>2,201</u>	<u>15,454</u>
Revenue	124,741	25,045	29,349	26,666
Profit/ (loss) for the period	30,257	100	(7,052)	448
Total comprehensive income/ (loss)	<u>30,257</u>	<u>100</u>	<u>(7,052)</u>	<u>448</u>
Group's share of total comprehensive income / (loss)	<u>12,103</u>	<u>40</u>	<u>(2,821)</u>	<u>230</u>

The associates had no material contingent liabilities or capital commitments as at 31 December 2024.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 21 Investments in securities at fair value

### Composition of investments in securities at fair value

The Group's investments at the end of the reporting period are detailed below:

	2025 AED'000	2024 AED'000
<b>Investments at FVOCI</b>		
Unquoted non-UAE equity securities	29,382	29,849
Unquoted UAE equity securities	13	13
Quoted non-UAE equity securities	1,345	2,255
Quoted UAE equity securities	324	33,082
	<u>31,064</u>	<u>65,199</u>

The Group designated the investments shown above as equity securities at FVOCI because these equity securities represent investments that the Group intends to hold for the long term for strategic purpose. During the year, the Group disposed off certain equity securities designated at FVOCI. The accumulated fair value reserve relating to these securities amounting to AED 5,190 thousand (2024: AED 133,521 thousand), was transferred from investment fair value reserve to retained earnings. The Group held no debt securities during 2025. During 2024, the Group has disposed off all debt securities classified at FVOCI, and the accumulated fair value reserve pertaining to these securities, amounting to AED 3,340 thousand was recycled from investment fair value reserve in equity to the statement of profit or loss.

	2025 AED'000	2024 AED'000
<b>Investments at FVTPL</b>		
Unquoted UAE equity securities	14,641	14,100
Unquoted non-UAE equity securities	40,965	34,200
Quoted UAE equity securities	-	17,327
	<u>55,606</u>	<u>65,627</u>

The geographical distribution of investments is as follows:

	2025 AED'000	2024 AED'000
<b>Within UAE</b>		
Investments at FVOCI	337	33,095
Investments at FVTPL	14,641	31,427
	<u>14,978</u>	<u>64,522</u>
<b>Outside UAE</b>		
Investments at FVOCI	30,727	32,104
Investments at FVTPL	40,965	34,200
	<u>71,692</u>	<u>66,304</u>
	<u>86,670</u>	<u>130,826</u>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 21 Investments in securities at fair value *(continued)*

### Movement in investments in securities at fair value

The movement in investments is as follows:

	<b>FVOCI AED'000</b>	<b>FVTPL AED'000</b>	<b>Total AED'000</b>
At 1 January 2025	<b>65,199</b>	<b>65,627</b>	<b>130,826</b>
Disposals	<b>(39,348)</b>	<b>(16,340)</b>	<b>(55,688)</b>
<i>Change in fair value taken to:</i>			
- Profit or loss <i>(note 12)</i>	-	<b>6,319</b>	<b>6,319</b>
- Other comprehensive income	<b>5,213</b>	-	<b>5,213</b>
<b>At 31 December 2025</b>	<b>31,064</b>	<b>55,606</b>	<b>86,670</b>
At 1 January 2024	280,842	89,135	369,977
Disposals	(220,394)	(20,937)	(241,331)
Transfers to held for sale <i>(note 13)</i>	(1,341)	-	(1,341)
<i>Change in fair value taken to:</i>			
- Profit or loss <i>(note 12)</i>	-	(2,571)	(2,571)
- Other comprehensive income	6,092	-	6,092
<b>At 31 December 2024</b>	<b>65,199</b>	<b>65,627</b>	<b>130,826</b>

Certain shares in public companies, registered in the United Arab Emirates are held by the Group and registered in the name of former Directors of the Group and are assigned, with the related dividends, in favour of the Group.

Investments in quoted equity instruments and debt securities are classified as Level 1 fair values, while unquoted equity instruments are classified as Level 3 fair values in the fair value hierarchy as at the end of the reporting period (see Note 33). There were no transfers between levels during the year.

The Group has not purchased any shares during the year ended 31 December 2025.

#### Sensitivity analyses:

The following table provides an analysis of financial instruments for which fair values are recognised in the financial statements as well as significant unobservable inputs used.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 21 Investments in securities at fair value *(continued)*

Type of investment	Valuation Approach	Significant unobservable inputs	Sensitivity Analysis at 5%
Investments in unlisted shares designated at FVTPL	<u>Price-to-book value ('P/B')</u> : Median value of trading Price-to-book value multiples of comparable company peers similar to the investee company in terms of business activities, markets served, size and geographical region, after applying discounts for differences in their operations, risk profiles owing to size and scale, has been applied.	Adjusted market multiple	An increase/decrease of 5% in the selected multiple would result in an increase/decrease of an average of AED 2,401 thousand (2024: 1,829 thousand) in the fair value of Group's stake in the investee companies.
	<u>Adjusted Net Book Value ('ANBV')</u> : Adjusted Net Book Value method is utilized, and the equity value is discounted on account of lack of marketability.	Risk-adjusted discount rate	An increase/decrease of 5% in the equity value would result in increase/decrease of AED 179 thousand (2024: AED 491 thousand) in the fair value of the Group's stake in the investee company.
Investments in unlisted shares designated at FVOCI	<u>The enterprise-value-to-EBITDA ratio</u> : Median value of trading EV/EBITDA multiples of comparable company peers similar to the investee company in terms of business activities, markets served, size and geographical region, after applying discounts for differences in their operations, risk profiles owing to size and scale, has been applied.	Adjusted market multiple	An increase/decrease of 5% in the selected multiple would result in increase/decrease of AED 1,126 thousand (2024: AED 849 thousand) in the fair value of the Group's stake in the investee company.

The significant majority of the Group's listed equity investments are listed on either the Abu Dhabi Securities Exchange ("ADX") or the Dubai Financial Market ("DFM"). For such investments classified at FVOCI, a 5 percent increase in the ADX general index and a 5 percent increase in the DFM general index at the reporting date would have increased equity by AED 16 thousand (2024: an increase of AED 1,654 thousand); an equal change in the opposite direction would have decreased equity by AED 16 thousand (2024: a decrease of AED 1,654 thousand). For investments classified at FVTPL, a 5 percent increase in the ADX general index and a 5 percent increase in the DFM general index at the reporting date on profit or loss would have been an increase of Nil (2024: AED 866 thousand). An equal change in the opposite direction would have decreased profit or loss by Nil (2024: AED 866 thousand).

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Notes to the consolidated financial statements *(continued)*

**22 Inventories**

	2025 AED'000	2024 AED'000
Goods held for resale	187,564	207,914
Consumables	674	937
Others	1,130	1,178
	<u>189,368</u>	<u>210,029</u>
<i>Less: provision for impairment of slow-moving inventories</i>	<u>(2,617)</u>	<u>(5,603)</u>
As at 31 December	<u><u>186,751</u></u>	<u><u>204,426</u></u>

In 2025, inventories of AED 1,571,409 thousand (2024: AED 1,591,191 thousand) were recognised as an expense during the year and included in 'cost of retails goods sold'. Cost of retail goods sold for the year ended 31 December 2025 is net off supplier rebates and discounts of AED 288,603 thousand (2024: AED 238,530 thousand).

The movement in the provision for slow-moving inventories is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	5,603	2,331
(Reversal) / additions for the year	(2,986)	3,272
As at 31 December	<u><u>2,617</u></u>	<u><u>5,603</u></u>

**23 Trade and other receivables**

	2025 AED'000	2024 AED'000
Trade receivables	32,193	42,930
Rent receivables	56,481	66,801
<i>Less: allowance for expected credit losses</i>	(40,543)	(51,246)
Trade receivables, <i>net of allowance</i>	<u>48,131</u>	<u>58,485</u>
Prepayments	16,383	23,958
Advances*	16,401	31,606
Deposits	14,089	12,773
Due from related party (note 30)	42,620	18,889
Other receivables*	74,919	148,217
Other receivables, <i>net of allowance</i>	<u>164,412</u>	<u>235,443</u>
Trade and other receivables	<u><u>212,543</u></u>	<u><u>293,928</u></u>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 23 Trade and other receivables *(continued)*

Other receivables include receivable from Emirates Farm arising from the sale of WAM, AMM and AAF amounting to AED 73,380 thousand.

\* Provision for Advances and Other receivables includes impairment allowance of AED 14,747 thousand (2024: AED 13,611 thousand) against advances to suppliers and AED 7,670 thousand (2024: AED 4,919 thousand) against other receivables.

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables and other receivables is included in note 32.

Movement in provision for the impairment of trade receivables is as follows:

	2025 AED'000	2024 AED'000
At 1 January	51,246	34,234
Provided during the year	2,979	17,318
Reversed during the year	(9,664)	-
Write-off during the year	(4,018)	(306)
At 31 December	<u>40,543</u>	<u>51,246</u>

The impairment loss on trade and other receivable during the year as presented in consolidated statement of profit and loss:

	2025 AED'000	2024 AED'000
Impairment (reversal) / loss on trade receivables	(6,685)	17,318
Impairment loss on advances and other receivables	3,887	4,919
	<u>(2,798)</u>	<u>22,237</u>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 24 Cash and bank balances

	2025 AED'000	2024 AED'000
Cash on hand	5,281	4,617
Cash at banks	151,375	310,431
Fixed deposits	228,526	189,255
<b>Cash and bank balances in the statement of financial position</b>	<b>385,182</b>	<b>504,303</b>
Less: cash at bank restricted for dividend payments	(61,787)	(72,871)
<b>Cash and cash equivalents in the statement of cash flow</b>	<b>323,395</b>	<b>431,432</b>

Cash at banks includes AED 61,787 thousand (2024: AED 72,871 thousand), which is restricted for dividend payments and is not available for general operational use by the Group.

Cash at banks include call accounts that carry interest rate of 1.25% to 2.00% per annum (2024: 1.25% per annum). Cash balances are held with banks within the UAE, which maintain credit ratings ranging from BBB+ to AA-.

Fixed deposits with bank amounting to AED 228,526 thousand as at 31 December 2025 (2024: 189,255 thousand), carry interest at the rate of 3.4% to 4.1% (2024: 3.75% to 4.00%) per annum with original maturity of less than 3 months.

## 25 Share capital and share premium

	2025 No. of shares	2025 AED'000	2024 No. of shares	2024 AED'000
In issue at 1 January	2,230,723,140	1,115,362	89,919,005	899,190
Issued related to merger	-	-	21,617,152	216,172
Impact of share split	-	-	2,119,186,983	-
In issue at 31 December	2,230,723,140	1,115,362	2,230,723,140	1,115,362

The share capital as at 31 December 2025 comprises of 2,230,723,140 (2024: 2,230,723,140) authorized, issued and fully paid ordinary shares with a par value of 50 fils each (2024: AED 50 fils each). The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All ordinary shares rank equally with regard to the Group's residual assets.

On 9 September 2024, MAIR Group sent a communication to the Department of Economic Development requesting an increase of its share capital from AED 899,190 thousand (89,919,005 shares) to AED 1,115,362 thousand (111,536,157 shares), reflecting the addition of AED 216,172 thousand (21,617,152 shares). Such additional shares of the AED 922,996 thousand reported under 'Shares to be issued' as at 31 December 2023 in connection with the merger transaction, an amount of AED 216,172 thousand was allocated to share capital at par value, while the remaining AED 706,824 thousand—representing the excess of market value over par value—was recognised as share premium. The Department of Economic Development approved the request on 26 September 2024, but shares were actually issued on 17 October 2024.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 25 Share capital and share premium *(continued)*

On 3 October 2024, the Shareholders at the Annual General Meeting approved the stock split of 1:20, increasing MAIR Group's number of shares from 111,536,157 to 2,230,723,140 and reducing the par value per share from 10 dirhams to 50 fils.

## 26 Reserves

### *i. Statutory reserve*

The Group is required, in accordance with UAE Federal Decree Law No. 32 of 2021 to transfer 10% of the net profit for the period to the statutory reserve. The General Assembly may stop such deductions when the statutory reserve reaches 50% of the paid-up capital of the Company, unless it articles of association provides for a higher percentage. The statutory reserve may not be disbursed as dividends. However, reserves that exceed 50% of the Capital may be distributed as dividends in years in which the Group does not have sufficient net profits available for distribution at the percentage stated in the articles of association.

During the year, a transfer was made to the statutory reserve of AED 873 thousand (2024: AED 17,115 thousand) as reserve reached 50% of the paid-up capital.

### *ii. Investments fair value reserve*

The investment fair value reserve comprises:

- The cumulative net change in the fair value of equity securities designated at FVOCI; and,
- The cumulative net change in fair value of debt securities designated at FVOCI until the assets are derecognised or reclassified. This amount is adjusted by the amount of loss allowance.

### *iii. Revaluation reserve*

The revaluation reserve represents the cumulative surplus arising from the revaluation of property and equipment recognised in other comprehensive income. Upon disposal of the revalued asset, the related balance in the revaluation reserve is transferred to retained earnings.

## 27 Employees' end of service benefits

The movement in the provision for employees' end of service benefits is as follows:

	2025 AED'000	2024 AED'000
As at 1 January	27,471	33,500
Provided during the year	5,519	6,270
Paid during the year	(6,252)	(11,607)
Transfers to related parties	(5)	(297)
Transfer of Marine and Fish businesses to held for sale <i>(note 13)</i>	-	(395)
	<hr/>	<hr/>
As at 31 December	<b>26,733</b>	<b>27,471</b>
	<hr/> <hr/>	<hr/> <hr/>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 28 Borrowings

	2025 AED'000	2024 AED'000
<i>Non-current liabilities:</i>		
Secured bank loans	-	157,790
<i>Current liabilities:</i>		
Secured bank loans	-	13,000

Bank loans were secured through investment properties, letter of undertaking from point-of-sale (POS) machines collection agents, rental proceeds from the secured properties.

Movement in borrowings during the year is as follows:

	2025 AED'000	2024 AED'000
At 1 January	170,790	725,099
Repayments	(170,790)	(554,309)
At 31 December	-	170,790

### A. Term and repayment schedule of bank loans

The Group has settled all of its bank loans during the year (2024: AED 170,790 thousand) from the banks in UAE. The terms and conditions of the loans were as follows:

	Effective interest rate	2025 AED'000		2024 AED'000	
		Face value	Carrying value	Face value	Carrying value
<b>Secured bank loan</b>	1.28% plus 3-Months EIBOR	-	-	175,000	170,790

The loan outstanding in the previous year was settled during the year (2024: originally repayable on semi-annual basis for a period of 6 to 7 years).

#### *Secured bank loan*

The loan was restructured and commencing 31 July 2023, the loan is repayable in 15 semi-annual instalments commencing at AED 5,000 thousand (including finance cost), updated every year and a final balloon payment on 31 December 2030, as stipulated in the agreement.

The loan had the following covenants:

- Minimum debt service coverage ratio greater or equal to 2.0x.
- Debt to earnings before interest, tax, depreciation and amortization (EBITDA) of not more than 3.0x.
- Maximum leverage ratio not more than 1.50x.
- Minimum tangible net worth of greater or equal to AED 750 million.

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements *(continued)*

**28 Borrowings** *(continued)*

The loan had the following covenants *(continued)*:

- Cover shortfall in installment and to bear any cost overruns from Borrower's own source; and,
- Cover semiannual installments from the Borrower's own sources, in case of shortfall in income from operations.

There was no breach of any covenants during the year *(2024: No breach)*.

During 2024, the loan was secured by an investment property with a fair value of AED 257,900 thousand.

**B. Reconciliation of movements of liabilities to cash flows arising from financing activities**

	Lease liabilities AED'000	Borrowings AED'000	Dividends payable AED'000	Interest accrued AED'000	Total AED'000
<b>Balance as at 1 January 2025</b>	<b>694,900</b>	<b>170,790</b>	<b>103,397</b>	<b>4,440</b>	<b>973,527</b>
<b><i>Changes from financing cash flows</i></b>					
Dividends paid	-	-	(147,736)	-	(147,736)
Payment of lease liabilities	(50,727)	-	-	-	(50,727)
Interest paid on lease liabilities	(41,733)	-	-	-	(41,733)
Interest paid on borrowings	-	-	-	(5,639)	(5,639)
Repayment of borrowings	-	(170,790)	-	-	(170,790)
<b>Total changes from financing activities</b>	<b>(92,460)</b>	<b>(170,790)</b>	<b>(147,736)</b>	<b>(5,639)</b>	<b>(416,625)</b>
<b><i>Other changes</i></b>					
Additions to lease liabilities	148,531	-	-	-	148,531
Modification of lease liability	33,947	-	-	-	33,947
Interest expense on lease liabilities	24,941	-	-	-	24,941
Capitalisation of lease interest	16,792	-	-	-	16,792
Derecognition of lease liabilities	(18,705)	-	-	-	(18,705)
Dividends declared	-	-	135,070	-	135,070
Finance costs	-	-	-	1,199	1,199
<b>Total liabilities related changes</b>	<b>205,506</b>	<b>-</b>	<b>135,070</b>	<b>1,199</b>	<b>341,775</b>
<b>Balance at 31 December 2025</b>	<b>807,946</b>	<b>-</b>	<b>90,731</b>	<b>-</b>	<b>898,677</b>

MAIR Group P.J.S.C.  
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Notes to the consolidated financial statements *(continued)*

**28 Borrowings** *(continued)*

**B. Reconciliation of movements of liabilities to cash flows arising from financing activities**  
*(continued)*

	Lease liabilities AED'000	Borrowings AED'000	Dividends Payable AED'000	Interest accrued AED'000	Total AED'000
Balance as at 1 January 2024	625,942	725,099	104,059	19,601	1,474,701
<i>Changes from financing cash flows</i>					
Dividends paid	-	-	(135,732)	-	(135,732)
Payment of lease liabilities	(79,568)	-	-	-	(79,568)
Interest paid on lease liabilities	(35,392)	-	-	-	(35,392)
Interest paid on borrowings	-	-	-	(63,719)	(63,719)
Repayment of borrowings	-	(554,309)	-	-	(554,309)
Total changes from financing activities	(114,960)	(554,309)	(135,732)	(63,719)	(868,720)
<i>Other changes</i>					
Additions to lease liabilities	157,938	-	-	-	157,938
Interest expense on lease liabilities	35,392	-	-	-	35,392
Derecognition of lease liabilities	(9,412)	-	-	-	(9,412)
Dividends declared	-	-	135,070	-	135,070
Finance costs	-	-	-	48,871	48,871
Interest capitalized to CWIP	-	-	-	(313)	(313)
Total liabilities related changes	183,918	-	135,070	48,558	367,546
Balance at 31 December 2024	694,900	170,790	103,397	4,440	973,527

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Notes to the consolidated financial statements *(continued)*

**29 Trade and other payables**

	2025 AED'000	2024 AED'000 <i>(Reclassified)</i>
Trade payables	156,579	195,908
Dividend payable	90,731	103,396
Provisions and accruals	52,029	50,311
Unearned rent	31,195	41,484
Income tax payable	21,370	16,917
Retention payable	19,917	5,773
Security deposit	15,194	14,194
Directors' remuneration	10,835	9,768
Advance from customers	4,153	20,075
Provision against legal claims	2,505	2,505
Due to related parties <i>(note 30)</i>	507	20,977
Donations to charities	-	7,871
Other payables	20,635	35,598
	<u>425,650</u>	<u>524,777</u>

*The comparative information has been re-presented due to a change in classification under trade and other payables.*

The average credit period on purchases of goods is 60 days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

**30 Related party transactions and balances**

The Group, in the ordinary course of business, enters into a variety of transactions at commercially agreed terms and conditions with other business enterprises or individuals that fall within the definition of a related party contained in International Accounting Standard 24.

**a) Related party balances**

	2025 AED'000	2024 AED'000
<b>Due from related parties <i>(note 23)</i></b>		
Wahat Al Masa General Trading L.L.C (associate)	13,571	-
Al-Dhafra Technical Services L.L.C (Affiliate)	29,049	-
Al Masa Mills Factory L.L.C (associate)	-	7,654
AlMasa Farms Animals Factory L.L.C (associate)	-	11,235
	<u>42,620</u>	<u>18,889</u>
<b>Due to related parties <i>(note 29)</i></b>		
Consumption Cooperative Union (associate)	507	1,391
Wahat Al Masa General Trading L.L.C (associate)	-	19,586
	<u>507</u>	<u>20,977</u>

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Notes to the consolidated financial statements *(continued)*

**30 Related party transactions and balances *(continued)***

**b) During the year, the following significant transactions were carried out with related parties:**

	2025 AED'000	2024 AED'000
<b><i>Purchase of goods:</i></b>		
Associates	88,190	122,712
	<u>88,190</u>	<u>122,712</u>
<b><i>Revenue from Sale of goods / Service:</i></b>		
Associates	10,058	2,802
Affiliate	74,878	-
	<u>84,936</u>	<u>2,802</u>
	<u>84,936</u>	<u>2,802</u>
<b><i>Other operating income:</i></b>		
Associates	6,067	17
	<u>6,067</u>	<u>17</u>
<b><i>Capital expenditure and sale of asset</i></b>		
Associates	-	640
Affiliate	1,995	-
	<u>1,995</u>	<u>640</u>
	<u>1,995</u>	<u>640</u>
<b><i>Purchase of asset</i></b>		
Affiliate	1,995	-
	<u>1,995</u>	<u>-</u>
<b><i>Expenses</i></b>		
Associates	-	752
Affiliate	2,946	-
	<u>2,946</u>	<u>752</u>
	<u>2,946</u>	<u>752</u>
<b><i>Investment</i></b>		
Associate	-	105,487
	<u>-</u>	<u>105,487</u>
<b><i>Consideration on disposal held for sale asset:</i></b>		
Affiliate	97,002	-
	<u>97,002</u>	<u>-</u>

**c) Compensation of key management personnel**

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

	2025 AED'000	2024 AED'000
Short-term benefits	16,011	11,565
Post-employment benefits	516	747
	<u>16,527</u>	<u>12,312</u>
	<u>16,527</u>	<u>12,312</u>
Board of directors' remuneration	11,848	10,000
	<u>11,848</u>	<u>10,000</u>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 31 Contingencies and commitments

	2025 AED'000	2024 AED'000
Capital commitments	228,482	270,422
Short-term leases	3,371	10,467
	<u>231,853</u>	<u>280,889</u>
<i>Contingent liabilities</i>		
Bank guarantees	15,042	12,561
Legal cases	2,505	2,505
	<u>17,547</u>	<u>15,066</u>

## 32 Financial instruments

### Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's audit committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 32 Financial instruments *(continued)*

### Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to Shareholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged from those of the prior years. The capital structure of the Group consists of equity attributable to the shareholders, comprising issued capital, share premium, reserves, and retained earnings.

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit exposure.

#### *Exposure to credit risk*

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

	<i>Notes</i>	2025 AED'000	2024 AED'000
Trade and tenant receivables	23	48,131	58,485
Other receivables <i>(excluding advances and prepayments)</i>	23	131,628	179,879
Cash at banks	24	379,901	499,686
		<u>559,660</u>	<u>738,050</u>

The Group held cash at banks of AED 379,901 thousand on 31 December 2025 (2024: AED 499,686 thousand). The cash at banks is held with bank and financial institution counterparties, which are rated BBB+ to AA-, based on Fitch ratings. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks. The management of the Group have assessed that there is no impairment and hence have not recorded any loss allowances on these balances.

#### *Expected credit loss for trade and tenant receivables*

The following table provides information about the exposure to credit risk and ECL for trade and tenant receivables:

	Weighted average loss rate	Gross Carrying amount AED'000	Loss allowance AED'000	Credit- impaired
<b>31 December 2025</b>				
Current	0.0%	3,648	1	No
1-30 Days	4.8%	13,148	636	No
31-60 Days	11.4%	9,566	1,089	No
61-90 Days	10.7%	5,580	594	No
Above 90 Days	79.4%	56,732	38,223	Yes
		<u>88,674</u>	<u>40,543</u>	

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 32 Financial instruments *(continued)*

### Credit risk *(continued)*

*Expected credit loss for trade and tenant receivables (continued)*

	Weighted average loss rate	Gross Carrying amount AED'000	Loss allowance AED'000	Credit- impaired
<i>31 December 2024</i>				
Current	1.1%	2,060	23	No
1-30 Days	5.7%	8,599	492	No
31-60 Days	8.4%	9,751	817	No
61-90 Days	12.7%	13,705	1,740	No
Above 90 Days	63.7%	75,616	48,174	Yes
		109,731	51,246	

Loss rates are based on actual credit loss experience over the past three years. These rates are multiplied by scalar factors reflecting differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Deposits and amounts due from related parties are not considered to be credit-impaired as of 31 December 2025 (2024: *not credit-impaired*).

Other receivables and advances have been credit-impaired amounting to AED 22,417 thousand as of 31 December 2025 (2024: *AED 18,530 thousand*).

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

Notes to the consolidated financial statements *(continued)*

## 32 Financial instruments *(continued)*

### Liquidity risk *(continued)*

The following table summarizes the maturity profile of the Group's financial instruments. The contractual maturities of the financial instruments have been determined on the basis of the remaining period at the statement of financial position date to the contractual maturity date. The maturity profile is monitored by management to ensure adequate liquidity is maintained. The maturity profile of the assets and liabilities at the statement of financial position date based on contractual repayment arrangements was as follows:

		Carrying amount AED'000	Contractual Cash flows		
			Total AED'000	Less than one year AED'000	More than one year AED'000
<b>31 December 2025</b>	<i>Note</i>				
Trade and other payables <i>(excluding advance from customer and unearned)</i>	29	390,302	390,302	390,302	-
Lease liabilities	19	807,946	1,387,083	97,852	1,289,231
		<u>1,198,248</u>	<u>1,777,385</u>	<u>488,154</u>	<u>1,289,231</u>
		Carrying amount AED'000	Total AED'000	Less than one year AED'000	More than one year AED'000
<b>31 December 2024</b>	<i>Note</i>				
Trade and other payables <i>(excluding advance from customer and unearned)</i>	29	463,218	463,218	463,218	-
Lease liabilities	19	694,900	1,300,477	90,785	1,209,692
Borrowings	28	170,790	225,336	13,000	212,336
		<u>1,328,908</u>	<u>1,989,031</u>	<u>567,003</u>	<u>1,422,028</u>

### Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group's listed and non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### 32 Financial instruments *(continued)*

#### Market risk *(continued)*

At the reporting date, the exposure to non-listed equity investments at fair value was AED 85,001 thousand (2024: AED 78,162 thousand).

At the reporting date, the exposure to listed equity investments at fair value was AED 1,669 thousand (2024: AED 52,664 thousand).

#### Interest rate risk

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

	<i>Carrying amount</i>	
	2023 AED'000	2024 AED'000
Borrowings	-	170,790

A change of 100 basis points in interest rates would have increased or decreased profit by Nil (2024: AED 1,708 thousand).

#### Currency risk

Foreign currency risk is limited since a significant proportion of the Group's transactions, monetary assets and liabilities are in UAE Dirhams and US Dollar. As the UAE Dirhams is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk.

### 33 Fair value measurement

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and bank balances, investments at FVTPL, investments at FVOCI, amounts due from related parties and tenant receivables and other receivables excluding deposits. Financial liabilities consist of bank overdrafts, bank borrowings, trade payables, other payables, and amounts due to related parties.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### 33 Fair value measurement *(continued)*

The principal or the most advantageous market must be accessible to the Group.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximize the use of relevant observable inputs, and minimize the use of unobservable inputs.

The fair values of the financial instruments are not materially different from their carrying values other than those described in the table below.

The Group uses the following hierarchy for determining and disclosing the fair value of available-for-sale investments and investment properties by valuation technique:

*Level 1:* quoted (unadjusted) prices in active markets for identical assets.

*Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

*Level 3:* techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	<b>Level 1</b> <b>AED'000</b>	<b>Level 2</b> <b>AED'000</b>	<b>Level 3</b> <b>AED'000</b>	<b>Total</b> <b>AED'000</b>
<b>31 December 2025</b>				
<i>Assets measured at fair value:</i>				
Investments at FVOCI <i>(note 21)</i>				
<i>Equity securities</i>	<b>1,669</b>	-	<b>29,395</b>	<b>31,064</b>
Investments at FVTPL <i>(note 21)</i>				
<i>Equity securities</i>	-	-	<b>55,606</b>	<b>55,606</b>
Investment properties <i>(note 16)</i>	-	<b>196,248</b>	<b>1,775,524</b>	<b>1,971,772</b>
Land and buildings <i>(note 15)</i>	-	<b>8,878</b>	<b>468,619</b>	<b>477,497</b>
	<b>1,669</b>	<b>205,126</b>	<b>2,329,144</b>	<b>2,535,939</b>

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Notes to the consolidated financial statements (continued)

**33 Fair value measurement (continued)**

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<i>31 December 2024</i>				
<i>Assets measured at fair value:</i>				
Investments at FVOCI (note 21)				
Equity securities	35,337	-	29,862	65,199
Investments at FVTPL (note 21)				
Equity securities	17,327	-	48,300	65,627
Investment properties (note 16)	-	182,452	1,622,005	1,804,457
Land and buildings (note 15)	-	169,830	339,534	509,364
	<u>52,664</u>	<u>352,282</u>	<u>2,039,701</u>	<u>2,444,647</u>
<i>Financial liabilities not measured at fair value:</i>				
Bank borrowings (note 28)	-	170,790	-	170,790
	<u>-</u>	<u>170,790</u>	<u>-</u>	<u>170,790</u>

There were no transfers between Level 1 and Level 2 or between Level 1 and Level 3 in either direction during the current and prior year. Transfers out of Level 3 during current year are disclosed below. No transfers during 2024.

The following table shows a reconciliation from the opening balances to the closing balance for level 3 fair values:

	Investments at FVOCI AED'000	Investments at FVTPL AED'000	Investment properties AED'000	Land and buildings AED'000	Total AED'000
Balance as at 1 January 2024	40,065	52,263	1,555,720	309,955	1,958,003
Transfer to held for sale	(1,341)	-	-	-	(1,341)
Transfer from held for sale	-	-	28,300	-	28,300
Transfer from CWIP	-	-	28,060	-	28,060
Net change in fair value (unrealised)	<u>(8,862)</u>	<u>(3,963)</u>	<u>9,925</u>	<u>29,579</u>	<u>26,679</u>
Balance as at 31 December 2024	<b>29,862</b>	<b>48,300</b>	<b>1,622,005</b>	<b>339,534</b>	<b>2,039,701</b>
Additions	-	-	3,258	-	3,258
Transfer from PPE	-	-	44,004	(44,004)	-
Transfer to PPE	-	-	(24,751)	24,751	-
Transfer from CWIP	-	-	78,953	52,112	131,065
Derecognition of ROU IP	-	-	(3,266)	-	(3,266)
Transfers between level 2 and 3	-	-	(1,190)	64,755	63,565
Net change in fair value (unrealised)	<u>(467)</u>	<u>7,306</u>	<u>56,511</u>	<u>31,471</u>	<u>94,821</u>
<b>Balance as at 31 December 2025</b>	<b><u>29,395</u></b>	<b><u>55,606</u></b>	<b><u>1,775,524</u></b>	<b><u>468,619</u></b>	<b><u>2,329,144</u></b>

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **33 Fair value measurement** *(continued)*

During the year, the Group transferred investment properties with a fair value of AED 1,190 thousand from Level 3 to Level 2 of the fair value hierarchy. This reclassification was made as observable market comparable data became available to support the valuation.

Additionally, the Group transferred land and buildings recorded under property and equipment, with a carrying amount of AED 64,755 thousand, into Level 3. The transfer resulted from the absence of observable market inputs for properties of a similar nature, necessitating the use of unobservable inputs in the valuation.

### **34 Taxation**

#### *Current Income Tax*

The Group recognizes income tax expense based on management's best estimate of the weighted-average annual tax rate expected for the full financial year. For the reporting period, the applicable tax rate is 9% on taxable profits exceeding AED 375,000. The income tax charge for the year ended 31 December 2025 amounted to AED 21,547 thousand (2024: AED 16,917).

#### *Deferred Tax*

Deferred tax is accounted for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities, deferred tax assets and liabilities are measured at the tax rates expected to apply when the asset is realized or the liability is settled, based on the UAE corporate income tax laws at the reporting date. As of 31 December 2025, the Group has assessed the impact of deferred tax under IFRS (IAS 12) and UAE Corporate Tax regulations and has determined that no deferred tax assets or liabilities have been recognized, as there are no material temporary differences between tax and accounting bases of assets and liabilities. Based on current financial analysis, the impact of deferred tax is assessed to be immaterial, that said, the Group continuously monitors changes in UAE corporate tax regulations, business operations, and financial performance, as well as potential tax loss carry forward, and other taxable temporary differences, any future deferred tax implications will be evaluated and disclosed accordingly in line with IFRS and UAE tax regulations.

On 9 December 2022, the UAE Ministry of Finance issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law), introducing a federal corporate tax (CT) regime in the UAE. Pursuant to Cabinet of Ministers Decision No. 116/2022 effective from January 2023, a rate of 9% will apply to taxable income exceeding AED 375,000, while a rate of 0% will apply to taxable income not exceeding AED 375,000. The Law is considered substantively enacted, and the Group has accounted for corporate tax accordingly.

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Notes to the consolidated financial statements *(continued)*

**34 Taxation** *(continued)*

**a) Amounts recognized in profit or loss**

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Consolidated statement of profit or loss		
Current tax expense:		
Current tax expense – continuing operations	<b>17,968</b>	12,675
Deferred tax expense/income:		
Relating to origination and reversal of temporary differences	-	-
Relating to enactment of UAE corporate income tax	-	-
	-	-
Tax expense for the period reported in consolidated statement of profit or loss	<b>17,968</b>	12,675

**b) Amounts recognized in other comprehensive income**

	<b>2025</b> <b>AED'000</b>	2024 AED'000
<u>Current tax expense/(income)</u>		
Relating to fair value change on FVOCI investments	<b>43</b>	(786)
Relating to revaluation of land and buildings	<b>3,536</b>	5,028
	<b>3,579</b>	4,242

Reconciliation of tax expense and the accounting profit multiplied by United Arab Emirates' domestic tax rate on 31 December 2025:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Accounting profit before tax	<b>208,777</b>	165,889
At UAE statutory income tax rate of 9%	<b>18,790</b>	14,930
Adjustments for tax purposes	<b>2,757</b>	1,987
Income tax expense	<b>21,547</b>	16,917
Effective tax rate	<b>10%</b>	10%

The movement in the income tax payable is given below:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Balance at 1 January	<b>16,917</b>	-
Current year charge during the year	<b>21,547</b>	16,917
Income tax paid during the year	<b>(17,094)</b>	-
Balance at 31 December	<b>21,370</b>	16,917

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **34 Taxation** *(continued)*

#### *International Tax Reform - Pillar Two model rules:*

The Organization for Economic Co-operation and Development (“OECD”) has published the Pillar Two Anti Global Base Erosion Rules (“Globe Rules”), which includes a minimum 15% tax rate by jurisdiction (“Pillar Two”). Various countries have enacted or intended to enact tax legislation to comply with Pillar Two rules. Pillar Two Legislation has not been substantively enacted at the reporting date where the Parent company is incorporated in the UAE.

The Group has assessed the applicability of the OECD’s Pillar Two framework and concluded that it neither meets the relevant revenue threshold (i.e., EUR 750 m) nor qualifies as a Multinational Enterprise (MNE). Therefore, it is out of scope for Pillar Two.

### **35 Accounting estimates and judgments**

In the process of applying the Group’s accounting policies, management has made the following judgements that have the most significant effect on the amounts of assets and liabilities recognized in the consolidated financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *(a) Provision for obsolete inventory*

The Group reviews its inventory to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the profit or loss and comprehensive income, the Group makes judgements as to whether there is any observable data indicating that there are any future use of the material and the net realizable value for such materials.

Accordingly, provision for obsolescence is made where the net realizable value is less than cost based on management's best estimates.

#### *(b) Provision for expected credit losses on trade receivable*

The expected credit loss (ECL) impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

#### *(c) Useful lives and residual values of property and equipment*

Management assigns useful lives and residual values to the items of property, plant, and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilization of the assets concerned could result in actual useful lives or residual values differing from the initial estimates. Management determined that the current year’s expectations do not differ from previous estimates.

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **35 Accounting estimates and judgments *(continued)***

#### *(d) Impairment on non-current 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 of 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 DCF model. The cash flows are derived from the projected cash flows for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

#### *(e) Fair valuation of unquoted investments*

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques in accordance with IFRS 13 – Fair Value Measurement. For unquoted investments, the Group applies market-based valuation approaches such as Price-to-Book Value multiples, EV/EBITDA multiples derived from comparable companies, and, where applicable, the discounted cash flow (DCF) model. The inputs used in these valuation techniques are derived from observable market data where available. However, when observable inputs are not available, significant judgement is required in selecting appropriate valuation assumptions. Key judgements include the assessment of comparable company selection, liquidity discounts, credit risk, discount rates, forecast cash flows and volatility. Changes in any of these assumptions may materially impact on the reported fair values of financial instruments.

#### *(f) Impairment of goodwill*

The Group reviews the carrying amounts of goodwill to determine whether there is any indication of impairment. If any such indication exists, then the asset recoverable amount is estimated. Management test goodwill annually for impairment. An impairment loss is recognized if the carrying amount of goodwill exceeds its recoverable amount. An impairment loss in respect of goodwill is not reversed.

#### *(g) Significant influence over equity-accounted investees*

##### Consumption Cooperative Union

Management has assessed its investment in the Consumption Cooperative Union in accordance with IFRS 10. Based on this assessment, it has been determined that the Board of Directors of Consumer Cooperative Union has the power to direct the relevant activities of the Company. However, MAIR Group does not have any power over the Board due to lack of majority seats and only has a significant influence on the Board level. Accordingly, it is accounted for using the equity method under IAS 28.

#### *(h) Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

# MAIR Group P.J.S.C. (formerly Abu Dhabi Co-operative Society)

## Notes to the consolidated financial statements *(continued)*

### **35 Accounting estimates and judgments *(continued)***

#### *(i) Fair valuation of investment properties and property and equipment for land and buildings*

The Group carries its land and buildings at fair value, with changes in fair value being recognized in the statement of profit or loss for investment properties while changes in fair value for Property and equipment is recognized in OCI. Valuation methodology based on a discounted cash flow (DCF) model ("Income approach") was used when there is a lack of comparable market data because of the nature of the properties or market comparable approach with reference to transactions involving properties of a similar nature, location and condition. The Land and buildings were valued by an independent valuation specialist to assess fair values as at 31 December 2025.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 15 and 35.

### **36 Events after reporting date**

- I. Subsequent to the reporting period, the Group has entered into an agreement with AD Ports to acquire KEZAD Logistics Park – KLP Free Zone 3 (FZ3), a free-zone industrial and logistics complex comprising a portfolio of warehouses, for a total purchase consideration of AED 295,000 thousand.
- II. The Board of Directors in their meeting held on 23 March 2026, proposed a cash dividend for the year ended 31 December 2025 of AED 95,404,500 representing 8.6 % of the share capital (*2024: AED 135,070,286 representing 12.11 % of the share capital*) for the approval of the shareholders at the next Annual General meeting. These consolidated financial statements do not reflect this dividend.
- III. The recent regional military escalations have triggered a high-risk conflict environment across the Gulf. The situation is still very fluid, and scenarios can shift very quickly. The escalations have brought about additional uncertainties in the Group's operating environment. With respect to financial statements for the year ended 31 December 2025, the potential financial reporting effects of the conflict are considered to be non-adjusting in nature.

The Management has been closely monitoring the impact of the developments on the Group's business. Depending on how the situation would evolve, the military escalations might result in an impact on business in terms of reduced growth or increased non-financial impairment in the future. As the situation is fast evolving and fluid, the effect of the escalations is subject to significant levels of uncertainty, with the full range of possible effects unknown.

### **37 Comparative reclassification**

The comparative figures for the previous year have been reclassified, where necessary, in order to confirm the current year's presentation. Such reclassifications do not affect the previously reported net profits, net assets or equity.

Revenue from support services amounting to AED 53,177 thousand reclassified from "Other operating income" to "Other revenue" due to an update in the Company's trade license activities. This Change has no impact on the Group's consolidated net profit presented on 31 December 2024.

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Notes to the consolidated financial statements *(continued)*

**37 Comparative reclassification** *(continued)*

Further the comparative information for trade and other payables has been re-presented due to a change in classification under the same financial statement line item. The following table summarises the impact of this change on the Group's consolidated statement of cash flows:

<b>Year ended 31 December 2024</b>	<b>As previously presented AED'000</b>	<b>Reclassification AED'000</b>	<b>As reclassified AED'000</b>
Net cash generated from operating activities	237,542	19,184	256,726
Net cash from investing activities	383,104	-	383,104
Net cash used in financing activities	(849,536)	(19,184)	(868,720)
Net decrease in cash and cash equivalents	(228,890)	-	(228,890)
Effect of changes in restricted cash	-	(53,188)	(53,188)
Cash and cash equivalents at 1 January	733,193	(19,683)	713,510
<b>Cash and cash equivalents at 31 December</b>	<b>504,303</b>	<b>(72,871)</b>	<b>431,432</b>