

**ESG EMIRATES STALLIONS GROUP  
PJSC**

**Review report and interim  
financial information  
for the six-month period ended  
30 June 2025**

## **ESG EMIRATES STALLIONS GROUP PJSC**

### **Review report and interim financial information for the six-month period ended 30 June 2025**

<b>Contents</b>	<b>Pages</b>
<b>Report on review of interim financial information</b>	<b>1</b>
<b>Interim condensed consolidated statement of financial position</b>	<b>2 – 3</b>
<b>Interim condensed consolidated statement of profit or loss</b>	<b>4</b>
<b>Interim condensed consolidated statement of comprehensive income</b>	<b>5</b>
<b>Interim condensed consolidated statement of changes in equity</b>	<b>6 - 7</b>
<b>Interim condensed consolidated statement of cash flows</b>	<b>8 - 9</b>
<b>Notes to the interim condensed consolidated financial statements</b>	<b>10 - 43</b>

## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF ESG EMIRATES STALLIONS GROUP PJSC**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of ESG Emirates Stallions Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 30 June 2025 and the related statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended and material accounting policy information. Management is responsible for the preparation and fair presentation of these interim financial information in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

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

### *Other matter*

The Group’s consolidated financial statements for the year ended 31 December 2024 and interim financial information for the six-month period ended 30 June 2024 were audited and reviewed respectively by another auditor who expressed an unmodified opinion and unmodified conclusion on those statements and that information on 27 January 2025 and 25 July 2024, respectively.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration Number 717  
25 July 2025  
Abu Dhabi  
United Arab Emirates

**Interim condensed consolidated statement of financial position  
as at 30 June 2025**

	Notes	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	304,745	359,468
Investment properties	4	382,616	168,956
Intangible assets and goodwill	5	91,663	96,146
Right-of-use assets	6	146,507	173,117
Investments in associates and joint ventures	7	1,201,938	1,204,224
Financial assets at fair value through other comprehensive income	8.1	374	1,395
Deferred tax assets	20	1,637	4,480
Trade and other receivables	13	30,075	30,075
Due from related parties	11	950	950
<b>Total non-current assets</b>		<b>2,160,505</b>	<b>2,038,811</b>
<b>Current assets</b>			
Inventories	9	84,259	101,394
Development work in progress	10	190,895	252,909
Biological assets - plants		4,109	292
Financial assets at fair value through profit or loss	8.2	1,182	4,780
Due from related parties	11	162,417	187,396
Contract assets	12	159,921	127,986
Trade and other receivables	13	467,719	501,391
Cash and bank balances	14	571,095	468,318
<b>Total current assets</b>		<b>1,641,597</b>	<b>1,644,466</b>
<b>Total assets</b>		<b>3,802,102</b>	<b>3,683,277</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		250,000	250,000
Statutory reserve		113,362	113,362
Merger, acquisition and other reserves		789,117	789,117
Currency translation reserve		301	(6)
Cumulative changes in fair value reserve		(1,341)	(1,439)
Fair value of cashflow hedges		(7,182)	(4,947)
Retained earnings		1,132,598	1,037,463
<b>Equity attributable to the shareholders of the Company</b>		<b>2,276,855</b>	<b>2,183,550</b>
Non-controlling interest		397,224	319,205
<b>Total equity</b>		<b>2,674,079</b>	<b>2,502,755</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of financial position  
as at 30 June 2025 (continued)**

	Notes	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>EQUITY AND LIABILITIES continued</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits		72,196	65,640
Deferred tax liabilities	20	2,400	2,798
Lease liabilities		115,367	154,891
Trade and other payables	16	2,719	2,792
Bank borrowings	15	13,125	21,875
Due to related parties	11	57,252	56,718
<b>Total non-current liabilities</b>		<b>263,059</b>	<b>304,714</b>
<b>Current liabilities</b>			
Due to related parties	11	50,351	110,669
Lease liabilities		55,582	40,891
Bank borrowings	15	22,592	28,266
Income tax payable	20	36,163	21,736
Contract liabilities	12	265,595	235,869
Trade and other payables	16	434,681	438,377
<b>Total current liabilities</b>		<b>864,964</b>	<b>875,808</b>
<b>Total liabilities</b>		<b>1,128,023</b>	<b>1,180,522</b>
<b>Total equity and liabilities</b>		<b>3,802,102</b>	<b>3,683,277</b>

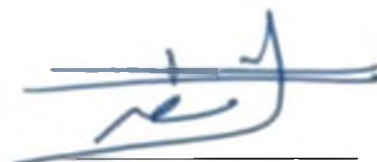
To the best of our knowledge, the interim financial information included in the report fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented in these interim condensed consolidated financial statements.



**Fawad Abdul Hameed**  
Chief Financial Officer



**Kayed Ali D. Khorma**  
Chief Executive Officer



**Matar Suhail Ali Al  
Yabhouni Aldhaheeri**  
Chairman

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of profit or loss  
for the six-month period ended 30 June 2025**

	Notes	Three months ended 30 June		Six months ended 30 June	
		2025	2024	2025	2024
		AED'000 ( <i>unaudited</i> )	AED'000 ( <i>unaudited</i> )	AED'000 ( <i>unaudited</i> )	AED'000 ( <i>unaudited</i> )
Revenue	17	377,317	336,241	709,997	639,546
Direct costs	18	(255,011)	(199,378)	(488,596)	(412,872)
<b>Gross profit</b>		<b>122,306</b>	136,863	<b>221,401</b>	226,674
General and administrative expenses		(37,508)	(40,167)	(60,686)	(65,610)
Selling and distribution expenses		(27,727)	(30,602)	(57,883)	(63,080)
Share of profit from investment in associates and joint ventures	7	11,465	4,042	23,855	15,411
Gain from change in fair value of biological assets		181	-	181	-
Gain / (loss) from change in fair value of financial assets carried at fair value through profit or loss	8.2	443	(2,721)	363	(9,482)
Fair value gain on previously held equity interest		-	-	-	29,917
Interest and other income		7,637	3,589	13,776	10,661
Finance costs		(4,175)	(2,770)	(8,696)	(5,147)
<b>Profit before tax for the period</b>		<b>72,622</b>	68,234	<b>132,311</b>	139,344
Corporate income tax	20	(10,222)	(5,809)	(16,873)	(8,352)
<b>Profit after tax for the period</b>		<b>62,400</b>	62,425	<b>115,438</b>	130,992
<b>Profit attributable to:</b>					
Equity holders of the parent company:		46,767	62,920	95,252	128,005
Non-controlling interest:		15,633	(495)	20,186	2,987
<b>Profit for the period</b>		<b>62,400</b>	62,425	<b>115,438</b>	130,992
Basic earnings per share (AED)	21	0.19	0.25	0.38	0.51

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of comprehensive income  
for the six-month period ended 30 June 2025**

	Note	Three months ended 30 June		Six months ended 30 June	
		2025 AED'000 ( <i>unaudited</i> )	2024 AED'000 ( <i>unaudited</i> )	2025 AED'000 ( <i>unaudited</i> )	2024 AED'000 ( <i>unaudited</i> )
<b>Profit for the period</b>		<b>62,400</b>	62,425	<b>115,438</b>	130,992
<b>Other comprehensive income / (loss)</b>					
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i>					
Foreign exchange difference on translation of foreign operations		<b>213</b>	(29)	<b>307</b>	(55)
Share of fair value (loss) / gain on cash flow hedges of an associate	<b>7</b>	<b>(564)</b>	(963)	<b>(2,235)</b>	171
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of profit or loss (net of tax):</i>					
Change in fair value of financial assets carried at fair value through other comprehensive income, net of tax		-	(1,919)	<b>(19)</b>	(2,058)
<b>Total other comprehensive loss for the period</b>		<b>(351)</b>	(2,911)	<b>(1,947)</b>	(1,942)
<b>Total comprehensive income for the period</b>		<b>62,049</b>	59,514	<b>113,491</b>	129,050
<b>Attributable to:</b>					
Equity holders of the parent		<b>46,416</b>	60,009	<b>93,305</b>	126,063
Non-controlling interests		<b>15,633</b>	(495)	<b>20,186</b>	2,987
		<b>62,049</b>	59,514	<b>113,491</b>	129,050

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of changes in equity  
for the six-month period ended 30 June 2025**

	Attributable to equity holders of the Parent									
	Share capital AED'000	Satutory reserve AED'000	Merger, acquisition and other reserves AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cash flow hedges AED'000	Retained earnings AED'000	Equity attributable to the equity holders of the parent AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2024 ( <i>audited</i> )	250,000	90,846	834,657	(251)	26,112	(3,471)	805,095	2,002,988	284,952	2,287,940
Profit for the period	-	-	-	-	-	-	128,005	128,005	2,987	130,992
Other comprehensive loss for the period	-	-	-	(55)	(2,058)	171	-	(1,942)	-	(1,942)
Total comprehensive income for the period	-	-	-	(55)	(2,058)	171	128,005	126,063	2,987	129,050
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	(3,750)	(3,750)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	18,486	18,486
Acquisition of a subsidiary (i)	-	-	-	-	-	-	-	-	17,594	17,594
Acquisition of non-controlling interest (ii)	-	-	(20,047)	-	-	-	-	(20,047)	(17,572)	(37,619)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(82)	-	82	-	-	-
Derecognition of investments carried at fair value through other comprehensive income	-	-	-	-	(26,098)	-	26,098	-	-	-
Business combination of entity under common control	-	-	(13,422)	-	-	-	-	(13,422)	-	(13,422)
Balance at 30 June 2024 ( <i>unaudited</i> )	250,000	90,846	801,188	(306)	(2,126)	(3,300)	959,280	2,095,582	302,697	2,398,279

(i) Relates to acquisition of Deco Vision Company WLL  
(ii) Relates to additional shares purchased for Vision Furniture & Decoration Factory LLC

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of changes in equity  
for the six-month period ended 30 June 2025 (continued)**

	Attributable to equity holders of the Parent									
	Share capital AED'000	Satutory reserve AED'000	Merger, acquisition and other reserves AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cash flow hedges AED'000	Retained earnings AED'000	Equity attributable to the equity holders of the parent AED'000	Non- controllin g interests AED'000	Total AED'000
Balance at 1 January 2025 ( <i>audited</i> )	250,000	113,362	789,117	(6)	(1,439)	(4,947)	1,037,463	2,183,550	319,205	2,502,755
Profit for the period	-	-	-	-	-	-	95,252	95,252	20,186	115,438
Other comprehensive income / (loss) for the period				307	(19)	(2,235)	-	(1,947)	-	(1,947)
Total comprehensive income for the period	-	-	-	307	(19)	(2,235)	95,252	93,305	20,186	113,491
Capital injection by non-controlling interest (i)	-	-	-	-	-	-	-	-	70,845	70,845
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	327	327
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(13,339)	(13,339)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	117	-	(117)	-	-	-
Balance at 30 June 2025 ( <i>unaudited</i> )	250,000	113,362	789,117	301	(1,341)	(7,182)	1,132,598	2,276,855	397,224	2,674,079

(i) Includes capital injection of incorporation of Royal Harbor LTD during the period.

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of cash flows  
for the six-month period ended 30 June 2025**

	Notes	Six months ended 30 June	
		2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
<b>Cash flows from operating activities</b>			
Profit before tax for the period		132,311	139,344
<b>Adjustments for:</b>			
Depreciation of property and equipment	3	11,680	11,059
(Gain) / loss on disposal of property and equipment	3	(200)	2,019
Depreciation on investment properties	4	3,862	1,957
Depreciation on right of use assets	6	25,663	22,720
Amortisation of intangible assets	5	4,483	4,449
Gain on modification / termination of lease		(1,223)	(203)
Gain on change in fair value of biological assets		(181)	-
Share of profit from associates and joint ventures	7	(23,855)	(15,411)
Provision for employees' end of service benefits		10,753	7,523
Provision for slow moving inventory		810	-
(Reversal) / charge of provision for expected credit losses on trade and other receivables	13	(11,699)	2,304
(Reversal) / charge of provision for expected credit losses on due from related parties		(5,250)	3,578
Fair value gain on previously held equity interest		-	(29,917)
Dividend income		-	(176)
(Gain) / loss on change in fair value of financial assets carried at fair value through profit or loss		(363)	9,482
Finance costs		8,696	5,147
		<b>155,487</b>	<b>163,875</b>
<b>Working capital adjustments:</b>			
Inventories		16,325	26,956
Development work in progress		(11,837)	(25,464)
Trade and other receivables		45,371	(47,052)
Contract assets		(31,935)	(43,784)
Due from related parties		30,556	11,962
Biological assets – plants		(3,636)	(541)
Contract liabilities		29,726	72,547
Trade and other payables		(3,769)	(82,836)
Due to related parties		(58,767)	(19,113)
		<b>167,521</b>	<b>56,550</b>
<b>Cash generated from operations</b>		<b>167,521</b>	<b>56,550</b>
Employees' end of service benefits paid		(5,214)	(2,958)
Finance costs paid		(2,772)	(3,149)
		<b>159,535</b>	<b>50,443</b>
<b>Net cash generated from operating activities</b>		<b>159,535</b>	<b>50,443</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

**Interim condensed consolidated statement of cash flows  
for the six-month period ended 30 June 2025 (continued)**

	Notes	Six months ended 30 June	
		2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
<b>Cash flows from investing activities</b>			
Net cash acquired in business combination		-	45,082
Cash paid for acquisition of non-controlling interest		-	(37,619)
Cash paid on acquisition of entity under common control		-	(151,145)
Purchase of property and equipment	3	(61,011)	(28,755)
Payment for investment property under development		(33,128)	-
Purchase of intangible assets		-	(288)
Proceeds from disposal of property and equipment	3	200	764
Dividend income received	8	-	176
Proceeds from disposal of financial assets carried at fair value through profit or loss	8	3,961	543
Proceeds from disposal of financial assets carried at fair value through other comprehensive income	8	1,000	-
Dividend received from associates and joint ventures	7	23,906	-
Movement in restricted cash		(55,163)	(20,648)
Movement in fixed deposits with original maturity more than three months		71,127	138,827
<b>Net cash used in investing activities</b>		<b>(49,108)</b>	<b>(53,063)</b>
<b>Financing activities</b>			
Principal paid on lease liabilities		(34,786)	(25,441)
Repayments of bank borrowings		(14,424)	(17,022)
Dividends paid to non-controlling interests		(13,339)	(3,750)
Capital injection by non-controlling interest		70,845	18,486
<b>Net cash generated from /(used in) financing activities</b>		<b>8,296</b>	<b>(27,727)</b>
<b>Net increase in cash and cash equivalents</b>		<b>118,723</b>	<b>(30,347)</b>
Cash and cash equivalents at beginning of the period		189,750	180,136
Effect of foreign exchange rate changes		18	(14)
<b>Cash and cash equivalents at the end of the period</b>	14	<b>308,491</b>	<b>149,775</b>

The accompanying notes form an integral part of these interim condensed consolidated financial statements.

## Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2025

### 1 General information

ESG Emirates Stallions Group PJSC (the “Company”) is a private joint stock company incorporated under the UAE Federal Law 32 of 2021. The registered office address of the Company is P.O. Box 32619, Abu Dhabi, United Arab Emirates.

International Holding Company PJSC (through its subsidiary) is the Parent, and Royal Group Holding LLC is the Ultimate Parent of the Company.

These interim condensed consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries, associates and joint ventures (together referred to as the “Group”). The main activities of the Group are:

- Buying, selling, and dividing plots;
- Management services of companies and private institutions;
- Land and real estate purchase and sale;
- All kinds of building projects contracting including metal construction contracting, afforestation contracting, bridges contracting, rainwater drainage contracting, electrical and mechanical contracting, main roads, streets and other associated business;
- Interior design engineering consultancy, design services, architectural, construction and feasibility studies consultancy services, air conditioning, ventilation air cooling systems maintenance, installation and contracting;
- Real estate enterprises investment, development institution and management, industrial enterprises investment;
- Contracting transmission networks and distribution of water, ports and marine contracting;
- Onshore and offshore oil and gas fields and facilities services;
- Landscape and gardening services, transportation of organic waste, construction and demolition concrete waste transportation;
- Wholesale of plants and trees saplings trading;
- Camps, labour accommodation management and facilities management services;
- Importing and exporting, retail sale of fodder, chemical fertilizers, fresh fruits and vegetables, natural fertilizers, reclamation materials, agricultural and veterinary pesticides, seeds, and cereal, prepared farms animal feeds ,its concentrates and supplement manufacturings and forage cultivation;
- Hospitality services including hotel accommodation and management, restaurant and coffee shop;
- House and office furniture manufacturing;
- Manufacturing of wooden doors, windows, shutters, fire proof wooden doors and their frames, construction plaster products manufacturing (gypsum);
- Private buses passengers transport service;
- Upon request employees provision services;
- Domestic workers mediation and temporary employment services;
- On Demand Labors Supply (Temporary Employment);
- Trading of decoration materials, blankets, towels, wallpapers, metal blinds carpet, pictures, painting, curtains and upholstery;
- Buildings cleaning services, water fitting maintenance, electrical fitting and fixture services and cleaning the outside interface buildings;
- Consultancy services related to administrative, marketing, economic feasibility, human resources, and logistics;
- Stone cutting, shaping and finishing, stone furniture manufacturing and construction plaster products manufacturing;
- Marketing consultancy and studies, marketing operations management;
- Real Estate Development Construction, Real Estate Lease And Management Services;
- Industrial Enterprises Investment, Institution and management;
- Marketing of real estate and institutions; and
- Importing, exporting and commercial brokerage.

These interim condensed consolidated financial statements of the Group for the six-month period ended 30 June 2025, were approved and authorised by the Board of Directors for issuance on 25 July 2025.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)****2 Basis of preparation and critical accounting judgements****2.1 Statement of compliance**

The interim condensed consolidated financial statements of the Group are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These interim condensed consolidated financial statements are presented in UAE Dirham (“AED”) which is the currency of the primary economic environment in which the Group operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand except otherwise stated.

These interim condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that have been measured at fair value.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

**2.2 Application of new and revised IFRS Accounting Standards (IFRS)**

The Group has consistently applied the accounting policies as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new standards and interpretations effective as of 1 January 2025 which have not caused any material impact on the Group’s interim condensed consolidated financial statements.

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**2.2.1 New and revised IFRS Accounting Standards (IFRSs) applied with no material effect on the consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these interim condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

***Amendment to IAS 21 - Lack of Exchangeability***

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.2 Application of new and revised IFRS Accounting Standards (IFRS) (continued)**

**2.2.2 New and revised IFRS in issue but not yet effective**

**New and revised IFRSs in issue but not yet effective and not early adopted**

<b><u>New and revised IFRSs</u></b>	<b><u>Effective for annual periods beginning on or after</u></b>
<i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i>	1 January 2026
The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 Financial Instruments.	
<i>Annual Improvements to IFRS Accounting Standards – Volume 11</i>	1 January 2026
The pronouncement comprises the following amendments:	
<ul style="list-style-type: none"> <li>• IFRS 1: Hedge accounting by a first-time adopter</li> <li>• IFRS 7: Gain or loss on derecognition</li> <li>• IFRS 7: Disclosure of deferred difference between fair value and transaction price</li> <li>• IFRS 7: Introduction and credit risk disclosures</li> <li>• IFRS 9: Lessee derecognition of lease liabilities</li> <li>• IFRS 9: Transaction price</li> <li>• IFRS 10: Determination of a ‘de facto agent’</li> <li>• IAS 7: Cost method</li> </ul>	
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.	
IFRS 18 introduces new requirements to:	
<ul style="list-style-type: none"> <li>• present specified categories and defined subtotals in the statement of profit or loss</li> <li>• provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements</li> <li>• improve aggregation and disaggregation</li> </ul>	
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date not yet decided

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.2 Application of new and revised IFRS Accounting Standards (IFRS) (continued)**

**2.2.2 New and revised IFRS in issue but not yet effective (continued)**

**New and revised IFRSs in issue but not yet effective and not early adopted (continued)**

New and revised IFRSs	Effective for annual periods beginning on or after
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*IFRS 19 Subsidiaries without Public Accountability*

1 January 2027

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its consolidated financial statements.

*IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*

IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Effective date not yet decided by the regulator in the United Arab Emirates

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.2 Application of new and revised IFRS Accounting Standards (IFRS) (continued)**

**2.2.2 New and revised IFRS in issue but not yet effective (continued)**

**New and revised IFRSs in issue but not yet effective and not early adopted (continued)**

New and revised IFRSs	Effective for annual periods beginning on or after
<i>IFRS S2 Climate-related Disclosures</i>	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.	

The above stated new standards and amendments are not expected to have any significant impact on these interim condensed consolidated financial statements of the Group.

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

**2.3 Critical accounting judgments and key sources of estimation uncertainty**

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements for the year ended 31 December 2024 including the following judgements adopted during the period.

*Satisfaction of performance obligations*

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognizing revenue. The Group has assessed that based on the sale and purchase agreements entered into with customers and the provisions of relevant laws and regulations, where contracts are entered to provide real estate assets to customer, the Group does not create an asset with an alternative use to the Group and usually has an enforceable right to payment for performance completed to date. In these circumstances the Group recognizes revenue over time.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.4 Basis consolidation**

Details of the Company's subsidiaries are as follows:

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		June 2025	December 2024		
<u>Below is the subsidiary of ESG Emirates Stallions Group PJSC :</u>					
1	ESG Holding-Sole Proprietorship LLC	100%	100%	UAE	Management services of companies and private institutions, land and real estate purchase and sale.
<u>Below are the subsidiaries of ESG Holding - Sole Proprietorship LLC:</u>					
2	ESG Companies Management- Sole Proprietorship LLC	100%	100%	UAE	Management services of the companies and private institutions, commercial enterprises investment, institution, and management.
3	ESG Capital Holding LLC	100%	100%	UAE	Commercial enterprises investment, institution, and management
<u>Below is the subsidiary of ESG Companies Management - Sole Proprietorship LLC:</u>					
4	Tri Star Investment LLC	100%	100%	UAE	Commercial Brokers, Commercial enterprises investment institution and management, Real estate investment, development, institution and management.
<u>Below are the subsidiaries of ESG Capital Holding LLC:</u>					
5	ESG Agriculture Services and Landscaping Holding LLC (i)	100%	-	UAE	Industrial Enterprises investment, Management services
6	ESG Interiors LLC (i)	100%	-	UAE	Interior design Implementation works
7	Royal Development Holding Company LLC (i)	100%	-	UAE	Management Services of Companies and Private Institutions
8	Century Human Resources and Logistics - L.L.C. - O.P.C	100%	100%	UAE	Human Resources Consultancy, Logistics Consultancy
9	ESG Human Resources Solutions LLC (i)	100%	-	UAE	Industrial Enterprise Investment, Institution and Management, Management Services of Companies and Private Institution, Real Estate Enterprises Investment, Development, Institution and Management
10	Sawaeed Holding PJSC	89.35%	89.35%	UAE	Management services of Companies and private institution, commercial enterprise investment, institution and management and real estate enterprises investment

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		June 2025	December 2024		
11	Century Village Real Estate Investment L.L.C	<b>70%</b>	70%	UAE	Real estate lease and management services, development construction, facilities management services. Commercial enterprises investment, institution, and management. Real Estate enterprise investment, development, institution, and management.

Below are the subsidiaries of Royal Development Holding Company LLC:

12	Abu Dhabi Land General Contracting LLC - SPC	<b>100%</b>	100%	UAE	Technical, building construction and maintenance contracting, general contracting, and associated business.
13	Royal Harbor LTD (i)	<b>51%</b>	-	UAE	Real Estate Lease And Management Services, Real Estate Development Construction
14	Ocean Luxury Living Estate Development LLC (i)	<b>51%</b>	-	UAE	Marketing consultancy and studies, Real Estate Enterprises Investment, Development Institution, Marketing Operations Management, Economical Feasibility Consultancy and studies, Real Estate
15	Royal Development Company LLC - SPC	<b>100%</b>	100%	UAE	Real estate development construction, real estate enterprise investment, development, institution and management, lease management, marketing, economic feasibility, and real estate consultancy.
16	ESG Hospitality Sole Proprietorship LLC	<b>100%</b>	100%	UAE	Hospitality Services

Below are the subsidiaries of ESG Interiors LLC:

17	Afkar Financial & Property Investments LLC	<b>60%</b>	60%	UAE	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials, and companies representation, commercial enterprises investment institution and management, real estate enterprises investment, development, institution and management.
18	Deco Vision Company WLL	<b>85%</b>	85%	UAE	Interior design implementation works (decor), retail sale of wall paper, decor and partitions material and importing
19	Vision Marble Industries LLC – SPC (i)	<b>100%</b>	-	UAE	Stones cutting, shaping and finishing, stone furniture manufacturing.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		June 2025	December 2024		
<u>Below are the subsidiaries of ESG Interiors LLC:</u>					
20	Imagine Marketing LLC (i)	60%	-	UAE	Marketing Consultancy And Studies Marketing Operations Management
21	Vision Furniture & Decoration Factory L.L.C - SPC	100%	100%	UAE	House and office furniture manufacturing, Fireproof wooden doors manufacturing, Onshore and offshore oil and gas fields and facilities.
<u>Below are the subsidiaries of ESG Agriculture Services &amp; Landscaping Holding LLC:</u>					
22	Gulf Dunes Landscaping and Agricultural Services Company LLC - SPC	100%	100%	UAE	Landscape, gardening, agricultural pest control, disinfection and sterilization services, rain water drainage, sewerage and irrigation network, afforestation and mechanical contracting.
23	ESG Agro LLC - SPC	100%	100%	UAE	Agricultural Enterprises Investment, Institution and Management
<u>Below are the subsidiaries of ESG Human Resources Solutions LLC:</u>					
24	Century Real Estate Investment LLC	87%	87%	UAE	Real estate management
25	ESG Commercial International Investments - Sole Proprietorship L.L.C.	100%	100%	UAE	Commercial Enterprises Investment, Institution and Management, Tourist Enterprises Investment, Institution and Management
<u>Below are the subsidiaries of Royal Development Company LLC - SPC:</u>					
26	Royal Architect Project Management LLC - SPC	100%	100%	UAE	Architectural engineering consultancy, construction projects management consultancy.
27	Royal Development Company d.o.o. Beogard-Vracar	100%	100%	Serbia	Hotel accommodation.
<u>Below are the subsidiaries of ESG Hospitality Sole Proprietorship LLC:</u>					
28	Royal Luxury Hotel management LLC	51%	51%	UAE	Hotel management
29	Royal Dunes Real Estate Development LLC	51%	51%	UAE	Real Estate Development
<u>Below is the subsidiary of Royal Luxury Hotel Management LLC:</u>					
30	Royal Luxury Restaurant LLC (i)	100%	-	UAE	Restaurant, coffee shop

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		June 2025	December 2024		

Below is the subsidiary of Vision Furniture & Decoration Factory LLC - SPC:

31	Cedar Gate Industrial Company Sole Proprietorship LLC	100%	100%	KSA	Decoration works and its installation.
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Below are the subsidiaries of Afkar Financial & Property Investments LLC:

32	OC Home Furniture LLC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
33	2XL Home LLC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
34	2XL Furnishings LLC - SPC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials

Below is the subsidiary of Deco Vision Company - WLL::

35	Vision for Interior LLC Decoration Limited - One Person Company	100%	100%	KSA	Decoration works and its installation.
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**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		June 2025	Decemeber 2024		
<u>Below are the subsidiaries of Sawaeed Holding PJSC::</u>					
36	Sawaeed Employment - Sole Proprietorship LLC	100%	100%	UAE	Providing upon request employee provision services
37	Sawaeed Training Centre - Sole Proprietorship LLC	100%	100%	UAE	Training of construction workers
38	Sawaeed Investment - Sole Proprietorship LLC	100%	100%	UAE	Real estate enterprises investment development, institution and management and camps and labour accommodation management
39	Sawaeed General Project — Sole Proprietorship LLC	100%	100%	UAE	Building projects contracting, project management services, building
40	Solutions Investments Services LLC (i)	60%	-	UAE	Provide onshore and offshore oil and gas fields and facilities services, commercial enterprises, investment, institution and management
41	Sawaeed Facilities Management - Sole Proprietorship LLC (iii)	100%	100%	UAE	Facilities management services, interior cleaning services for building and dwellings, and cleaning the outside (interface) building
42	Progressive Real Estate Development LLC -S.P.C	100%	100%	UAE	Real estate enterprise investment, development, institution and management
43	United International Group for Manpower Services LLC - S.P.C	100%	100%	UAE	Domestic workers mediation and temporary employment services, onshore and offshore oil and gas fields and facilities services, and upon request employees provision services.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**2 Basis of preparation and critical accounting judgements (continued)**

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		June 2025	December 2024		

Below are the subsidiaries of United International Group For Manpower Services LLC SPC:

44	Howdra Employment Services LLC	100%	100%	UAE	On Demand Labors Supply Temporary Employment
45	Career Line For Employment - Sole Proprietorship LLC	100%	100%	UAE	Upon Request Employees Provision Services and Onshore and Offshore Oil and Gas Fields and Facilities Services
46	Alpha Hub Domestic Workers Services Center LLC (ii) (under liquidation)	100%	100%	UAE	Domestic Workers Mediation Temporary Employment and Services.

Below is the subsidiary of Sawaeed Investment-Sole Proprietorship LLC:

47	Takatof Employment Co. LLC*	100%	100%	UAE	Providing employees services upon request (temporary employment) and labor and employment supply.
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- (i) Subsidiaries established during the period
- (ii) The Board has approved the liquidation of this entity.
- (iii) Subsidiary liquidated during the period.

\*The Group has 49% legal ownership in Takatof Employment Co. L.L.C. Nonetheless, as per agreement signed between the shareholders, the other shareholder owning 51% of Takatof Employment LLC has assigned his full rights and obligations over the mentioned entity to Sawaeed Investments L.L.C, and is only entitled to management fee equivalent to 15% share in net profit of Takatof Employment L.L.C.

**3 Property and equipment**

During the period, additions to property and equipment amounted to AED 61,011 thousand (six-month period ended 30 June 2024: AED 28,755 thousand) and depreciation charge amounted to AED 11,680 thousand (six-month period ended 30 June 2024: AED 11,059 thousand).

Property and equipment acquired through business combinations amounted to AED Nil (six-month period ended 30 June 2024: AED 17,565 thousand).

During the period, property and equipment having net book value of AED Nil (six-month period ended 30 June 2024: AED 2,783 thousand) were disposed off with a gain of AED 200 thousand (six-month period ended 30 June 2024: loss of AED 2,019 thousand).

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)****3 Property and equipment (continued)**

During the period, property and equipment having a net book value of AED 162,534 thousand (six-month period ended 30 June 2024: AED Nil) was transferred to investment properties under development, property and equipment having a net book value of AED 15,661 thousand (six month period ended 30 June 2024: Nil) was transferred to investment properties and AED 73,851 thousand (six month period ended 30 June 2024: AED Nil) was transferred from development work in progress to property and equipment.

**4 Investment properties**

During the period, additions to investment property under development amounted to AED 33,128 thousand (six-month period ended 30 June 2024: AED Nil) and depreciation charge amounted to AED 3,862 thousand (six-month period ended 30 June 2024: AED 1,957 thousand).

Investment properties acquired through business combinations amounted to AED Nil (six-month period ended 30 June 2024: AED 56,820 thousand).

During the period, investment property under development having a net book value of AED 162,534 thousand (31 December 2024: AED Nil) was transferred from property and equipment.

During the period, investment property having a net book value of AED 15,661 thousand (six month period ended 30 June 2024: AED Nil) was transferred from property and equipment.

During the period, right of use asset (land) having a carrying value of AED 7,080 thousand was transferred from right of use asset.

**5 Intangible assets and goodwill**

During the period, additions to intangible assets and goodwill amounted to AED Nil (six month period ended 30 June 2024: AED 288 thousand) amortization charge amounted to AED 4,483 thousand (six-month period ended 30 June 2024: AED 4,449 thousand).

Intangible assets and goodwill acquired through business combinations amounted to AED Nil (six-month period ended 30 June 2024: AED 64,164 thousand).

**6 Right-of-use assets**

The right of use assets include land, building and warehouses.

During the period, additions to right of use assets amounted to AED 12,373 thousand (six month period ended 30 June 2024: AED Nil) depreciation charge amounted to AED 25,663 thousand (six-month period ended 30 June 2024: AED 22,720 thousand).

Right of use assets acquired through business combinations amounted to AED Nil (six-month period ended 30 June 2024: AED 37,139 thousand).

During the period right of use assets (land) having a carrying value of AED 7,080 thousand was transferred to investment properties.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**7 Investments in associates and joint ventures**

Details of the Group's associates and joint ventures are as follows:

<i>Name of entity</i>	<i>Principal activities</i>	<i>Ownership percentage</i>		<i>Place of incorporation</i>
<i>Associates</i>		<i>June 2025</i>	<i>December 2024</i>	
Emirates Sdeira Real Estate Investment Group LLC	Real estate lease and management services, commercial enterprises investment, Institution and Management	23.91%	23.91%	UAE
<i>Joint ventures</i>				
Lazio Real Estate Investment LLC (“Lazio”) (i)	Real estate enterprise, investment, development, institution, and management	65%	65%	UAE
Deyafah Holding Limited (ii)	SPC Special Purpose Vehicle	50%	50%	UAE

- (i) In 2018, the Directors of Lazio Real Estate Investment LLC had elected to liquidate the company. As of 30 June 2025, the liquidation process is still on going.
- (ii) The investment has been fully impaired, and no unrecognized share of losses has been recorded, as the entity is non-operational.

Movement in investments in associates and joint ventures was as follows:

	<b>30 June 2025</b> <b>AED'000</b> <b>(unaudited)</b>	31 December 2024 AED'000 <i>(audited)</i>
Balance at the beginning of the period / year	<b>1,204,224</b>	1,223,777
Share of the Group's profit for the period / year	<b>23,855</b>	36,838
Share of other comprehensive loss for the period / year	<b>(2,235)</b>	(1,476)
Dividend received during the period / year	<b>(23,906)</b>	(15,778)
Transfer to subsidiary during the period / year	-	(39,137)
<b>At the end of the period / year</b>	<b>1,201,938</b>	1,204,224

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**7 Investments in associates and joint ventures (continued)**

Summarised financial information in respect of Emirates Sdeira Real Estate Investment Group LLC is set out below:

	<b>30 June 2025 AED'000 (<i>unaudited</i>)</b>	<b>31 December 2024 AED'000 (<i>audited</i>)</b>
Total assets	<b>5,623,534</b>	5,637,218
Total liabilities	<b>(1,076,286)</b>	(1,118,420)
Net assets	<b>4,547,248</b>	4,518,798
Group's carrying amount of the investments, net	<b>1,201,938</b>	1,204,224
	<b>30 June 2025 AED'000 (<i>unaudited</i>)</b>	<b>30 June 2024 AED'000 (<i>unaudited</i>)</b>
Total revenue for the period	<b>346,022</b>	255,511
Total profit for the period	<b>99,768</b>	64,454
Group's share in profit for the period	<b>23,855</b>	15,411
Total other comprehensive (loss) / gain for the period	<b>(9,350)</b>	715
Group's share of OCI for the period	<b>(2,235)</b>	171
Dividend received during the period	<b>23,906</b>	-

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**8 Investment in financial assets**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Investments carried at fair value through other comprehensive income	<b>374</b>	1,395
Investments carried at fair value through profit or loss	<b>1,182</b>	4,780
	<hr/> <b>1,556</b> <hr/>	<hr/> <b>6,175</b> <hr/>

**8.1 Financial assets at fair value through other comprehensive income**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Quoted	<b>-</b>	1,021
Unquoted	<b>374</b>	374
	<hr/> <b>374</b> <hr/>	<hr/> <b>1,395</b> <hr/>

Fair values of the quoted investments are determined by reference to published price quotations in an active market. The fair value measurement has been categorised as a level 1 and level 3 fair value respectively.

These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management of the Group have elected to designate these investments in equity instruments as at FVTOCI as they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**8 Investment in financial assets (continued)**

**8.1 Financial assets at fair value through other comprehensive income (continued)**

Movement in investments at FVTOCI are as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	<b>1,395</b>	62,604
Acquired in business combinations	-	42,089
Disposal during the period / year	<b>(1,000)</b>	(49,863)
Transferred to investment in subsidiary during the period / year	-	(55,827)
Net fair value (loss)/ gain on investments at FVTOCI during the period / year	<b>(21)</b>	2,392
	<hr/> <b>374</b> <hr/>	<hr/> 1,395 <hr/>
Dividend received during the period / year	-	271
	<hr/>	<hr/>

**8.2 Financial assets at fair value through profit or loss**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	<b>4,780</b>	45,864
Acquired during the period / year	-	2,327
Changes in fair value during the period / year	<b>363</b>	(11,253)
Disposals during the period / year	<b>(3,961)</b>	(32,158)
	<hr/> <b>1,182</b> <hr/>	<hr/> 4,780 <hr/>
Dividend received during the period / year	-	119
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**9 Inventories**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Household furniture	91,471	104,344
Raw material and supplies	1,300	1,051
Spares and consumables	159	168
Work in progress	11	11
Goods in transit	-	3,692
Less: provision for slow moving inventories	(8,682)	(7,872)
	<hr/> <b>84,259</b> <hr/>	<hr/> <b>101,394</b> <hr/>

Movement in the provision for slow moving inventories is as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
At 1 January	7,872	6,600
Charge for the period / year	810	1,272
	<hr/> <b>8,682</b> <hr/>	<hr/> <b>7,872</b> <hr/>

**10 Development work in progress**

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Mallside project, Dubai Hills Estate	49,217	115,011
Seamont project, Al Reem Island	141,678	137,898
	<hr/> <b>190,895</b> <hr/>	<hr/> <b>252,909</b> <hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**10 Development work in progress (continued)**

Movement during the period / year is as follow:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
At 1 January	<b>252,909</b>	79,073
Additions during the period / year	<b>56,011</b>	173,836
Recognized in direct costs	<b>(44,174)</b>	-
Transferred to property and equipment	<b>(73,851)</b>	-
	<hr/>	<hr/>
At the end of the period / year	<b>190,895</b>	252,909
	<hr/>	<hr/>

**11 Related parties**

Related parties represent associated companies, shareholders, and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Amounts due from related parties included in the interim condensed consolidated statement of financial position are as follows:

	<b>30 June 2025 AED' 000 (unaudited)</b>	<b>31 December 2024 AED' 000 (audited)</b>
<b>Due from related parties:</b>		
<i>Non-current</i>		
Other related entities	<b>950</b>	950
	<hr/>	<hr/>
<b>Due from related parties:</b>		
<i>Current</i>		
Entities under common control	<b>135,175</b>	149,727
Other related entities	<b>53,603</b>	60,778
Parent entity	<b>259</b>	12,618
Ultimate parent	<b>2,137</b>	2,830
	<hr/>	<hr/>
	<b>191,174</b>	225,953
Less: provision for expected credit losses	<b>(28,757)</b>	(38,557)
	<hr/>	<hr/>
	<b>162,417</b>	187,396
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**11 Related parties (continued)**

Amounts due from related parties included in the interim condensed consolidated statement of financial position are as follows:

	<b>30 June 2025 AED' 000 (unaudited)</b>	31 December 2024 AED' 000 (audited)
<b>Due to related parties:</b>		
<i>Non-current</i>		
Entity under common control	<b>54,732</b>	54,198
Ultimate parent	<b>2,520</b>	2,520
	<hr/> <b>57,252</b> <hr/>	<hr/> 56,718 <hr/>
<b>Due to related parties:</b>		
<i>Current</i>		
Entity under common control	<b>44,935</b>	105,446
Other related entities	<b>4,598</b>	4,770
Parent entity	<b>365</b>	-
Ultimate parent	<b>453</b>	453
	<hr/> <b>50,351</b> <hr/>	<hr/> 110,669 <hr/>

Other balances with related parties disclosed in the interim condensed consolidated statement of financial position:

	<b>30 June 2025 AED' 000 (unaudited)</b>	31 December 2024 AED' 000 (audited)
Financial assets carried at fair value through profit or loss	<b>175</b>	216
	<hr/>	<hr/>
Financial assets carried at fair value through other comprehensive income	<b>374</b>	1,395
	<hr/>	<hr/>
Balances with a financial institution	<b>446,944</b>	308,975
	<hr/>	<hr/>
Bank borrowings with a financial institution	<b>5,092</b>	10,740
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**11 Related parties (continued)**

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

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2025</b> <b>AED' 000</b> <b>(unaudited)</b>	<b>2024</b> <b>AED' 000</b> <b>(unaudited)</b>	<b>2025</b> <b>AED' 000</b> <b>(unaudited)</b>	<b>2024</b> <b>AED' 000</b> <b>(unaudited)</b>
Revenue	<b>65,652</b>	52,070	<b>181,278</b>	108,745
Cost of revenue and expenses	<b>2,091</b>	1,488	<b>3,960</b>	2,268
Interest income on deposits with financial institution	<b>979</b>	728	<b>1,944</b>	4,556
Finance cost on bank borrowings with financial institution	<b>75</b>	299	<b>242</b>	779
Dividend received from associate	<b>-</b>	-	<b>23,906</b>	-
<b>Key management compensation</b>				
Salaries and other benefits	<b>926</b>	805	<b>1,848</b>	1,610
Number of key management personnel	<b>2</b>	2	<b>2</b>	2
Board of Director's remuneration	<b>645</b>	-	<b>1,290</b>	-

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**12 Contract assets and contract liabilities**

Details of contract assets and costs of AED 159,921 thousand (31 December 2024: AED 127,986 thousand) are as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Contract assets	<b>180,410</b>	147,947
Less: provision for expected credit losses	<b>(20,489)</b>	(19,961)
	<b>159,921</b>	127,986
Contracts costs incurred plus recognised profits less recognised losses to date	<b>1,541,423</b>	1,502,813
Progress billings to date	<b>(1,426,164)</b>	(1,423,772)
	<b>115,259</b>	79,041

The contract work in progress is presented as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Contracts assets, net	<b>159,921</b>	127,986
Billing in excess of value of work in progress (contract liabilities)	<b>(44,662)</b>	(48,945)
	<b>115,259</b>	79,041

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**12 Contract assets and contract liabilities (continued)**

**Provision for expected credit losses**

Movement in the provision for expected credit losses of contract assets is as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
At 1 January	<b>19,961</b>	5,541
Charge for the period / year, net	<b>4,281</b>	4,880
Written off during the period / year	<b>(3,753)</b>	-
Acquired in business combinations	<b>-</b>	9,540
	<hr/>	<hr/>
At the end of the period / year	<b>20,489</b>	19,961
	<hr/>	<hr/>

The contract liabilities includes:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Advances received from customers	<b>220,933</b>	186,924
Billing in excess of value of work in progress	<b>44,662</b>	48,945
	<hr/>	<hr/>
	<b>265,595</b>	235,869
	<hr/>	<hr/>

**13 Trade and other receivables**

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Trade receivables	<b>433,950</b>	507,315
Less: provision for expected credit losses	<b>(172,304)</b>	(212,503)
	<hr/>	<hr/>
	<b>261,646</b>	294,812
	<hr/>	<hr/>
Retention receivables, net	<b>47,166</b>	48,206
Advances to suppliers, net	<b>82,841</b>	76,041
Prepaid expenses and other receivables	<b>106,141</b>	112,407
	<hr/>	<hr/>
	<b>497,794</b>	531,466
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**13 Trade and other receivables (continued)**

Trade and other receivables are disclosed in the interim condensed consolidated statement of financial position as:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Non-current	<b>30,075</b>	30,075
Current	<b>467,719</b>	501,391
	<hr/>	<hr/>
	<b>497,794</b>	531,466
	<hr/>	<hr/>

**Provision for expected credit losses**

Movement in the provision for expected credit losses of trade receivables, retention receivables and advances to suppliers is as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
At 1 January	<b>216,499</b>	86,095
Reversal for the period / year, net *	<b>(19,091)</b>	(5,861)
Acquired in business combinations	-	141,471
Transfers	<b>67</b>	(1,838)
Written off during the period / year	<b>(22,619)</b>	(3,368)
	<hr/>	<hr/>
At the end of the period / year	<b>174,856</b>	216,499
	<hr/>	<hr/>

\* This includes AED 7,392 thousand collected from impaired receivables (beneficially owned by previous shareholders of one of the subsidiaries of the Group). The amounts collected are paid or payable to the previous shareholders in terms of the relevant agreement.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**13 Trade and other receivables (continued)**

	1 January AED'000	(Reversal of) Additional provisions AED'000	Write off during the period/year AED'000	Reclassification AED'000	Acquired through business combinations AED'000	At reporting date AED'000
<b>At 30 June 2025 (unaudited)</b>						
Trade receivables	212,503	(17,647)	(22,619)	67	-	172,304
Retention receivables	3,104	(1,444)	-	-	-	1,660
Advances to suppliers	892	-	-	-	-	892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>216,499</b>	<b>(19,091)</b>	<b>(22,619)</b>	<b>67</b>	<b>-</b>	<b>174,856</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2024 (audited)</b>						
Trade receivables	85,701	(495)	(3,368)	(1,838)	132,503	212,503
Retention receivables	1	(5,172)	-	-	8,275	3,104
Advances to suppliers	393	(194)	-	-	693	892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>86,095</b>	<b>(5,861)</b>	<b>(3,368)</b>	<b>(1,838)</b>	<b>141,471</b>	<b>216,499</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**14 Cash and bank balances**

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cash on hand	1,827	806
Bank balances	381,037	247,496
Margin deposits	9,360	10,201
Term deposits*	178,943	209,865
	<hr/>	<hr/>
	571,167	468,368
Less: provision for expected credit losses	(72)	(50)
	<hr/>	<hr/>
	571,095	468,318
Less: restricted cash**	(144,090)	(88,927)
Less: term deposits with original maturity of more than three months	(118,514)	(189,641)
	<hr/>	<hr/>
Cash and cash equivalents	308,491	189,750
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**14 Cash and bank balances (continued)**

\*The term deposits' carry interest rate that ranges between 0.05% to 6% (31 December 2024: 0.05% to 6% per annum). These deposits are held in a local bank and are denominated in UAE Dirhams, and these deposits have original maturity between 1 to 12 months.

\*\* Restricted cash represents funds received in advance against sale of properties in the Mallside project and Seamount project.

**15 Bank borrowings**

Bank borrowings comprise of the following:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Term loans	<b>35,717</b>	50,115
Vehicle loans	-	26
	<hr/>	<hr/>
At the end of the period / year	<b>35,717</b>	50,141
	<hr/>	<hr/>

Movement in bank borrowings during the period / year is as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
At 1 January	<b>50,141</b>	81,840
Repayments made during the period / year	<b>(14,424)</b>	(31,699)
	<hr/>	<hr/>
At the end of the period / year	<b>35,717</b>	50,141
	<hr/>	<hr/>

Analysed in the interim condensed consolidated statement of financial position as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Current	<b>22,592</b>	28,266
Non-current	<b>13,125</b>	21,875
	<hr/>	<hr/>
At the end of the period / year	<b>35,717</b>	50,141
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**15 Bank borrowings (continued)**

				<b>30 June 2025</b>	<b>31 December 2024</b>	
	<b>Security</b>	<b>Interest rates</b>	<b>Maturity</b>	<b>AED'000 (unaudited)</b>	<b>AED'000 (audited)</b>	<b>Purpose</b>
Term loan - 1	Secured	2% + 6M EIBOR	September 2025	<b>5,092</b>	10,740	To finance the construction of commercial centers
Term loan - 2	Secured	2% + 6M EIBOR	February 2027	<b>30,625</b>	39,375	To finance the construction of warehouse
				<b>35,717</b>	50,115	
Other vehicle loans	Secured	3.00%-5.51%	2024-2027	-	26	To finance the purchase of vehicles
				<b>35,717</b>	50,141	

**Term loan 1**

The facility is secured by corporate guarantees of related parties, mortgage over certain investment properties, assignment of contractor's all risk insurance policy of mortgaged properties in favour of the bank, assignment of rental proceeds, generated from the mortgaged properties in favour of the bank. The loan is repayable in half year instalments.

**Term loan 2**

The facility is subject to certain restrictive covenants. The facility is secured by mortgage over property, assignment of contractor's all risk insurance policy of mortgaged properties in favour of the bank, agreement of pledge and hypothecation of inventories and movables over stocks, deed of assignment of receivables, undated security cheque drawn on Bank covering the total facility in favour of the bank. The loan is repayable in quarterly instalments.

**16 Trade and other payables**

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Trade payables	<b>95,220</b>	114,014
Accrued expenses	<b>144,320</b>	147,713
Retention payables	<b>47,668</b>	37,369
Provisions, deposits and other payables	<b>150,192</b>	142,073
	<b>437,400</b>	441,169

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**16 Trade and other payables (continued)**

Trade and other payables are disclosed in the interim condensed consolidated statement of financial position as:

	<b>30 June 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Non-current	<b>2,719</b>	2,792
Current	<b>434,681</b>	438,377
	<hr/>	<hr/>
	<b>437,400</b>	441,169
	<hr/>	<hr/>

**17 Revenue**

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2025 AED'000 (unaudited)</b>	<b>2024 AED'000 (unaudited)</b>	<b>2025 AED'000 (unaudited)</b>	<b>2024 AED'000 (unaudited)</b>
<b>Type of revenue</b>				
Furniture manufacturing and retail revenues and interior fit out	<b>120,828</b>	125,198	<b>286,645</b>	325,525
Landscaping, agriculture and maintenance revenue	<b>63,676</b>	146,133	<b>122,693</b>	182,027
Business process and manpower outsourcing	<b>86,726</b>	60,761	<b>161,078</b>	90,497
Contracting and consultancy revenue	<b>97,172</b>	-	<b>123,944</b>	37,257
Staff accommodation	<b>8,500</b>	3,589	<b>15,169</b>	3,607
Labour camp management and other related revenue	<b>415</b>	560	<b>468</b>	633
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>377,317</b>	336,241	<b>709,997</b>	639,546
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Timing of revenue recognition</b>				
Services transferred over the period of time	<b>290,195</b>	292,426	<b>513,256</b>	445,724
Services transferred at point of time	<b>87,122</b>	43,815	<b>196,741</b>	193,822
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>377,317</b>	336,241	<b>709,997</b>	639,546
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Geographical markets</b>				
Revenue generated within UAE	<b>368,451</b>	321,212	<b>695,073</b>	613,875
Revenue generated outside UAE	<b>8,866</b>	15,029	<b>14,924</b>	25,671
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>377,317</b>	336,241	<b>709,997</b>	639,546
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**18 Direct costs**

	Three months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staff costs	101,540	97,044	198,713	126,582
Direct materials	52,337	39,212	108,926	90,800
Sub contracting and maintenance costs	81,459	39,328	139,066	161,624
Depreciation	5,861	5,230	11,617	9,866
Others	13,814	18,564	30,274	24,000
	<b>255,011</b>	<b>199,378</b>	<b>488,596</b>	<b>412,872</b>

**19 Segment analysis**

For operating purposes, the Group is organised into business segments based on its products and services as follows:

**Contracting and consultancy** includes the real estate development construction and technical consultancy and design services.

**Landscaping, agriculture and maintenance** includes landscaping design, execution and maintenance.

**Business process / manpower** includes providing services with respect to human service.

**Outsourcing and labour supply** cadres, human resources and administrative consultancy, mediation of domestic workers and temporary employment services.

**Staff accommodation** includes real estate enterprise development, training institution management, camps and labour accommodation management.

**Furniture manufacturing, Retail and interior fit out** includes retail trading of household, office furniture and interior decoration material.

**Others (unallocated)** includes Company's expenses and income not allocated to any segment.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**19 Segment analysis (continued)**

<b>30 June 2025 (unaudited)</b>	<b>Contracting And consultancy AED'000</b>	<b>Landscaping, agriculture and maintenance AED'000</b>	<b>Business process / manpower outsourcing AED'000</b>	<b>Furniture manufacturing, retails and interior fit out AED'000</b>	<b>Staff accommodation AED'000</b>	<b>Others / unallocated AED'000</b>	<b>Total segments AED'000</b>	<b>Elimination AED'000</b>	<b>Consolidated AED'000</b>
<b>Revenue</b>									
External customers	123,944	122,693	161,078	286,645	15,169	468	709,997	-	709,997
Inter-Segment	3,073	6,036	67,810	17,682	-	-	94,601	(94,601)	-
<b>Total</b>	<b>127,017</b>	<b>128,729</b>	<b>228,888</b>	<b>304,327</b>	<b>15,169</b>	<b>468</b>	<b>804,598</b>	<b>(94,601)</b>	<b>709,997</b>
<b>Less: Expenses</b>									
Direct costs	(78,652)	(101,356)	(177,137)	(204,272)	(10,365)	(377)	(572,159)	83,563	(488,596)
General and administrative expenses	(7,961)	(8,329)	(9,612)	(22,436)	(2,654)	(20,038)	(71,030)	10,344	(60,686)
Selling and distribution expenses	-	-	-	(57,883)	-	-	(57,883)	-	(57,883)
Gain from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	167	-	196	363	-	363
Share of profit from investment in associate and joint Ventures	-	-	-	-	-	23,855	23,855	-	23,855
Gain from change in fair value of biological assets	-	181	-	-	-	-	181	-	181
Other income	5,295	677	1,321	29,423	342	181,508	218,566	(204,790)	13,776
Finance costs	(281)	(380)	(164)	(5,084)	(647)	(2,140)	(8,696)	-	(8,696)
<b>Profit before tax</b>	<b>45,418</b>	<b>19,522</b>	<b>43,296</b>	<b>44,242</b>	<b>1,845</b>	<b>183,472</b>	<b>337,795</b>	<b>(205,484)</b>	<b>132,311</b>
Corporate income tax	(2,090)	(3,041)	(3,039)	(3,153)	-	(5,550)	(16,873)	-	(16,873)
<b>Profit after tax</b>	<b>43,328</b>	<b>16,481</b>	<b>40,257</b>	<b>41,089</b>	<b>1,845</b>	<b>177,922</b>	<b>320,922</b>	<b>(205,484)</b>	<b>115,438</b>
<b>Total asset</b>	<b>915,314</b>	<b>402,447</b>	<b>417,608</b>	<b>1,175,433</b>	<b>1,362,379</b>	<b>1,894,051</b>	<b>6,167,232</b>	<b>(2,365,130)</b>	<b>3,802,102</b>
<b>Total liabilities</b>	<b>646,510</b>	<b>243,998</b>	<b>179,460</b>	<b>693,099</b>	<b>30,884</b>	<b>1,031,829</b>	<b>2,825,780</b>	<b>(1,697,757)</b>	<b>1,128,023</b>

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**19 Segment analysis (continued)**

<u>30 June 2024 (unaudited)</u>	Contracting And consultancy AED'000	Landscaping, agriculture and maintenance AED'000	Business process / manpower outsourcing AED'000	Furniture manufacturing, etails and interior fit out AED'000	Staff accommodation AED'000	Others / unallocated AED'000	Total segments AED'000	Elimination AED'000	Consolidated AED'000
<b>Revenue</b>									
External customers	37,257	182,027	90,497	325,525	3,607	633	639,546	-	639,546
Inter-Segment	25,615	629	14,359	2,617	52	-	43,272	(43,272)	-
Total	62,872	182,656	104,856	328,142	3,659	633	682,818	(43,272)	639,546
<b>Less: Expenses</b>									
Direct costs	(46,863)	(95,064)	(85,010)	(211,411)	(2,289)	(201)	(440,838)	27,966	(412,872)
General and administrative expenses	(4,991)	(16,835)	(8,583)	(30,852)	(776)	(9,662)	(71,699)	6,089	(65,610)
Selling and distribution expenses	-	-	-	(63,080)	-	-	(63,080)	-	(63,080)
Loss from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(350)	-	(9,132)	(9,482)	-	(9,482)
Share of profit from investment in associate and joint ventures	-	-	-	-	-	15,411	15,411	-	15,411
Fair value of previously held equity interest	-	-	-	-	-	29,917	29,917	-	29,917
Other income	1,520	667	625	4,727	157	27,979	35,675	(25,014)	10,661
Finance costs	(37)	(295)	(183)	(4,221)	(215)	(196)	(5,147)	-	(5,147)
Profit for the period before tax	12,501	71,129	11,705	22,955	536	54,749	173,575	(34,231)	139,344
Corporate income tax	(1,289)	(5,947)	(980)	(2,030)	(50)	1,944	(8,352)	-	(8,352)
Profit for the period after tax	11,212	65,182	10,725	20,925	486	56,693	165,223	(34,231)	130,992
<u>As at 31 December 2024</u>									
Total asset	190,060	361,709	458,018	974,339	1,349,252	1,974,326	5,307,704	(1,624,427)	3,683,277
Total liabilities	143,349	221,909	168,496	509,604	30,968	1,063,717	2,138,043	(957,521)	1,180,522

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**20 Income tax**

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance (“MoF”) released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law (“CT Law”) to enact a new Corporate Tax (CT) regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% corporate tax.

Recently, in order to align with OECD’s Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025. ESG Emirates Stallions Group PJSC and its subsidiaries are constituent entities within an MNE group in scope of Pillar Two.

Furthermore, for the period ended 30 June 2025, the Group has applied the IASB amendment to IAS 12, Income Taxes, which provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

The Group estimates the following current tax expense and top-up taxes related to Pillar Two for the six-month period ended 30 June 2025:

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	<b>Three months ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>AED’000</b>	<b>AED’000</b>	<b>AED’000</b>	<b>AED’000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Income tax charge – current	<b>(5,170)</b>	(8,200)	<b>(9,291)</b>	(11,926)
Pillar two taxes – UAE	<b>(4,658)</b>	-	<b>(7,062)</b>	-
Income tax charge – prior	<b>(72)</b>	-	<b>1,924</b>	-
Deferred tax, net	<b>(322)</b>	2,391	<b>(2,444)</b>	3,574
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Income tax expense recognized in the interim condensed consolidated statement of profit or loss</b>	<b>(10,222)</b>	(5,809)	<b>(16,873)</b>	(8,352)
	<hr/>	<hr/>	<hr/>	<hr/>

The Effective Tax Rate (ETR) for the period ending 30 June 2025 is 12.7% (31 December 2024: 6.72%). The rise in the ETR compared to last year is due to the introduction of DMTT in the UAE.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**20 Income tax (continued)**

**Income tax payable**

The movement in the income tax payable account is as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Balance at the beginning of the period / year	(21,736)	-
Tax expense – current period / year	(9,291)	(21,520)
Pillar two taxes – UAE	(7,062)	-
Tax expense – prior year	1,924	-
Tax expense – other comprehensive income	2	(216)
	<hr/>	<hr/>
At end of period / year	<b>(36,163)</b>	<b>(21,736)</b>
	<hr/>	<hr/>

**Deferred tax**

Deferred tax liability presented in the interim condensed consolidated statement of financial position is as follows:

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Deferred tax assets	1,637	4,480
Deferred tax liabilities	(2,400)	(2,798)
	<hr/>	<hr/>
<b>Deferred tax (liabilities)/ assets , net</b>	<b>(763)</b>	<b>1,682</b>
	<hr/>	<hr/>

Tax related to items recognised in OCI during the year:

	<b>30 June 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Change in fair value of financial assets carried at fair value through other comprehensive income – current tax	2	(216)
Change in fair value of financial assets carried at fair value through other comprehensive income – deferred tax	-	(4)
	<hr/>	<hr/>
Tax credit (charge) to OCI	<b>2</b>	<b>(220)</b>
	<hr/>	<hr/>

## Notes to the interim condensed consolidated financial statements for the six-month period ended 30 June 2025 (continued)

### 21 Earnings per share

Basic earnings per share are calculated by dividing the profit for the year attributed to the equity holders of the parent by the weighted average number of shares in issue throughout the year.

Diluted earnings per share is calculated by dividing the profit for the year attributed to the equity holders of the parent by the weighted average number of shares in issue throughout the period, adjusted for the effects of dilutive instruments.

	Three months ended 30 June		Six months ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Profit for the year attributable to equity holders of the parent (AED'000)	<b>46,767</b>	62,920	<b>95,252</b>	128,005
Weighted average number of ordinary shares ('000)	<b>250,000</b>	250,000	<b>250,000</b>	250,000
Basic earnings per share for the period (AED)	<b>0.19</b>	0.25	<b>0.38</b>	0.51

Diluted earnings per share as of 30 June 2025 and 30 June 2024 are equivalent to basic earnings per share.

### 22 Contingent liabilities and commitments

	30 June 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Letters of guarantee	<b>180,635</b>	160,262
Capital commitments	<b>292,058</b>	143,433

Bank guarantees and letter of credit are issued in the normal course of business.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that requires to be accrued for as of 30 June 2025.

### 23 Seasonality of results

The nature of Group's business is such that the income and expenditure are incurred in a manner, which is not impacted by any forms of seasonality. These interim condensed consolidated financial statements were prepared based upon accrual concept, which requires income and expenses to be recorded as earned or incurred and not as received or paid throughout the period.

**Notes to the interim condensed consolidated financial statements  
for the six-month period ended 30 June 2025 (continued)**

**24 Financial instruments' fair value disclosures**

The Group's management considers that the fair values of its financial assets and financial liabilities approximate to their carrying amounts as stated in the interim condensed consolidated statement of financial position.

**25 Reclassifications**

In order to comply with the requirements of paragraph 105 under IFRS 15, *Revenue from Contracts with Customers*, certain comparative figures have been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements.

The following table summarizes the accounting effect on the interim condensed consolidated statement of financial position and interim condensed consolidated statement of cash flows:

	As previously presented AED'000	Reclassification AED'000	As reclassified AED'000
<b>31 December 2024</b>			
<b><u>Statement of financial position</u></b>			
Trade and other receivables (i)	629,377	(127,986)	501,391
Contract assets (i)	-	127,986	127,986
Trade and other payables (ii)	674,246	(235,869)	438,377
Contract liabilities (ii)	-	235,869	235,869
<b>30 June 2024</b>			
<b><u>Statement of cash flows</u></b>			
Trade and other receivables (i)	(90,836)	43,784	(47,052)
Contract assets (i)	-	(43,784)	(43,784)
Trade and other payables (ii)	(10,289)	(72,547)	(82,836)
Contract liabilities (ii)	-	72,547	72,547

- (i) This represents the amount of contract assets previously part of the 'trade and other receivables' and is now presented as a separate line item in the face of interim condensed consolidated financial statements.
- (ii) This represents the amount of contract liabilities previously part of the 'trade and other payables' and is now presented as a separate line item in the face of interim condensed consolidated financial statements.