

**ESG EMIRATES STALLIONS GROUP
PJSC**

**Review report and interim
financial information
for the nine-month period ended
30 September 2025**

ESG EMIRATES STALLIONS GROUP PJSC

Review report and interim financial information for the nine-month period ended 30 September 2025

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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 September 2025 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-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 consolidated financial statements of the Group for the year ended 31 December 2024 and interim financial information for the nine-month period ended 30 September 2024 were audited and reviewed respectively by another auditor who expressed an unmodified opinion on those statements and unmodified conclusion on that information on 27 January 2025 and 28 October 2024, respectively.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration Number 717
27 October 2025
Abu Dhabi
United Arab Emirates

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

	Notes	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
ASSETS			
Non-current assets			
Property and equipment	3	313,882	359,468
Investment properties	4	418,320	168,956
Intangible assets and goodwill	5	89,446	96,146
Right-of-use assets	6	134,225	173,117
Investments in associates and joint ventures	7	1,215,591	1,204,224
Financial assets at fair value through other comprehensive income	8.1	374	1,395
Deferred tax assets	20	2,970	4,480
Trade and other receivables	13	30,075	30,075
Due from related parties	11	950	950
Total non-current assets		2,205,833	2,038,811
Current assets			
Inventories	9	89,304	101,394
Development work in progress	10	199,009	252,909
Biological assets - plants		4,109	292
Financial assets at fair value through profit or loss	8.2	877	4,780
Due from related parties	11	177,148	187,396
Contract assets	12	158,138	127,986
Trade and other receivables	13	559,326	501,391
Cash and bank balances	14	538,081	468,318
Total current assets		1,725,992	1,644,466
Total assets		3,931,825	3,683,277
EQUITY AND LIABILITIES			
Equity			
Share capital		250,000	250,000
Statutory reserve		113,362	113,362
Merger, acquisition and other reserves		789,117	789,117
Currency translation reserve		(60)	(6)
Cumulative changes in fair value reserve		(1,319)	(1,439)
Fair value of cashflow hedges		(7,659)	(4,947)
Retained earnings		1,197,686	1,037,463
Equity attributable to the shareholders of the Company		2,341,127	2,183,550
Non-controlling interest		424,712	319,205
Total equity		2,765,839	2,502,755

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

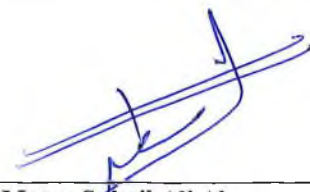
**Interim condensed consolidated statement of financial position
as at 30 September 2025 (continued)**

	Notes	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
EQUITY AND LIABILITIES continued			
Liabilities			
Non-current liabilities			
Employees' end of service benefits		74,740	65,640
Deferred tax liabilities	20	2,200	2,798
Lease liabilities		111,210	154,891
Trade and other payables	16	41,913	2,792
Bank borrowings	15	8,750	21,875
Due to related parties	11	57,519	56,718
Total non-current liabilities		296,332	304,714
Current liabilities			
Due to related parties	11	52,139	110,669
Lease liabilities		49,037	40,891
Bank borrowings	15	17,500	28,266
Income tax payable	20	23,503	21,736
Contract liabilities	12	296,263	235,869
Trade and other payables	16	431,212	438,377
Total current liabilities		869,654	875,808
Total liabilities		1,165,986	1,180,522
Total equity and liabilities		3,931,825	3,683,277

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 Aldhaheri
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 nine-month period ended 30 September 2025**

	Notes	Three-month period ended 30 September		Nine-month period ended 30 September	
		2025	2024	2025	2024
		AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)	AED'000 (unaudited)
Revenue	17	357,493	260,974	1,067,490	900,520
Direct costs	18	(221,458)	(183,633)	(710,054)	(596,505)
Gross profit		136,035	77,341	357,436	304,015
General and administrative expenses		(51,467)	(26,345)	(112,153)	(91,955)
Selling and distribution expenses		(27,432)	(29,296)	(85,315)	(92,376)
Share of profit from investment in associates and joint ventures	7	14,130	9,385	37,985	24,796
Gain from change in fair value of biological assets		-	-	181	-
Gain/(loss) from change in fair value of financial assets carried at fair value through profit or loss	8.2	(94)	1,426	269	(8,056)
Impairment loss on property and equipment		(873)	-	(873)	-
Interest and other income		9,510	6,124	23,286	16,785
Fair value gain on previously held equity interest		-	-	-	29,917
Finance costs		(3,734)	(4,337)	(12,430)	(9,484)
Profit before tax for the period		76,075	34,298	208,386	173,642
Corporate income tax	20	(3,469)	(2,390)	(20,342)	(10,742)
Profit after tax for the period		72,606	31,908	188,044	162,900
Profit attributable to:					
Equity holders of the parent company		65,088	34,002	160,340	162,007
Non-controlling interest		7,518	(2,094)	27,704	893
Profit for the period		72,606	31,908	188,044	162,900
Basic earnings per share (AED)	21	0.26	0.14	0.64	0.65

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

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

	Note	Three-month period ended 30 September		Nine-month period ended 30 September	
		2025 AED'000 (<i>unaudited</i>)	2024 AED'000 (<i>unaudited</i>)	2025 AED'000 (<i>unaudited</i>)	2024 AED'000 (<i>unaudited</i>)
Profit for the period		72,606	31,908	188,044	162,900
Other comprehensive income/(loss)					
<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		(361)	115	(54)	60
Share of fair value loss on cash flow hedges of an associate	7	(477)	(2,879)	(2,712)	(2,708)
<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		22	5,430	3	3,372
Total other comprehensive (loss)/income for the period		(816)	2,666	(2,763)	724
Total comprehensive income for the period		71,790	34,574	185,281	163,624
Attributable to:					
Equity holders of the parent		64,272	36,668	157,577	162,731
Non-controlling interests		7,518	(2,094)	27,704	893
		71,790	34,574	185,281	163,624

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

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

	Attributable to equity holders of the Parent									
	Share capital AED'000	Statutory 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	-	-	-	-	-	-	162,007	162,007	893	162,900
Other comprehensive loss for the period	-	-	-	60	3,372	(2,708)	-	724	-	724
Total comprehensive income (loss) for the period	-	-	-	60	3,372	(2,708)	162,007	162,731	893	163,624
Dividend payment to non-controlling interest	-	-	-	-	-	-	-	-	(3,750)	(3,750)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	20,187	20,187
Acquisition of a subsidiary (i)	-	-	-	-	-	-	-	-	17,594	17,594
Acquisition of non-controlling interest (ii)	-	-	(20,047)	-	-	-	-	(20,047)	(17,572)	(37,619)
Acquisition of non-controlling interest (iii)	-	-	1,423	-	-	-	-	1,423	(1,423)	-
Change in shareholding of subsidiaries without loss of control (iv)	-	-	(13,494)	-	-	-	-	(13,494)	13,494	-
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 September 2024 <i>(unaudited)</i>	250,000	90,846	789,117	(191)	3,304	(6,179)	993,282	2,120,179	314,375	2,434,554

- (i) Relates to acquisition of Deco Vision Company WLL
(ii) Relates to additional shares purchased for Vision Furniture & Decoration Factory LLC
(iii) Relates to additional shares purchased in Progressive Real Estate Development LLC - SPC
(iv) Relates to reduction in shareholding in Sawaeed Holding PJSC

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

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

	Attributable to equity holders of the Parent									
	Share capital AED'000	Statutory 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	-	-	-	-	-	-	160,340	160,340	27,704	188,044
Other comprehensive income / (loss) for the period	-	-	-	(54)	3	(2,712)	-	(2,763)	-	(2,763)
Total comprehensive income for the period	-	-	-	(54)	3	(2,712)	160,340	157,577	27,704	185,281
Capital injection by non-controlling interest (i)	-	-	-	-	-	-	-	-	97,781	97,781
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	327	327
Dividends paid to non-controlling interests (ii)	-	-	-	-	-	-	-	-	(20,305)	(20,305)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	117	-	(117)	-	-	-
Balance at 30 September 2025 (unaudited)	250,000	113,362	789,117	(60)	(1,319)	(7,659)	1,197,686	2,341,127	424,712	2,765,839

(i) Includes capital injection of incorporation of Royal Harbor LTD and Royal Luxury Hotel Management LLC during the period.

(ii) This includes dividend paid to non-controlling interest for Sawaeed Holding PJSC and Deco Vision Company WLL.

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

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

	Notes	Nine-month period ended 30 September	
		2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Cash flows from operating activities			
Profit before tax for the period		208,386	173,642
Adjustments for:			
Depreciation of property and equipment	3	18,029	16,596
(Gain)/loss on disposal of property and equipment	3	(200)	3,769
Write off of property and equipment		52	-
Depreciation of investment properties	4	6,056	3,499
Amortisation of intangible assets	5	6,731	6,681
Depreciation of right-of-use assets	6	37,943	38,624
Gain on modification / termination of lease		(1,223)	(235)
Share of profit from associates and joint ventures		(37,985)	(24,796)
Gain on changes in fair value of biological assets		(181)	-
(Gain)/loss on changes in fair value of financial assets carried at fair value through profit or loss		(269)	8,056
Dividend income		-	(287)
Impairment loss on property and equipment		873	-
Provision for employees' end of service benefits		15,431	11,245
Provision for slow moving inventories		1,215	1,215
Reversal of provision for expected credit losses - trade and other receivables		(17,017)	(1,748)
Charge of provision for expected credit losses – contract assets		5,056	2,089
(Reversal)/charge of provision for expected credit losses - due from related parties		(5,857)	8,592
Fair value gain on previously held equity interest		-	(29,917)
Finance costs		12,430	9,484
		249,470	226,509
Working capital adjustments:			
Inventories		10,875	11,707
Trade and other receivables		(40,918)	(30,451)
Contract assets		(35,208)	(56,113)
Development work in progress		(19,951)	(33,167)
Due from related parties		16,432	(7,334)
Biological assets — plants		(3,636)	(978)
Contract liabilities		60,394	119,212
Trade and other payables		31,956	(149,432)
Due to related parties		(56,691)	(20,236)
		212,723	59,717
Cash generated from operations		212,723	59,717
Employees' end of service benefits paid		(7,369)	(5,842)
Finance costs paid		(4,096)	(4,531)
Taxes paid		(17,639)	-
		183,619	49,344
Net cash generated from operating activities		183,619	49,344

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

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

		Nine months ended 30 September	
	Notes	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Cash flows from investing activities			
Net cash acquired in business combination		-	45,082
Cash paid for acquisition of non-controlling interest		-	(37,619)
Net cash paid on acquisition of entity under common control		-	(151,145)
Payment for purchase of property and equipment	3	(77,372)	(55,436)
Payment for purchase of intangible assets	5	(31)	(288)
Payment for investment property under development	4	(69,762)	-
Payment for purchase of investment properties	4	(1,005)	-
Proceeds from disposal of property and equipment	3	200	1,031
Dividend income received		-	287
Purchase of financial assets carried at fair value through profit or loss		-	(2,327)
Dividend received from associates and joint ventures	7	23,906	-
Proceed from disposal of financial assets carried at fair value through profit or loss	8.2	4,172	17,612
Proceed from disposal of financial assets carried at fair value through other comprehensive income	8.1	1,000	742
Movement in restricted cash		(100,937)	(27,237)
Movement in fixed deposits with original maturity more than three months		57,772	170,521
Net cash used in investing activities		(162,057)	(38,777)
Financing activities			
Principal paid on lease liabilities		(48,155)	(50,073)
Repayments of bank borrowings		(23,891)	(26,924)
Dividends paid to non-controlling interests		(20,305)	(3,750)
Capital injection by non-controlling interest		97,781	20,187
Net cash generated from/(used in) financing activities		5,430	(60,560)
Net increase/(decrease) in cash and cash equivalents		26,992	(49,993)
Cash and cash equivalents at beginning of the period		189,750	180,136
Effect of foreign exchange rate changes		(394)	(3)
Cash and cash equivalents at the end of the period	14	216,348	130,140

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

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 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 manufacturing 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 nine-month period ended 30 September 2025, were approved and authorised by the Board of Directors for issuance on 27 October 2025.

**Notes to the interim condensed consolidated financial statements
for the nine-month period ended 30 September 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i> 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> The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a ‘de facto agent’ • IAS 7: Cost method <i>IFRS 18 Presentation and Disclosure in Financial Statements</i> 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: • present specified categories and defined subtotals in the statement of profit or loss • provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements • improve aggregation and disaggregation 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	1 January 2026 1 January 2026 1 January 2027 Effective date not yet decided

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 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

**Effective for
annual periods
beginning on or after**

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.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

1 January 2027

The amendments cover new or amended IFRS Accounting Standards issued between 28 February 2021 and 1 May 2024 that were not considered when IFRS 19 was first issued.

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 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

Effective for annual periods beginning on or after

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

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

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.

IFRS S2 Climate-related Disclosures

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 nine-month period ended 30 September 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
		September 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 nine-month period ended 30 September 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
		September 2025	December 2024		

Below are the subsidiaries of ESG Capital Holding LLC continued:

11	Century Village Real Estate Investment L.L.C	70%	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.
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Below are the subsidiaries of Royal Development Holding Company LLC:

12	Abu Dhabi Land General Contracting LLC - SPC	100%	100%	UAE	Building maintenance, real estate lease and management services, general contracting and other associated business.
13	Royal Harbor LTD (i)	51%	-	UAE	Real Estate Lease and Management Services, Real Estate Development Construction
14	Ocean Luxury Living Estate Development LLC (i)	51%	-	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	100%	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	100%	100%	UAE	Hospitality Services

Below are the subsidiaries of ESG Interiors LLC:

17	Afkar Financial & Property Investments LLC	60%	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	85%	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)	100%	-	UAE	Stones cutting, shaping and finishing, stone furniture manufacturing.

**Notes to the interim condensed consolidated financial statements
for the nine-month period ended 30 September 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
		September 2025	December 2024		

Below are the subsidiaries of ESG Interiors LLC continued:

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.

Below are the subsidiaries of ESG Agriculture Services & Landscaping Holding LLC:

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

Below are the subsidiaries of ESG Human Resources Solutions LLC:

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

Below are the subsidiaries of Royal Development Company LLC - SPC:

26	Royal Architect Project Management LLC - SPC	100%	100%	UAE	Architectural engineering consultancy, construction projects management consultancy.
27	Royal Development Company Hellas Single Member P.C (i)	100%	-	Greece	Project management consultancy services
28	Royal Development Company d.o.o. Beograd- Vracar	100%	100%	Serbia	Hotel accommodation.

**Notes to the interim condensed consolidated financial statements
for the nine-month period ended 30 September 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
		September 2025	December 2024		

Below are the subsidiaries of ESG Hospitality Sole Proprietorship LLC:

29	Royal Dunes Real Estate Development LLC	51%	51%	UAE	Real Estate Development
30	Royal Luxury Hotel management LLC	51%	51%	UAE	Hotel management

Below is the subsidiary of Royal Luxury Hotel Management LLC:

31	Royal Luxury Restaurant LLC (i)	100%	-	UAE	Restaurant, coffee shop
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Below is the subsidiary of Vision Furniture & Decoration Factory LLC - SPC:

32	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:

33	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
34	2XL Home LLC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
35	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:

36	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 nine-month period ended 30 September 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
		September 2025	December 2024		
<u>Below are the subsidiaries of Sawaeed Holding PJSC:</u>					
37	Sawaeed Employment - Sole Proprietorship LLC	100%	100%	UAE	Providing upon request employee provision services
38	Sawaeed Training Centre - Sole Proprietorship LLC	100%	100%	UAE	Training of construction workers
39	Sawaeed Investment - Sole Proprietorship LLC	100%	100%	UAE	Real estate enterprises investment development, institution and management and camps and labour accommodation management
40	Sawaeed General Project — Sole Proprietorship LLC	100%	100%	UAE	Building projects contracting, project management services, building
41	Solutions Investments Services LLC (i)	60%	-	UAE	Provide onshore and offshore oil and gas fields and facilities services, commercial enterprises, investment, institution and management
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 nine-month period ended 30 September 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
		September 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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Below is the subsidiary of ESG Agro SP LLC:

48	ESG Farm Operations LLC – SPC (i)	100%	-	UAE	Importing, agricultural enterprise investment institution and management, wholesale of fresh fruits and vegetables trading, farms and manors operations and management, exporting.
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(i) Subsidiaries established during the period

(ii) The Board has approved the liquidation of this entity.

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

During the period, additions to property and equipment amounted to AED 77,372 thousand (nine-month period ended 30 September 2024: AED 55,436 thousand) and depreciation charge amounted to AED 18,029 thousand (nine-month period ended 30 September 2024: AED 16,596 thousand).

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

During the period, property and equipment having net book value of AED nil (nine-month period ended 30 September 2024: AED 4,800 thousand) were disposed off with a gain of AED 200 thousand (nine-month period ended 30 September 2024: loss of AED 3,769 thousand).

During the period, property and equipment having a net book value of AED 162,534 thousand (nine-month period ended 30 September 2024: AED nil) was transferred to investment properties under development including land, property and equipment having a net book value of AED 15,661 thousand (nine month period ended 30 September 2024: nil) was transferred to investment properties and AED 73,851 thousand (nine month period ended 30 September 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 and investment property amounted to AED 70,767 thousand (nine-month period ended 30 September 2024: AED nil) and depreciation charge amounted to AED 6,056 thousand (nine-month period ended 30 September 2024: AED 3,499 thousand).

Investment properties acquired through business combinations amounted to AED nil (nine-month period ended 30 September 2024: AED 56,820 thousand).

During the period, investment property under development including land 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 (nine-month period ended 30 September 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 31 thousand (nine-month period ended 30 September 2024: AED 288 thousand) amortization charge amounted to AED 6,731 thousand (nine-month period ended 30 September 2024: AED 6,681 thousand).

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

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 2025 (continued)

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 14,853 thousand (nine-month period ended 30 September 2024: AED 100,192 thousand) depreciation charge amounted to AED 37,943 thousand (nine-month period ended 30 September 2024: AED 38,624 thousand).

Right of use assets acquired through business combinations amounted to AED nil (nine-month period ended 30 September 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.

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>September 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 September 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:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	1,204,224	1,223,777
Share of the Group's profit for the period/year	37,985	36,838
Share of other comprehensive loss for the period/year	(2,712)	(1,476)
Dividend received during the period/year	(23,906)	(15,778)
Transfer to subsidiary during the period/year	-	(39,137)
At the end of the period/year	1,215,591	1,204,224

**Notes to the interim condensed consolidated financial statements
for the nine-month period ended 30 September 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:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Total assets	5,637,031	5,637,218
Total liabilities	(1,032,678)	(1,118,420)
Net assets	4,604,353	4,518,798
Group's carrying amount of the investments, net	1,215,591	1,204,224
	30 September 2025 AED'000 (unaudited)	30 September 2024 AED'000 (unaudited)
Total revenue for the period	536,474	396,095
Total profit for the period	158,868	103,706
Group's share in profit for the period	37,985	24,796
Total other comprehensive loss for the period	(11,345)	(11,325)
Group's share of OCI for the period	(2,712)	(2,708)
Dividend received during the period	(23,906)	-

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

8 Investment in financial assets

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Investments carried at fair value through other comprehensive income (FVTOCI)	374	1,395
Investments carried at fair value through profit or loss (FVTPL)	877	4,780
	1,251	6,175

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Quoted	-	1,021
Unquoted	374	374
	374	1,395

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 nine-month period ended 30 September 2025 (continued)**

8 Investment in financial assets (continued)

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

Movement in investments at FVTOCI are as follows:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	1,395	62,604
Acquired in business combinations	-	42,089
Disposal during the period/year	(1,000)	(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	(21)	2,392
	374	1,395
Dividend received during the period/year	-	271

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	4,780	45,864
Acquired during the period/year	-	2,327
Changes in fair value during the period/year	269	(11,253)
Disposals during the period/year	(4,172)	(32,158)
	877	4,780
Dividend received during the period/year	-	119

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

9 Inventories

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Household furniture	89,271	104,344
Raw material and supplies	8,967	1,051
Spares and consumables	142	168
Work in progress	11	11
Goods in transit	-	3,692
Less: provision for slow moving inventories	(9,087)	(7,872)
	89,304	101,394

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	7,872	6,600
Charge for the period/year	1,215	1,272
At the end of the period/year	9,087	7,872

10 Development work in progress

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Mallside project, Dubai Hills Estate	41,757	115,011
Seamont project, Al Reem Island	157,252	137,898
	199,009	252,909

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

10 Development work in progress (continued)

Movement during the period / year is as follow:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	252,909	79,073
Additions during the period/year	94,717	173,836
Recognized in direct costs	(74,766)	-
Transferred to property and equipment	(73,851)	-
At the end of the period/year	199,009	252,909

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:

	30 September 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Due from related parties:		
<i>Non-current</i>		
Other related entities	950	950
Due from related parties:		
<i>Current</i>		
Entities under common control	151,040	139,627
Other related entities	52,486	70,878
Parent entity	259	12,618
Ultimate parent	2,137	2,830
	205,922	225,953
Less: provision for expected credit losses	(28,774)	(38,557)
	177,148	187,396

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

11 Related parties (continued)

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

	30 September 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Due to related parties:		
<i>Non-current</i>		
Entity under common control	54,999	54,198
Ultimate parent	2,520	2,520
	57,519	56,718
Due to related parties:		
<i>Current</i>		
Entity under common control	43,593	99,523
Other related entities	6,171	9,943
Parent entity	1,922	750
Ultimate parent	453	453
	52,139	110,669

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

	30 September 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Financial assets carried at fair value through profit or loss	185	216
Financial assets carried at fair value through other comprehensive income	374	1,395
Balances with a financial institution	407,328	308,975
Bank borrowings with a financial institution	-	10,740

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

11 Related parties (continued)

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

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2025	2024	2025	2024
	AED' 000	AED' 000	AED' 000	AED' 000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	103,515	38,417	284,793	147,162
Cost of revenue and expenses	5,855	2,033	9,545	4,301
Interest income on deposits with financial institution	650	1,488	2,594	6,044
Finance cost on bank borrowings with financial institution	90	137	332	916
Dividend received from associate	-	-	23,906	-
Key management compensation				
Salaries and other benefits	943	817	2,791	2,427
Number of key management personnel	2	2	2	2
Board of Director's remuneration	1,273	-	2,563	-

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

12 Contract assets and contract liabilities

Details of contract assets and contract costs of AED 158,138 thousand (31 December 2024: AED 127,986 thousand) are as follows:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Contract assets	179,370	147,947
Less: provision for expected credit losses	(21,232)	(19,961)
	158,138	127,986
Contracts costs incurred plus recognised profits less recognised losses to date	1,536,871	1,502,813
Progress billings to date	(1,435,788)	(1,423,772)
	101,083	79,041

The contract work in progress is presented as follows:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Contracts assets, net	158,138	127,986
Billing in excess of value of work in progress (contract liabilities)	(57,055)	(48,945)
	101,083	79,041

**Notes to the interim condensed consolidated financial statements
for the nine-month period ended 30 September 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:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	19,961	5,541
Charge for the period/year, net	5,056	4,880
Written off during the period/year	(3,753)	-
Transferred to trade and other receivables	(32)	-
Acquired in business combinations	-	9,540
At the end of the period/year	21,232	19,961

The contract liabilities includes:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Advances received from customers	239,208	186,924
Billing in excess of value of work in progress	57,055	48,945
	296,263	235,869

13 Trade and other receivables

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade receivables	438,175	507,315
Less: provision for expected credit losses	(168,649)	(212,503)
	269,526	294,812
Retention receivables, net	47,220	48,206
Advances to suppliers, net	80,558	76,041
Prepaid expenses and other receivables	192,097	112,407
	589,401	531,466

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

13 Trade and other receivables (continued)

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Non-current	30,075	30,075
Current	559,326	501,391
	589,401	531,466

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:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	216,499	86,095
Reversal for the period/year, net *	(23,872)	(5,861)
Acquired in business combinations	-	141,471
Transfers	102	(1,838)
Written off during the period/year	(22,950)	(3,368)
At the end of the period/year	169,779	216,499

* This includes AED 6,855 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 nine-month period ended 30 September 2025 (continued)**

13 Trade and other receivables (continued)

	1 January AED'000	(Reversal)/ 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
At 30 September 2025 (unaudited)						
Trade receivables	212,503	(21,006)	(22,950)	102	-	168,649
Retention receivables	3,104	(2,866)	-	-	-	238
Advances to suppliers	892	-	-	-	-	892
Total	216,499	(23,872)	(22,950)	102	-	169,779
At 31 December 2024 (audited)						
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
Total	86,095	(5,861)	(3,368)	(1,838)	141,471	216,499

14 Cash and bank balances

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cash on hand	2,337	806
Bank balances	376,444	247,496
Margin deposits	9,102	10,201
Term deposits*	150,254	209,865
	538,137	468,368
Less: provision for expected credit losses	(56)	(50)
	538,081	468,318
Less: restricted cash**	(189,864)	(88,927)
Less: term deposits with original maturity of more than three months	(131,869)	(189,641)
Cash and cash equivalents	216,348	189,750

**Notes to the interim condensed consolidated financial statements
for the nine-month period ended 30 September 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 Seamont project.

15 Bank borrowings

Bank borrowings comprise of the following:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Term loans	26,250	50,115
Vehicle loans	-	26
At the end of the period / year	26,250	50,141

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
At 1 January	50,141	81,840
Repayments made during the period/year	(23,891)	(31,699)
At the end of the period/year	26,250	50,141

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Current	17,500	28,266
Non-current	8,750	21,875
At the end of the period/year	26,250	50,141

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

15 Bank borrowings (continued)

				30 September 2025	31 December 2024	
	Security	Interest rates	Maturity	AED'000 (unaudited)	AED'000 (audited)	Purpose
Term loan - 1	Secured	2% + 6M EIBOR	September 2025	-	10,740	To finance the construction of commercial centres
Term loan - 2	Secured	2% + 6M EIBOR	February 2027	26,250	39,375	To finance the construction of warehouse
				26,250	50,115	
Other vehicle loans	Secured	3.00%-5.51%	2024-2027	-	26	To finance the purchase of vehicles
				26,250	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. During the period, the loan has been repaid fully.

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade payables	95,170	114,014
Accrued expenses	137,190	147,713
Retention payables	51,694	37,369
Provisions, deposits and other payables	189,071	142,073
	473,125	441,169

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

16 Trade and other payables (continued)

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Non-current	41,913	2,792
Current	431,212	438,377
	473,125	441,169

17 Revenue

	Three-month ended 30 September		Nine-month ended 30 September	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Type of revenue				
Furniture manufacturing and retail revenues and interior fit out	113,125	121,620	399,770	447,145
Business process and manpower outsourcing	90,317	89,942	251,395	180,439
Contracting and consultancy revenue	81,463	22,179	205,407	59,436
Landscaping, agriculture and maintenance revenue	62,236	25,414	184,929	207,441
Staff accommodation	9,826	1,231	24,995	4,838
Labour camp management and other related revenue	526	588	994	1,221
	357,493	260,974	1,067,490	900,520
Timing of revenue recognition				
Services transferred over the period of time	261,196	181,371	774,452	627,095
Services transferred at point of time	96,297	79,603	293,038	273,425
	357,493	260,974	1,067,490	900,520
Geographical markets				
Revenue generated within UAE	342,805	246,896	1,037,878	860,771
Revenue generated outside UAE	14,688	14,078	29,612	39,749
	357,493	260,974	1,067,490	900,520

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

18 Direct costs

	Three-month ended 30 September		Nine-month ended 30 September	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Staff costs	101,406	118,414	300,119	244,996
Direct materials	67,031	34,929	175,957	125,729
Sub-contracting and maintenance costs	32,411	17,595	171,477	179,219
Depreciation	6,031	5,848	17,648	15,714
Others	14,579	6,847	44,853	30,847
	221,458	183,633	710,054	596,505

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 nine-month period ended 30 September 2025 (continued)**

19 Segment analysis (continued)

30 September 2025 (unaudited)	Contracting And consultancy AED'000	Landscaping, agriculture and maintenance AED'000	Business process / manpower outsourcing AED'000	Furniture manufacturing, retails and interior fit out AED'000	Staff accommodation AED'000	Others / unallocated AED'000	Total segments AED'000	Elimination AED'000	Consolidated AED'000
Revenue									
External customers	205,407	184,929	251,395	399,770	24,995	994	1,067,490	-	1,067,490
Inter-Segment	21,526	6,228	109,929	25,075	-	-	162,758	(162,758)	-
Total	226,933	191,157	361,324	424,845	24,995	994	1,230,248	(162,758)	1,067,490
Less: Expenses									
Direct costs	(126,306)	(153,559)	(277,286)	(285,890)	(16,723)	(1,046)	(860,810)	150,756	(710,054)
General and administrative expenses	(24,671)	(17,430)	(16,033)	(35,873)	(3,281)	(24,108)	(121,396)	9,243	(112,153)
Selling and distribution expenses	-	-	-	(85,315)	-	-	(85,315)	-	(85,315)
Gain from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	55	-	214	269	-	269
Share of profit from investment in associate and joint Ventures	-	-	-	-	-	37,985	37,985	-	37,985
Gain from change in fair value of biological assets	-	181	-	-	-	-	181	-	181
Impairment loss on property and equipment	-	-	(873)	-	-	-	(873)	-	(873)
Other income	12,424	1,040	2,172	33,105	642	244,410	293,793	(270,507)	23,286
Finance costs	(624)	(581)	(224)	(6,865)	(974)	(3,162)	(12,430)	-	(12,430)
Profit before tax	87,756	20,808	69,080	44,062	4,659	255,287	481,652	(273,266)	208,386
Corporate income tax	(9,814)	(1,781)	(3,907)	(3,397)	-	(1,443)	(20,342)	-	(20,342)
Profit after tax	77,942	19,027	65,173	40,665	4,659	253,844	461,310	(273,266)	188,044
Total assets	1,061,836	469,913	398,301	1,132,488	1,375,658	2,210,739	6,648,935	(2,717,110)	3,931,825
Total liabilities	702,229	307,720	199,138	650,278	30,601	1,111,015	3,000,981	(1,834,995)	1,165,986

19 Segment analysis (continued)

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

	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
<u>30 September 2024 (unaudited)</u>									
Revenue									
External customers	59,436	207,441	180,439	447,145	4,838	1,221	900,520	-	900,520
Inter-Segment	28,449	3,946	33,235	46	4,048	-	69,724	(69,724)	-
Total	87,885	211,387	213,674	447,191	8,886	1,221	970,244	(69,724)	900,520
Less: Expenses									
Direct costs	(63,515)	(120,955)	(170,506)	(286,067)	(5,335)	(332)	(646,710)	50,205	(596,505)
General and administrative expenses	(7,455)	(17,097)	(14,266)	(45,466)	(2,211)	(15,774)	(102,269)	10,314	(91,955)
Selling and distribution expenses	-	-	-	(92,376)	-	-	(92,376)	-	(92,376)
Loss from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(513)	-	(7,543)	(8,056)	-	(8,056)
Share of profit from investment in associate and joint ventures	-	-	-	-	-	24,796	24,796	-	24,796
Fair value of previously held equity interest	-	-	-	-	-	29,917	29,917	-	29,917
Other income	3,513	830	1,328	6,642	548	30,583	43,444	(26,659)	16,785
Finance costs	(51)	(455)	(350)	(7,762)	(535)	(331)	(9,484)	-	(9,484)
Profit for the period before tax	20,377	73,710	29,880	21,649	1,353	62,537	209,506	(35,864)	173,642
Corporate income tax	(1,928)	(5,920)	(2,599)	(1,932)	(126)	1,763	(10,742)	-	(10,742)
Profit for the period after tax	18,449	67,790	27,281	19,717	1,227	64,300	198,764	(35,864)	162,900
<u>As at 31 December 2024</u>									
Total assets	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 nine-month period ended 30 September 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 Corporate Tax (CT) regime in the UAE. The 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 September 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 major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Three months ended 30 September		Nine months ended 30 September	
	2025 AED’000 (unaudited)	2024 AED’000 (unaudited)	2025 AED’000 (unaudited)	2024 AED’000 (unaudited)
Income tax charge – current	(6,129)	(3,895)	(15,420)	(15,821)
Pillar two taxes - UAE	(1,043)	-	(8,105)	-
Income tax credit – prior period	2,171	-	4,095	-
Deferred tax, net	1,532	1,505	(912)	5,079
Income tax expense recognized in the interim condensed consolidated statement of profit or loss	(3,469)	(2,390)	(20,342)	(10,742)

The Effective Tax Rate (ETR) for the period ending 30 September 2025 is 10% (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 nine-month period ended 30 September 2025 (continued)**

20 Income tax (continued)

Income tax payable

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Balance at the beginning of the period/year	(21,736)	-
Tax expense – current period/year	(15,420)	(21,520)
Pillar two taxes – UAE	(8,105)	-
Tax credit – prior year	4,095	-
Tax credit/(charge) – other comprehensive income	24	(216)
Paid during the period/year	17,639	-
At end of period/year	(23,503)	(21,736)

Deferred tax

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

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Deferred tax assets	2,970	4,480
Deferred tax liabilities	(2,200)	(2,798)
Deferred tax assets, net	770	1,682

Tax related to items recognised in OCI during the year:

	30 September 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Change in fair value of financial assets carried at fair value through other comprehensive income – current tax	24	(216)
Change in fair value of financial assets carried at fair value through other comprehensive income – deferred tax	-	(4)
Tax credit /(charge) to OCI	24	(220)

Notes to the interim condensed consolidated financial statements for the nine-month period ended 30 September 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-month ended 30 September		Nine-month ended 30 September	
	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)	65,088	34,002	160,340	162,007
Weighted average number of ordinary shares ('000)	250,000	250,000	250,000	250,000
Basic earnings per share for the period (AED)	0.26	0.14	0.64	0.65

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

22 Contingent liabilities and commitments

	30 September 2025 AED' 000 (unaudited)	31 December 2024 AED' 000 (audited)
Letters of guarantee	180,379	160,262
Capital commitments	247,731	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 September 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 nine-month period ended 30 September 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
31 December 2024			
<u>Statement of financial position</u>			
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
30 September 2024			
<u>Statement of cash flows</u>			
Trade and other receivables (i)	(86,564)	56,113	(30,451)
Contract assets (i)	-	(56,113)	(56,113)
Trade and other payables (ii)	(30,220)	(119,212)	(149,432)
Contract liabilities (ii)	-	119,212	119,212

- (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.