

**ESG EMIRATES STALLIONS GROUP PJSC**

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

## **ESG EMIRATES STALLIONS GROUP PJSC**

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

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**Directors' report  
for the year ended 31 December 2025**

The Directors present their report together with the audited consolidated financial statements of ESG Emirates Stallions Group PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2025.

**Principal activities**

The Group is engaged in a diversified range of businesses, such as real estate development construction, investment, feasibility studies, engineering and project management consultancy, real estate marketing consultancy, retail trade of household and office furniture, importing and interior design implementation works, retail sale of décor and partition material, manufacturing of wooden furniture, windows, shutter and their frames, architectural, engineering, project management sales, construction, leasing, and property management, manpower recruitment and outsourcing, real estate investment, development and management, labour accommodation management, facilities management services, catering services, and provision of skills training, staff accommodation, landscaping and gardening services, wholesale plants and trees saplings trading, wholesale and retail sale of fruits and vegetables, prepared farm animal feed its concentrates and supplements and retail sale of fodders.

**Financial results**

For the year ended 31 December 2025, the Group earned revenue of AED 1,771,035 thousand (2024: AED 1,273,482 thousand). The Group reported a profit for the year amounting to AED 342,119 thousand (2024: AED 230,884 thousand).


**Release**

The Directors release the management and the external auditors in connection with their duties for the year ended 31 December 2025.

**Auditor**

A resolution proposing the appointment of auditors of the Group for the year ending 31 December 2026 will be put to the shareholders at Annual General Meeting.

On behalf of the Board of Directors

  
.....  
**Chairman**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ESG EMIRATES STALLIONS GROUP PJSC**

### **REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **Opinion**

We have audited the consolidated financial statements of ESG Emirates Stallions Group PJSC (the "Company") and its subsidiaries (together, the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

#### **Basis for Opinion**

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

#### **Key Audit Matters**

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

**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF  
ESG EMIRATES STALLIONS GROUP PJSC (continued)**

**Key Audit Matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition</b>	
<p>The Group reported revenue of AED 1.8 billion during the year ended 31 December 2025 as described in note 25 to the consolidated financial statements. AED 1.4 billion of this revenue is recognised over the period of time that the related services are rendered to customers, whilst the remainder of the revenue is recognised once the services are completed or the goods are delivered.</p> <p>The Group’s business involves entering into contractual relationships with customers to provide a range of services with a significant proportion of the Group’s revenues and profits derived from long term contracts. The Group recognises revenue from these contracts over the period of time that the services are rendered and measures this revenue based on the total costs incurred for the work performed as at the reporting date as a proportion of the total estimated costs to be incurred.</p> <p>The Group recognises all other revenue at a point in time when control of goods or services is transferred to the customer, typically upon delivery of the goods or completion of the related service, as applicable.</p> <p>Revenue is quantitatively significant to the consolidated financial statements and requires management to apply significant judgements and make significant estimates when determining the amount of revenue to be recognized, for example determining the stage of completion of the contract for revenue recorded over time.</p> <p>We considered revenue recognition to be a key audit matter as a result of the quantitative significance of the amount to the consolidated financial statements, the level of judgements applied and estimates made by management and the audit effort required.</p>	<p>We performed the following audit procedures, inter alia, to address the key audit matter:</p> <ul style="list-style-type: none"> <li>• Understanding the significant revenue processes and identifying the relevant controls within these processes;</li> <li>• Evaluating the abovementioned controls over revenue to determine if they had been appropriately designed and were operating effectively;</li> <li>• Performing procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in accordance with the requirements of IFRS Accounting Standards;</li> <li>• Analysing relevant agreements and determining that transactions were recorded in accordance with the substance of the relevant agreements;</li> <li>• Performing audit procedures which includes inspecting a sample of contracts, reviewing for variation orders, reviewing estimated profit and costs to complete and enquiring of key personnel regarding profit margins over the contracts for those revenue transactions recorded over time;</li> <li>• Agreeing details of recorded revenue transactions, on a sample basis, to relevant supporting documentation, for those revenue transactions recorded at a point in time;</li> <li>• Evaluating the business rationale for any significant revenue transactions with related parties outside of the normal course of business; and</li> <li>• Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.</li> </ul>



**INDEPENDENT AUDITOR’S REPORT  
TO THE SHAREHOLDERS OF  
ESG EMIRATES STALLIONS GROUP PJSC (continued)**

**Key Audit Matters (continued)**

Key audit matter	How our audit addressed the key audit matter
<b>Revenue recognition</b>	
The Group’s accounting policies relating to revenue recognition are presented in note 3 to the consolidated financial statements and details about the Group’s revenue are disclosed in note 25 to the consolidated financial statements. Significant accounting judgments, estimates and assumptions relating to revenue are presented in note 4 to the consolidated financial statements.	

**Other Matter**

The consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 27 January 2025.

**Other Information**

Management is responsible for the other information. The other information comprises the Directors’ report (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report.

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

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

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



**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
ESG EMIRATES STALLIONS GROUP PJSC (continued)**

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ESG EMIRATES STALLIONS GROUP PJSC (continued)**

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

- we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended, and the Company's Articles of Association;
- the Group has maintained proper books of account;
- the financial information included in the Directors' report is consistent with the books of account and records of the Group;
- investments in shares and stocks are included in note 10 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2025;
- note 14 reflects the disclosures relating to related party transactions and the terms under which they were conducted;

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
ESG EMIRATES STALLIONS GROUP PJSC (continued)**

**Report on other legal and regulatory requirements (continued)**

- Note 1 to the consolidated financial statements discloses that whether the Group has made any social contributions during the financial year ended 31 December 2025; and
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended; or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration Number 717  
27 January 2026  
Abu Dhabi  
United Arab Emirates

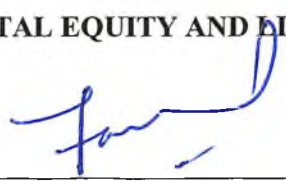
**Consolidated statement of financial position  
at 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	5	335,342	359,468
Investment properties	6	436,126	168,956
Intangible assets and goodwill	7	87,603	96,146
Right-of-use assets	8	166,388	173,117
Investments in associate and joint ventures	9	1,225,956	1,204,224
Financial assets at fair value through other comprehensive income	10.1	374	1,395
Deferred tax assets	31	4,503	4,480
Trade and other receivables	16	31,464	30,075
Due from related parties	14	950	950
<b>Total non-current assets</b>		<b>2,288,706</b>	<b>2,038,811</b>
<b>Current assets</b>			
Inventories	11	91,601	101,394
Development work in progress	12	309,909	252,909
Biological assets – plants	13	8,189	292
Financial assets at fair value through profit or loss	10.2	672	4,780
Due from related parties	14	115,201	187,396
Contract assets	15	348,840	127,986
Trade and other receivables	16	466,510	501,391
Cash and bank balances	17	694,587	468,318
<b>Total current assets</b>		<b>2,035,509</b>	<b>1,644,466</b>
<b>TOTAL ASSETS</b>		<b>4,324,215</b>	<b>3,683,277</b>

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

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

	Notes	2025 AED'000	2024 AED'000
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	19	250,000	250,000
Statutory reserve	20	125,000	113,362
Merger, acquisition and other reserves		789,117	789,117
Currency translation reserve		(495)	(6)
Cumulative changes in fair value reserve		(1,337)	(1,439)
Fair value of cashflow hedges		(8,386)	(4,947)
Retained earnings		1,325,858	1,037,463
<b>Equity attributable to the equity holders of the parent</b>		<b>2,479,757</b>	<b>2,183,550</b>
Non-controlling interests	34	440,754	319,205
<b>Total equity</b>		<b>2,920,511</b>	<b>2,502,755</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	21	73,552	65,640
Deferred tax liabilities	31	2,001	2,798
Lease liabilities	22	148,579	154,891
Trade and other payables	23	2,718	2,792
Bank borrowings	24	4,375	21,875
Due to related parties	14	2,520	56,718
<b>Total non-current liabilities</b>		<b>233,745</b>	<b>304,714</b>
<b>Current liabilities</b>			
Due to related parties	14	8,636	110,669
Lease liabilities	22	48,693	40,891
Bank borrowings	24	17,500	28,266
Current tax payable	31	47,906	21,736
Contract liabilities	15	474,767	235,869
Trade and other payables	23	572,457	438,377
<b>Total current liabilities</b>		<b>1,169,959</b>	<b>875,808</b>
<b>Total liabilities</b>		<b>1,403,704</b>	<b>1,180,522</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,324,215</b>	<b>3,683,277</b>

  
Fawad Abdul Hameed  
Chief Financial Officer

  
Kayed Ali D. Khorma  
Group Chief Executive Officer

  
Matar Suhail Ali Al Yabhouni  
Aldhaheri  
Chairman

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

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

	Notes	2025 AED'000	2024 AED'000
<b>Revenue</b>	25	<b>1,771,035</b>	1,273,482
Direct costs	26	(1,168,505)	(837,161)
<b>GROSS PROFIT</b>		<b>602,530</b>	436,321
General and administrative expenses	27	(160,757)	(136,557)
Selling, marketing and distribution expenses	28	(133,856)	(121,210)
Share of profit from investment in associate and joint ventures	9	49,077	36,838
Gain from change in fair value of biological assets	13	6,198	-
Gain/(loss) from change in fair value of financial assets at fair value through profit or loss	10.2	64	(11,253)
Interest and other income, net	29	37,815	25,259
Fair value gain on previously held equity interest	9	-	29,917
Reversal of impairment	5	1,524	1,200
Finance costs	30	(17,480)	(12,988)
<b>PROFIT BEFORE TAX FOR THE YEAR</b>		<b>385,115</b>	247,527
Income tax expense	31	(42,996)	(16,643)
<b>NET PROFIT FOR THE YEAR</b>		<b>342,119</b>	230,884
<b>Attributable to:</b>			
Equity holders of the parent company		300,150	225,161
Non-controlling interests	34	41,969	5,723
		<b>342,119</b>	230,884
Basic and diluted earnings per share (AED)	37	<b>1.20</b>	0.90

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

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

	Notes	2025 AED'000	2024 AED'000
<b>Profit for the year</b>		<b>342,119</b>	230,884
<b>Other comprehensive (loss) / income:</b>			
<i>Items that may be reclassified subsequently to the consolidated statement of profit or loss:</i>			
Foreign exchange (loss) / gain on translation of foreign operations		(489)	245
Share of fair value loss on cash flow hedges of an associate	9	(3,439)	(1,476)
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		<b>(3,928)</b>	(1,231)
<i>Items that will not be reclassified subsequently to profit or loss (net of tax):</i>			
Change in fair value of financial assets carried at fair value through other comprehensive income	10.1 & 31	(15)	2,172
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>Total other comprehensive (loss) / income for the year</b>		<b>(3,943)</b>	941
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>338,176</b>	231,825
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
<b>Attributable to:</b>			
Equity holders of the Parent		296,207	226,102
Non-controlling interests		41,969	5,723
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>
		<b>338,176</b>	231,825
		<hr style="width: 100%; border: 0.5px solid black;"/>	<hr style="width: 100%; border: 0.5px solid black;"/>

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

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

*Attributable to equity holders of the Company*

	Share capital AED'000	Statutory reserve AED'000	Merger, acquisition and other reserve AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cashflow hedges AED'000	Retained earnings AED'000	Equity attributable to the equity holders of the parent AED'000	Non- controlling interests AED'000	Total equity AED'000
Balance at 1 January 2025	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 year	-	-	-	-	-	-	300,150	300,150	41,969	342,119
Other comprehensive loss for the year	-	-	-	(489)	(15)	(3,439)	-	(3,943)	-	(3,943)
Total comprehensive income/(loss) for the year	-	-	-	(489)	(15)	(3,439)	300,150	296,207	41,969	338,176
Transfer to statutory reserve	-	11,638	-	-	-	-	(11,638)	-	-	-
Capital injection by non-controlling interest (i)	-	-	-	-	-	-	-	-	99,558	99,558
Dividends paid to non-controlling interests (ii)	-	-	-	-	-	-	-	-	(20,305)	(20,305)
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	327	327
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	117	-	(117)	-	-	-
<b>Balance at 31 December 2025</b>	<b>250,000</b>	<b>125,000</b>	<b>789,117</b>	<b>(495)</b>	<b>(1,337)</b>	<b>(8,386)</b>	<b>1,325,858</b>	<b>2,479,757</b>	<b>440,754</b>	<b>2,920,511</b>

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

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

**Consolidated statement of changes in equity (continued)  
for the year ended 31 December 2025**

	<i>Attributable to equity holders of the Company</i>									
	Share capital AED'000	Statutory reserve AED'000	Merger, acquisition and other reserve AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cashflow hedges AED'000	Retained earnings AED'000	Equity attributable to the equity holders of the parent AED'000	Non- controlling interests AED'000	Total equity AED'000
Balance at 1 January 2024	250,000	90,846	834,657	(251)	26,112	(3,471)	805,095	2,002,988	284,952	2,287,940
Profit for the year	-	-	-	-	-	-	225,161	225,161	5,723	230,884
Other comprehensive income / (loss) for the year	-	-	-	245	2,172	(1,476)	-	941	-	941
<b>Total comprehensive income / (loss) for the year</b>	-	-	-	245	2,172	(1,476)	225,161	226,102	5,723	231,825
Transfer to statutory reserve	-	22,516	-	-	-	-	(22,516)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(3,750)	(3,750)
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	20,187	20,187
Acquisition of a subsidiary (note 18.1)	-	-	-	-	-	-	-	-	17,594	17,594
Acquisition of non-controlling interest (note 18.2)	-	-	(20,047)	-	-	-	-	(20,047)	(17,572)	(37,619)
Acquisition of non-controlling interest (note 18.2)	-	-	1,423	-	-	-	-	1,423	(1,423)	-
Change in shareholding of subsidiaries without loss of control (note 18.3)	-	-	(13,494)	-	-	-	-	(13,494)	13,494	-
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(3,625)	-	3,625	-	-	-
Derecognition of investments carried at fair value through other comprehensive income	-	-	-	-	(26,098)	-	26,098	-	-	-
Business combination of entity under common control (note 18.4)	-	-	(13,422)	-	-	-	-	(13,422)	-	(13,422)
<b>Balance at 31 December 2024</b>	<b>250,000</b>	<b>113,362</b>	<b>789,117</b>	<b>(6)</b>	<b>(1,439)</b>	<b>(4,947)</b>	<b>1,037,463</b>	<b>2,183,550</b>	<b>319,205</b>	<b>2,502,755</b>

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

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

	Notes	2025 AED'000	2024 AED'000
<b>OPERATING ACTIVITIES</b>			
Profit before tax		385,115	247,527
Adjustments for:			
Depreciation of property and equipment	5	24,928	22,530
Reversal of impairment loss on property and equipment, net	5	(1,524)	(1,200)
Write off of property and equipment	5	52	380
(Gain)/loss on disposal of property and equipment		(266)	3,771
Depreciation on investment properties	6	8,257	5,954
Depreciation on right of use assets	8	53,364	46,859
Amortisation of intangible assets	7	9,093	8,923
Gain on lease modification and termination		(386)	(314)
Share of profit from associate and joint ventures	9	(49,077)	(36,838)
Gain on change in fair value of biological assets	13	(6,198)	-
Provision for employees' end of service benefits	21	19,037	15,712
Allowance for slow moving inventory	11	4,015	1,272
Reversal of allowance for expected credit losses on trade and other receivables	16	(6,959)	(5,861)
(Reversal)/charge for allowance for expected credit losses on contract assets	15	(3,358)	4,880
(Reversal)/charge for allowance for expected credit losses on due from related parties	14	(4,358)	12,158
Fair value gain on previously held equity interest	9	-	(29,917)
(Gain)/loss on change in fair value of financial assets carried at fair value through profit or loss	10.2	(64)	11,253
Interest and dividend income	29	(6,299)	(10,138)
Finance costs	30	17,480	12,988
		<b>442,852</b>	<b>309,939</b>
<i>Working capital adjustments:</i>			
Decrease in inventories		5,778	14,131
Decrease/(increase) in development work in progress		76,126	(35,938)
Increase in biological assets - plants		(1,699)	(292)
Decrease/(increase) in due from related parties		76,880	(66,205)
Increase in contract assets		(217,496)	(25,098)
Decrease/(increase) in trade and other receivables		40,451	(32,275)
Increase in contract liabilities		76,371	110,964
Decrease in due to related parties		(156,231)	(18,109)
Increase/(decrease) in trade and other payables		132,678	(157,484)
Cash generated from operations		475,710	99,633
Employees' end of service benefits paid	21	(11,125)	(8,680)
Finance costs paid		(5,210)	(5,779)
Taxes paid	31	(17,640)	-
<b>Net cash generated from operating activities</b>		<b>441,735</b>	<b>85,174</b>

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

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

	Notes	2025 AED'000	2024 AED'000
<b>INVESTING ACTIVITIES</b>			
Net cash acquired in business combination	18.1	-	45,082
Cash paid for acquisition of non-controlling interest	18.2	-	(37,619)
Net cash paid on acquisition of entity under common control	18.4	-	(151,145)
Payment made for the purchase of project under development		(43,122)	-
Payment for purchase of property and equipment	5	(103,377)	(84,229)
Payment for purchase of intangible assets	7	(550)	(407)
Proceeds from disposal of property and equipment		311	1,029
Dividends received from associate and joint ventures	9	23,906	15,778
Payment for purchase of financial assets carried at fair value through profit or loss	10.2	-	(2,327)
Proceeds from disposal of financial assets carried at fair value other comprehensive income	10.1	1,000	49,863
Payment for investment property under development	6	(89,570)	-
Payment for purchase of investment properties	6	(1,015)	-
Proceeds from disposal of financial assets carried at fair value through profit or loss	10.2	4,172	32,158
Interest and dividends received		6,299	10,138
Movement in restricted cash		(167,086)	(16,714)
Movement in fixed deposits with original maturity more than three months		28,514	135,949
<b>Net cash used in investing activities</b>		<b>(340,518)</b>	<b>(2,444)</b>
<b>FINANCING ACTIVITIES</b>			
Principal paid on lease liabilities	22	(63,676)	(58,217)
Repayments of bank borrowings	24	(28,266)	(31,699)
Dividends paid to non-controlling interests		(20,305)	(3,750)
Capital injection by non-controlling interest		99,558	20,187
<b>Net cash used in financing activities</b>		<b>(12,689)</b>	<b>(73,479)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		<b>88,528</b>	9,251
Cash and cash equivalents at beginning of the year	17	189,750	180,136
Effect of foreign exchange rate changes		(831)	363
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	17	<b>277,447</b>	189,750
<b>Non-cash transactions:</b>			
Transfer of provision for employees' end of service benefits	21	-	97
Additions in development work in progress (note 12)		206,977	-
Capital injection by non-controlling interest – due from related parties		327	-
Development work in progress purchased from a related party – due to related parties		-	137,898

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

## Notes to the consolidated financial statements For the year ended 31 December 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 is the Parent, and Fount Trust is the Ultimate Parent of the Company.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries, associate and joint ventures (together 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;

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****1 General information (continued)**

- 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.

There are no social contributions made during the year.

These consolidated financial statements of the Group for the year ended 31 December 2025, were approved and authorised by the Board of Directors for issuance on 27 January 2026.

**2 Basis of preparation****2.1 Statement of compliance**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) as issued by International Accounting Standards Board (IASB), and the applicable requirements of the UAE Federal Law No. (32) as amended of 2021, as amended.

**2.1.1 Going concern**

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

**2.1.2 Basis of measurement**

These consolidated financial statements are prepared under the historical cost convention, except for investments in financial assets and biological asset which are stated at fair value.

**2.1.3 Functional and presentation currency**

The consolidated financial statements are presented in UAE Dirhams (“AED”), which is the functional currency of the Group, and all the values are rounded to the nearest thousand (AED’000) except when otherwise indicated.

**2.2 Application of new and revised IFRS Accounting Standards (IFRSs)****2.2.1 New and revised 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 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.

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

**2 Basis of preparation (continued)**

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

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

*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.

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

**New and revised IFRSs**

*IFRS 18 Presentation and Disclosures in Financial Statements*

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 condensed interim financial statements
- improve aggregation and disaggregation.

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

1 January 2027

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

**2 Basis of preparation (continued)**

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

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 separate financial statements.

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

**2 Basis of preparation (continued)**

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

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

<u><b>New and revised IFRSs</b></u>	<u><b>Effective for annual periods beginning on or after</b></u>
<p><i>Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments</i></p> <p>The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 <i>Financial Instruments</i>.</p>	1 January 2026
<p><i>Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity</i></p> <p>The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.</p>	1 January 2026
<p><i>Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)</i></p> <p>The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.</p>	1 January 2027
<p><i>Annual improvements to IFRS Accounting Standards — Volume 11</i></p>	1 January 2026

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

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

**2 Basis of preparation (continued)**

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

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, other than IFRS 18, will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

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 consolidated financial statements of the Group.

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

**2 Basis of preparation (continued)**

**2.3 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”) as at 31 December 2025.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group’s accounting policies.

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

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

**2 Basis of preparation (continued)**

**2.3 Basis of consolidation (continued)**

When the Group loses control of a subsidiary, a gain or loss is recognised in of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Details of the Company's subsidiaries are as follows:

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

Below is the subsidiary of ESG Emirates Stallions Group PJSC:

1	ESG Holding-Sole Proprietorship LLC	100%	100%	UAE	Management services of companies and private institutions, land and real estate purchase and sale.
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Below are the subsidiaries of ESG Holding - Sole Proprietorship LLC:

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

Below is the subsidiary of ESG Companies Management - Sole Proprietorship LLC:

4	Tri Star Investment LLC	100%	100%	UAE	Commercial brokers, commercial enterprises investment institution and management, real estate investment, development, institution and management.
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Below are the subsidiaries of ESG Capital Holding LLC:

5	ESG Agriculture Services and Landscaping Holding LLC (i)	100%	-	UAE	Industrial enterprises investment, management services
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**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**2 Basis of preparation (continued)**

**2.3 Basis of consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		2025	2024		
<i>Below are the subsidiaries of ESG Capital Holding LLC (continued)</i>					
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

*Below are the subsidiaries of Royal Development Holding Company LLC:*

10	Abu Dhabi Land General Contracting LLC - SPC	100%	100%	UAE	Building maintenance, real estate lease and management services, general contracting and other associated business.
11	Royal Harbor LTD (i)	51%	-	UAE	Real estate lease and management services, real estate development construction
12	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
13	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.

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

**2 Basis of preparation (continued)**

**2.3 Basis of consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		2025	2024		
<i>Below are the subsidiaries of Royal Development Holding Company LLC (continued):</i>					
14	ESG Hospitality Sole Proprietorship LLC	<b>100%</b>	100%	UAE	Hospitality services
15	Mangrove Living Real Estate LTD (i)	<b>100%</b>	-	UAE	Real estate development construction, real estate enterprises investment, development, institution and management, real estate activities with own or leased property, real estate and management services.
16	Royal Gate Development Limited (i)	<b>52%</b>	-	UAE	Real estate development construction, real estate enterprises investment, development, institution and management, real estate activities with own or leased property and real estate lease and management services.
<i>Below are the subsidiaries of ESG Interiors LLC:</i>					
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 stones cutting, shaping and finishing, stone furniture manufacturing.
19	Vision Marble Industries LLC – SPC (i)	<b>100%</b>	-	UAE	Marketing consultancy and studies marketing operations management
20	Imagine Marketing LLC (i)	<b>60%</b>	-	UAE	Marketing consultancy and studies marketing operations management
21	Vision Furniture & Decoration Factory L.L.C - SPC	<b>100%</b>	100%	UAE	House and office furniture manufacturing, fireproof wooden doors manufacturing, onshore and offshore oil and gas fields and facilities.

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

**2 Basis of preparation (continued)**

**2.4 Basis of consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		2025	2024		
<i><u>Below are the subsidiaries of ESG Agriculture Services &amp; Landscaping Holding LLC:</u></i>					
22	Gulf Dunes Landscaping and Agricultural Services Company LLC - SPC	<b>100%</b>	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	<b>100%</b>	100%	UAE	Agricultural enterprises investment, institution and management.
<i><u>Below are the subsidiaries of ESG Human Resources Solutions LLC:</u></i>					
24	Century Real Estate Investment LLC	<b>87%</b>	87%	UAE	Real estate management
25	Sawaeed Holding PJSC	<b>89.35%</b>	89.35%	UAE	Management services of companies and private institution, commercial enterprise investment, institution and management and real estate enterprises investment
26	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.
27	ESG Commercial International Investments - Sole Proprietorship L.L.C.	<b>100%</b>	100%	UAE	Commercial enterprises investment, institution and management, tourist enterprises investment, institution and management
<i><u>Below are the subsidiaries of Royal Development Company LLC - SPC:</u></i>					
28	Royal Architect Project Management LLC - SPC	<b>100%</b>	100%	UAE	Architectural engineering consultancy, construction projects management consultancy.

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

**2 Basis of preparation (continued)**

**2.4 Basis of consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		2025	2024		
<i>Below are the subsidiaries of Royal Development Company LLC – SPC (continued):</i>					
29	Royal Development Company Hellas Single Member P.C (i)	100%	-	Greece	Project management consultancy services
30	Royal Development Company d.o.o. Beogard-Vracar	100%	100%	Serbia	Hotel accommodation.

*Below are the subsidiaries of ESG Hospitality Sole Proprietorship LLC:*

31	Royal Dunes Real Estate Development LLC	51%	51%	UAE	Real estate development
32	Royal Luxury Hotel management LLC	51%	51%	UAE	Hotel management

*Below is the subsidiary of Royal Luxury Hotel Management LLC:*

33	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:*

34	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:*

35	OC Home LLC SOC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
36	2XL Home LLC SOC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
37	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

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

**2 Basis of preparation (continued)**

**2.4 Basis of consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		2025	2024		
<i>Below is the subsidiary of Deco Vision Company - WLL:</i>					
38	Vision for Interior LLC Decoration Limited - One Person Company	<b>100%</b>	100%	KSA	Decoration works and its installation.
<i>Below are the subsidiaries of Sawaeed Holding PJSC:</i>					
39	Sawaeed Employment - Sole Proprietorship LLC	<b>100%</b>	100%	UAE	Providing upon request employee provision services
40	Sawaeed Training Centre - Sole Proprietorship LLC	<b>100%</b>	100%	UAE	Training of construction workers
41	Sawaeed Investment - Sole Proprietorship LLC	<b>100%</b>	100%	UAE	Real estate enterprises investment development, institution and management and camps and labour accommodation management
42	Sawaeed General Project — Sole Proprietorship LLC	<b>100%</b>	100%	UAE	Building projects contracting, project management services, building
43	Solutions Investments Services LLC (i)	<b>60%</b>	-	UAE	Provide onshore and offshore oil and gas fields and facilities services, commercial enterprises, investment, institution and management
44	Progressive Real Estate Development LLC -S.P.C	<b>100%</b>	100%	UAE	Real estate enterprise investment, development, institution and management
45	United International Group for Manpower Services LLC - S.P.C	<b>100%</b>	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 consolidated financial statements  
For the year ended 31 December 2025 (continued)**

**2 Basis of preparation (continued)**

**2.4 Basis of consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		2025	2024		
<i>Below are the subsidiaries of United International Group For Manpower Services LLC SPC:</i>					
46	Howdra Employment Services LLC	100%	100%	UAE	On demand labors supply temporary employment
47	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
<i>Below is the subsidiary of Sawaeed Investment-Sole Proprietorship LLC:</i>					
48	Takatof Employment Co. LLC	100%	100%	UAE	Providing employees services upon request (temporary employment) and labor and employment supply.
<i>Below is the subsidiary of ESG Agro LLC SPC:</i>					
49	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.
<i>Below is the subsidiary of Sawaeed Employment - Sole Proprietorship LLC:</i>					
50	Sawaeed Service Centre for Domestic Workers LLC SPC (i)	100%	-	UAE	Mediation and temporary employment services for domestic workers.
<b><u>Liquidated subsidiaries:</u></b>					
51	Alpha Hub Domestic Workers Services Center LLC (ii)	-	100%	UAE	Mediation services for the temporary employment of domestic workers.
52	Sawaeed Facilities Management – Sole Proprietorship LLC (ii)	-	100%	UAE	Facilities management services, interior cleaning services for buildings and dwellings, and cleaning the outside (interface) buildings.

(i) Subsidiaries established during the year.

(ii) Subsidiaries liquidated during the year.

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

**3 Material accounting policy information**

**Business combinations and goodwill**

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

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits*, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

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

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

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

**Business combinations and goodwill (continued)**

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

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

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

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

***Changes in Group's ownership interest in existing subsidiaries***

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owners of the Company

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Acquisition of entities under common control**

For transactions involving entities under common control, the Group adopts the pooling of interest method. Under the pooling of interest method, the carrying value of assets and liabilities are used to account for these transactions. No goodwill is recognised as a result of the combination. The only goodwill recognised is any existing goodwill relating to either of the combining entities. Any difference between the consideration paid and the business 'acquired' is reflected within the equity. The Group applies the pooling of interest prospectively and, accordingly, comparative information is not restated in the consolidated financial statements. Please refer to note 18.4 for the disclosure of business combination involving entity under common control and acquisition of non-controlling interest.

**Investment in associate and joint ventures**

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method.

The results and assets and liabilities of the associates and joint ventures are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under *IFRS 5 Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint ventures, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of profit or loss.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

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

**Investment in associate and joint ventures (continued)**

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associates or joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying value, and then recognises the loss within share of profit from investment in associate and joint ventures in the consolidated statement of profit or loss.

When the Group's share of losses in an associate or joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Upon loss of significant influence or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in consolidated profit or loss.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. Useful life used for this purpose are as follows:

	<i>Years</i>
Buildings and leasehold improvements	3 – 25
Office and other equipment	3 – 7
Furniture and fixtures	3 – 10
Motor vehicles	3 – 5

Land is not depreciated. In the case of leasehold improvements, it is expected that the underlying lease will continue to be renewed over the useful life and therefore, depreciation is charged over the useful life of the leasehold improvements.

The Group assesses, at each reporting date, whether there is an indication that the carrying value of property and equipment may be impaired. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Property and equipment (continued)**

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of profit or loss.

**Capital work in progress**

Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, and equipment category and is depreciated in accordance with the Group's policies.

**Intangible assets**

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

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

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

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

*Customer relationships*

Customer relationships represent future economic benefits in the form of future business with a customer beyond the amount secured by any current contractual arrangements. Customer relationship acquired in a business combination that does not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 3 to 5 years.

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

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

**Impairment of non-financial assets**

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest Group of cash generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

**Leases**

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

***Group as a lessee***

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

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

**Leases (continued)**

*Group as a lessee (continued)*

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

	<i>Years</i>
Land	6 – 40
Office buildings, showrooms, shops and warehouses	2 – 50

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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

**Leases (continued)**

*Group as a lessee (continued)*

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

*Group as a lessor*

The Group enters into lease agreements as a lessor with respect to some of its investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

**Investment properties**

*Initial recognition and measurement*

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are measured initially at cost, including transaction costs.

*Derecognition*

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the consolidated statement of profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

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

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

**Investment properties (continued)**

*Transfer*

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Depreciation is computed using the straight line method at rates calculated to reduce the cost of investment properties to their estimated residual values. Land is not depreciated. The estimated useful life is as follows:

Buildings	30 years
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Land granted to the Group without consideration is carried at nominal value.

**Investment property under development**

Investment property under development that are being constructed or developed for future use as investment property are measured initially at cost including all direct cost attributable to the design and construction of the property.

**Inventories**

Materials and consumables are stated at the lower of weighted average cost and net realisable value. Cost includes all costs incurred in bringing inventory to its present condition and location. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

Allowance is made when necessary for obsolete, slow-moving and damaged items.

**Development work in progress**

Development work-in-progress consists of property being developed principally for sale and is stated at the lower of cost and net realisable value. Cost comprises all direct costs attributable to the design and construction of the property and, where applicable, the cost of land upon which the property is being developed. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

**Biological assets - plants**

Biological assets are represented by plants and are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell. The fair values are determined based on current market prices of the trees of similar type and age. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets shall be included in the consolidated statement of profit or loss in the period in which it arises.

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

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

**Financial instruments**

**i) Financial assets**

*Initial recognition and measurement*

Financial assets are classified, at initial recognition as financial assets at fair value through profit or loss, fair value through OCI or amortised cost. All financial assets are recognised initially at fair value plus in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. The Group's financial assets comprise trade and other receivables, contract assets, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, due from related parties and bank balances.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognised on the trade date, which is the date that the Group commits to purchase or sell the asset.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- a) Financial assets at amortised cost (trade and other receivables, amounts due from related parties and cash and bank balances);
- b) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- c) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- d) Financial assets at fair value through profit or loss.

The Group has the following financial assets:

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

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

**Financial instruments (continued)**

**i) Financial assets (continued)**

*Financial assets at amortised cost*

The Group measures financial assets at amortised cost if both of the following conditions are met:

- a) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of comprehensive income when the asset is derecognised, modified or impaired.

The Group's financial assets which are classified at amortised cost include trade and other receivables, contract assets, due from related parties and bank balances.

*Financial assets at fair value through OCI (debt instruments)*

A financial asset is measured at fair value through other comprehensive income, if both of the following conditions are met:

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group does not have any debt instruments at fair value through OCI.

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

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

**Financial instruments (continued)**

**i) Financial assets (continued)**

*Financial assets designated at fair value through OCI (equity instruments)*

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group have equity investments under this category (note 10).

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

The Group have equity investments under this category (note 10).

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

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

**Financial instruments (continued)**

**i) Financial assets (continued)**

*Impairment*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, contract assets and due from related parties, the Group applies a simplified approach in calculating ECLs. Therefore, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the reporting period and recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

*Derecognition of financial assets*

The Group derecognises a financial asset only when:

- the contractual rights to the cash flows from the asset expire; or
- it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

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

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

**Financial instruments (continued)**

**ii) Financial liabilities**

All financial liabilities are classified as subsequently measured at amortised cost, except for:

- financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, are subsequently measured at fair value;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts; and
- commitments to provide a loan at a below-market interest rate.

At initial recognition, the Group may irrevocably designate a financial liability as measured at fair value through profit or loss when permitted, or when doing so results in more relevant information, because either:

- it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- a financial liability is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity's key management personnel.

The Group's financial liabilities include trade and other payables, contract liabilities, due to related parties, lease liabilities and bank borrowings.

*Derecognition of financial liabilities*

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

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Bank borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Bank borrowings (continued)**

Bank borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the consolidated statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Bank borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

**Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits held with banks with the original maturity of three months or less, net of bank overdrafts (if any).

**Revenue recognition**

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

*Step 1:* Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

*Step 2:* Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

*Step 3:* Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

*Step 4:* Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

*Step 5:* Recognise revenue when (or as) the Group satisfies a performance obligation.

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

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

**Revenue recognition (continued)**

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group recognises revenue when amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described above. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

*Contract revenue*

Contract revenue comprises revenue from execution of contracts relating to construction and development activities, landscaping and design, interior fit out and other contractual activities. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, and incentive payments, to the extent that it is probable that they will result in revenue, they can be measured reliably and will be approved by the customers. Claims are recognised when negotiations have reached an advanced stage such that it is probable that the customer will accept the claim and the amount can be measured reliably. These amounts are recognised when all significant service obligations arising from the related services have been discharged.

If the outcome of a contract can be estimated reliably, contract revenue is recognised in consolidated statement of profit or loss in proportion to the stage of completion of the contract. Based on the method that most reliably measures the actual work performed on each contract, the stage of completion is determined in the proportion of the contract costs incurred for work performed to date as compared to the estimated total contract costs. Losses on contracts are assessed on an individual contract basis and a provision is recorded for the full amount of any anticipated losses, including losses relating to future work on a contract, in the period in which the loss is first foreseen.

When the outcome of a contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable; and contract costs should be recognised as an expense in the period in which they are incurred.

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

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

**Revenue recognition (continued)**

*Contract assets and liabilities*

Amounts relating to contract assets are balances due from customers under contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The Group has determined that contract assets and liabilities are to be recognised at the performance obligation level and not at the contract level and both contract assets and liabilities are to be presented separately in the consolidated financial statements.

*Manpower and labour supply revenue*

The Group recognises revenue from provision of manpower to its customers along with other management and consultancy services when the services are rendered to customers and on the basis of the contractual labour and other consultancy rates agreed with the customers. Revenue from domestic workers mediation and provision of temporary employment services is recognised on the basis of contractual rates as labour hours are delivered and direct expenses are incurred and is stated net of discounts and rebates allowed.

*Furniture manufacturing*

The Group recognises revenue from contracts with customers for manufacturing of household and office furniture and other related carpentry and woodwork. This includes the initial amount agreed in the contract plus any variations in contract work, claims and incentives payments, to the extent that it is probable that they will result in revenue and can be measured.

*Furniture retail*

The Group recognises revenue from retail trade of household, office furniture and interior decoration material at point in time when control of goods has transferred, being when the goods have been shipped to customer's specific location. Revenue is stated net of expected discounts and other allowances.

*Rental income*

The Group enters into operating leases for its investment properties. Rental income from such operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

*Services*

Revenue from services is recognised as the services are rendered. Revenue is recognised only when it is probable that the economic benefits associated with the transaction will flow to the Group. Revenue from services is stated net of rebates and other allowances.

*Dividend income*

Dividend income is recognised in the consolidated statement of profit or loss when the Group's right of payment has been established.

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Revenue recognition (continued)***Interest income*

Interest income is recognised as the interest accrues using the effective interest method.

*Maintenance services*

The Group enters into maintenance arrangements for maintenance of landscaping. Revenue relating to maintenance services is recognised over time. The transaction price is recognized on a straight line basis over the period of service.

**Provisions**

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

**Value added tax (VAT)**

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

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

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

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the consolidated statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Foreign operations**

The assets and liabilities of foreign operations, including fair value adjustments arising on acquisition, are translated into AED at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into AED at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interests (if any).

When a foreign operation is disposed in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests (if any).

**Provision for employees' end of service benefits**

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

A provision is made for the full amount of end of service benefits due to employees in accordance with the UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is disclosed as a current liability, while the provision for end of service benefits is disclosed as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

**Contingencies**

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefit is probable.

**Current versus non-current classification**

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is expected to be realised or intended to be sold or consumed in the normal operating cycle;

- a) Held primarily for the purpose of trading;
- b) Expected to be realised within twelve months after the reporting period; or
- c) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

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

**Current versus non-current classification (continued)**

A liability is current when:

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

All other liabilities are classified as non-current.

**Taxation**

*Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss or other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

*Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

**Taxation (continued)**

*Deferred tax (continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

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

**Fair value measurement**

The Group measures financial instruments, such as financial assets through other comprehensive income, at fair value at each statement of financial position date.

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****4 Significant accounting judgements, estimates and assumptions**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimates made by management are summarised as follows:

**Key sources of estimation of uncertainty**

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

*Allowance for expected credit losses of financial assets*

The Group uses a provision matrix to calculate ECLs for trade and other receivables, due from related parties and contract assets. The allowance rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating etc.).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the reporting date, gross trade receivables, retention receivables, contract assets, advances to suppliers and due from related parties were AED 393,746 thousand, AED 49,904 thousand, AED 361,655 AED 77,924 thousand and AED 144,573 thousand respectively (2024: AED 507,315 thousand, AED 51,310 thousand, AED 147,947, AED 76,933 thousand and AED 225,953 thousand respectively) and the allowance for expected credit losses for trade receivables, retention receivables, contract assets, advances to suppliers and due from related parties were AED 175,875 thousand, AED 1,991 thousand, AED 12,815 thousand, AED 892 thousand and AED 29,372 thousand respectively (2024: AED 212,503 thousand, AED 3,104 thousand, AED 19,961 thousand, AED 892 thousand and AED 38,557 thousand respectively). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

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

**4 Significant accounting judgements, estimates and assumptions (continued)**

**Key sources of estimation of uncertainty (continued)**

*Leases - estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates in arriving at the incremental borrowing rate.

*Allowance for inventory obsolescence*

The Group reviews the underlying costs, ageing and movements of its inventories to assess losses due to any deterioration in the market and obsolescence on a regular basis. In determining whether an allowance should be recorded in the consolidated statement of profit or loss, the Group makes judgments as to whether there is any observable data indicating that there is any future market for the product and the net realisable value for such product.

At the reporting date, gross inventories were AED 103,488 thousand (2024: AED 109,266 thousand) with a allowance for slow moving inventories of AED 11,887 thousand (2024: AED 7,872 thousand).

*Useful lives and residual values of property and equipment*

The management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

*Impairment of investment in associate and joint ventures*

Management regularly reviews its investment in associate and joint ventures for indicators of impairment. This determination of whether investment in associate and joint ventures are impaired entails management's evaluation of the specific investee's profitability, liquidity, solvency and ability to generate operating cash flows from the date of acquisition and until the foreseeable future. The difference between the estimated recoverable amount and the carrying value of investment is recognised as an expense in the consolidated statement of profit or loss. As at reporting date there are no impairment loss recorded.

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

**4 Significant accounting judgements, estimates and assumptions (continued)**

**Key sources of estimation of uncertainty (continued)**

*Impairment of goodwill and intangible assets with infinite useful lives*

Goodwill and intangible assets with infinite useful lives are assessed for impairment based on the assessment of cash flows on individual cash-generating units on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

As of the reporting date there is no impairment loss that need to be recognised and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable.

**Critical accounting judgments in applying accounting policies**

In the process of applying the Group's material accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements

*Determining the lease term of contracts with renewal and termination options – Group as lessee*

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

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

*Business combinations*

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

*Identifying whether an acquisition is a business or an asset*

For acquisitions, the Group makes significant judgements to assess whether the assets acquired and liabilities assumed constitutes a business and whether it has acquired control of one or more assets. Where such an acquisition does not constitute a business, the acquisition is accounted for as an asset acquisition. In making the assessment, the Group applies the definition of business under IFRS 3 which requires that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

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

**4 Significant accounting judgements, estimates and assumptions (continued)**

**Critical accounting judgments in applying accounting policies (continued)**

*Classification of properties*

In the process of classifying properties, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property or property and equipment. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment properties or property and equipment. In making its judgment, management considered the detailed criteria and related guidance for the classification of properties as set out in International Accounting Standards IAS 16 – Property, Plant and Equipment and IAS 40 – Investment Property, in particular, the intended usage of property as determined by management.

*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 recognises revenue over time.

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

5 Property and equipment

	Land AED'000	Building and leasehold improvements AED'000	Office and other equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
<b>2025</b>							
<i>Cost:</i>							
Balance at 1 January 2025	127,773	187,963	57,525	63,526	30,920	82,018	549,725
Additions	-	34,137	7,286	4,080	3,636	54,238	103,377
Disposals	-	-	-	(4)	(894)	-	(898)
Transfers	(80,599)	(19,542)	(617)	617	-	(8,084)	(108,225)
Transferred from capital work in progress	-	9,250	3,486	-	-	(12,736)	-
Write off during the year	-	(52)	(2,390)	(4,275)	(222)	-	(6,939)
Impairment reversals/(charges)	2,397	-	-	-	-	(873)	1,524
Exchange differences	5	297	-	81	-	-	383
<b>As at 31 December 2025</b>	<b>49,576</b>	<b>212,053</b>	<b>65,290</b>	<b>64,025</b>	<b>33,440</b>	<b>114,563</b>	<b>538,947</b>
<i>Accumulated depreciation and impairment:</i>							
Balance at 1 January 2025	-	61,336	49,610	54,294	25,017	-	190,257
Charge for the year	-	13,239	3,320	5,987	2,382	-	24,928
Disposals	-	-	-	(3)	(850)	-	(853)
Transfers	-	(3,881)	(617)	617	-	-	(3,881)
Write off during the year	-	-	(2,390)	(4,275)	(222)	-	(6,887)
Exchange differences	-	21	-	20	-	-	41
<b>As at 31 December 2025</b>	<b>-</b>	<b>70,715</b>	<b>49,923</b>	<b>56,640</b>	<b>26,327</b>	<b>-</b>	<b>203,605</b>
<i>Net carrying amount:</i>							
<b>As at 31 December 2025</b>	<b>49,576</b>	<b>141,338</b>	<b>15,367</b>	<b>7,385</b>	<b>7,113</b>	<b>114,563</b>	<b>335,342</b>

Capital work in progress includes hotel under development amounting to AED 101,409 thousand (2024: nil).

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

**5 Property and equipment (continued)**

	Land AED'000	Building and leasehold improvements AED'000	Office and other equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
<i>2024</i>							
<i>Cost:</i>							
Balance at 1 January 2024	126,573	226,343	51,133	42,283	27,192	13,136	486,660
Acquired in business combinations (note 18.1 & note 18.4)	-	19,542	5,265	24,227	3,612	-	52,646
Additions	-	1,483	1,127	2,898	1,870	76,851	84,229
Disposals	-	(1,622)	-	(6,130)	(1,754)	-	(9,506)
Reclassification	-	-	-	(121)	-	245	124
Transferred from capital work in progress	-	7,335	-	499	-	(7,834)	-
Transfers	-	(65,000)	-	-	-	-	(65,000)
Write off during the year	-	-	-	(116)	-	(380)	(496)
Impairment reversals	1,200	-	-	-	-	-	1,200
Exchange differences	-	(118)	-	(14)	-	-	(132)
As at 31 December 2024	127,773	187,963	57,525	63,526	30,920	82,018	549,725
<i>Accumulated depreciation and impairment:</i>							
Balance at 1 January 2024	-	101,921	42,175	26,840	20,152	-	191,088
Acquired in business combinations (note 18.1 & note 18.4)	-	2,822	5,066	23,720	3,473	-	35,081
Charge for the year	-	11,829	2,369	5,834	2,498	-	22,530
Related to disposals	-	(1,622)	-	(1,978)	(1,106)	-	(4,706)
Transfers	-	(53,606)	-	-	-	-	(53,606)
Write off during the year	-	-	-	(116)	-	-	(116)
Exchange differences	-	(8)	-	(6)	-	-	(14)
As at 31 December 2024	-	61,336	49,610	54,294	25,017	-	190,257
<i>Net carrying amount:</i>							
As at 31 December 2024	127,773	126,627	7,915	9,232	5,903	82,018	359,468

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

**5 Property and equipment (continued)**

The depreciation charge for the year has been allocated as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Direct costs (note 26)	<b>6,324</b>	5,716
General and administrative expenses (note 27)	<b>4,485</b>	2,766
Selling and distribution expenses (note 28)	<b>14,119</b>	14,048
	<u><b>24,928</b></u>	<u>22,530</u>

**6 Investment properties**

	<b>Land</b>	<b>Buildings</b>	<b>Property</b>	<b>Total</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>under</b>	<b>AED'000</b>
			<b>development</b>	
			<b>AED'000</b>	<b>AED'000</b>
<b>2025</b>				
<i>Cost:</i>				
Balance at 1 January	<b>32,501</b>	<b>269,075</b>	-	<b>301,576</b>
Additions	-	<b>1,015</b>	<b>89,570</b>	<b>90,585</b>
Modification	<b>(433)</b>	-	-	<b>(433)</b>
Transfers	<b>88,703</b>	<b>19,542</b>	<b>81,935</b>	<b>190,180</b>
	<u><b>120,771</b></u>	<u><b>289,632</b></u>	<u><b>171,505</b></u>	<u><b>581,908</b></u>
<i>Accumulated depreciation and impairment:</i>				
Balance at 1 January	<b>2,345</b>	<b>130,275</b>	-	<b>132,620</b>
Charge for the year	<b>712</b>	<b>7,545</b>	-	<b>8,257</b>
Transfers	<b>1,024</b>	<b>3,881</b>	-	<b>4,905</b>
	<u><b>4,081</b></u>	<u><b>141,701</b></u>	<u><b>-</b></u>	<u><b>145,782</b></u>
<i>Carrying amount:</i>				
Balance at 31 December	<u><b>116,690</b></u>	<u><b>147,931</b></u>	<u><b>171,505</b></u>	<u><b>436,126</b></u>

Investment properties are constructed on a plot of land governed by two long-term lease contracts with Higher Corporation for Specialized Economic Zones ("ZonesCorp") on which the building and labour accommodation camp has been built.

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

**6 Investment properties (continued)**

	Land AED'000	Buildings AED'000	Property under development AED'000	Total AED'000
<i>2024</i>				
<i>Cost:</i>				
Balance at 1 January	7,554	85,036	-	92,590
Acquired in business combinations (note 18.4)	24,690	119,039	-	143,729
Additions	257	-	-	257
Transfers	-	65,000	-	65,000
Balance at 31 December	<u>32,501</u>	<u>269,075</u>	<u>-</u>	<u>301,576</u>
<i>Accumulated depreciation and impairment:</i>				
Balance at 1 January	555	8,496	-	9,051
Acquired in business combinations (note 18.4)	1,790	62,219	-	64,009
Charge for the year	-	5,954	-	5,954
Transfers	-	53,606	-	53,606
Balance at 31 December	<u>2,345</u>	<u>130,275</u>	<u>-</u>	<u>132,620</u>
<i>Carrying amount:</i>				
At 31 December	<u>30,156</u>	<u>138,800</u>	<u>-</u>	<u>168,956</u>

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

**6 Investment properties (continued)**

Land includes plots of land granted to the subsidiary by the Government of Abu Dhabi recorded at a nominal value of AED 1.

Fair value of land and buildings at 31 December 2025 amounted to AED 262,539 thousand against a carrying value of AED 184,023 thousand (2024: fair value of AED 225,900 thousand against a carrying value of AED 168,956 thousand). The remaining carrying value of AED 252,103 relates to land and property under development.

The fair value of investment property under development is equivalent to the carrying value.

Investment properties are stated at cost less accumulated depreciation and impairment (if any). As at 31 December 2025, the fair value of the investment property was determined at AED 262.5 million (2024: AED 225.9 million) which is based on valuations performed by an accredited independent valuer using the discounted cash flow method; fair value is estimated based on significant unobservable inputs. These inputs include future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of the existing leases; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows, and terminal value taking into account assumptions regarding maintenance costs, and market rents.

The Group's investment property is categorised into Level 3 of the fair value hierarchy. There were no transfers between Level 1, 2 and 3 during current and previous years.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment properties categorised into Level 3 of the fair value hierarchy using discounted cash flow model as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Sensitivity</u>
Discounted cash flows: The valuation model considers the present value of net cash flows to be generated from the property, considering the expected rental growth rate, occupancy rate, and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rate. Among other factors, the discount rate estimation considers the quality of a building and its location.	<ul style="list-style-type: none"> <li>- Expected market rental growth (2025: 1%; 2024:1%).</li> <li>- Occupancy rate (2025: 91%-95%; 2024:70%-85%)</li> <li>- Risk-adjusted discount rates (2025: 10.25-12%; 2024: 12.0%)</li> </ul>	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> <li>- expected market rental growth were higher/(lower);</li> <li>- the risk-adjusted discount rate was lower/(higher);</li> <li>- the occupancy rate was higher/(lower).</li> </ul>

The depreciation charge for the year has been allocated as follows:

	2025 AED'000	2024 AED'000
Direct costs (note 26)	4,617	2,653
General and administrative expenses (note 27)	3,640	3,301
	8,257	5,954

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

**7 Intangible assets and goodwill**

	<b>Computer software AED'000</b>	<b>Customer relationships AED'000</b>	<b>Goodwill AED'000</b>	<b>Total AED'000</b>
<b>2025</b>				
<i>Cost:</i>				
Balance at 1 January	2,415	40,458	64,582	107,455
Additions	550	-	-	550
Balance at 31 December	<u>2,965</u>	<u>40,458</u>	<u>64,582</u>	<u>108,005</u>
<i>Accumulated amortisation:</i>				
Balance at 1 January	1,900	9,409	-	11,309
Charge for the year	233	8,860	-	9,093
Balance at 31 December	<u>2,133</u>	<u>18,269</u>	<u>-</u>	<u>20,402</u>
<i>Carrying amount:</i>				
Balance at 31 December	<u>832</u>	<u>22,189</u>	<u>64,582</u>	<u>87,603</u>
<b>2024</b>				
<i>Cost:</i>				
Balance at 1 January	481	7,139	33,844	41,464
Additions	407	-	-	407
Acquired in business combinations (note 18.1 and 18.4)	1,527	33,319	30,738	65,584
Balance at 31 December	<u>2,415</u>	<u>40,458</u>	<u>64,582</u>	<u>107,455</u>
<i>Accumulated amortisation:</i>				
Balance at 1 January	417	549	-	966
Charge for the year	63	8,860	-	8,923
Acquired in business combinations (note 18.1 and 18.4)	1,420	-	-	1,420
Balance at 31 December	<u>1,900</u>	<u>9,409</u>	<u>-</u>	<u>11,309</u>
<i>Carrying amount:</i>				
Balance at 31 December	<u>515</u>	<u>31,049</u>	<u>64,582</u>	<u>96,146</u>

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

**7 Intangible assets and goodwill (continued)**

*Goodwill*

Goodwill primarily comprises sales growth, new customers and expected synergies arising from the acquisitions.

During the year ended 31 December 2025, the management performed its annual impairment review of goodwill using the discounted cashflow model approach. The estimated recoverable amounts exceeded the carrying values and hence no impairment was recorded.

The recoverable amounts have been computed based on a value-in-use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was discounted cash flow.

Key assumptions for the value in use calculations:

*Implicit period cashflow forecast:*

The Company prepares cash flow forecasts and working capital estimates derived from the most recent annual business plan for the next five years. The business plans take into account local market considerations such as the revenues and costs associated with future customer growth, management plans for development of the business, optimization of cost, the impact of local market competition and consideration of the local macro-economic and political trading environment.

*Assumptions:*

Value in use was determined by discounting cash flows and was based on the following key assumptions:

- Terminal growth rate: 1.5- 2%; and
- Discount rate: 11.1% - 15%

*Sensitivity analysis:*

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverability amount for each group of the CGU's to which goodwill is allocated. No reasonably possible change in any of the above key assumptions would cause the carrying values to materially exceed its recoverable amounts as of 31 December 2025.

*Customer relationships*

These represent long term non-contractual relationships which were acquired in a business combination (note 18.1) and meet the criteria for recognition as intangible assets under IAS 38 and are being amortised over 3 to 5 years.

*Cash generating units*

Goodwill acquired in business combinations is allocated at acquisition, to the CGU's that are expected to benefit from that business combinations. The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. The carrying amount of goodwill is allocated to the following CGUs:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
United International Group for Manpower Services LLC - S.P.C	<b>33,844</b>	33,844
Deco Vision Company WLL	<b>30,738</b>	30,738
	<b>64,582</b>	64,582

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

**7 Intangible assets and goodwill (continued)**

These represent long term non-contractual relationships which were acquired in a business combination (note 18.1) and meet the criteria for recognition as intangible assets under IAS 38 and are being amortised over 3 to 5 years.

The amortisation charge for the year has been allocated as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
General and administrative expenses (note 27)	<b>9,079</b>	8,923
Direct costs (note 26)	<b>14</b>	-
	<b>9,093</b>	8,923

**8 Right-of-use assets**

The movement in right of use assets during the year are as follows:

	<b>Land</b>	<b>Office building, showrooms, shop and warehouses</b>	<b>Total</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>2025</b>			
Balance at 1 January	<b>11,341</b>	<b>161,776</b>	<b>173,117</b>
Additions	<b>48,168</b>	<b>14,853</b>	<b>63,021</b>
Depreciation expense	<b>(3,237)</b>	<b>(50,127)</b>	<b>(53,364)</b>
Modification	-	<b>(9,306)</b>	<b>(9,306)</b>
Reclassification	<b>(7,080)</b>	-	<b>(7,080)</b>
Balance at 31 December	<b>49,192</b>	<b>117,196</b>	<b>166,388</b>
<b>2024</b>			
Balance at 1 January	11,590	58,704	70,294
Acquired in business combinations (note 18.1 and note 18.4)	-	14,239	14,239
Additions	-	114,650	114,650
Depreciation expense	(463)	(46,396)	(46,859)
Modification	214	25,156	25,370
Termination of lease	-	(4,577)	(4,577)
Balance at 31 December	11,341	161,776	173,117

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

**8 Right-of-use assets (continued)**

The depreciation expense for the year has been allocated as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Direct costs (note 26)	<b>13,185</b>	13,223
General and administrative expenses (note 27)	<b>8,584</b>	2,511
Selling and distribution expenses (note 28)	<b>31,595</b>	31,125
	<b>53,364</b>	46,859

**9 Investments in associate and joint ventures**

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

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

(i) In 2018, the Directors of Lazio Real Estate Investment LLC had elected to liquidate the company. As of 31 December 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.

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

**9 Investments in associate and joint ventures (continued)**

Movement in investment in associate and joint ventures was as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at the beginning of the year	<b>1,204,224</b>	1,223,777
Share of the Group's profit for the year	<b>49,077</b>	36,838
Share of other comprehensive loss for the year	<b>(3,439)</b>	(1,476)
Dividend received during the year (note 14)	<b>(23,906)</b>	(15,778)
Transfer to subsidiary during the year*	-	(39,137)
<b>At the end of the year</b>	<b>1,225,956</b>	1,204,224

\*On 1 January 2024, the Group obtained control over Deco Vision and accordingly, the investment in the associate was derecognised and the fair value of the previously held interest was transferred to investment in subsidiaries as follows:

	2024
	AED'000
Fair value of previously held equity interest	69,054
Carrying value of previously held equity interest	(39,137)
	<u>29,917</u>

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

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Total assets	<b>5,688,867</b>	5,681,002
Total liabilities	<b>(1,041,177)</b>	(1,124,186)
Net assets	<b>4,647,690</b>	4,556,816
Group's carrying amount of the investments, net	<b>1,225,956</b>	1,204,224

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

**9 Investments in associate and joint ventures (continued)**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Total revenue for the year	<b>719,476</b>	559,352
Total profit for the year	<b>205,257</b>	154,070
Group's share in profit for the year	<b>49,077</b>	36,838
Total other comprehensive loss for the year	<b>(14,382)</b>	(6,173)
Group's share of OCI for the year	<b>(3,439)</b>	(1,476)
Dividend received during the year	<b>23,906</b>	15,778

**10 Investments in financial assets**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Investments carried at fair value through other comprehensive income (note 10.1)	<b>374</b>	1,395
Investments carried at fair value through profit or loss (note 10.2)	<b>672</b>	4,780
	<b>1,046</b>	6,175

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

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Quoted shares	-	1,021
Unquoted shares	<b>374</b>	374
	<b>374</b>	1,395

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

**10 Investments in financial assets (continued)**

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

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 in note 36 to the consolidated financial statements.

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.

Movement in investments at FVTOCI are as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at the beginning of the year	<b>1,395</b>	62,604
Acquired in business combinations (note 18.4)	-	42,089
Disposal during the year	<b>(1,000)</b>	(49,863)
Transferred to investment in subsidiary during the year (note 18.4)	-	(55,827)
Net fair value (loss) / gain on investments at FVTOCI during the year	<b>(21)</b>	2,392
	<b>374</b>	1,395
Dividend received during the year	-	271

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

As of 31 December 2025, all investments were categorised as level 1 fair value

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Quoted shares	<b>672</b>	4,780

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market.

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

**10 Investments in financial assets (continued)**

Movement in investment in financial assets carried at fair value through profit or loss is as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at the beginning of the year	<b>4,780</b>	45,864
Acquired during the year	-	2,327
Changes in fair value during the year	<b>64</b>	(11,253)
Disposals during the year	<b>(4,172)</b>	(32,158)
	<b>672</b>	4,780
	-	119

**11 Inventories**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Household furniture	<b>91,961</b>	104,344
Raw material and supplies	<b>5,868</b>	1,051
Work in progress	<b>2,932</b>	11
Spares and consumables	<b>325</b>	168
Goods in transit	<b>2,402</b>	3,692
Less: allowance for slow moving inventories	<b>(11,887)</b>	(7,872)
	<b>91,601</b>	101,394

Movement in allowance for slow moving inventories is as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at 1 January	<b>7,872</b>	6,600
Charge for the year (note 27)	<b>4,015</b>	1,272
Balance at 31 December	<b>11,887</b>	7,872

Cost of inventories recognised as expense is AED 199,380 thousand (2024: AED 173,623 thousand).

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

**12 Development work in progress**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Seamont project, Al Reem Island	<b>152,834</b>	137,898
Radisson residences project, Al Reem Island	<b>123,697</b>	-
Mallside project, Dubai Hills Estate	<b>33,378</b>	115,011
	<hr/> <b>309,909</b> <hr/>	<hr/> 252,909 <hr/>

Movement during the year is as follow:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at 1 January	<b>252,909</b>	79,073
Additions *	<b>322,483</b>	173,836
Recognized in direct costs (note 26)	<b>(191,632)</b>	-
Transfers	<b>(73,851)</b>	-
	<hr/> <b>309,909</b> <hr/>	<hr/> 252,909 <hr/>

\* Included under additions is an amount of AED 206,977 thousand (2024: nil) which pertains to the purchase of assets relating to a project on Al Reem Island through a subsidiary.

**13 Biological assets – plants**

Movement in biological assets – plants during the year was as follow:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at 1 January	<b>292</b>	-
Additions	<b>5,183</b>	292
Gain arising from change in fair value of biological assets	<b>6,198</b>	-
Sale of biological assets	<b>(3,484)</b>	-
	<hr/> <b>8,189</b> <hr/>	<hr/> 292 <hr/>

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

**14 Related parties**

Related parties, as defined in International Accounting Standard 24: *Related Party Disclosure*, comprise the majority shareholder, directors and key management personal of the Company and entities in which the Group and their Parent have the ability to control or exercise significant influence.

Due from related parties included in the consolidated statement of financial position are as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
<b>Due from related parties:</b>		
<i>Non-current</i>		
Other related entities	<b>950</b>	950
	=====	=====
<b>Due from related parties:</b>		
<i>Current</i>		
Entities under common control	<b>108,590</b>	139,627
Other related entities	<b>35,241</b>	70,878
Parent entity	<b>742</b>	12,618
Ultimate parent	<b>-</b>	2,830
	-----	-----
	<b>144,573</b>	225,953
Less: allowance for expected credit losses	<b>(29,372)</b>	(38,557)
	-----	-----
	<b>115,201</b>	187,396
	=====	=====

\* Non-current portion of balances due from related parties, pertains to retention receivables on contract signed with related parties

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

**14 Related parties (continued)**

Movement in allowance for expected credit losses against amounts due from related parties:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Balance at 1 January	<b>38,557</b>	14,489
Acquired in business combinations	-	11,910
(Reversal) / charge for the year	<b>(4,358)</b>	12,158
Written off during the year	<b>(4,758)</b>	-
Transferred to trade receivables	<b>(69)</b>	-
	<hr/>	<hr/>
Balance at 31 December	<b>29,372</b>	38,557
	<hr/> <hr/>	<hr/> <hr/>

Due to related parties included in the consolidated statement of financial position are as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
<b>Due to related parties:</b>		
<i>Non-current</i>		
Other related entities	<b>2,520</b>	-
Ultimate parent	-	2,520
Entity under common control	-	54,198
	<hr/>	<hr/>
	<b>2,520</b>	56,718
	<hr/> <hr/>	<hr/> <hr/>
<b>Due to related parties:</b>		
<i>Current</i>		
Entity under common control	<b>1,267</b>	99,523
Other related entities	<b>6,792</b>	9,943
Parent entity	<b>577</b>	750
Ultimate parent	-	453
	<hr/>	<hr/>
	<b>8,636</b>	110,669
	<hr/> <hr/>	<hr/> <hr/>

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

**14 Related parties (continued)**

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

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Financial assets carried at fair value through profit or loss	<b>166</b>	216
Financial assets carried at fair value through other comprehensive income	<b>374</b>	1,395
Balances with a financial institution	<b>506,499</b>	308,975
Bank borrowings with a financial institution	-	10,740
Dividend received from an associate (note 9)	<b>23,906</b>	15,778
Dividend received from investments	-	21

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

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Revenue	<b>280,219</b>	354,999
Cost of revenue and expenses	<b>9,388</b>	7,162
Interest income on deposits with financial institution	<b>3,409</b>	6,932
Finance cost on borrowings with financial institution	<b>332</b>	1,101

During the year, the Group acquired assets and liabilities from Hydra Properties LLC (under liquidation), a related party, for AED 43,122 thousand.

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
<b>Compensation of key management personnel</b>		
Board of Director's remuneration (note 27)	<b>4,614</b>	3,396
Salaries and other benefits	<b>3,729</b>	3,387
Number of key management personnel	<b>2</b>	2

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

**15 Contract assets and contract liabilities**

Details of contract assets and contract costs of AED 348,840 thousand (2024: AED 127,986 thousand) are as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Contract assets	<b>361,655</b>	147,947
Less: allowance for expected credit losses	<b>(12,815)</b>	(19,961)
	<hr/> <b>348,840</b>	<hr/> 127,986
Contracts costs incurred plus recognised profits less recognised losses to date	<b>1,762,553</b>	1,502,813
Progress billings to date	<b>(1,474,692)</b>	(1,423,772)
	<hr/> <b>287,861</b>	<hr/> 79,041

The contract work in progress is presented as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Contracts assets, net	<b>348,840</b>	127,986
Billing in excess of value of work in progress (contract liabilities)	<b>(60,979)</b>	(48,945)
	<hr/> <b>287,861</b>	<hr/> 79,041

***Allowance for expected credit losses***

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

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Balance at 1 January	<b>19,961</b>	5,541
(Reversal)/charge for the year, net	<b>(3,358)</b>	4,880
Written off during the year	<b>(3,754)</b>	-
Transferred to trade receivables	<b>(34)</b>	-
Acquired in business combinations	<b>-</b>	9,540
	<hr/> <b>12,815</b>	<hr/> 19,961
Balance at 31 December	<hr/> <b>12,815</b>	<hr/> 19,961

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

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

The contract liabilities includes:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Advances received from customers*	<b>413,788</b>	186,924
Billing in excess of value of work in progress	<b>60,979</b>	48,945
	<hr/>	<hr/>
	<b>474,767</b>	235,869
	<hr/> <hr/>	<hr/> <hr/>

\* Included under advances is an amount of AED 162,527 thousand (2024: nil) which pertains to the assumed liabilities relating to a project on Al Reem Island through a subsidiary.

**16 Trade and other receivables**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Trade receivables	<b>393,746</b>	507,315
Retention receivables	<b>49,904</b>	51,310
Advances to suppliers	<b>77,924</b>	76,933
Prepaid expenses, accrued and other receivables	<b>155,158</b>	112,407
	<hr/>	<hr/>
	<b>676,732</b>	747,965
Less: allowance for expected credit losses	<b>(178,758)</b>	(216,499)
	<hr/>	<hr/>
	<b>497,974</b>	531,466
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Non-current	<b>31,464</b>	30,075
Current	<b>466,510</b>	501,391
	<hr/>	<hr/>
	<b>497,974</b>	531,466
	<hr/> <hr/>	<hr/> <hr/>



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

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

At reporting date, the ageing of trade receivables is as follows:

	Total AED '000	Not past due AED '000	Past due				
			<30 days AED '000	31-60 days AED '000	61-120 days AED '000	121-360 days AED '000	>360 days AED '000
<i>31 December 2025</i>							
Expected credit loss rate		1%	4%	3%	17%	22%	72%
Gross carrying amount at default	393,746	82,753	32,183	21,907	12,114	12,772	232,017
Life-time ECL	175,875	847	1,423	751	2,010	2,804	168,040
<i>31 December 2024</i>							
Expected credit loss rate		1%	4%	5%	9%	10%	92%
Gross carrying amount at default	507,315	61,624	18,676	17,977	19,053	181,288	208,697
Life-time ECL	212,503	388	668	981	1,703	17,756	191,007

**17 Cash and bank balances**

	2025 AED'000	2024 AED'000
Cash on hand	1,021	806
Bank balances	464,440	247,496
Margin deposits	9,102	10,201
Term deposits*	220,097	209,865
	<b>694,660</b>	468,368
Less: allowance for expected credit losses	(73)	(50)
Cash and bank balances	<b>694,587</b>	468,318
Less: restricted cash**	(256,013)	(88,927)
Less: term deposits with original maturity of more than three months	(161,127)	(189,641)
Cash and cash equivalents	<b>277,447</b>	189,750

\*The term deposits' carry interest rate that ranges between 0.05% to 5.5% (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, Seamont project and Radisson Residences project.

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

**18 Business combinations**

**18.1 Acquisitions under IFRS 3 business combination in the prior year**

***Deco Vision Company WLL (“Deco Vision”)***

Effective 1 January 2024, ESG Capital Holding LLC, a subsidiary, acquired an additional 40% interest in Deco Vision Company WLL (“Deco Vision”), previously accounted for an investment in associate, thereby increasing the Group’s ownership to 85%. The fair value of the previously held interest on the date of obtaining control, amounted to AED 69,054 thousand. Deco Vision is a limited liability company, registered in Abu Dhabi, and is engaged in retail sale of wallpaper, décor and partitions material, importing and interior design implementation works and real estate lease and management services. From the date of acquisition Deco Vision contributed revenue and profit to the Group amounting to AED 244,172 thousand and AED 27,047 respectively.

The following table summarizes the recognized fair values of assets acquired and liabilities assumed in respect of acquisition:

	<b>1 January 2024</b>
	<b>Deco Vision</b>
	<b>AED’000</b>
<b>Assets</b>	
Property and equipment	250
Right of use assets	7,102
Intangible assets	33,319
Trade and other receivables	121,681
Due from related parties	20,467
Cash and bank balances	106,463
	<hr/>
	289,282
	<hr/> <hr/>
<b>Liabilities</b>	
Employees’ end of service benefits	3,886
Trade and other payables	136,551
Deferred tax liabilities	2,999
Due to related parties	28,555
	<hr/>
	171,991
	<hr/> <hr/>
Total identifiable net assets	117,291
Fair value of net assets acquired at 85%	(99,697)
Purchase consideration	130,435
	<hr/>
<b>Goodwill on acquisition (note 7)</b>	30,738
	<hr/> <hr/>
<i>Purchase consideration:</i>	
Amount paid to acquire additional 45% interest	61,381
Fair value of previously held equity interest	69,054
	<hr/>
<b>Total purchase consideration</b>	130,435
	<hr/> <hr/>
Non-controlling interest at 15%	17,594
	<hr/> <hr/>

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

**18 Business combinations (continued)**

**18.1 Acquisitions under IFRS 3 business combination in the prior year (continued)**

***Deco Vision Company WLL (“Deco Vision”) (continued)***

Intangible assets of AED 33,319 thousand have been recognised as a result of aforementioned acquisition, which comprises customer relationships.

Analysis of cashflow on acquisition of Deco Vision is as follows:

	<b>1 January 2024</b>
	<b>Deco Vision</b>
	<b>AED’000</b>
Amount paid to acquire additional 40% interest	(61,381)
Cash acquired in business combination	106,463
Acquisition of operating business – net of cash acquired (included in cash flows from investing activities)	<u>45,082</u>

**18.2 Increase in shareholding (acquisition of NCI) in the prior year**

***Vision Furniture & Decoration Factory L.L.C (“Vision Factory”)***

Effective 1 January 2024, ESG Capital Holding LLC, a subsidiary, acquired additional shares in Vision Furniture & Decoration Factory L.L.C (“Vision Factory”) for AED 37,619 thousand. This resulted in the Group’s effective shareholding in Vision Factory to increase by 40% and a total ownership of 100%.

	<b>1 January 2024</b>
	<b>Vision Factory</b>
	<b>AED’000</b>
<b>Assets</b>	
Property and equipment	9,231
Intangible assets	1,712
Inventories	2,413
Trade and other receivables	20,178
Due from related parties	13,651
Cash and bank balances	39,597
	<u>86,782</u>
<b>Liabilities</b>	
Employees’ end of service benefits	6,146
Lease liabilities	3,872
Trade and other payables	31,691
Due to related parties	1,142
	<u>42,851</u>
Total identifiable net assets at carrying value	<u>43,931</u>
Carrying value of the shareholding acquired	17,572
Less: consideration paid	<u>(37,619)</u>
<b>Difference recognized directly in merger, acquisition and other reserves</b>	<u>(20,047)</u>

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

**18 Business combinations (continued)**

**18.2 Increase in shareholding (acquisition of NCI) in the prior year (continued)**

***Progressive Real Estate Development L.L.C - SPC ("PRED")***

Effective 1 July 2024, Sawaeed Holding PJSC, a subsidiary, acquired additional shares in Progressive Real Estate Development LLC - SPC ("PRED") for AED nil consideration. This resulted in the Group's effective shareholding in PRED to increase by 20% and a total ownership of 100%.

	<b>1 July 2024</b>
	<b>PRED</b>
	<b>AED'000</b>
<b>Assets</b>	
Property and equipment	1,907
Trade and other receivables	340
Due from related parties	27
Cash and bank balances	5,445
	<hr/>
<b>Total assets</b>	<b>7,719</b>
	<hr/> <hr/>
Employees' end of service benefits	3
Trade and other payable	575
Due to related parties	25
	<hr/>
<b>Total liabilities</b>	<b>603</b>
	<hr/> <hr/>
<b>Total identifiable net assets at carrying value</b>	<b>7,116</b>
	<hr/> <hr/>
Carrying value of the shareholding acquired	1,423
Less: Consideration paid	-
	<hr/>
<b>Difference recognized directly in merger, acquisition and other reserves</b>	<b>1,423</b>
	<hr/> <hr/>

**18.3 Increase/reduction in shareholding in the prior year**

***United International Group for Manpower Services L.L.C - SPC ("UIG") / Sawaeed Holding PJSC ("Sawaeed")***

Effective 1 July 2024, Abu Dhabi Land General Contracting LLC, a subsidiary, acquired additional shares in UIG for a consideration of 10.65% shares in Sawaeed. This resulted in the Group's effective shareholding in UIG to increase by 49% for a total ownership of 100% whereas effective shareholding in Sawaeed reduced to 89.35%. An amount of AED 38,572 thousand was transferred to non-controlling interest representing the net assets value attributable to the shareholding of Sawaeed sold as on 1 July 2024.

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

**18 Business combinations (continued)**

**18.3 Increase/reduction in shareholding in the prior year (continued)**

***United International Group for Manpower Services L.L.C - SPC ("UIG") / Sawaeed Holding PJSC ("Sawaeed")*** continued

The above transaction did not result in any loss of control and hence it is accounted for as an equity transaction. Following is the summary of increase/reduction in shareholding with corresponding impact in non-controlling interest:

	<b>1 July 2024</b>
	<b>UIG</b>
	<b>AED'000</b>
<b>Assets</b>	
Property and equipment	1,518
Intangible assets	5,491
Trade and other receivables	75,287
Due from related parties	7,138
Cash and bank balances	28,108
	<hr/>
<b>Total assets</b>	<b>117,542</b>
	<hr/> <hr/>
Employees' end of service benefits	10,397
Borrowings	540
Trade and other payable	52,022
Due to related parties	2,909
Deferred tax liabilities	494
	<hr/>
<b>Total liabilities</b>	<b>66,362</b>
	<hr/> <hr/>
<b>Total identifiable net assets at carrying value</b>	<b>51,180</b>
	<hr/> <hr/>
Carrying value of the shareholding acquired	25,078
Less: Consideration paid (net assets of Sawaeed as at 1 July 2024)	(38,572)
	<hr/>
<b>Difference recognized directly in merger, acquisition and other reserves</b>	<b>(13,494)</b>
	<hr/> <hr/>

**18.4 Business combination under common control in the prior year**

During 2024, the Group acquired the following entity under common control. This acquisition is excluded from the scope of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations" as this is a business combination of entities under common control, given that the Company and the acquired entity are ultimately controlled by the same party before and after the acquisition. The acquisition has been accounted for in the consolidated financial statements using the pooling of interest method, which reflects the economic substance of the transaction. The Group has elected to consolidate the income, expenses, assets and liabilities of acquired entity from the date of acquisition.

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

**18 Business combinations (continued)**

**18.4 Business combination under common control in the prior year (continued)**

***Sawaeed Holding PJSC and its subsidiaries ("Sawaeed")***

Effective 30 April 2024, ESG Capital Holding LLC, a subsidiary, acquired an additional 83.89% interest in Sawaeed Holding PJSC ("Sawaeed"), previously accounted as a financial asset as fair value through other comprehensive income, thereby increasing the Group's ownership to 100%. The fair value of the previously held interest on the date of obtaining control, amounted to AED 55,287 thousand. Sawaeed is registered as a private joint stock company, registered in Abu Dhabi, and is engaged in manpower recruitment and outsourcing, real estate investment, development and management, labour accommodation management, facilities management services, catering services and provision of skills training. From the date of acquisition Sawaeed contributed revenue and profit after tax to the Group amounting to AED 140,024 thousand and AED 28,449 thousand respectively. If the acquisition had taken place at the beginning of the year, Sawaeed would have contributed revenue and loss after tax to the Group amounting to AED 198,060 thousand and AED 7,574 thousand, respectively.

The amounts recognized in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	<b>30 April 2024</b>
	<b>SAWAEED</b>
	<b>AED'000</b>
<b>Assets</b>	
Property and equipment	17,315
Investment properties	79,720
Financial assets carried at fair value through other comprehensive income (note 10.1)	42,089
Intangible assets	107
Right of use assets	7,137
Due from related parties	26,563
Trade and other receivables	102,667
Cash and bank balances	75,359
	<hr/>
	350,957
	<hr/> <hr/>
<b>Liabilities</b>	
Employees' end of service benefits	13,621
Lease liabilities	32,247
Trade and other payables	36,180
	<hr/>
	82,048
	<hr/> <hr/>

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

**18 Business combinations (continued)**

**18.4 Business combination under common control in the prior year (continued)**

**30 April 2024**  
**SAWAEED**  
**AED'000**

<b>Total identifiable net assets</b>	268,909
Less: Purchase consideration	(282,331)
	<hr/>
<b>Merger reserve</b>	(13,422)
<i>Purchase consideration:</i>	<hr/>
Amount paid to acquire additional 83.89% interest	226,504
Fair value of previously held equity interest (note 10.1)	55,827
	<hr/>
<b>Total purchase consideration</b>	282,331
	<hr/>
Analysis of cashflow on acquisition of Sawaeed is as follows:	
Amount paid to acquire additional 83.89% interest	(226,504)
Cash acquired in business combination	75,359
Acquisition of operating business – net of cash acquired (included in cash flows from investing activities)	(151,145)
	<hr/>

**19 Share capital**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
<b><i>Authorised, issued and fully paid shares</i></b>		
250,000,000 ordinary shares		
(31 December 2024: 250,000,000 ordinary shares)		
of AED 1 each (31 December 2024: AED 1 each)	<b>250,000</b>	250,000
	<hr/>	<hr/>

**20 Statutory reserve**

In accordance with UAE Federal Law No. (32) of 2021 (as amended) and the Company's Articles of Association, the Company has established a statutory reserve by appropriation of 10% of profit for each year until the reserve equals 50% of the share capital. This reserve is not available for distribution except as stipulated by the Law.

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

**21 Provision for employees' end of service benefits**

Movements in the provision for employees' end of service benefit are as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Balance at 1 January	<b>65,640</b>	41,198
Acquired in business combination (note 18.1, note 18.4)	-	17,507
Charge during the year	<b>19,037</b>	15,712
Paid during the year	<b>(11,125)</b>	(8,680)
Transfers to related parties	-	(97)
	<hr/>	<hr/>
Balance at 31 December	<b>73,552</b>	65,640
	<hr/> <hr/>	<hr/> <hr/>

**22 Lease liabilities**

The movement in lease liabilities during the year is as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Balance at 1 January	<b>195,782</b>	79,157
Acquired in business combinations (note 18.4)	-	32,247
Additions	<b>63,021</b>	114,650
Modification	<b>(10,125)</b>	25,239
Termination of lease	-	(4,503)
Interest expense (note 30)	<b>12,270</b>	7,209
Repayment made during the year	<b>(63,676)</b>	(58,217)
	<hr/>	<hr/>
Balance at 31 December	<b>197,272</b>	195,782
	<hr/> <hr/>	<hr/> <hr/>

Lease liabilities are disclosed in the consolidated statement of financial position as:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Non-current	<b>148,579</b>	154,891
Current	<b>48,693</b>	40,891
	<hr/>	<hr/>
Total	<b>197,272</b>	195,782
	<hr/> <hr/>	<hr/> <hr/>

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

**22 Lease liabilities (continued)**

The following are the amounts recognised in consolidated statement of profit or loss:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Depreciation expense on right-of-use assets (note 8)	<b>53,364</b>	46,859
Interest expense on lease liabilities (note 30)	<b>12,270</b>	7,209
	<b>65,634</b>	54,068

**23 Trade and other payables**

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Trade payables	<b>92,016</b>	114,014
Accrued expenses	<b>172,744</b>	147,713
Provisions and deposits	<b>144,758</b>	129,509
Other payables	<b>107,161</b>	9,568
Retention payables	<b>53,573</b>	37,369
VAT payable	<b>4,923</b>	2,996
	<b>575,175</b>	441,169

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

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Non-current	<b>2,718</b>	2,792
Current	<b>572,457</b>	438,377
	<b>575,175</b>	441,169

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

**24 Bank borrowings**

Bank borrowings comprise of the following:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Term loans	<b>21,875</b>	50,115
Vehicle loans	-	26
	<u><b>21,875</b></u>	<u>50,141</u>

Movement in borrowings during the year is as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Balance at 1 January	<b>50,141</b>	81,840
Repayments during the year	<b>(28,266)</b>	(31,699)
Balance at 31 December	<u><b>21,875</b></u>	<u>50,141</u>

Analysed in the consolidated statement of financial position as follows:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Current liabilities	<b>17,500</b>	28,266
Non-current liabilities	<b>4,375</b>	21,875
	<u><b>21,875</b></u>	<u>50,141</u>

The following table details the Group's remaining contractual maturity for its borrowings:

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Less than 3 months	<b>4,375</b>	9,380
After 3 months but no more than 12 months	<b>13,125</b>	18,886
After one but not more than five years	<b>4,375</b>	21,875
	<u><b>21,875</b></u>	<u>50,141</u>

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

**24 Bank borrowings (continued)**

				2025 AED'000	2024 AED'000	
	Securit y	Interest rates	Maturity			Purpose
Term Loan - 1	Secured	2% +6M EIBOR	September 2025	-	10,740	To finance the construction of commercial centers
Term Loan - 2	Secured	2% + 6M EIBOR	February 2027	<b>21,875</b>	39,375	To finance the construction of warehouse
				<b>21,875</b>	50,115	
Other vehicle Loans	Secured	3.00%-5.51%	2024-2027	-	26	To finance the purchase of vehicles
				<b>21,875</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. During the year, 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 property'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.

***Other vehicle loans***

The loans were early settled by the subsidiary during the year.

**25 Revenue**

	2025 AED'000	2024 AED'000
<b>Type of revenue</b>		
Furniture manufacturing and retail revenues and interior fit out	<b>565,817</b>	622,854
Contracting and consultancy revenue	<b>459,647</b>	96,847
Business process and manpower outsourcing	<b>373,993</b>	272,762
Landscaping, agriculture and maintenance revenue	<b>371,578</b>	281,019
	<b>1,771,035</b>	1,273,482

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

**25 Revenue (continued)**

	2025 AED'000	2024 AED'000
<b>Timing of revenue recognition</b>		
Revenue from performance obligation transferred over the period of time	1,361,089	888,314
Revenue from performance obligation transferred at point in time	409,946	385,168
	<u>1,771,035</u>	<u>1,273,482</u>
<b>Geographical markets</b>		
Revenue generated within UAE	1,720,480	1,217,866
Revenue generated outside UAE	50,555	55,616
	<u>1,771,035</u>	<u>1,273,482</u>

Revenue expected to be recognised in the future related to performance obligation that are unsatisfied or partially unsatisfied.

	2025 AED'000	2024 AED'000
Within one year	375,969	439,460
After one year but no more than 5 years	333,473	381,006
	<u>709,442</u>	<u>820,466</u>

**26 Direct costs**

	2025 AED'000	2024 AED'000
Staff costs	431,054	346,620
Cost of inventories consumed (note 11)	199,380	173,623
Cost of properties development (note 12)	191,632	-
Subcontracting and maintenance costs	160,914	179,424
Direct materials	124,893	95,984
Depreciation and amortisation (note 5, 6, 7 & 8)	24,140	21,592
Rent, utilities and communication	8,621	4,922
Others	27,871	14,996
	<u>1,168,505</u>	<u>837,161</u>

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

**27 General and administrative expenses**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Staff costs	<b>84,859</b>	61,765
Depreciation and amortisation (note 5, 6, 7 & 8)	<b>25,788</b>	17,501
(Reversal) / charge for allowance for expected credit losses	<b>(14,630)</b>	11,117
Government fees, professional and legal expenses	<b>12,995</b>	9,376
Rent, utilities, and communication	<b>9,847</b>	8,934
Service charges	<b>8,565</b>	8,490
Board of director's remuneration (note 14)	<b>4,614</b>	3,396
Repairs, maintenance and fuel expenses	<b>5,679</b>	2,885
Insurance expenses	<b>3,801</b>	2,093
Allowance for slow moving inventory (note 11)	<b>4,015</b>	1,272
Other expenses	<b>15,224</b>	9,728
	<b>160,757</b>	136,557

**28 Selling, marketing and distribution expenses**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Staff costs	<b>38,746</b>	39,302
Depreciation and amortisation (note 5 & 8)	<b>45,714</b>	45,173
Sales and marketing expenses	<b>20,925</b>	3,058
Advertisement and business promotion expenses	<b>13,547</b>	19,660
Rent, utilities, and communication	<b>2,501</b>	2,366
Packing materials	<b>1,705</b>	1,139
Commission, brokerage and e-commerce expense	<b>6,996</b>	6,128
Other expenses	<b>3,722</b>	4,384
	<b>133,856</b>	121,210

**29 Interest and other income, net**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Rental income	<b>12,678</b>	10,483
Interest income	<b>6,299</b>	9,748
Income from termination and settlement agreement	<b>5,311</b>	-
Rebate from clearing agent	<b>2,727</b>	2,742
Dividend income	<b>-</b>	390
Gain on lease modification and termination	<b>386</b>	314
Gain / (loss) on disposal of property and equipment	<b>266</b>	(3,771)
Miscellaneous	<b>10,148</b>	5,353
	<b>37,815</b>	25,259

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

**30 Finance costs**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Interest expense on lease liabilities (note 22)	<b>12,270</b>	7,209
Interest expense on borrowings	<b>2,128</b>	4,484
Bank charges and others	<b>3,082</b>	1,295
	<b>17,480</b>	12,988

**31 Income tax**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“CT Law”) to implement a new Federal Corporate Tax (“CT”) regime in the UAE.

Generally, UAE businesses will be subject to a 9% CT rate, however a 0% CT rate will be applied to taxable income not exceeding AED 375,000 as well as to certain types of entities, as prescribed by way of a Cabinet Decision. The 0% CT rate will also apply to the qualifying income of Free Zone entities.

For the purpose of determining the taxable results for the year, the accounting profit of the Group was adjusted for tax purposes.

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 year ended 31 December 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 consolidated statement of profit or loss are:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Income tax charge – current	<b>31,963</b>	21,520
Pillar two taxes - UAE	<b>15,966</b>	-
Income tax credit – prior year	<b>(4,095)</b>	-
Deferred tax income, net	<b>(838)</b>	(4,877)
Income tax expense recognized in the consolidated statement of profit or loss	<b>42,996</b>	16,643

The Effective Tax Rate (ETR) for the year ended 31 December 2025 is 11.16% (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 consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**31 Income tax (continued)**

*Current tax payable*

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

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Balance at 1 January	<b>21,736</b>	-
Tax expense – current	<b>31,963</b>	21,520
Pillar two taxes – UAE	<b>15,966</b>	-
Reversal of prior year tax expense	<b>(4,095)</b>	-
Tax (reversal) / expense – other comprehensive income	<b>(24)</b>	216
Paid during the year	<b>(17,640)</b>	-
	<hr/>	<hr/>
Balance at 31 December	<b>47,906</b>	21,736
	<hr/> <hr/>	<hr/> <hr/>

*Deferred tax*

Deferred tax assets/(liabilities) presented in the consolidated statement of financial position is as follows:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Deferred tax assets	<b>4,503</b>	4,480
Deferred tax liabilities	<b>(2,001)</b>	(2,798)
	<hr/>	<hr/>
<b>Deferred tax assets, net</b>	<b>2,502</b>	1,682
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Deferred tax related to items recognised in OCI during the year:

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Change in fair value of financial assets carried at fair value through other comprehensive income – current tax	<b>24</b>	(216)
Change in fair value of financial assets carried at fair value through other comprehensive income – deferred tax	<b>(18)</b>	(4)
	<hr/>	<hr/>
Deferred tax credit (charge) to OCI	<b>6</b>	(220)
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**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**31 Income tax (continued)**

**Reconciliation of accounting income**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Accounting profit before tax	<b>385,115</b>	247,527
At United Arab Emirates' statutory income tax rate of 9%	<b>34,660</b>	22,277
Add: Loss of foreign entities	<b>296</b>	86
Add: Dividend from subsidiaries	<b>839</b>	6,682
Add: Gain on sale of a subsidiary	-	2,372
Add: Tax impact on income directly credited to reserves	-	128
Less: Effect of standard exemption	<b>(240)</b>	(169)
Less: Tax impact of permanent allowances and exempt income	<b>(8,525)</b>	(14,733)
Add: Pillar two taxes – UAE	<b>15,966</b>	-
	<hr/> <hr/>	<hr/> <hr/>
Income tax expense reported in the consolidated statement of profit or loss	<b>42,996</b>	16,643
	<hr/> <hr/>	<hr/> <hr/>
Effective tax rate	<b>11.16%</b>	6.72%
	<hr/> <hr/>	<hr/> <hr/>

**32 Contingent liabilities and commitments**

	<b>2025</b>	2024
	<b>AED'000</b>	AED'000
Letters of guarantee	<b>200,210</b>	160,262
	<hr/> <hr/>	<hr/> <hr/>
Capital commitments	<b>213,389</b>	143,433
	<hr/> <hr/>	<hr/> <hr/>

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 31 December 2025.

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

**33 Segment analysis**

The management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. For internal management purpose, the Group has re-organized the business segments based on the products and services provided during the current year.

**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 and agriculture related business.

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

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

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

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

**33 Segment analysis (continued)**

	Construction and consultancy 2025 AED'000	Landscaping, agriculture and maintenance 2025 AED'000	Business process/ manpower outsourcing 2025 AED'000	Furniture, manufacturing, retails and 2025 AED'000	Others/ unallocated 2025 AED'000	Total segments 2025 AED'000	Elimination 2025 AED'000	Consolidated 2025 AED'000
<b>Revenue from contract with customers</b>								
External customers	459,647	371,578	373,993	565,817	-	1,771,035	-	1,771,035
Inter-Segment	46,928	8,175	155,677	12,863	-	223,643	(223,643)	-
<b>Total</b>	<b>506,575</b>	<b>379,753</b>	<b>529,670</b>	<b>578,680</b>	<b>-</b>	<b>1,994,678</b>	<b>(223,643)</b>	<b>1,771,035</b>
<b>Less: Expenses</b>								
Direct costs	(300,447)	(283,443)	(400,663)	(380,083)	-	(1,364,636)	196,131	(1,168,505)
General and administrative expenses	(34,699)	(46,447)	(28,186)	(44,308)	(23,991)	(177,631)	16,874	(160,757)
Selling, marketing and distribution expenses	(13,016)	(4)	(9,559)	(113,700)	(234)	(136,513)	2,657	(133,856)
Gain (loss) from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(150)	214	64	-	64
Share of profit from investment in associate and joint ventures	-	-	49,077	-	-	49,077	-	49,077
Gain from change in fair value of biological assets	-	6,198	-	-	-	6,198	-	6,198
Other income	19,478	4,491	226,836	36,473	76,313	363,591	(325,776)	37,815
Reversal of impairment, net	-	-	(873)	2,397	-	1,524	-	1,524
Finance costs	(1,059)	(2,310)	(2,001)	(8,646)	(3,464)	(17,480)	-	(17,480)
<b>Profit before tax for the year</b>	<b>176,832</b>	<b>58,238</b>	<b>364,301</b>	<b>70,663</b>	<b>48,838</b>	<b>718,872</b>	<b>(333,757)</b>	<b>385,115</b>
Income tax expense	(23,013)	(10,434)	(11,702)	(7,456)	9,609	(42,996)	-	(42,996)
<b>Net profit for the year</b>	<b>153,819</b>	<b>47,804</b>	<b>352,599</b>	<b>63,207</b>	<b>58,447</b>	<b>675,876</b>	<b>(333,757)</b>	<b>342,119</b>
<b>Total assets</b>	<b>1,559,551</b>	<b>519,391</b>	<b>2,548,279</b>	<b>1,152,884</b>	<b>1,769,419</b>	<b>7,549,524</b>	<b>(3,225,309)</b>	<b>4,324,215</b>
<b>Total liabilities</b>	<b>1,115,938</b>	<b>329,019</b>	<b>722,854</b>	<b>647,731</b>	<b>904,135</b>	<b>3,719,677</b>	<b>(2,315,973)</b>	<b>1,403,704</b>

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

**33 Segment analysis (continued)**

	Construction and consultancy 2024 AED'000	Landscaping, agriculture and maintenance 2024 AED'000	Business process/ manpower outsourcing 2024 AED'000	Furniture, manufacturing, retails and 2024 AED'000	Others/ unallocated 2024 AED'000	Total segments 2024 AED'000	Elimination 2024 AED'000	Consolidated 2024 AED'000
Revenue from contract with customers								
External customers	96,847	281,019	272,762	622,854	-	1,273,482	-	1,273,482
Inter-Segment	31,926	8,451	68,647	46	-	109,070	(109,070)	-
<b>Total</b>	<b>128,773</b>	<b>289,470</b>	<b>341,409</b>	<b>622,900</b>	<b>-</b>	<b>1,382,552</b>	<b>(109,070)</b>	<b>1,273,482</b>
Less: Expenses								
Direct costs	(81,432)	(177,291)	(265,802)	(396,278)	-	(920,803)	83,642	(837,161)
General and administrative expenses	(12,187)	(21,109)	(24,192)	(71,031)	(23,366)	(151,885)	15,328	(136,557)
Selling, marketing and distribution expenses	(2,043)	(13)	(115)	(118,899)	(140)	(121,210)		(121,210)
Loss from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(688)	(10,565)	(11,253)	-	(11,253)
Share of profit from investment in associate and joint ventures	-	-	36,838	-	-	36,838	-	36,838
Fair value of previously held equity interest	-	-	-	-	29,917	29,917	-	29,917
Other income	3,704	1,664	8,538	10,430	82,671	107,007	(81,748)	25,259
Reversal of impairment	-	-	-	1,200	-	1,200	-	1,200
Finance costs	(355)	(611)	(1,657)	(9,746)	(619)	(12,988)	-	(12,988)
<b>Profit before tax for the year</b>	<b>36,460</b>	<b>92,110</b>	<b>95,019</b>	<b>37,888</b>	<b>77,898</b>	<b>339,375</b>	<b>(91,848)</b>	<b>247,527</b>
Income tax expense	(3,696)	(8,267)	(2,262)	(4,448)	2,030	(16,643)	-	(16,643)
<b>Net profit for the year</b>	<b>32,764</b>	<b>83,843</b>	<b>92,757</b>	<b>33,440</b>	<b>79,928</b>	<b>322,732</b>	<b>(91,848)</b>	<b>230,884</b>
<b>Total assets</b>	<b>519,424</b>	<b>361,709</b>	<b>2,189,101</b>	<b>973,586</b>	<b>1,263,884</b>	<b>5,307,704</b>	<b>(1,624,427)</b>	<b>3,683,277</b>
<b>Total liabilities</b>	<b>350,463</b>	<b>214,839</b>	<b>380,906</b>	<b>493,074</b>	<b>698,761</b>	<b>2,138,043</b>	<b>(957,521)</b>	<b>1,180,522</b>

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

**34 Material partly owned subsidiaries**

Summarised financial information of subsidiaries with material non-controlling interest is provided below before intra-group eliminations.

<i>Balance of non-controlling interest:</i>	<i>% of non-controlling interest</i>	<b>2025</b> <b>AED'000</b>	2024 AED'000
Afkar Financial & Property Investments LLC	40%	<b>130,489</b>	124,655
Sawaeed Holding PJSC	10.65%	<b>35,878</b>	43,511
Deco Vision Company WLL	15%	<b>14,909</b>	16,899
Royal Dunes Real Estate Development LLC	49%	<b>84,843</b>	53,028
Royal Harbour Ltd	49%	<b>92,853</b>	-
Century Village Real Estate Investment LLC	30%	<b>79,083</b>	79,318
Others		<b>2,699</b>	1,794
		<b>440,754</b>	319,205
		<hr/> <hr/>	<hr/> <hr/>
		<b>2025</b> <b>AED'000</b>	2024 AED'000
<i>Profit/(loss) allocated to non-controlling interest:</i>			
Afkar Financial & Property Investments LLC		<b>5,834</b>	(4,728)
Sawaeed Holding PJSC		<b>8,799</b>	4,548
Deco Vision Company WLL		<b>1,759</b>	3,056
Royal Dunes Real Estate Development LLC		<b>30,798</b>	(835)
Royal Harbour Ltd		<b>(3,992)</b>	-
Century Village Real Estate Investment LLC		<b>(235)</b>	(148)
Others		<b>(994)</b>	3,830
		<b>41,969</b>	5,723
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**Notes to the consolidated financial statements**  
**For the year ended 31 December 2025 (continued)**

**34 Material partly owned subsidiaries (continued)**

The following table summarizes the information relating to each of the Group's major subsidiaries that has material non-controlling interest (NCI), before any intra-group eliminations.

2025	Afkar Financial & Property Investments LLC AED'000	Sawaeed Holding PJSC AED'000	DecoVision Company WLL AED'000	Royal Dunes Real Estate Development LLC AED'000	Century Village Real Estate Investment LLC AED'000	Royal Harbor LTD AED'000
<b>Non-controlling interest (%)</b>	<b>40%</b>	<b>10.65%</b>	<b>15%</b>	<b>49%</b>	<b>30%</b>	<b>49%</b>
<b>Summarised statement of profit and loss and other comprehensive income of material partly-owned subsidiaries</b>						
Revenue	334,926	413,864	182,126	185,683	-	-
Expenses	(320,342)	(330,896)	(164,333)	(122,831)	(782)	(8,147)
Profit/(loss) for the year	14,584	82,968	17,793	62,852	(782)	(8,147)
Other comprehensive loss	-	(22)	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>14,584</b>	<b>82,946</b>	<b>17,793</b>	<b>62,852</b>	<b>(782)</b>	<b>(8,147)</b>
Attributable to equity holders of the Company	8,750	74,147	16,034	32,054	(547)	(4,155)
Attributable to non-controlling interests	5,834	8,799	1,759	30,798	(235)	(3,992)
<b>Summarised statement of financial position of material partly-owned subsidiaries</b>						
Non-current assets	326,956	139,495	7,575	101,419	252,367	785
Current assets	146,430	341,710	192,445	152,961	7,688	362,458
<b>Total assets</b>	<b>473,386</b>	<b>481,205</b>	<b>200,020</b>	<b>254,380</b>	<b>260,055</b>	<b>363,243</b>
Non-current liabilities	67,051	58,463	4,437	-	-	-
Current liabilities	78,824	85,656	114,499	81,063	9,030	174,561
<b>Total liabilities</b>	<b>145,875</b>	<b>144,119</b>	<b>118,936</b>	<b>81,063</b>	<b>9,030</b>	<b>174,561</b>
<b>Net assets</b>	<b>327,511</b>	<b>337,086</b>	<b>81,084</b>	<b>173,317</b>	<b>251,025</b>	<b>188,682</b>
Attributable to equity holders of the Company	197,022	301,208	66,175	88,474	171,942	95,829
Attributable to non-controlling interests	130,489	35,878	14,909	84,843	79,083	92,853
<b>Summarised cash flow information of material partly-owned subsidiaries</b>						
Operating	75,976	139,752	43,428	79,126	(2,715)	(20,615)
Investing	(2,590)	19,407	(43)	(101,419)	(111,966)	-
Financing	(70,237)	(157,225)	(38,500)	13,353	105,219	31,499

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

**34 Material partly owned subsidiaries (continued)**

2024	Afkar Financial & Property Investments LLC AED'000	Sawaed Holding PJSC AED'000	DecoVision Company WLL AED'000	Royal Dunes Real Estate Development LLC AED'000	Century Village Real Estate Investment LLC AED'000	Royal Harbor LTD AED'000
Non-controlling interest (%)	40%	10.65%	15%	49%	30%	-
Summarised statement of profit and loss and other comprehensive income of material partly-owned subsidiaries						
Revenue	292,266	222,514	244,172	-	-	-
Expenses	(304,086)	(176,982)	(217,737)	(1,704)	(494)	-
Profit / (loss) for the year	(11,820)	45,532	26,435	(1,704)	(494)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income / (loss)	(11,820)	45,532	26,435	(1,704)	(494)	-
Attributable to equity holders of the Company	(7,092)	40,984	23,379	(869)	(346)	-
Attributable to non-controlling interests	(4,728)	4,548	3,056	(835)	(148)	-
Summarised statement of financial position of material partly-owned subsidiaries						
Non-current assets	366,336	143,747	20,109	168	140,187	-
Current assets	151,977	391,228	239,657	261,952	12,743	-
Total assets	518,313	534,975	259,766	262,120	152,930	-
Non-current liabilities	108,064	52,999	17,039	-	-	-
Current liabilities	98,504	73,419	154,321	153,900	12,948	-
Total liabilities	206,568	126,418	171,360	153,900	12,948	-
Net assets	311,745	408,557	88,406	108,220	139,982	-
Attributable to equity holders of the Company	187,090	365,046	71,507	55,192	60,664	-
Attributable to non-controlling interests	124,655	43,511	16,899	53,028	79,318	-
Summarised cash flow information of material partly-owned subsidiaries						
Operating	69,721	13,281	(15,305)	(5,692)	12,870	-
Investing	(11,064)	27,534	69,117	-	(53,817)	-
Financing	(64,772)	(2,473)	(38,150)	15,764	50,285	-

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****35 Financial risk management objectives and policies**

The Group's activities expose it to a variety of financial risks; credit risk, liquidity risk, interest rate risk and currency risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative or risk management purposes.

The following section discusses the entity's risk management policies. The measurement of ECL under IFRS 9 uses the information and approaches that the entity uses to manage credit risk, though certain adjustments are made in order to comply with the requirements of IFRS 9.

During the year ended 31 December 2025, the Group was not exposed to any significant financial risk, other than credit risk and liquidity risk. The Group reviews and agrees policies for managing each of these risks and these policies are summarised below:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has adopted a policy of only dealing with creditworthy counter parties, however, significant revenue is generated by dealing with high profile well known customers, for whom the credit risk is assessed to be low. In addition, the Group has security deposits against counterparties related to its trade receivable balances.

The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the UAE Central Bank.

Concentration of credit risk arises when a number of counter-parties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group 's performance to developments affecting a particular industry or geographic location. All balances with banks are with commercial banks in the United Arab Emirates.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties fail to perform their obligations, generally approximates their carrying value.

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

**35 Financial risk management objectives and policies (continued)**

**Credit risk (continued)**

The tables below detail the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

	External credit ratings	Internal credit ratings	Notes	12 months or lifetime ECL	Gross carrying amount AED'000	Loss allowance AED'000	Net carrying amount AED'000
<b>2025</b>							
Bank balances and cash	AA	N/A	17	12-month ECL	<b>694,660</b>	<b>(73)</b>	<b>694,587</b>
Due from related parties	N/A	(i)	14	Lifetime ECL	<b>144,573</b>	<b>(29,372)</b>	<b>115,201</b>
Trade receivables	N/A	(ii)	16	Lifetime ECL	<b>393,746</b>	<b>(175,875)</b>	<b>217,871</b>
Contract assets	N/A	(ii)	15	Lifetime ECL	<b>361,655</b>	<b>(12,815)</b>	<b>348,840</b>
<b>2024</b>							
Bank balances and cash	AA	N/A	5	12-month ECL	468,368	(50)	468,318
Due from related parties	N/A	(i)	14	Lifetime ECL	225,953	(38,557)	187,396
Trade receivables	N/A	(ii)	7	Lifetime ECL	507,315	(212,503)	294,812
Contract assets	N/A	(ii)	15	Lifetime ECL	147,947	(19,961)	127,986

- (i) For due from related parties the Group has used simplified approach in IFRS 9 to measure loss allowance at lifetime ECL. The Group assesses for significant increase in credit risk for each of the parties and determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the customers, adjusted as appropriate to reflect current market conditions and estimates of future economic conditions.
- (ii) For trade receivable and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the customers, adjusted as appropriate to reflect current market conditions and estimates of future economic conditions. As part of individual assessment, the Group has estimated expected credit losses by reference to past default experience with the customer, an analysis of the customer's current financial position, adjusted for the factors that are specific to the customer, general economic and political conditions applicable to customer along with correspondences and future outlook as at reporting date.

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

**35 Financial risk management objectives and policies (continued)**

**Interest rate risk**

The Group's exposure to interest rate risk is related to interest rates on fixed deposits with banks. The Group does not have any fixed deposits with variable interest and is hence not exposed to interest rate risk.

Interest rate risk arises from the possibility that changes in interest rates will affect the net interest income of the Group. The Group's exposure to interest rate risk relates to its loans from banks. Bank borrowings carried interest at the rate of EIBOR plus 2% (2024: 2%). The Group's sensitivity to interest rates has not changed significantly from the prior year.

Based on the sensitivity analysis to a 100 basis points increase or decrease in the interest rate, the Group's profit for the year ended 31 December 2025 and equity as of 31 December 2025 would have decreased / increased by AED 213 thousand (2024: AED 448 thousand).

**Liquidity risk**

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and longterm funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and funding from related parties, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	<b>Less than 3 months AED'000</b>	<b>3 to 12 months AED'000</b>	<b>1 to 5 years AED'000</b>	<b>&gt; 5 years years AED'000</b>	<b>Total AED'000</b>
<i>At 31 December 2025</i>					
Trade and other payables	210,837	39,195	2,718	-	252,750
Due to related parties	8,636	-	2,520	-	11,156
Bank borrowings	4,689	13,447	4,399	-	22,535
Lease liabilities	16,951	20,570	146,597	90,830	274,948
	<b>241,113</b>	<b>73,212</b>	<b>156,234</b>	<b>90,830</b>	<b>561,389</b>
<i>At 31 December 2024</i>					
Trade and other payables	158,159	-	2,792	-	160,951
Due to related parties	68,819	41,850	58,320	-	168,989
Bank borrowings	10,917	19,368	22,541	-	52,826
Lease liabilities	21,719	28,998	133,669	82,782	267,168
	<b>259,614</b>	<b>90,216</b>	<b>217,322</b>	<b>82,782</b>	<b>649,934</b>

**Notes to the consolidated financial statements  
For the year ended 31 December 2025 (continued)****35 Financial risk management objectives and policies (continued)***Equity price sensitivity analysis*

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period.

If the equity prices had been 10% higher/lower, the Group's other comprehensive income and profit for the year would have increased/decreased by AED 2 thousand (2024: AED 239 thousand) AED 6 thousand (2024: AED 1,125 thousand), respectively as a result of change in fair value of investments carried at fair value through other comprehensive income and fair value through profit or loss.

**Capital management**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024. The Group's capital structure comprises share capital, statutory reserve, merger acquisition and other reserves, currency translation reserve, cumulative changes in fair value reserve, fair value of cash flow hedges and retained earnings and is measured at AED 2,479,757 thousand (2024: AED 2,183,550 thousand).

**36 Fair values****Fair value of the Group's assets that are measured at fair value on recurring basis**

Some of the Group's financial assets are measured at fair value at the end of the reporting period. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

**36 Fair values (continued)**

The Group held the following financial instrument measured at fair value:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>2025</b>				
Financial assets at fair value through other comprehensive income	-	-	374	374
Financial assets at fair value through profit or loss	672	-	-	672
Biological assets – plants	-	-	8,189	8,189
	<u>672</u>	<u>-</u>	<u>8,563</u>	<u>9,235</u>
<b>2024</b>				
Financial assets at fair value through other comprehensive income	1,021	-	374	1,395
Financial assets at fair value through profit or loss	4,780	-	-	4,780
Biological assets – plants	-	-	292	292
	<u>5,801</u>	<u>-</u>	<u>666</u>	<u>6,467</u>

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

**Fair value of the Group's assets that are measured at historical cost**

The following table shows the analysis of the fair value of assets measured and disclosed at historical cost:

	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	2025 AED'000	2024 AED'000				
Investment properties	262,539	225,900	Level 3	Discounted cash flow method.	Future rental values	Higher rental income assumed, higher the fair value.

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

**37 Basic and diluted 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.

	<b>2025</b> <b>AED'000</b>	2024 AED'000
Profit for the year attributable to equity holders of the parent (AED'000)	<b>300,150</b>	225,161
Weighted average number of shares ('000)	<b>250,000</b>	250,000
Basic earnings per share for the year (AED)	<b>1.20</b>	0.90

As of 31 December 2025 and 31 December 2024, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised and therefore basic and diluted earnings per share are identical.

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

**38 Comparative figures**

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 consolidated financial statements.

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

	<b>As previously presented AED'000</b>	<b>Reclassification AED'000</b>	<b>As reclassified AED'000</b>
<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><u>Statement of cash flows</u></b>			
Trade and other receivables (i)	(57,373)	25,098	(32,275)
Contract assets (i)	-	(25,098)	(25,098)
Trade and other payables (ii)	(46,520)	(110,964)	(157,484)
Contract liabilities (ii)	-	110,964	110,964

- (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 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 consolidated financial statements.