

**ESG EMIRATES STALLIONS GROUP  
PJSC**

**Review report and interim  
financial information  
for the three-month period ended  
31 March 2026**

# **ESG EMIRATES STALLIONS GROUP PJSC**

## **Review report and interim financial information for the three-month period ended 31 March 2026**

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

### *Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of ESG Emirates Stallions Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”) as of 31 March 2026 and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and material accounting policy information. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, “*Interim Financial Reporting*”. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

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

### *Conclusion*

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

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah  
Registration Number 717  
28 April 2026  
Abu Dhabi  
United Arab Emirates

**Interim condensed consolidated statement of financial position  
as at 31 March 2026**


	Notes	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	3	340,584	335,342
Investment properties	4	446,072	436,126
Intangible assets and goodwill	5	86,578	87,603
Right-of-use assets	6	190,092	166,388
Investments in associate and joint ventures	7	1,245,448	1,225,956
Financial assets at fair value through other comprehensive income		374	374
Deferred tax assets	19	6,147	4,503
Trade and other receivables	12	35,629	31,464
Due from related parties	10	-	950
<b>Total non-current assets</b>		<b>2,350,924</b>	<b>2,288,706</b>
<b>Current assets</b>			
Inventories	8	85,998	91,601
Development work in progress	9	422,688	309,909
Biological assets – plants		8,002	8,189
Financial assets at fair value through profit or loss		578	672
Due from related parties	10	129,253	115,201
Contract assets	11	323,603	348,840
Trade and other receivables	12	429,039	466,510
Cash and bank balances	13	1,011,780	694,587
<b>Total current assets</b>		<b>2,410,941</b>	<b>2,035,509</b>
<b>Total assets</b>		<b>4,761,865</b>	<b>4,324,215</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		250,000	250,000
Statutory reserve		125,000	125,000
Merger, acquisition and other reserves		789,117	789,117
Currency translation reserve		(524)	(495)
Cumulative changes in fair value reserve		(1,337)	(1,337)
Fair value of cashflow hedges		(7,789)	(8,386)
Retained earnings		1,379,265	1,325,858
<b>Equity attributable to the equity holders of the parent</b>		<b>2,533,732</b>	<b>2,479,757</b>
Non-controlling interest		572,153	440,754
<b>Total equity</b>		<b>3,105,885</b>	<b>2,920,511</b>


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

**Interim condensed consolidated statement of financial position  
as at 31 March 2026 (continued)**

	Notes	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
<b>EQUITY AND LIABILITIES (continued)</b>			
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits		74,833	73,552
Deferred tax liabilities	19	1,802	2,001
Lease liabilities		181,153	148,579
Trade and other payables	15	5,921	2,718
Bank borrowings	14	106,491	4,375
Due to related parties	10	2,520	2,520
<b>Total non-current liabilities</b>		<b>372,720</b>	<b>233,745</b>
<b>Current liabilities</b>			
Due to related parties	10	9,764	8,636
Lease liabilities		50,528	48,693
Bank borrowings	14	24,570	17,500
Current tax payable	19	59,313	47,906
Contract liabilities	11	570,278	474,767
Trade and other payables	15	568,807	572,457
<b>Total current liabilities</b>		<b>1,283,260</b>	<b>1,169,959</b>
<b>Total liabilities</b>		<b>1,655,980</b>	<b>1,403,704</b>
<b>Total equity and liabilities</b>		<b>4,761,865</b>	<b>4,324,215</b>

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

  
 Fawad Abdul Hameed  
 Chief Financial Officer

  
 Kayed Ali D. Khorma  
 Group Chief Executive  
 Officer

  
 Matar Suhail Ali Al  
 Yabhouni Aldhaheri  
 Chairman

**Interim condensed consolidated statement of profit or loss  
for the three-month period ended 31 March 2026**

	Notes	31 March 2026 AED'000 ( <i>unaudited</i> )	31 March 2025 AED'000 ( <i>unaudited</i> )
Revenue	16	370,063	332,680
Direct costs	17	(239,506)	(233,585)
		<hr/>	<hr/>
<b>Gross profit</b>		<b>130,557</b>	99,095
General and administrative expenses		(42,900)	(23,178)
Selling, marketing and distribution expenses		(35,325)	(30,156)
Share of profit from investment in associate and joint ventures	7	18,895	12,390
Gain from change in fair value of biological assets		671	-
Impairment loss on investment property	4	(767)	-
Loss from change in fair value of financial assets fair value through profit or loss		(94)	(80)
Interest and other income, net		13,235	6,139
Finance costs		(6,061)	(4,521)
		<hr/>	<hr/>
<b>Profit before tax for the period</b>		<b>78,211</b>	59,689
Income tax expense	19	(9,564)	(6,651)
		<hr/>	<hr/>
<b>Net profit for the period</b>		<b>68,647</b>	53,038
		<hr/> <hr/>	<hr/> <hr/>
<b>Attributable to:</b>			
Equity holders of the parent company		53,407	48,485
Non-controlling interest		15,240	4,553
		<hr/>	<hr/>
		<b>68,647</b>	53,038
		<hr/> <hr/>	<hr/> <hr/>
Basic earnings per share (AED)	20	0.21	0.19
		<hr/> <hr/>	<hr/> <hr/>

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

**Interim condensed consolidated statement of comprehensive income  
for the three-month period ended 31 March 2026**

	Note	31 March 2026 AED'000 (unaudited)	31 March 2025 AED'000 (unaudited)
<b>Profit for the period</b>		<b>68,647</b>	53,038
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified subsequently to the interim condensed consolidated statement of profit or loss</i>			
Foreign exchange difference on translation of foreign operations		(29)	94
Share of fair value gain/ (loss) on cash flow hedges of an associate	7	597	(1,671)
<i>Items that will not be reclassified subsequently to interim condensed consolidated statement of profit or loss (net of tax):</i>			
Change in fair value of financial assets carried at fair value through other comprehensive income		-	(19)
		<hr/>	<hr/>
<b>Total other comprehensive income/(loss) for the period</b>		<b>568</b>	(1,596)
		<hr/>	<hr/>
<b>Total comprehensive income for the period</b>		<b>69,215</b>	51,442
		<hr/> <hr/>	<hr/> <hr/>
<b>Attributable to:</b>			
Equity holders of the parent		53,975	46,889
Non-controlling interests		15,240	4,553
		<hr/>	<hr/>
		<b>69,215</b>	51,442
		<hr/> <hr/>	<hr/> <hr/>

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

**Interim condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2026**

**Attributable to equity holders of the Parent**

	Share capital AED'000	Statutory reserve AED'000	Merger, acquisition and other reserves AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cash flow hedges AED'000	Retained earnings AED'000	Equity Attributable to the equity holders of the parent AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2025 <i>(audited)</i>	250,000	113,362	789,117	(6)	(1,439)	(4,947)	1,037,463	2,183,550	319,205	2,502,755
Profit for the period	-	-	-	-	-	-	48,485	48,485	4,553	53,038
Other comprehensive income / (loss) for the period	-	-	-	94	(19)	(1,671)	-	(1,596)	-	(1,596)
Total comprehensive income for the period	-	-	-	94	(19)	(1,671)	48,485	46,889	4,553	51,442
Capital injection by non-controlling interest	-	-	-	-	-	-	-	-	229	229
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(9,589)	(9,589)
Disposal of investments carried at fair value through other comprehensive income	-	-	-	-	117	-	(117)	-	-	-
Balance at 31 March 2025 <i>(unaudited)</i>	250,000	113,362	789,117	88	(1,341)	(6,618)	1,085,831	2,230,439	314,398	2,544,837

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

**Interim condensed consolidated statement of changes in equity  
for the three-month period ended 31 March 2026 (continued)**

**Attributable to equity holders of the Parent**

	Share capital AED'000	Statutory reserve AED'000	Merger, acquisition and other reserves AED'000	Currency translation reserve AED'000	Cumulative changes in fair value reserve AED'000	Fair value of cash flow hedges AED'000	Retained earnings AED'000	Equity Attributable to the equity holders of the parent AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2026	250,000	125,000	789,117	(495)	(1,337)	(8,386)	1,325,858	2,479,757	440,754	2,920,511
Profit for the period	-	-	-	-	-	-	53,407	53,407	15,240	68,647
Other comprehensive income / (loss) for the period	-	-	-	(29)	-	597	-	568	-	568
Total comprehensive income for the period	-	-	-	(29)	-	597	53,407	53,975	15,240	69,215
Capital injection by non-controlling interest (i)	-	-	-	-	-	-	-	-	127,210	127,210
Incorporation of subsidiaries	-	-	-	-	-	-	-	-	132	132
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(11,183)	(11,183)
<b>Balance at 31 March 2026 (unaudited)</b>	<b>250,000</b>	<b>125,000</b>	<b>789,117</b>	<b>(524)</b>	<b>(1,337)</b>	<b>(7,789)</b>	<b>1,379,265</b>	<b>2,533,732</b>	<b>572,153</b>	<b>3,105,885</b>

(i) Relates to capital injections from Royal Park Development Limited, Royal Gate Development Limited, Royal Harbor LTD and Royal Dunes Real Estate Development LLC.

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

**Interim condensed consolidated statement of cash flows  
for the three-month period ended 31 March 2026**

	Notes	31 March 2026 AED'000 (unaudited)	31 March 2025 AED'000 (unaudited)
<b>Cash flows from operating activities</b>			
Profit before tax for the period		78,211	59,689
<b>Adjustments for:</b>			
Depreciation of property and equipment	3	7,141	5,764
Gain on disposal of property and equipment		(64)	(11)
Depreciation on investment properties	4	2,161	1,883
Impairment loss on investment property	4	767	-
Depreciation on right of use assets	6	17,612	12,823
Amortisation of intangible assets	5	2,287	2,241
Share of profit from associate and joint ventures	7	(18,895)	(12,390)
Gain on change in fair value of biological assets		(671)	-
Provision for employees' end of service benefits		4,601	5,019
Allowance for slow moving inventory		405	405
Charge / (reversal) of allowance for expected credit losses on trade and other receivables		3,281	(12,313)
Charge / (reversal) of allowance for expected credit losses on contract assets		1,602	(1,525)
(Reversal) / charge of allowance for expected credit losses on due from related parties		(5,144)	3,520
Loss on change in fair value of financial assets carried at fair value through profit or loss		94	80
Finance costs		6,061	4,521
		<hr/>	<hr/>
		99,449	69,706
<b>Working capital adjustments:</b>			
<i>Changes in:</i>			
Inventories		5,198	12,035
Development work in progress		(11,779)	(27,228)
Trade and other receivables		30,157	39,990
Due from related parties		(7,958)	25,305
Contract assets		23,635	(37,696)
Contract liabilities		95,511	(24,586)
Biological assets		858	-
Trade and other payables		(447)	38,744
Due to related parties		1,128	(48,151)
		<hr/>	<hr/>
<b>Cash generated from operations</b>		235,752	48,119
Employees' end of service benefits paid		(3,320)	(2,725)
Finance costs paid		(1,191)	(1,520)
		<hr/>	<hr/>
<b>Net cash generated from operating activities</b>		231,241	43,874
		<hr/> <hr/>	<hr/> <hr/>

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

**Interim condensed consolidated statement of cash flows  
for the three-month period ended 31 March 2026 (continued)**

	Notes	31 March 2026 AED'000 <i>(unaudited)</i>	31 March 2025 AED'000 <i>(unaudited)</i>
<b>Cash flows from investing activities</b>			
Purchase of property and equipment	3	(12,435)	(26,011)
Purchase of intangible assets	5	(1,262)	-
Proceeds from disposal of property and equipment		64	11
Payment for investment property under development	4	(12,432)	-
Payment for purchase of investment properties	4	(442)	-
Disposal of financial assets carried at fair value other comprehensive income		-	1,000
Proceeds from disposal of financial assets carried at fair value through profit or loss		-	3,961
Movement in restricted cash		(129,203)	(3,919)
Movement in fixed deposits with original maturity more than three months		92,175	33,223
		<hr/>	<hr/>
<b>Net cash (used in) / generated from investing activities</b>		<b>(63,535)</b>	<b>8,265</b>
		<hr/>	<hr/>
<b>Financing activities</b>			
Principal paid on lease liabilities		(11,777)	(12,163)
Repayments of bank borrowings		(4,375)	(10,049)
Drawdown from bank borrowings		113,561	-
Dividends paid to non-controlling interests		(11,183)	(9,589)
Capital injection by non-controlling interest		26,210	229
		<hr/>	<hr/>
<b>Net cash generated from / (used in) financing activities</b>		<b>112,436</b>	<b>(31,572)</b>
		<hr/>	<hr/>
<b>Net increase in cash and cash equivalents</b>		<b>280,142</b>	<b>20,567</b>
Cash and cash equivalents at beginning of the period		277,447	189,750
Effect of foreign exchange rate changes		23	8
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the period</b>	<b>13</b>	<b>557,612</b>	<b>210,325</b>
		<hr/>	<hr/>
<b>Non-cash transactions:</b>			
Capital injection by non-controlling interest – Trade and other receivables		132	-
		<hr/>	<hr/>
Capital injection by non-controlling interest - development work in progress		101,000	-
		<hr/>	<hr/>

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

## Notes to the interim condensed consolidated financial statements for the three-month period ended 31 March 2026

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

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

These interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2026, were approved and authorised by the Board of Directors for issuance on 28 April 2026.

## Notes to the interim condensed consolidated financial statements for the three-month period ended 31 March 2026 (continued)

### 2 Basis of preparation and critical accounting judgements

#### 2.1 Statement of compliance

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

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

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

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2026, have been adopted in these interim condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

##### *Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments*

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.

##### *Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity*

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.

##### *Annual improvements to IFRS Accounting Standards — Volume 11*

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 interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

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

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

<u>New and revised IFRSs</u>	<u>Effective for annual periods beginning on or after</u>
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>IFRS 19 Subsidiaries without Public Accountability</i>	1 January 2027
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21)	1 January 2027
<b><i>IFRS Sustainability Disclosure Standards</i></b>	
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 S2 Climate-related Disclosures	Effective date not yet decided by the regulator in the United Arab Emirates

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 condensed consolidated interim financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the condensed consolidated interim 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 condensed consolidated interim financial statements of the Group.

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

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

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in the consolidated financial statements for the year ended 31 December 2025.

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation**

Details of the Company's subsidiaries are as follows:

<i>Nos. Name of subsidiaries</i>	<i>Ownership percentage</i>		<i>Place of incorporation</i>	<i>Principal activities</i>
	<b>31 March 2026</b>	<b>31 December 2025</b>		

Below is the subsidiary of ESG Emirates Stallions Group PJSC:

1	ESG Holding-Sole Proprietorship LLC	<b>100%</b>	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	<b>100%</b>	100%	UAE	Management services of the companies and private institutions, commercial enterprises investment, institution, and management.
3	ESG Capital Holding LLC	<b>100%</b>	100%	UAE	Commercial enterprises investment, institution, and management

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

4	Tri Star Investment LLC	<b>100%</b>	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	<b>100%</b>	100%	UAE	Industrial enterprises investment, management services
6	ESG Interiors LLC	<b>100%</b>	100%	UAE	Interior design implementation works
7	Royal Development Holding Company LLC	<b>100%</b>	100%	UAE	Management services of companies and private institutions
8	Century Human Resources and Logistics - L.L.C. - O.P.C	<b>100%</b>	100%	UAE	Human resources consultancy, logistics consultancy
9	ESG Human Resources Solutions LLC	<b>100%</b>	100%	UAE	Industrial enterprise investment, institution and management, management services of companies and private institution, real estate enterprises investment, development, institution and management

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		31 March 2026	31 December 2025		

*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	51%	51%	UAE	Real estate lease and management services, real estate development construction
12	Ocean Luxury Living Estate Development LLC	51%	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
14	Mangrove Living Real Estate LTD	100%	100%	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
15	Royal Gate Development Limited	52%	52%	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
16	Royal Park Development Limited (i)	60%	-	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

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		31 March 2026	31 December 2025		

Below are the subsidiaries of Royal Development Holding Company LLC:

17	ESG Hospitality Sole Proprietorship LLC	100%	100%	UAE	Hospitality services
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Below are the subsidiaries of ESG Interiors LLC:

18	Afkar Financial & Property Investments LLC	60%	60%	UAE	Retail trade of household and office furniture, mats, curtain and upholstery materials and interior decoration materials, and companies' representation, commercial enterprises investment institution and management, real estate enterprises investment, development, institution and management
19	Deco Vision Company WLL	85%	85%	UAE	Interior design implementation works (decor), retail sale of wall paper, decor and partitions material and importing
20	Vision Marble Industries LLC – SPC	100%	100%	UAE	Stones cutting, shaping and finishing, stone furniture manufacturing
21	Imagine Marketing LLC	60%	60%	UAE	Marketing consultancy and studies Marketing operations management
22	Vision Furniture & Decoration Factory L.L.C - SPC	100%	100%	UAE	House and office furniture manufacturing, Fireproof wooden doors manufacturing, onshore and offshore oil and gas fields and facilities.

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

23	Gulf Dunes Landscaping and Agricultural Services Company LLC - SPC	100%	100%	UAE	Landscape, gardening, agricultural pest control, disinfection and sterilization services, rain water drainage, sewerage and irrigation network, afforestation and mechanical contracting
24	ESG Agro LLC - SPC	100%	100%	UAE	Agricultural enterprises investment, institution and management

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		31 March 2026	31 December 2025		
<i>Below are the subsidiaries of ESG Human Resources Solutions LLC:</i>					
25	Century Real Estate Investment LLC	87%	87%	UAE	Real estate management
26	Sawaeed Holding PJSC	89.35%	89.35%	UAE	Management services of companies and private institution, commercial enterprise investment, institution and management and real estate enterprises investment
27	Century Village Real Estate Investment L.L.C	70%	70%	UAE	Real estate lease and management services, development construction, facilities management services, commercial enterprises investment, institution, and management real estate enterprise investment, development, institution, and management
28	ESG Commercial International Investments - Sole Proprietorship L.L.C.	100%	100%	UAE	Commercial enterprises investment, institution and management, tourist enterprises investment, institution and management
<i>Below are the subsidiaries of Royal Development Company LLC - SPC:</i>					
29	Royal Architect Project Management LLC - SPC	100%	100%	UAE	Architectural engineering consultancy, construction projects management consultancy
30	Royal Development Company Hellas Single Member P.C	100%	100%	Greece	Project management consultancy services
31	Royal Development Company d.o.o. Beogard-Vracar	100%	100%	Serbia	Hotel accommodation

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		31 March 2026	31 December 2025		

Below are the subsidiaries of ESG Hospitality Sole Proprietorship LLC:

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

Below is the subsidiary of Royal Luxury Hotel Management LLC:

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

35	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:

36	OC Home Furniture LLC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
37	2XL Home LLC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials
38	2XL Furnishings LLC - SPC	100%	100%	UAE	Retail trade of household and office furniture, mats, wall paper, curtain and upholstery materials and interior decoration materials

Below is the subsidiary of Deco Vision Company - WLL:

39	Vision for Interior LLC Decoration Limited - One Person Company	100%	100%	KSA	Decoration works and its installation.
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**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		31 March 2026	31 December 2025		
<i>Below are the subsidiaries of Sawaeed Holding PJSC:</i>					
40	Sawaeed Employment - Sole Proprietorship LLC	100%	100%	UAE	Providing upon request employee provision services
41	Sawaeed Training Centre - Sole Proprietorship LLC	100%	100%	UAE	Training of construction workers
42	Sawaeed Investment - Sole Proprietorship LLC	100%	100%	UAE	Real estate enterprises investment development, institution and management and camps and labour accommodation management
43	Sawaeed General Project — Sole Proprietorship LLC	100%	100%	UAE	Building projects contracting, project management services, building
44	Solutions Investments Services LLC	60%	60%	UAE	Provide onshore and offshore oil and gas fields and facilities services, commercial enterprises, investment, institution and management
45	Progressive Real Estate Development LLC -S.P.C	100%	100%	UAE	Real estate enterprise investment, development, institution and management
46	United International Group for Manpower Services LLC - S.P.C	100%	100%	UAE	Domestic workers mediation and temporary employment services, onshore and offshore oil and gas fields and facilities services, and upon request employees provision services

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**2.4 Basis consolidation (continued)**

Nos.	Name of subsidiaries	Ownership percentage		Place of incorporation	Principal activities
		31 March 2026	31 December 2025		

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

47	Howdra Employment Services LLC	100%	100%	UAE	On demand labors supply temporary employment
48	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

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

49	Takatof Employment Co. LLC	100%	100%	UAE	Providing employees services upon request (temporary employment) and labor and employment supply
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*Below is the subsidiary of ESG Agro SP LLC:*

50	ESG Farm Operations LLC – SPC	100%	100%	UAE	Importing, agricultural enterprise investment institution and management, wholesale of fresh fruits and vegetables trading, farms and manors operations and management, exporting
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*Below is the subsidiary of Sawaeed Employment - Sole Proprietorship LLC:*

51	Sawaeed Service Centre for Domestic Workers LLC SPC	100%	100%	UAE	Mediation and temporary employment services for domestic workers
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(i) Subsidiaries established during the period

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)****3 Property and equipment**

During the period, additions to property and equipment amounted to AED 12,435 thousand (three-month period ended 31 March 2025: AED 26,011 thousand) and depreciation charge amounted to AED 7,141 thousand (three-month period ended 31 March 2025: AED 5,764 thousand).

**4 Investment properties**

During the period, additions to investment properties including investment properties under development amounted to AED 12,874 thousand (three-month period ended 31 March 2025: AED nil) and depreciation charge amounted to AED 2,161 thousand (three-month period ended 31 March 2025: AED 1,883 thousand). Impairment loss amounted to AED 767 thousand (three months period ended 31 March 2025: AED nil).

**5 Intangible assets and goodwill**

During the period additions to intangible assets and goodwill amounted to AED 1,262 thousand (three-month period ended 31 March 2025: AED nil) and amortisation charge amounted to AED 2,287 thousand (three-month period ended 31 March 2025: AED 2,241 thousand).

**6 Right-of-use assets**

The right of use assets includes land, office buildings, showrooms, shops and warehouses.

During the period additions to right of use assets amounted to AED 40,255 thousand (three-month period ended 31 March 2025: AED nil) and depreciation charge amounted to AED 17,612 thousand (three-month period ended 31 March 2025: AED 12,823 thousand).

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**7 Investments in associate and joint ventures**

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

<i>Name of entity</i>	<i>Principal activities</i>	<i>Ownership percentage</i>		<i>Place of incorporation</i>
		<i>31 March 2026</i>	<i>31 December 2025</i>	
<i>Associate</i>				
Emirates Sdeira Real Estate Investment Group LLC	Real estate lease and management services, commercial enterprises investment, institution and management	<b>23.91%</b>	23.91%	UAE
<i>Joint ventures</i>				
Lazio Real Estate Investment LLC ("Lazio") (i)	Real estate enterprise, investment, development, institution, and management	<b>65%</b>	65%	UAE
Deyafah Holding Limited (ii)	SPC Special Purpose Vehicle	<b>50%</b>	50%	UAE

- (i) In 2018, the Directors of Lazio Real Estate Investment LLC had elected to liquidate the company. As of 31 March 2026, the liquidation process is still on going.
- (ii) The investment has been fully impaired, and no unrecognized share of losses has been recorded, as the entity is non-operational.

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Balance at the beginning of the period/year	<b>1,225,956</b>	1,204,224
Share of the Group's profit for the period/year	<b>18,895</b>	49,077
Share of other comprehensive gain/(loss) for the period/year	<b>597</b>	(3,439)
Dividend received during the period/year	<b>-</b>	(23,906)
<b>At the end of the period/year</b>	<b>1,245,448</b>	1,225,956

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Total assets	5,761,603	5,688,867
Total liabilities	(1,032,393)	(1,041,177)
	<hr/>	<hr/>
Net assets	4,729,210	4,647,690
	<hr/>	<hr/>
Group's carrying amount of the investments, net	1,245,448	1,225,956
	<hr/>	<hr/>
	<b>31 March 2026 AED'000 (unaudited)</b>	31 March 2025 AED'000 (unaudited)
Total revenue for the period	209,641	166,426
	<hr/>	<hr/>
Total profit for the period	79,024	51,818
	<hr/>	<hr/>
Group's share in profit for the period	18,895	12,390
	<hr/>	<hr/>
Other comprehensive income/(loss) for the period	2,496	(6,989)
	<hr/>	<hr/>
Group's share of other comprehensive income/(loss) for the period	597	(1,671)
	<hr/>	<hr/>

**8 Inventories**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Household furniture	82,348	91,961
Raw material and supplies	12,150	5,868
Work in progress	2,932	2,932
Spares and consumables	860	325
Goods in transit	-	2,402
Less: allowance for slow moving inventories	(12,292)	(11,887)
	<hr/>	<hr/>
	85,998	91,601
	<hr/>	<hr/>

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**8 Inventories (continued)**

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
At the beginning of the period/year	11,887	7,872
Charge for the period/year	405	4,015
	<hr/>	<hr/>
At the end of the period/year	<b>12,292</b>	11,887
	<hr/> <hr/>	<hr/> <hr/>

**9 Development work in progress**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Seamont project, Al Reem Island	162,041	152,834
Radisson residences project, Al Reem Island	130,477	123,697
Rotana Residences North, Al Reem Island	63,133	-
Rotana Residences South, Al Reem Island	42,967	-
Mallside project, Dubai Hills Estate	24,070	33,378
	<hr/>	<hr/>
	<b>422,688</b>	309,909
	<hr/> <hr/>	<hr/> <hr/>

Movement during the period/year is as follow:

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
At the beginning of the period/year	309,909	252,909
Additions*	143,245	322,483
Recognized in direct costs	(30,466)	(191,632)
Transfers	-	(73,851)
	<hr/>	<hr/>
At the end of the period/year	<b>422,688</b>	309,909
	<hr/> <hr/>	<hr/> <hr/>

\* Included in additions is an amount of AED 101,000 thousand which pertains to the land in relation to the new projects (2025: AED 206,977 thousand which pertains to the purchase of assets relating to a project on Al Reem Island).

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**10 Related parties**

Related parties, as defined in International Accounting Standard 24: Related Party Disclosure, comprise the majority shareholder, directors and key management personnel of the Group and entities in which the Group and their Parent have the ability to control or exercise significant influence. Pricing policies and terms of these transactions are approved by the Group's management.

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

	<b>31 March 2026 AED' 000 (unaudited)</b>	31 December 2025 AED' 000 (audited)
<b>Due from related parties:</b>		
<i>Non-current</i>		
Other related entities	-	950
	<hr/>	<hr/>
<b>Due from related parties:</b>		
<i>Current</i>		
Entities under common control	119,384	108,590
Other related entities	28,288	35,241
Parent entity	1,161	742
	<hr/>	<hr/>
	148,833	144,573
Less: allowance for expected credit losses	(19,580)	(29,372)
	<hr/>	<hr/>
	129,253	115,201
	<hr/>	<hr/>

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

	<b>31 March 2026 AED' 000 (unaudited)</b>	31 December 2025 AED' 000 (audited)
At the beginning of the period/year	29,372	38,557
Reversal for the period/year*	(5,418)	(4,358)
Written off during the period/year	-	(4,758)
Transferred to trade receivables	(4,374)	(69)
	<hr/>	<hr/>
At the end of the period/year	19,580	29,372
	<hr/>	<hr/>

\* This includes AED 274 thousand collected from impaired related parties' receivables (beneficially owned by previous shareholders of one of the subsidiaries of the Group). The amounts collected are paid or payable to the previous shareholders in terms of the relevant agreement.

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**10 Related parties (continued)**

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

	<b>31 March 2026 AED' 000 (unaudited)</b>	31 December 2025 AED' 000 (audited)
<b>Due to related parties:</b>		
<i>Non-current</i>		
Other related entities	<b>2,520</b>	2,520
	=====	=====
<b>Due to related parties:</b>		
<i>Current</i>		
Entity under common control	<b>4,235</b>	1,267
Other related entities	<b>4,832</b>	6,792
Parent entity	<b>697</b>	577
	-----	-----
	<b>9,764</b>	8,636
	=====	=====

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

	<b>31 March 2026 AED' 000 (unaudited)</b>	31 December 2025 AED' 000 (audited)
Financial assets carried at fair value through profit or loss	<b>135</b>	166
	=====	=====
Financial assets carried at fair value through other comprehensive income	<b>374</b>	374
	=====	=====
Balances with a financial institution	<b>688,359</b>	506,499
	=====	=====

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**10 Related parties (continued)**

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

	<b>31 March 2026 AED' 000 (unaudited)</b>	31 March 2025 AED' 000 (unaudited)
Revenue	<b>43,431</b>	115,625
Cost of revenue and expenses	<b>989</b>	1,869
Interest income on deposits with financial institution	<b>597</b>	964
Finance cost on bank borrowings with financial institution	<b>-</b>	167
Land under development work in progress for new projects	<b>101,000</b>	-
<b>Key management compensation</b>		
Salaries and other benefits	<b>837</b>	818
Number of key management personnel	<b>2</b>	2
Board of Director's remuneration	<b>798</b>	645

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**11 Contract assets and contract liabilities**

Details of contract assets and contract costs of AED 323,603 thousand (31 December 2025: AED 348,840 thousand) are as follows:

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Contract assets	341,549	361,655
Less: allowance for expected credit losses	(17,946)	(12,815)
	<u>323,603</u>	<u>348,840</u>

The contract liabilities includes:

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Advances received from customers	510,698	413,788
Billing in excess of value of work in progress	59,580	60,979
	<u>570,278</u>	<u>474,767</u>

The contract work in progress is presented as follows:

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Contracts assets, net	323,603	348,840
Billing in excess of value of work in progress (contract liabilities)	(59,580)	(60,979)
	<u>264,023</u>	<u>287,861</u>
Contracts costs incurred plus recognised profits less recognised losses to date	1,877,198	1,762,553
Progress billings to date	(1,613,175)	(1,474,692)
	<u>264,023</u>	<u>287,861</u>

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**Allowance for expected credit losses**

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
At the beginning of the period/year	12,815	19,961
Charge/(reversal) for the period/year, net	1,602	(3,358)
Written off during the period/year	-	(3,754)
Transfers during the period/year	3,529	(34)
	<hr/>	<hr/>
At the end of the period/year	<b>17,946</b>	12,815
	<hr/> <hr/>	<hr/> <hr/>

**12 Trade and other receivables**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Trade receivables	341,935	393,746
Retention receivables	54,466	49,904
Advances to suppliers	71,323	77,924
Prepaid expenses, accrued and other receivables	179,574	155,158
	<hr/>	<hr/>
	<b>647,298</b>	676,732
Less: allowance for expected credit losses	<b>(182,630)</b>	(178,758)
	<hr/>	<hr/>
	<b>464,668</b>	497,974
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Non-current	35,629	31,464
Current	429,039	466,510
	<hr/>	<hr/>
	<b>464,668</b>	497,974
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

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

**Allowance for expected credit losses**

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
At the beginning of the period/year	178,758	216,499
Charge/(reversal) for the period/year, net *	3,027	(14,217)
Transfers	845	103
Written off during the period/year	-	(23,627)
	<hr/>	<hr/>
At the end of the period/year	<b>182,630</b>	178,758
	<hr/> <hr/>	<hr/> <hr/>

\* This includes AED 254 thousand collected from impaired receivables (beneficially owned by previous shareholders of one of the subsidiaries of the Group). The amounts collected are paid or payable to the previous shareholders in terms of the relevant agreement.

	1 January AED'000	Charge/ (reversal) for the period/year AED'000	Write off during the period/year AED'000	Transfers AED'000	At reporting date AED'000
<b>At 31 March 2026 (unaudited)</b>					
Trade receivables	175,875	3,010	-	845	179,730
Retention receivables	1,991	17	-	-	2,008
Advances to suppliers	892	-	-	-	892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>178,758</b>	<b>3,027</b>	<b>-</b>	<b>845</b>	<b>182,630</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>At 31 December 2025 (audited)</b>					
Trade receivables	212,503	(13,104)	(23,627)	103	175,875
Retention receivables	3,104	(1,113)	-	-	1,991
Advances to suppliers	892	-	-	-	892
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>216,499</b>	<b>(14,217)</b>	<b>(23,627)</b>	<b>103</b>	<b>178,758</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**13 Cash and bank balances**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Cash on hand	1,611	1,021
Bank balances	880,840	464,440
Margin deposits	9,032	9,102
Term deposits*	120,365	220,097
	<hr/>	<hr/>
	<b>1,011,848</b>	694,660
Less: allowance for expected credit losses	<b>(68)</b>	(73)
	<hr/>	<hr/>
Cash and bank balances	<b>1,011,780</b>	694,587
Less: restricted cash**	<b>(385,216)</b>	(256,013)
Less: term deposits with original maturity of more than three months	<b>(68,952)</b>	(161,127)
	<hr/>	<hr/>
Cash and cash equivalents	<b>557,612</b>	277,447
	<hr/> <hr/>	<hr/> <hr/>

\*The term deposits' carry interest rate that ranges between 0.05% to 5% (31 December 2025: 0.05% to 5.5% 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, Radisson residences project and Rotana residences project.

**14 Bank borrowings**

Bank borrowings comprise of the following:

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Term loans	131,061	21,875
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
At the beginning of the period/year	21,875	50,141
Drawdown during the period/year	113,561	-
Repayments made during the period/year	<b>(4,375)</b>	(28,266)
	<hr/>	<hr/>
At the end of the period / year	<b>131,061</b>	21,875
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**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**14 Bank borrowings (continued)**

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Current	<b>24,570</b>	17,500
Non-current	<b>106,491</b>	4,375
	<hr/> <b>131,061</b> <hr/>	<hr/> 21,875 <hr/>

				<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
	<b>Security</b>	<b>Interest rates</b>	<b>Maturity</b>		
Term loan - 1	Secured	2% + 6M EIBOR	February 2027	<b>17,500</b>	21,875
Term loan - 2	Secured	1.6% + 3M EIBOR	May 2035	<b>113,561</b>	-
				<hr/> <b>131,061</b> <hr/>	<hr/> 21,875 <hr/>

**Term loan 1**

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

**Term loan 2**

During the period, a subsidiary of the Group obtained a funded term loan from a bank in UAE. The facility is secured by mortgage of the plots, assignment of receivables and corporate guarantee from the parent entity. The loan is repayable on quarterly instalments commencing August 2026.

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**15 Trade and other payables**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Trade payables	97,494	92,016
Accrued expenses	172,805	172,744
Provisions and deposits	138,499	144,758
Other payables	105,744	107,161
Retention payables	55,802	53,573
VAT payable	4,384	4,923
	<hr/>	<hr/>
	<b>574,728</b>	<b>575,175</b>
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Non-current	5,921	2,718
Current	568,807	572,457
	<hr/>	<hr/>
	<b>574,728</b>	<b>575,175</b>
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**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**16 Revenue**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 March 2025 AED'000 (unaudited)
<b>Type of revenue</b>		
Furniture manufacturing, retail revenues and interior fit out	<b>132,458</b>	165,817
Business process and manpower outsourcing	<b>94,151</b>	81,074
Contracting and consultancy revenue	<b>77,902</b>	26,772
Landscaping, agriculture and maintenance revenue	<b>65,552</b>	59,017
	<b>370,063</b>	332,680
<b>Timing of revenue recognition</b>		
Revenue from performance obligation transferred over the period of time	<b>249,842</b>	223,061
Revenue from performance obligation transferred at point of time	<b>120,221</b>	109,619
	<b>370,063</b>	332,680
<b>Geographical markets</b>		
Revenue generated within UAE	<b>356,561</b>	326,622
Revenue generated outside UAE	<b>13,502</b>	6,058
	<b>370,063</b>	332,680

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**17 Direct costs**

	<b>31 March 2026 AED'000 (unaudited)</b>	31 March 2025 AED'000 (unaudited)
Staff costs	<b>118,408</b>	97,173
Cost of inventories consumed	<b>51,470</b>	49,143
Cost of properties development (note 9)	<b>30,466</b>	-
Subcontracting and maintenance costs	<b>17,466</b>	57,607
Direct materials	<b>5,567</b>	7,446
Depreciation and amortisation	<b>6,111</b>	5,756
Rent, utilities and communication	<b>2,541</b>	2,064
Others	<b>7,477</b>	14,396
	<hr/> <b>239,506</b> <hr/>	<hr/> 233,585 <hr/>

**18 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.

<b>Contracting and consultancy</b>	includes the real estate development construction and technical consultancy and design services.
<b>Landscaping, agriculture and maintenance</b>	includes landscaping design, execution and maintenance and agriculture related business.
<b>Business process / manpower outsourcing</b>	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.
<b>Furniture manufacturing, retail and interior fit out</b>	includes retail trading of household, office furniture and interior decoration material, wooden door manufacturing, house and furniture manufacturing.
<b>Others (unallocated)</b>	includes Group's expenses and income not allocated to any segment.

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**18 Segment analysis (continued)**

<b>31 March 2026 (unaudited)</b>	<b>Contracting And consultancy AED'000</b>	<b>Landscaping, agriculture and maintenance AED'000</b>	<b>Business process / manpower outsourcing AED'000</b>	<b>Furniture manufacturing, retail and interior fit out AED'000</b>	<b>Others / unallocated AED'000</b>	<b>Total segments AED'000</b>	<b>Elimination AED'000</b>	<b>Consolidated AED'000</b>
<b>Revenue</b>								
External customers	77,902	65,552	94,151	132,458	-	370,063	-	370,063
Inter-segment	39,494	1,535	51,242	-	-	92,271	(92,271)	-
<b>Total</b>	<b>117,396</b>	<b>67,087</b>	<b>145,393</b>	<b>132,458</b>	<b>-</b>	<b>462,334</b>	<b>(92,271)</b>	<b>370,063</b>
<b>Less: Expenses</b>								
Direct costs	(77,063)	(49,155)	(111,848)	(78,001)	-	(316,067)	76,561	(239,506)
General and administrative expenses	(347)	(16,042)	(8,138)	(19,128)	(2,916)	(46,571)	3,671	(42,900)
Selling, marketing and distribution expenses	(4,521)	-	(4,065)	(27,835)	(28)	(36,449)	1,124	(35,325)
Loss from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(94)	-	(94)	-	(94)
Share of profit from investment in associate and joint ventures	-	-	18,895	-	-	18,895	-	18,895
Gain from change in fair value of biological assets	-	671	-	-	-	671	-	671
Impairment loss on investment property	-	-	(767)	-	-	(767)	-	(767)
Other income	8,061	821	164,919	7,558	35,694	217,053	(203,818)	13,235
Finance costs	(375)	(2,884)	(481)	(1,498)	(823)	(6,061)	-	(6,061)
<b>Profit before tax for the period</b>	<b>43,151</b>	<b>498</b>	<b>203,908</b>	<b>13,460</b>	<b>31,927</b>	<b>292,944</b>	<b>(214,733)</b>	<b>78,211</b>
Income tax expense	(5,536)	(28)	(2,767)	(1,405)	172	(9,564)	-	(9,564)
<b>Net profit for the period</b>	<b>37,615</b>	<b>470</b>	<b>201,141</b>	<b>12,055</b>	<b>32,099</b>	<b>283,380</b>	<b>(214,733)</b>	<b>68,647</b>
<b>Total assets</b>	<b>1,809,821</b>	<b>576,217</b>	<b>2,881,270</b>	<b>1,115,644</b>	<b>1,791,115</b>	<b>8,174,067</b>	<b>(3,412,202)</b>	<b>4,761,865</b>
<b>Total liabilities</b>	<b>1,104,862</b>	<b>383,095</b>	<b>853,587</b>	<b>633,320</b>	<b>889,372</b>	<b>3,864,236</b>	<b>(2,208,256)</b>	<b>1,655,980</b>

**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**18 Segment analysis (continued)**

<u>31 March 2025 (unaudited)</u>	Contracting and consultancy AED'000	Landscaping, agriculture and maintenance AED'000	Business process / manpower outsourcing AED'000	Furniture manufacturing, fit out and interior AED'000	Others / unallocated AED'000	Total segments AED'000	Elimination AED'000	Consolidated AED'000
<b>Revenue</b>								
External customers	26,772	59,017	81,074	165,817	-	332,680	-	332,680
Inter-segment	1,645	4,629	32,772	5,711	-	44,757	(44,757)	-
<b>Total</b>	<b>28,417</b>	<b>63,646</b>	<b>113,846</b>	<b>171,528</b>	<b>-</b>	<b>377,437</b>	<b>(44,757)</b>	<b>332,680</b>
<b>Less: Expenses</b>								
Direct costs	(17,387)	(51,530)	(89,392)	(113,790)	-	(272,099)	38,514	(233,585)
General and administrative expenses	(3,228)	(4,463)	(6,282)	(8,000)	(7,022)	(28,995)	5,817	(23,178)
Selling, marketing and distribution expenses	-	-	-	(30,156)	-	(30,156)	-	(30,156)
(Loss) / gain from changes in fair value of financial asset carried at fair value through profit or loss	-	-	-	(158)	78	(80)	-	(80)
Share of profit from investment in associate and joint ventures	-	-	12,390	-	-	12,390	-	12,390
Other income	5,117	371	2,251	3,567	77,070	88,376	(82,237)	6,139
Finance costs	(286)	(163)	(507)	(2,639)	(926)	(4,521)	-	(4,521)
<b>Profit before tax for the period</b>	<b>12,633</b>	<b>7,861</b>	<b>32,306</b>	<b>20,352</b>	<b>69,200</b>	<b>142,352</b>	<b>(82,663)</b>	<b>59,689</b>
Income tax expense	(1,518)	(1,179)	1,040	(2,823)	(2,171)	(6,651)	-	(6,651)
<b>Net profit for the period</b>	<b>11,115</b>	<b>6,682</b>	<b>33,346</b>	<b>17,529</b>	<b>67,029</b>	<b>135,701</b>	<b>(82,663)</b>	<b>53,038</b>
<b>Total assets (31 December 2025)</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 (31 December 2025)</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 interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**19 Income tax**

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

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

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

	<b>31 March 2026 AED’000 (unaudited)</b>	31 March 2025 AED’000 (unaudited)
Income tax charge – current	<b>8,084</b>	4,121
Pillar two taxes – UAE	<b>3,349</b>	2,404
Income tax credit – prior year	<b>(26)</b>	(1,996)
Deferred tax, net	<b>(1,843)</b>	2,122
	<hr/>	<hr/>
<b>Income tax expense recognized in the interim condensed consolidated statement of profit or loss</b>	<b>9,564</b>	6,651
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The Effective Tax Rate (ETR) for the period ending 31 March 2026 is 12% (31 March 2025: 11%).

**Current tax payable**

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

	<b>31 March 2026 AED’000 (unaudited)</b>	31 December 2025 AED’000 (audited)
At the beginning of the period/year	<b>47,906</b>	21,736
Tax expense – current period/year	<b>8,084</b>	31,963
Pillar two taxes – UAE	<b>3,349</b>	15,966
Tax credit – prior year	<b>(26)</b>	(4,095)
Tax credit – other comprehensive income	-	(24)
Paid during the period/year	-	(17,640)
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At the end of the period/year	<b>59,313</b>	47,906
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**Notes to the interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**19 Income tax (continued)**

**Deferred tax**

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

	<b>31 March 2026 AED'000 (unaudited)</b>	31 December 2025 AED'000 (audited)
Deferred tax assets	6,147	4,503
Deferred tax liabilities	(1,802)	(2,001)
<b>Deferred tax assets, net</b>	<b>4,345</b>	<b>2,502</b>

Tax related to items recognised in other comprehensive income during the year:

	<b>31 March 2026 AED'000 (unaudited)</b>	31 March 2025 AED'000 (unaudited)
Change in fair value of financial assets carried at fair value through other comprehensive income – current tax	-	2
Tax credit to other comprehensive income	-	2

**20 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>31 March 2026 (unaudited)</b>	31 March 2025 (unaudited)
Profit for the year attributable to equity holders of the parent (AED'000)	53,407	48,485
Weighted average number of ordinary shares ('000)	250,000	250,000
Basic earnings per share for the period (AED)	0.21	0.19

As of 31 March 2026 and 31 March 2025, 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 interim condensed consolidated financial statements  
for the three-month period ended 31 March 2026 (continued)**

**21 Contingent liabilities and commitments**

	<b>31 March 2026 AED' 000 (unaudited)</b>	31 December 2025 AED' 000 (audited)
Letters of guarantee	<b>204,800</b>	200,210
Capital commitments	<b>220,160</b>	213,389

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 March 2026.

**22 Seasonality of results**

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

**23 Financial instruments' fair value disclosures**

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

**24 Geopolitical situation**

During the period, geopolitical tensions in the Middle East have escalated. As at the date of authorisation of this interim condensed consolidated financial statements, management is actively monitoring the situation. The evolving geopolitical conditions present heightened risks related to regional security, logistics, energy supply, and insurance coverage, which may potentially affect operational continuity. However, as of the reporting date, no significant disruptions to operations within the United Arab Emirates have been identified by management. Given the rapidly changing circumstances, it is currently not possible to reliably estimate any potential financial impact. Management will continue to closely monitor the situation and assess any implications for the Group's operations, financial position, and financial performance.