

ESG EMIRATES
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CORPORATE GOVERNANCE REPORT 2025



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1-1 INTRODUCTION

Emirates Stallions Group PJSC (ESG) was established in 2008 as a limited liability company and was converted into a private joint stock company pursuant to a special resolution of the shareholders dated 8 April 2021 (hereinafter referred to as the “Emirates Stallions Group PJSC”, the “Company”, or the “Group”). The Group’s shares were listed on the Abu Dhabi Securities Exchange – Growth Market on 31 May 2021.

A subsidiary of **International Holding Company (IHC)**, the Group comprises more than **forty-five subsidiaries** operating across diversified sectors, including **Manpower and Accommodation, Real Estate, Design and Manufacturing, Landscaping, and Agriculture**, provides comprehensive end-to-end solutions covering all stages of project development and investment across more than **fifteen countries** in the Middle East, Africa, Asia, Europe, and the Americas.

Aligned with Abu Dhabi’s Economic Vision 2030 and the UAE’s Next 50 agenda, the Group is committed to the **highest standards of corporate governance, transparency, and accountability**, and strives to achieve sustainable growth through disciplined investments, innovation, and operational excellence across its diversified portfolio. Guided by its vision “to be a leading force in building a resilient future,” ESG has established itself as **a key partner in the UAE’s economic progress**, upholding its core values of integration for impact, creativity, adaptability, and driving client success.

Strong and effective corporate governance helps embed a **culture of integrity within the Group, leading to positive performance and overall sustainable operations**. The Group’s governance framework encompasses key aspects such as the composition and role of the Board of Directors, decision-making processes, management oversight, and compliance practices. We strongly believe that a solid foundation of corporate governance and sound business ethics is vital for effective leadership and sustainable conduct, ensuring the Group’s ability to compete successfully and realize its full potential.

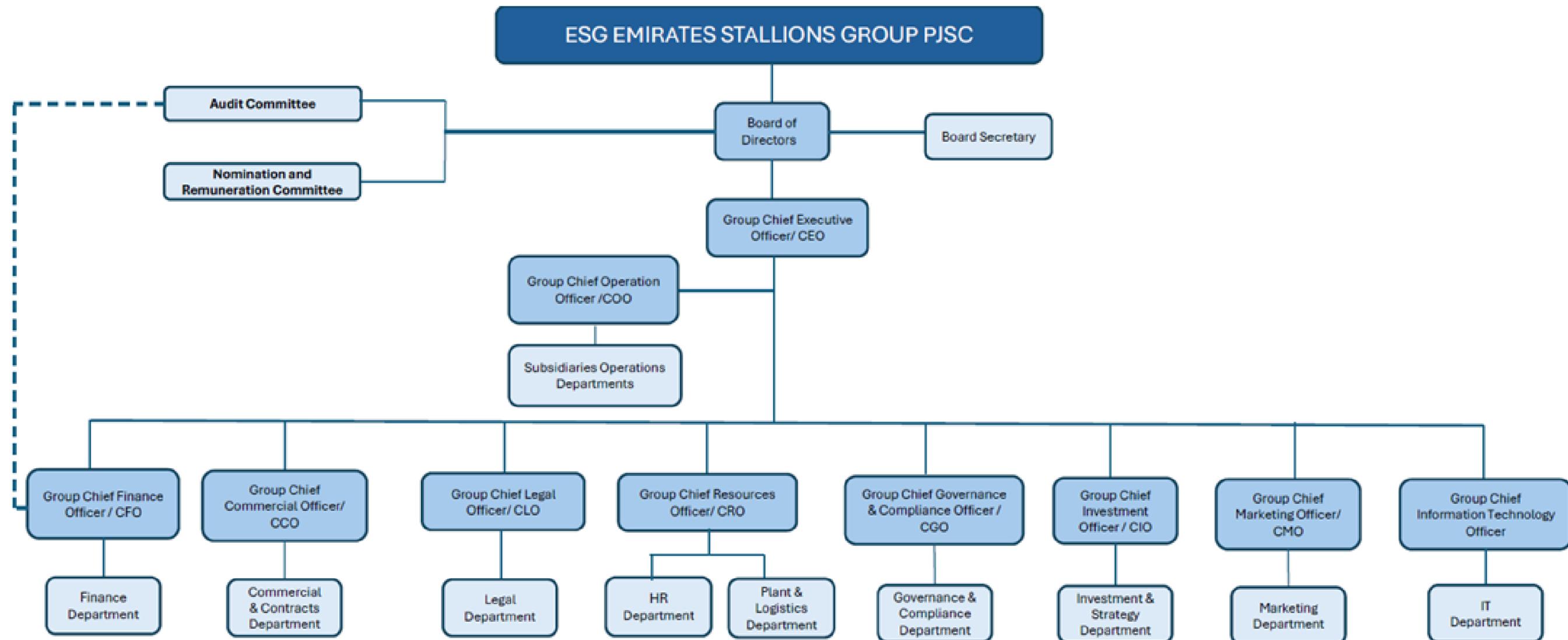
This Corporate Governance Report provides an **overview of the governance systems and procedures of Emirates Stallions Group PJSC** as of 31 December 2025. It has been submitted to the Ministry of Economy and published on the Abu Dhabi Securities Exchange website and the Group’s official website.



2-1 GROUP GOVERNANCE STRUCTURE

ESG believes that maintaining an **efficient organizational structure, robust systems for internal control and risk management, and transparent internal and external reporting** ensures the continuity of operations and the creation of long-term value for shareholders and other stakeholders.

The Board of the Group has established a **governance structure to direct and control the business in an efficient manner**. The structure specifies the distribution of rights and responsibilities among various stakeholders within the Company and establishes the policies and procedures for making business decisions.

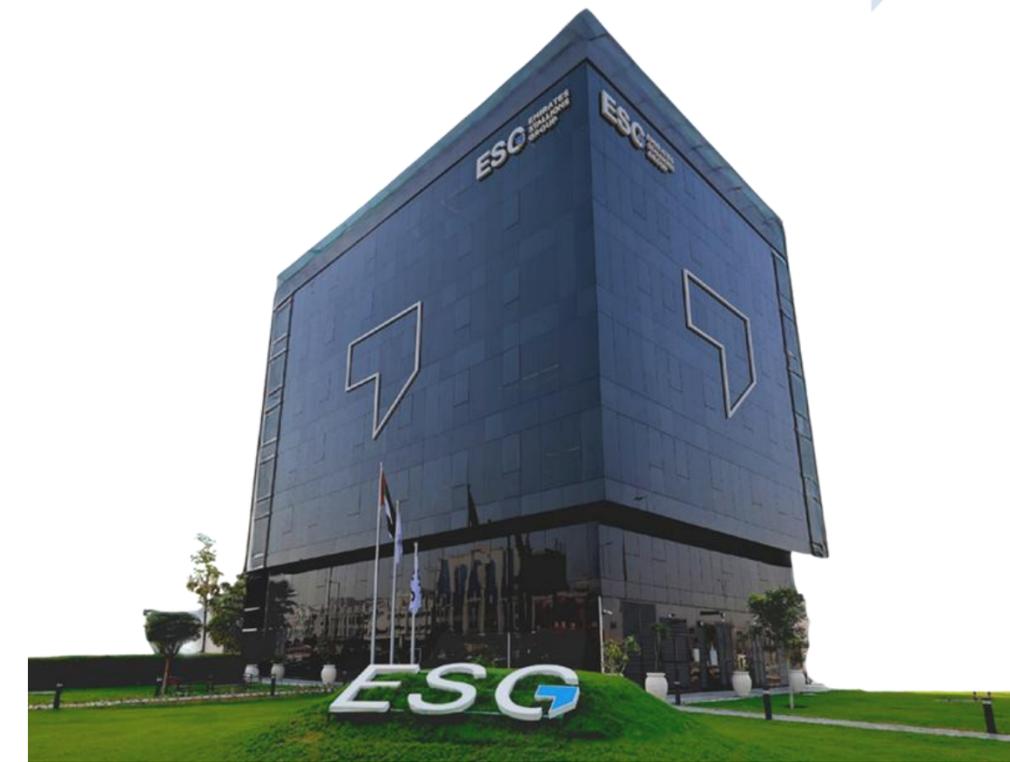


3-1 IMPLEMENTATION OF CORPORATE GOVERNANCE PRINCIPLES

The shareholders are the ultimate decision-makers in respect of the direction of the Group as they are responsible for appointing the Board of Directors. **The General Assembly Meeting is the highest decision-making body in the Group** and is the forum in which shareholders express themselves and exercise their right to decide on the Group's direction.

The Group is **committed to implementing best governance standards as the following:**

- The effectiveness of the board of directors' performance of its functions in addition to its full knowledge of the Group's affairs.
- Clarity of the role & responsibilities of the board, its members, its committees, and senior executives.
- Effective communication with shareholders through general assemblies and periodic reports.
- Permanent compliance with the disclosure instructions issued by the Securities and Commodities Authority and the ADX.
- Monitoring the Group's performance through an internal control system.
- Adoption of high standards and ethical practices by the Group and its employees.



PROCEDURES TAKEN TO ENSURE EFFECTIVE GOVERNANCE:

- Appointing an external auditor.
- Implementing strong internal control & risk management system.
- Conducting regular and periodic reviews of the Group's policies

3-1-1 ROLE OF BOARD AND EFFECTIVE DELEGATIONS

The Group is managed by the Board of Directors composed **of five members elected by the ordinary general assembly** through a cumulative secret ballot for a period of three years. The Board of Directors then elect the Chairman and the Vice Chairman from among its members. The position of the Board's Chairman and the position of CEO are separate.

The Board is and shall remain **responsible for the overall governance** of the Group and for those matters that are reserved for the Board. The Board's **role and responsibilities** are set out in the Board Charter, which include:

1. Taking the necessary procedures to **ensure compliance** with applicable laws, regulations, and resolutions, as well as the requirements of the supervisory authorities,
2. Establishing and amending **ESG's Corporate governance** structure and framework,
3. Developing and regularly reviewing the Company's comprehensive strategy and major business plans:
 - Setting the **Company comprehensive strategy** and main work plans and reviewing thereof constantly.
 - Setting **risk management strategy** and reviewing thereof constantly.
 - Specifying the best **capital structure, strategies, and financial objectives** of the Company, and approving the annual budgets.
 - Supervising the **Company main capital expenses and ownership** and disposal of assets.
4. Taking the necessary procedures to ensure **efficient internal auditing of the workflow** in the Company, including:
 - Establishing a clear policy approved by the Board for internal audit, ensuring **departmental compliance** with adopted systems and regulations.
 - **Setting written and detailed regulations and procedures** for internal auditing, which determines the duties and responsibilities in compliance with the policy approved by the Board and the general requirements and objectives stipulated in the applicable legislations.
5. Establishing an internal auditing function to **follow up compliance** with the applicable laws, regulations, resolutions, and requirements of the supervisory bodies, the internal policy, regulations, and procedures set by the Board.
6. Setting **written procedures to manage and address conflict of interests** and deal with potential cases of such conflict for Board members, the Senior Executive Management, and shareholders, and setting the procedures to be taken in cases of misuse of the Company assets and facilities or misconduct resulting from transactions with related parties.

3-1-1 ROLE OF BOARD AND EFFECTIVE DELEGATIONS

7. Ensuring the **soundness of administrative, financial, and accounting systems**, including the systems related to preparation of financial reports.
8. Setting clear and precise **standards and procedures for Board membership** and putting them in force subsequent to approval by the general assembly.
9. Setting a clear delegation policy in the Company to determine **delegated persons and the powers assigned thereto**.
10. Setting a policy regulating **the relationship with stakeholders** in a manner ensuring the Company fulfilment of its obligations towards them, preserving their rights, providing them with required information, and establishing sound relations with them.
11. Setting a code of conduct for the **Board members, the staff, auditor, and persons to whom some of the Company works are assigned**.
12. Setting procedures to apply **governance rules** in the Company, review of such procedures, and assessment of compliance thereto on annual basis.
13. Establishing appropriate **development programs** for all Board members to develop and update their knowledge and skills, ensure effective involvement in the Board and ensure implementing any training or qualification programs as determined by the authorities.
14. Familiarizing a newly appointed Board member with all the **Company departments and sections** and providing him/her with all the information required to ensure correct understanding of the Company activities and works and full realization of his/ her responsibilities, all that enables him/her to perform their duties duly in accordance with the applicable legislations, all other regulatory requirements, and the Company policies in its field of business.
15. Setting procedures to prevent the **insiders in the Company** from using the **confidential internal information** to make tangible or intangible gains.
16. Setting a mechanism for receiving shareholders' complaints and proposals, including their proposals to add particular issues in the general assembly agenda in a manner that ensures studying such proposals and making the right decisions about them.
17. Adopting principles for granting **incentives, remuneration, and benefits** for members of the Board of Directors and the Senior Executive Management to align with the company's long-term interests and goals.
18. Setting the Company **disclosure and transparency policy** and following up its implementation in accordance with the requirements of the supervisory authorities and applicable legislations.
19. Setting a clear policy for distribution of the **Company profits** in a manner that serves the interests of both the shareholders and the Company; such policy shall be displayed to shareholders in the general assembly meeting and mentioned in the Board report.
20. Ensuring the availability of resources required to **achieve the Company objectives**.
21. Ensuring the protection of **shareholders' interests** and the Company assets.

3-1-1 ROLE OF BOARD AND EFFECTIVE DELEGATIONS

22. Ensuring the **establishment of a compliance function** to follow the compliance with applicable laws, regulations and decisions as well as regulatory requirements, internal policy, regulations and procedures established by the Board.
23. Determining the extent of the **company-wide risk appetite**, including specific targets, maximum limits or indicators of risk appetite.
24. Ensuring the accuracy and **validity of the disclosed data**, statements and information according to the applicable policies and regulations in relation to disclosure and transparency.
25. Evaluating the **overall performance and effectiveness of the Board**, its committees and members and taking corrective actions as appropriate.
26. Ensuring that the **Board communicates with stakeholders** through the investor relations function.
27. Forming specialized **committees from the Board according** to the resolutions that determine the duration of these committees and their powers, functions and responsibilities, as well as the method used by the Board for monitoring these committees. Such resolutions shall determine names, duties, rights and obligations of the members.
28. Monitor the application **of corporate governance rules** and continually update them.
29. Evaluate and monitor the performance of the **Senior Executive Management** against objectives and budget.
- 30. Appointment and termination** of the Senior Executive Management.
31. Review and **approve related party transactions**.
32. Evaluate and approve major **projects and investments** within the authorized limit set by the Board.
33. Review the Company's operations and assess its activities and the performance of committees derived from the **Board, taking appropriate actions** if performance does not align with plans.
34. Adoption **of internal procedures, policies, and guidelines for managing corporate affairs**, specifying the authorities of the Senior Executive Management.

The Board has established **Two (2) Committees namely Audit Committee, Nomination and Remuneration Committee**, which review and monitor key areas on behalf of the Board and make recommendations for its approval. Each Board Committee **operates under written terms** of reference which are currently reviewed and shall be approved by the Board. The Chair of each Committee reports to the Board on their activities and minutes are circulated to all Board members once they have been approved by the Committee. Information on the activities and composition of each Committee is set out in Para 7-1

3-1-2 DELEGATION OF AUTHORITY TO THE BOARD MEMBERS AND EXECUTIVE MANAGEMENT

The Board of Directors of **ESG Emirates Stallions Group PJSC** has authorized the Chairman of the Board, through an official Power of Attorney, with the powers of representation, attendance, transaction, and broad signing authority (with extensive powers) on behalf of the Group and its subsidiaries in all matters and transactions. The effectiveness of this Power of Attorney is valid until May 2027, as signed and attested by the Notary Public.

The Board of Directors of ESAG Stallions Group PJSC has **delegated authority to the Chief Executive Officer** through an official Power of Attorney, with the authority and powers to manage the business affairs of the Group and all its subsidiaries. The effectiveness of this Power of Attorney extends until May 2027, as signed and attested by the Notary Public.





3-1-3 CORPORATE GOVERNANCE POLICIES AND PROCEDURES

Below is a summary of **ESG's key policies and procedures** to promote and enhance higher corporate governance standards:

- **Corporate Governance Manual** covering the roles and responsibilities of all stakeholders involved in governance processes including the General Assembly of Shareholders, the Board of Directors including the Chairman of the Board and Board Committees, CEO, Senior Management, Internal Audit / Internal Control, External Audit, Board & Committees Secretary & other stakeholders.
- **Delegation of authority** for ESG, Subsidiaries & Affiliates of ESG to ensure efficient and effective decision-making which **balances empowerment against controls**.
- **Code of Conduct and Business Ethics** to guide the conduct of Directors and Employees
- **Board of Directors** Charter for effective functioning of the Board.
- **Charters for effective functioning of the Board Committees** namely Audit Committee and Nomination and Remuneration Committee.
- **Conflict of Interest Policy** sets forth requirements for the avoidance and management of potential and actual conflicts of interests.
- **Disclosure and Transparency Policy** provides guidelines to ensure that ESG makes timely and accurate disclosure on all material matters, including the financial situation, performance, governance, rules pertaining to disclosure of information, methods of classification of information, and the frequency of disclosure.
- **Internal Controls Framework** provides guidelines to Management to design and implement internal control processes

4-1 SUBSIDIARIES GOVERNANCE

ESG takes an **enterprise-wide approach to subsidiary governance**. The Group maintains high level of transparency and accountability which includes implementation of strong corporate governance for its subsidiaries. **ESG Management holds performance meetings with subsidiaries management to oversee the business, progress and risks involved**. Further, the Delegation of Authority Policy framework lists out the matters reserved for ESG Shareholders, ESG Board, ESG CEO and ESG Subsidiaries.

MANPOWER & ACCOMMODATION SOLUTIONS



LANDSCAPING & AGRICULTURE



REAL ESTATE & DEVELOPMENT SERVICES



RETAIL, INTERIOR DECORATION & MANUFACTURING



5-1 THE BOARD OF DIRECTORS TRANSACTIONS IN GROUP'S SECURITIES

5-1-1 TRANSACTIONS REPORT OF THE MEMBERS OF THE BOARD OF DIRECTORS, THEIR SPOUSES, AND THEIR CHILDREN IN THE COMPANY'S SECURITIES DURING THE YEAR 2025

NO	Name	Position / Kinship	Total sale	Total purchase	Owned shares as on 31/12/2025
1	Matar Suhail Ali Al Yabhouni Aldhaheri	Board Chairman	231,634	-	12,225,316
2	Ali Saeed Abdulla Sulayem Alfalasi	Board Vice Chairman	-	-	-
3	Abdulla Rashed Mohammad Rashed Al Rashdi	Board Member	-	-	-
4	Ahmed Ateeq Sultan Zayed Al Falahi	Board Member	-	-	-
5	Seifallah Mohamed Amin Mahmoud Fikry	Board Member	-	-	-

5-1-2 THE EXTENT TO WHICH THE BOARD MEMBERS ARE COMMITTED TO COMPLY WITH DISCLOSURE REQUIREMENTS PRESCRIBED BY THE PROVISIONS OF THE LAW AND THE REGULATIONS AND DECISIONS ISSUED PURSUANT THERETO IN RESPECT OF THEIR TRANSACTIONS IN SECURITIES.

Members of the Board of Directors have **complied with the disclosure requirements** prescribed by the provisions of the law, regulations and decisions issued pursuant there to in respect of their transactions in securities issued by the Company.



6-1 ESG BOARD OF DIRECTORS

The Board is structured to ensure that it has an **effective composition, size, commitment and an appropriate collective mix of skills, experience, and expertise** to discharge its responsibilities and duties. The present Board of Directors was elected at the General Assembly Meeting held on 6th May 2024 for a term of three years. The Board currently has Five (5) members and all of them are Independent, Non - Executive Board Members.

Board of Directors	Role	Category	Member Since
Matar Suhail Ali Al Yabhouni Aldhaheri	Chairman of the Board	Independent, Non-Executive	May 2021
Ali Saeed Abdulla Sulayem Alfalasi	Vice – Chairman Chairman – Audit Committee Member – Nomination and Remuneration Committee	Independent, Non-Executive	May 2021
Abdullah Rashed Mohammad Rashed Alrashdi	Board Member Chairman – Nomination and Remuneration Committee Member – Audit Committee	Independent, Non-Executive	May 2021
Seifallah Mohamed Amin Fikry	Board Member Member – Audit Committee	Independent, Non-Executive	May 2021
Ahmed Ateeq Sultan Zayed Al Falahi	Board Member Member – Nomination and Remuneration Committee	Independent, Non-Executive	May 2024

6-1-1 PROFILE OF BOARD MEMBERS

The following shows the names, roles, experience, and capacities of the current Board of Directors.



HIS EXCELLENCY/ MATAR SUHAIL ALI ALYABHOUNI ALDHAHERI

Positions and Committee Memberships

CHAIRMAN, INDEPENDENT/ NON-EXECUTIVE

Skills, Experience and External Appointments

His Excellency Matar Suhail Ali Al Yabhouni Al Dhaheeri, a retired Brigadier General, currently serves as the Chairman of ESG Emirates Stallions Group PJSC in an independent and non-executive capacity. His distinguished career spans more than 25 years across the UAE Armed Forces, as well as in the public and private sectors. His Excellency's notable leadership roles include serving as Member of the UAE Federal National Council and as the Managing Director of Gulf Dunes Landscaping & Agricultural Services LLC.

An astute investor and businessman, His Excellency maintains a diversified investment portfolio in real estate, equities, and corporate ventures both within the UAE and internationally. His extensive business network and his positions as a shareholder and director in multiple companies underscore his wide-ranging expertise and influence across various industries.

In addition to his professional achievements, His Excellency plays a prominent role in sports and community development. He serves as President of UAE Team Emirates for Cycling, Member of the Emirates Horse Racing Authority (ERA), and Chairman of the UAE President's Cup World Series for Purebred Arabian Horses. He is also involved with several major sporting entities, including the Ghantoot Polo Club, Al Ain Equestrian, Shooting and Golf Club, and the UAE Equestrian and Racing Federation. His Excellency is a former Board Member of the Abu Dhabi Sports Council. Additionally, as an enthusiast of the evolution of technology and artificial intelligence; His Excellency Matar is a board member of Astra Tech in addition to Momentum which operates in the entertainment landscape.

Academically, His Excellency holds Bachelor's and Master's degrees in Air Force Studies, a Certificate in Strategic Management Issues in Military Organizations from the Naval Postgraduate School, and the Chartered Financial Analyst (CFA) designation, reflecting his financial and strategic acumen.

6-1-1 PROFILE OF BOARD MEMBERS



Skills, Experience and External Appointments

Mr. Ali Saeed Abdulla Sulayem Al Falasi was the Chief Executive Officer of Hydra Properties, he was also a Board Member at Aldar Properties, one of the leading real estate developers in the region.

His earlier experience includes Heading Group Internal Audit at Royal Group Companies Management and holding key roles at both the Abu Dhabi Department of Finance and the Private Department of H.H. Sheikh Zayed Bin Sultan Al Nahyan, where he advanced from Deputy Director to Director of the Internal Audit Department. These experiences have shaped his comprehensive leadership approach.

Mr. Ali holds a Bachelor's degree in Accounting from the United Arab Emirates University, a Bachelor's degree in Production and Operations Management from California State University, and a Master's degree in Business Administration (MBA) from the University of Sharjah.

MR. ALI SAEED ABDULLA SULAYEM ALFALASI

Positions and Committee Memberships

VICE CHAIRMAN, INDEPENDENT/ NON-EXECUTIVE

CHAIRMAN, AUDIT COMMITTEE

MEMBER, NOMINATION & REMUNERATION COMMITTEE

6-1-1 PROFILE OF BOARD MEMBERS



**MR. ABDULLA RASHED MOHAMMAD
RASHED ALRASHDI**

Positions and Committee Memberships

**BOARD MEMBER, INDEPENDENT/ NON-EXECUTIVE CHAIRMAN, NOMINATION &
REMUNERATION COMMITTEE MEMBER, AUDIT COMMITTEE**

Skills, Experience and External Appointments.

Mr. Abdulla Rashed Mohammad Rashed Al Rashdi serves as the Chief Executive Officer of Tamouh Healthcare, where he has played a key role in leading the company through the challenges of the COVID-19 pandemic with effective leadership and strategic vision. He is also the Chairman of Adcan Pharma, guiding the company toward innovation and operational excellence in the pharmaceutical sector.

In addition, Mr. Abdulla is the Chairman of Reach Employment Services and Vice Chairman of Al Ain Chess Club, where he actively supports the promotion of strategic thinking and intellectual engagement.

Before joining Tamouh Healthcare in 2019, he held several leadership roles at the Abu Dhabi Police General Headquarters, the Abu Dhabi Authority for Culture and Heritage, and within the UAE Federal Government.

Mr. Abdulla holds a Master of Business Administration (MBA) in Finance and Management from Abu Dhabi University.

6-1-1 PROFILE OF BOARD MEMBERS



MR. SEIFALLAH MOHAMED AMIN FIKRY

Positions and Committee Memberships

**BOARD MEMBER, INDEPENDENT/ NON-EXECUTIVE
MEMBER, AUDIT COMMITTEE**

Skills, Experience and External Appointments.

Mr. Seifallah Mohamed Amin Fikry is the Managing Partner at Lunate, bringing over 28 years of experience in financial markets and operational management. In his role, he oversees the firm's public markets business and core operations.

Before co-founding Lunate, Mr. Seif served as Chief Executive Officer and Board Member at Chimera Capital, an Abu Dhabi-based investment management firm. During his tenure, he managed assets exceeding US\$16 billion across multiple strategies and launched a suite of exchange-traded funds (ETFs) listed on regional exchanges. He also led the launch of the first SCA Umbrella Fund and ETF in 2020 under the UAE Securities and Commodities Authority.

Mr. Seif has co-founded and managed several financial services firms, including EFG Hermes and Afkar Capital, the first FSRA-regulated entity in the Abu Dhabi Global Market (ADGM). In addition to his role at Lunate, he serves as a Board Member of Emirates Stallions Group PJSC and EFG Hermes IFA, Chairman of Alpheya, and Member of the Practitioner Committee at Nasdaq Dubai.

Mr. Seif is a graduate of the American University in Cairo.

6-1-1 PROFILE OF BOARD MEMBERS



MR AHMED ATEEQ SULTAN ZAYED AL FALAHI

Positions and Committee Memberships

**BOARD MEMBER, INDEPENDENT/ NON-EXECUTIVE
MEMBER, NOMINATION & REMUNERATION COMMITTEE**

Skills, Experience and External Appointments.

Mr. Ahmed Ateeq Sultan Zayed Al Falahi is the Vice President of Special Projects - Chairman's Office at Abu Dhabi Airports Company (ADAC) and is currently seconded as the Director of the Chairman's Office at the Department of Municipalities and Transport (DMT) - Abu Dhabi. In his role, he ensures the productivity and efficiency of all activities related to the Chairman's Office, with strong expertise in team leadership and communications, fostering collaboration across the department and its entities.

At Abu Dhabi Airports, Mr. Ahmed has demonstrated strong leadership in managing and executing strategic, high-impact projects that have reinforced the company's position as one of the region's leading airport operators. He previously served as Head of Terminal Operations at the Midfield Terminal Complex (MTC) of Zayed International Airport (formerly Abu Dhabi International Airport). Earlier in his career, he held various management positions at the Abu Dhabi National Oil Company (ADNOC), where he led teams in finance, audit, and accounting.

Mr. Ahmed holds a Higher Diploma in Business Administration - Financial Services from the Higher Colleges of Technology (UAE).

6-1-2 THE BOARD SECRETARY

Board Secretary is the point of communication between the Board of Directors and Senior Management and plays a key role in the administration of important corporate governance matters. **Mrs. Amal Mohammad**, ESG's Investor Relation Officer, was given additional responsibilities and appointed as Board Secretary on 23 August 2021. Mrs. Amal reports to the Board in relation to secretarial responsibilities. **The Board Secretary has the following key responsibilities:**

- Work closely with the Board of Directors and Executives in the planning of Board of Directors' meetings as well as the mechanism of meetings (attendance, conference calls, virtual etc.)
- The creation and timely distribution of agenda for Board, Board Committee meetings as well as General Assembly meetings.
- Recording and distribution of the minutes of Board of Directors and Board Committee meetings.
- Maintain a full contact list of board members including board members' appointment dates, term of appointments and board member bios.
- Updating, maintaining and safe storage of the minutes and other legal/related documents.
- Knowledge of the meeting procedures, decision-making rules, governance policies.
- Informing the Company executive management about resolutions of the Board and its Committees and reporting on their implementation and application
- Keep record of all the documents related to Board including a minute book and a register of all resolutions of the Board.
- Coordinating between Board members and executive management.
- Making sure that Board members comply with actions approved by the Board.

6-1-3 DIVERSITY - WOMEN'S REPRESENTATION IN THE BOARD OF DIRECTORS IN 2025

ESG supports the **inclusion and participation of women in business and believes diversity contributes to the quality and effectiveness of governance**. For the last election of the Board, the Group invited nominations from both male and female candidates; however, no nominations of female representatives were received. Hence, we do not have any female representation in our current Board.

In line with the new corporate governance requirements issued by the Ministry of Economy, which emphasize **the importance of women's empowerment** and the need for at least one female member on company boards, the Group affirms its full commitment to implementing these requirements during the upcoming Board of Directors' elections scheduled for 6 May 2027. This reflects ESG's dedication to **promoting diversity, equality, and the active participation** of women in leadership and decision-making roles.

6-1-4 KEY FOCUS AREAS FOR THE BOARD DURING 2025

During 2025, the Board of Directors focused and made decisions on various areas as below.

- Approval of various strategic partnerships.
- Review and approval of quarterly and annual financial statements.
- Approval of the annual budget.
- Approve the legal structure of the group
- Review of corporate governance policies.
- Review of management updates on the group's performance.

6-1-5 METHOD OF DETERMINING THE REMUNERATIONS OF BOARD OF DIRECTORS

The Board of Directors' remuneration shall be determined in accordance with the Article of Association of the Group, subject to the provisions of Federal Law No. (32)/2021 regarding commercial companies. The remuneration of the members of the Board of Directors **shall consist of a percentage of the net profit.**

A maximum percentage of (10%) ten percent of the remaining net profits of the ending financial year, after deducting all amortizations and reserves, is allocated as remuneration to the Board Members, and the General Assembly shall decide the value of such remuneration on annual basis. Any penalties imposed by the Ministry or Competent Authority on the Group due to acts undertaken by the Board in violation of the Companies Law or these Articles during the ending financial year, shall be deducted from the said remuneration. The General Assembly Meeting may decide not to deduct all or part of such penalties if it finds out that they are not attributable to the negligence or mistake by the Board.

By way of an exception to provision (b) of Article (171) of Companies Commercial Law No. (32/2021), & subject to the regulations issued by the Ministry in this regard, a member of the Board may be paid a lump sum fee not exceeding two hundred thousand (200,000) dirhams at the end of the fiscal year, and after the approval of the General Assembly on payment of these fees, in the following cases:

- If the Company is not making a profit.
- If the Company achieves profits and the Board's amount of those profits is less than two hundred thousand (200,000) dirhams. In this case, it is not permissible to combine the remuneration and the fees.



6-1-6 TOTAL REMUNERATIONS PAID TO THE MEMBERS OF BOARD OF DIRECTORS 2025

A total remuneration AED 3,396,447 has been paid to the Board of Directors for the year 2024.

A total remuneration of AED 4,614,000 has been proposed as remuneration for the Board of Directors for the year 2025, subject to approval by the shareholders at the Annual General Assembly meeting.

6-1-7 DETAILS OF THE ALLOWANCES FOR ATTENDING SESSIONS OF THE COMMITTEES EMANATING FROM THE BOARD, WHICH WERE RECEIVED BY THE BOARD MEMBERS FOR THE YEAR 2025.

No Allowances allocated or received for attending the sessions of the Board of Directors and the committees emanating from the Board for the year 2025.

6-1-8 DETAILS OF THE ADDITIONAL ALLOWANCES, SALARIES OR FEES RECEIVED BY A BOARD MEMBER, DURING THE YEAR 2025, OTHER THAN THE ALLOWANCES FOR ATTENDING THE COMMITTEES AND THEIR REASONS.

No allowances, salaries, or additional fees were allocated or disbursed during the year 2025.

6-1-9 THE BOARD MEETINGS

The Board of Directors had convened four (4) meetings during 2025 as follows:

No	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1	27/01/2025	5 (2 via con-call)	-	-	-
2	29/04/2025	5 (3 via con-call)	-	-	-
3	25/07/2025	5 (4 via con-call)	-	-	-
4	27/10/2025	5 (3 via con-call)	1	-	-

Below details of Board meetings attendance during theyear 2025 as follows:

Board of Directors	No. of Absence/No. of Meetings	First Meeting 27/01/2025	Second Meeting 29/24/2025	Third Meeting 25/07/2025	Fourth Meeting 27/10/2025
Matar Suhail Ali Al Yabhouni Aldhaheri	0/5	✓	✓	✓	✓
Ali Saeed Abdulla Sulayem Alfalasi	0/5	✓	✓	✓	✓
Abdulla Rashed Mohammad Rashed Alrashdi	0/5	✓	✓	✓	✓
Seifallah Mohamed Amin Mahmoud Fikry	0/5	✓	✓	✓	✓
Ahmed Ateeq Sultan Zayed Al Falahi	0/5	✓	✓	✓	✓

6-1-10 SUMMARY OF BOARD RESOLUTIONS PASSED DURING 2025

Resolutions Passed at the Board Meetings



<i>Sr No</i>	<i>Board Meeting Date</i>	<i>Resolutions Passed</i>
1	27/01/2025	<ul style="list-style-type: none"> - To approve the financial statements for the year ended 31 December 2024 - To approve the call to for annual assembly meeting and agree on its date & agenda - To approve V3 of the Governance policies
2	29/04/2025	<ul style="list-style-type: none"> - To approve the financial statements for the period ended 31st March 2025. - To approve the legal structure of the Group.
3	04/06/2025 Resolution by circulation	<ul style="list-style-type: none"> - To call for General Assembly meeting.
4	25/07/2025	<ul style="list-style-type: none"> - To approve the financial statements for the period ended 30th June 2025. - To ratify the Board of Directors Resolutions that were issued by circulation during the period ended on June 30, 2025 - To approve the proposed Joint Venture between Royal Development Holding and Chimera - To approve the proposed Joint Venture between Royal Development Holding and the landlord.
5	27/10/2025	<ul style="list-style-type: none"> - To approve the financial statements for the period ended 30th September 2025. - To approve budget for 2026.

7-1 BOARD OF DIRECTORS' COMMITTEES

7-1-1 AUDIT COMMITTEE

The Audit Committee was formed pursuant to a resolution by the Board of Directors. It is the responsibility of the Committee to provide the board with independent, objective advice on the adequacy of management's arrangements with respect to the following key aspects of the management of the organization as outlined in 7-1-4

7-1-2 AUDIT COMMITTEE ACKNOWLEDGMENT

The Audit Committee members acknowledge responsibility for discharging the Audit Committee's mandate including review of its work mechanism and ensuring its effectiveness.

7-1-3 MEMBERS OF AUDIT COMMITTEE AS OF 31 DECEMBER 2025

<i>S. No</i>	<i>Name</i>	<i>Title</i>	<i>Category</i>
1	Mr. Ali Saeed Abdulla Sulayem Alfalasi	Chairman	Independent, Non-Executive
2	Mr. Seif Allah Mohammed Amin Fikry	Member	Independent, Non-Executive
3	Mr. Abdulla Rashed Mohammad Rashed Alrashdi	Member	Independent, Non-Executive

7-1-4 AUDIT COMMITTEE FUNCTIONS

The Audit Committee is responsible for the following:

A. FINANCIAL REPORTING:

1. **Review with the management and the External Auditors** all significant matters on the quarterly, half-yearly (as applicable) and year-end financial statements including audit opinions and recommend its adoption by the Board. This shall be done in compliance with International Financial Reporting Standards (IFRS).
2. **Monitor compliance with financial reporting** standards and regulatory requirements.
3. Review significant **accounting and reporting issues**, including:
 - Changes in accounting policies and practices
 - Significant adjustments resulting from the audit
 - Complex or unusual transactions or highly judgmental areas.
 - Matters raised by Group CFO or the External Auditor
 - Going concerns issues
 - Compliance with accounting standards determined by the applicable laws & regulations.
 - Highlight areas subject to management's discretion.
1. **Review any management letter** from the External Auditors and ensure corrective action by executive management.
2. **Discuss with the External Auditors** any significant issues as well difficulties encountered during the interim or final audits.
3. Ensure that the **Company annually updates its policies**, procedures and Control Systems.
4. **Review the Company's financial and accounting** policies and procedures

B. CORPORATE GOVERNANCE:

- Oversee and monitor the implementation of the corporate Governance framework within ESG and ensure compliance to the regulatory requirements.
- Monitor the implementation of corporate Governance framework in line with the regulatory requirements.
- Regularly review management's compliance with the adopted corporate Governance framework.
Review and recommend to the Board the annual Governance report to be submitted to the regulatory authorities.

7-1-4 AUDIT COMMITTEE FUNCTIONS



C. INTERNAL CONTROL AND RISK MANAGEMENT:

1. Review the Company's **financial Control, internal Control**, and **Risk Management** systems.
2. Discuss the **internal Control System** with the management and **ensuring that it fulfils its duty** to establish an effective internal Control System.
3. Ensure an **annual review of internal Control System** is performed to determine the overall adequacy and effectiveness of ESG internal Control System.

D. EXTERNAL AUDIT:

1. The **Audit Committee** shall meet the statutory auditor at least once a year, without senior management being present, to discuss the auditor's remit and any issues arising from the audit including:
 - any **restrictions on the scope** of their activities.
 - any **restrictions on the access** to requested materials.
 - any **significant disagreements** with management.
 - any **significant unadjusted** audit differences in the ESG's financial statements.
1. **Review the findings of the audit** with the statutory auditor. This shall include but not limited to:
 - A discussion on any **major issues** which arose during the audit.
 - Any **accounting and audit judgments**.
 - Any **material errors identified** during the audit, and
 - The **effectiveness of the audit**.
1. **Review any representation letter(s)** requested by the statutory auditor and signed by senior management.
2. **Review senior management's response** to the auditor's findings and recommendations.
3. Ensure that senior management is **taking necessary corrective actions** to address the findings and recommendations of statutory auditors in a timely manner.
4. **Address control weaknesses**, non-compliance with policies, laws and regulations and other problems identified by statutory auditors.
5. **Discuss with ESG's external auditor any audit problems or difficulties** encountered during the audit and assess managements response relating to:
 - Restrictions on the scope of the external auditor activities.
 - Restrictions on the external auditor's access to requested materials.
 - Significant disagreements with management.
 - Material audit differences that the external auditor noted or proposed but for which the Company's financial statements were not adjusted.

7-1-4 AUDIT COMMITTEE FUNCTIONS



E. INTERNAL AUDIT:

The following authorities are delegated by the **Board to the Audit committee** during their term:

1. **Review all reports submitted** to the Audit Committee by the internal auditors (appointed by the shareholder) and monitor management response and action to the findings and recommendations. Ensure that control weaknesses, non-compliance with policies, laws and regulations and other problems identified by internal auditors are adequately and timely addressed by executive management.
2. **Consider the results of the investigations** into internal control matters assigned to them by the Board or are inherited by the Audit Committee and approved by the Board.
3. **Report to the Board all material matters** presented to the Audit Committee by virtue of the delegation

F. COMPLIANCE MONITORING:

1. Monitor:
 - The status of **ESG compliance** with applicable laws, regulations and agreements.
 - Major **legislative and regulatory developments** which could materially impact ESG.
 - Management's **efforts to monitor compliance** with ESG's Code of Conduct and Business Ethics.
1. **Review and investigate any matters** pertaining to the integrity of management including Conflict of Interest or adherence to the Code of Conduct and Business Ethics as required by ESG policy.
2. **Review the related parties' transactions** with the Company and ensuring that there is no Conflict of Interest and recommending them to the Board of Directors before their conclusion.

G. OTHER DUTIES AND RESPONSIBILITIES

1. **Establish controls** that enable Company employees to report any potential irregularities in financial reports, internal Controls or other matters in secret, and steps to ensure independent and fair investigations of such violations.
2. **Coordinating with the Company's Board**, senior executive management, financial manager or the director in charge of the same duties in the Company in order to perform its functions.
3. Perform such other functions as assigned by regulatory authorities or the Board and **monitor compliance with regulatory requirements.**
4. Considering any **other issues determined by the Board.**

7-1-5 AUDIT COMMITTEE MEETINGS DURING THE YEAR 2025



<i>Board of Directors</i>	<i>No. of Absences/No. of Meetings</i>	<i>First Meeting 27/01/2025</i>	<i>Second Meeting 29/04/2025</i>	<i>Third Meeting 25/07/2025</i>	<i>Fourth Meeting 27/10/2025</i>
Mr. Ali Saeed Abdulla Sulayem Alfalasi	0/4	✓	✓	✓	✓
Mr. Abdulla Rashed Mohammad Rashed Alrashdi	0/4	✓	✓	✓	✓
Mr. Seifallah Mohamed Amin Mahmoud Fikry	0/4	✓	✓	✓	✓

7-2-1 NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was formed pursuant to a resolution by the Board of Directors. It is the responsibility of the Committee to provide the board with independent, objective advice on the **adequacy of management's arrangements** with respect to the following key aspects of the management of the Organization.

7-2-2 NOMINATION AND REMUNERATION COMMITTEE ACKNOWLEDGMENT

The Nomination & Remuneration Committee members, acknowledge responsibility for discharging the Nomination and Remuneration Committee's mandate across the Group, review of its work mechanism and ensuring its effectiveness in line with the approved charter of the Nomination and Remuneration Committee.

7-2-3 MEMBERS OF NOMINATION AND REMUNERATION AS OF 31 DECEMBER 2025

<i>No</i>	<i>Name</i>	<i>Title</i>	<i>Category</i>
1	Mr. Abdulla Rashed Mohammad Rashed Alrashdi	Chairman	Independent, Non-Executive
2	Mr. Ali Saeed Abdulla Sulayem Alfalasi	Member	Independent, Non-Executive
3	Mr. Ahmed Ateeq Sultan Zayed Al Falahi	Member	Independent, Non-Executive

7-2-4 COMMITTEE FUNCTIONS

THE NOMINATION AND REMUNERATION COMMITTEE IS RESPONSIBLE FOR THE FOLLOWING TASKS:

1. Propose **clear policies and criteria for membership** in the Board and Senior Executive Management. The policy shall consider gender diversity encouraging active participation of women through incentives and training programs and benefits and to disclose in the annual corporate governance report.
2. Annually **review the required needs of the suitable skills** for Board membership and prepare a description of the abilities and qualifications required for Board membership, including determining the time that the member should set for the Board work.
3. Organize and follow up the **procedures for applying** for membership of the Board in accordance with the applicable laws and regulations.
4. Identify individuals qualified to be nominated as Board members, consistent with criteria approved by the Board, and to **recommend to the Board the director nominees** for the next annual meeting of shareholders.
5. Regularly **review the structure, size and composition** (including the skills, knowledge and experience) required of the Board compared to its current position and make recommendations to the Board with regard to any changes.
6. Continuously **ensure that independent members remain independent** throughout the term of their office.
7. If the **Committee finds that a member lacks the conditions of independence, it shall submit the matter** to the Board to notify the member by a registered letter to his address known to the Company of the grounds of lacking independence. The member shall reply to the Board within fifteen days from the notice date. The Board shall issue a decision that the member is independent or not independent at the first meeting following the member reply or expiration of the period referred to in the preceding paragraph without reply. Upon the decision of the Board that the member is not independent, it is incumbent upon the Board to present the matter to the general assembly, unless the member resigns, or the independent members, excluding the said member, constitute one third of the Board. Conduct an annual evaluation of Board performance and the performance of Board members and committees to determine ways to strengthen its effectiveness.
8. **Identify the competencies required** for Senior Executive Management and the basis of selecting them.
9. Give **full consideration to succession planning** for members and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and what skills and expertise are therefore needed on the Board in the future.
10. **Formulate and carry out and annual review of policies** on granting remunerations, benefits, incentives and salaries to employees of the Group. Ensure linking the remunerations and bonuses, including the other deferred options and remunerations and benefits offered to Senior Executive Management with the performance of the Company.
11. **Annually review executive compensation trends and policies** at peer groups of companies and make relevant modifications to its own policies and practices to consider market practice.
12. Develop, recommend and **review annually the Group's human resources** and training policies and monitor the implementation of the same.
13. The **Committee shall consider such other matters** as may be requested by the Board of Directors.
14. The **Committee shall make regular reports** to the Board regarding its actions and make recommendations to the Board as appropriate; and
15. The **Committee shall prepare such reports** as may be required by any law, rule or regulation to which the Company is subject.

8-1 EXECUTIVE MANAGEMENT

MR. KAYED ALI KHORMA

Group CEO

Mr. Kayed Ali Khorma serves as the Group Chief Executive Officer of ESG Emirates Stallions Group PJSC. He successfully led the Group's strategic transformation from a limited liability company into a private joint stock company listed on the Abu Dhabi Securities Exchange in 2021, strengthening its governance framework, transparency, and regulatory compliance.

Mr. Khorma brings over four decades of experience in business management and development and has played a key role in expanding the Group's operations and diversifying its investment portfolio, contributing to the Group's resilient and diversified business model supported by disciplined financial and operational practices.

He began his professional career as Chief Operating Officer at Abu Dhabi Land, where he contributed to its development from a mid-sized company into a diversified group. This experience reinforced his expertise in organizational development, operational efficiency, and long-term growth planning.

Mr. Khorma holds a Bachelor of Science in Civil and Environmental Engineering from the University of Colorado (1983). He began his career in Jordan before relocating to the United Arab Emirates in 1989, where he assumed a number of senior management roles and contributed to enhancing corporate performance and sustainable growth across multiple organizations.

As Group CEO, Mr. Khorma oversees group-wide operations and leads the implementation of the Group's strategic direction, including disciplined expansion initiatives, organic growth, and selective acquisitions, while reinforcing sound governance practices, risk management, and compliance with disclosure and sustainability requirements.

Under his leadership, ESG Emirates Stallions Group continues to develop its business and execute its investment model through diversification, operational efficiency, financial discipline, and structured expansion aligned with long-term strategic objectives.



8-1 EXECUTIVE MANAGEMENT



The following table lists out senior executives in the Group, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2025:

<i>Position</i>	<i>Appointment Date</i>	<i>Total salaries and allowances paid during 2025 - in dirham</i>	<i>Total bonuses paid during 2025 - in dirham</i>
Group Chief Executive Officer	27-May-2006	1,800,000	-

*Bonuses include share-based payments (if any).



9-1 RELATED PARTIES TRANSACTIONS

The Group conducted transactions with related parties in deals amounting to 5% or more of the Group’s capital during the year 2025, as follows:

<i>Company Name</i>	<i>Transaction Value</i>
Hydra Properties LLC	AED 206,000,000

It is worth noting that the other related-party transactions of the Group disclosed in the group’s audited financial statements for 2025 are of a nature that aligns with the group’s ordinary course of business, and their disclosure complies with the group’s financial statement preparation requirements

10-1 RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board of Directors acknowledges its responsibility for the Company’s risk management and internal control system and its review and effectiveness.

10-1-1 RISK MANAGEMENT

Risk Management is the responsibility of the Board & is integral to the achievement of strategic objectives. The Board is responsible for establishing the system of risk management, setting the risk appetite & for maintaining a sound internal control system. The Audit Committee oversees the risk management process and assesses the effectiveness of risk management within the Group.

Risk Management within ESG starts with management’s forward-thinking approach, and cascades to the subsidiaries identifying, monitoring, and mitigating risks in their own sphere of work on a continuous basis. For every investment and project assessment of risks and opportunities starts at the initial phase & is continuously monitored and managed during execution. Any risk taken is considered within the Company’s risk appetite and tolerance levels, which are reviewed annually by the Board.



10-1-2 INTERNAL CONTROLS

The Company's **internal control system** is established to **ensure that the Board and Management are able to achieve their business objectives** in a prudent manner, safe guarding interests of the Company's shareholders and other stakeholders, whilst at the same time minimizing key risks such as fraud, unauthorized business activity, misleading financial statements, un-informed risk-taking, or breach of legal or contractual obligations, & also **ensuring highest quality achieved in a safe & sustainable environment.**

The Board is responsible for establishing and maintaining an **effective system of internal control** and has established a control framework within which the Company operates. The objective of the Company's internal control framework is to ensure that internal controls are formally established as necessary. The appropriate policies and procedures are then properly documented, maintained, and adhered to, and are incorporated by the Company within its normal management and governance process. This system of internal control is embedded in all key operations and is designed to provide reasonable assurance that the Company's business objectives will be achieved.

The **Audit Committee reviews the effectiveness of the system** of internal controls in accordance with its remit.

10-1-3 THE BOARD OF DIRECTORS' ACKNOWLEDGEMENT OF ITS RESPONSIBILITY FOR THE INTERNAL CONTROL SYSTEM AND ITS REVIEW AND EFFECTIVENESS

The Board of Directors acknowledges its responsibility for the Company's **internal control system and its review and effectiveness.**



10-1-4 INTERNAL AUDIT FUNCTION- PROFILE AND WORKING MECHANISM

The Company's internal audit activities for the year 2024 have been performed by **global consulting firm Protiviti** as part of the Group Audit plan of International Holding Company, Ultimate Parent Company of ESG.

Protiviti (www.protiviti.com) is a **global consulting firm** that delivers deep expertise, objective insights, a tailored approach & unparalleled collaboration to help leaders confidently face the future. Protiviti and our independent and locally owned Member Firms provide clients with **consulting and managed solutions in finance, technology, operations, data, analytics, governance, risk and internal audit** through our network of more than 85 offices in over 25 countries.

Named to the **2021 Fortune 100 Best Companies** to Work For® list, Protiviti has served more than 60 percent of Fortune 1000 and 35 percent of Fortune Global 500 companies. The firm also works with smaller, growing companies, including those looking to go public, as well as with government agencies. Protiviti is a wholly owned subsidiary of Robert Half (NYSE: RHI). Founded in 1948, Robert Half is a member of the S&P 500 index.

The outsourced internal audit function governs itself by adherence to the **institute of internal auditors' mandatory guidance** including the definition of internal auditing, the code of ethics, and the international standards for the professional practice of internal auditing (Standards).

10-1-5 NUMBER OF REPORTS ISSUED BY INTERNAL AUDIT

During the year 2025 **three (3) reports were issued by Protiviti within the Group**. During the year, no significant operational internal control failures were identified. However, process level improvements were identified & accepted by management for implementation towards the continuous improvement of internal controls of the Group.

11-1 EXTERNAL AUDITOR

11-1-1 BRIEF ABOUT THE COMPANY'S EXTERNAL AUDITOR

Deloitte Middle East was appointed as the company's external auditor for the fiscal year 2025. Deloitte Middle East is a leading professional services firm operating across the GCC and wider MENA region, providing audit, consulting, financial advisory, risk advisory, tax, and legal services to both public- and private-sector clients. As part of the global Deloitte network, the firm combines **international standards with deep regional expertise** to support major economic transformation programs, regulatory reforms, and organizational governance initiatives. Deloitte Middle East places strong emphasis on **quality, ethics, and robust internal controls**, aligning with global governance frameworks while tailoring its approach to regional regulatory environments.

Deloitte Middle East has been appointed since 2025 & Mr. Mohamed Khamees Al Tah is the Engagement Partner.

THE SCOPE OF THE AUDIT FOR THE FINANCIAL YEAR 2025 IS AS FOLLOWS:

- Provide an audit opinion on the **annual consolidated financial** statements in accordance with International Financial Reporting Standards.
- Provide an audit opinion on the **annual financial statements** of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
- Provide a review of quarterly interim **condensed consolidated financial** statements in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

11-1-2 EXTERNAL AUDIT FEES, SERVICES & COSTS

The external audit services of Deloitte Middle East for 2025 amounted to AED 1,389,000. These fees are for the **annual audit and the interim review** of the financial statements of ESG Emirates Stallions Group PJSC and its subsidiaries.

11-1-3 EXTERNAL AUDITOR'S OPINION ON THE FINANCIAL STATEMENTS

The Company's external auditor did not have any reservations to any item of the interim and annual financial statements during 2025.

11-1-4 VIOLATIONS COMMITTED BY THE GROUP DURING THE YEAR 2025

During the year 2025, the Group was **not subject to any material fines or penalties** imposed by SCA or any statutory authority on any matter related to capital markets. Additionally, there have been no cases of material non-compliance with any applicable rules and regulations.

12-1 SHARE HOLDING AND SHARE PRICE INFORMATION

12-1-1 SHARE PRICE

The following table presents the company's highest and lowest share price at the end of each month during the year 2025 and share performance against market index and sector index as of 31st December 2025:

Month	Share Price (AED)					Share Performance		
	High (AED)	Low (AED)	Closing price (AED)	Market Index	Industrial Index	Absolute	Vs Market Index	Vs Sector Index
January	10.5	8.8	9.6	9,586.1	2,695.1	-1.1%	-2.9%	-0.3%
February	9.8	8.4	8.4	9,564.6	2,584.0	-12.4%	-12.2%	-8.3%
March	8.9	7.8	8.6	9,368.8	2,519.7	2.1%	4.2%	4.6%
April	8.5	7.6	8.2	9,534.3	2,533.9	-4.7%	-6.4%	-5.2%
May	10.1	8.0	10.1	9,685.1	2,599.5	23.6%	22.0%	21.0%
June	19.5	10.4	18.0	9,957.5	2,624.1	77.5%	74.7%	76.5%
July	17.6	14.7	15.1	10,370.7	2,657.5	-15.9%	-20.1%	-17.2%
August	16.5	15.1	15.5	10,094.7	2,619.8	2.5%	5.2%	3.9%
September	16.1	15.0	16.1	10,014.6	2,488.5	4.0%	4.8%	9.0%
October	16.0	15.1	15.3	10,099.9	2,499.8	-4.7%	-5.6%	-5.2%
November	15.3	13.5	13.5	9,747.2	2,376.8	-11.9%	-8.4%	-6.9%
December	15.0	13.8	14.6	9,992.7	2,470.4	7.8%	5.3%	3.9%
Overall Performance During 2025	19.5	7.6	14.6	9,992.7	2,470.4	50.2%	44.1%	59.3%

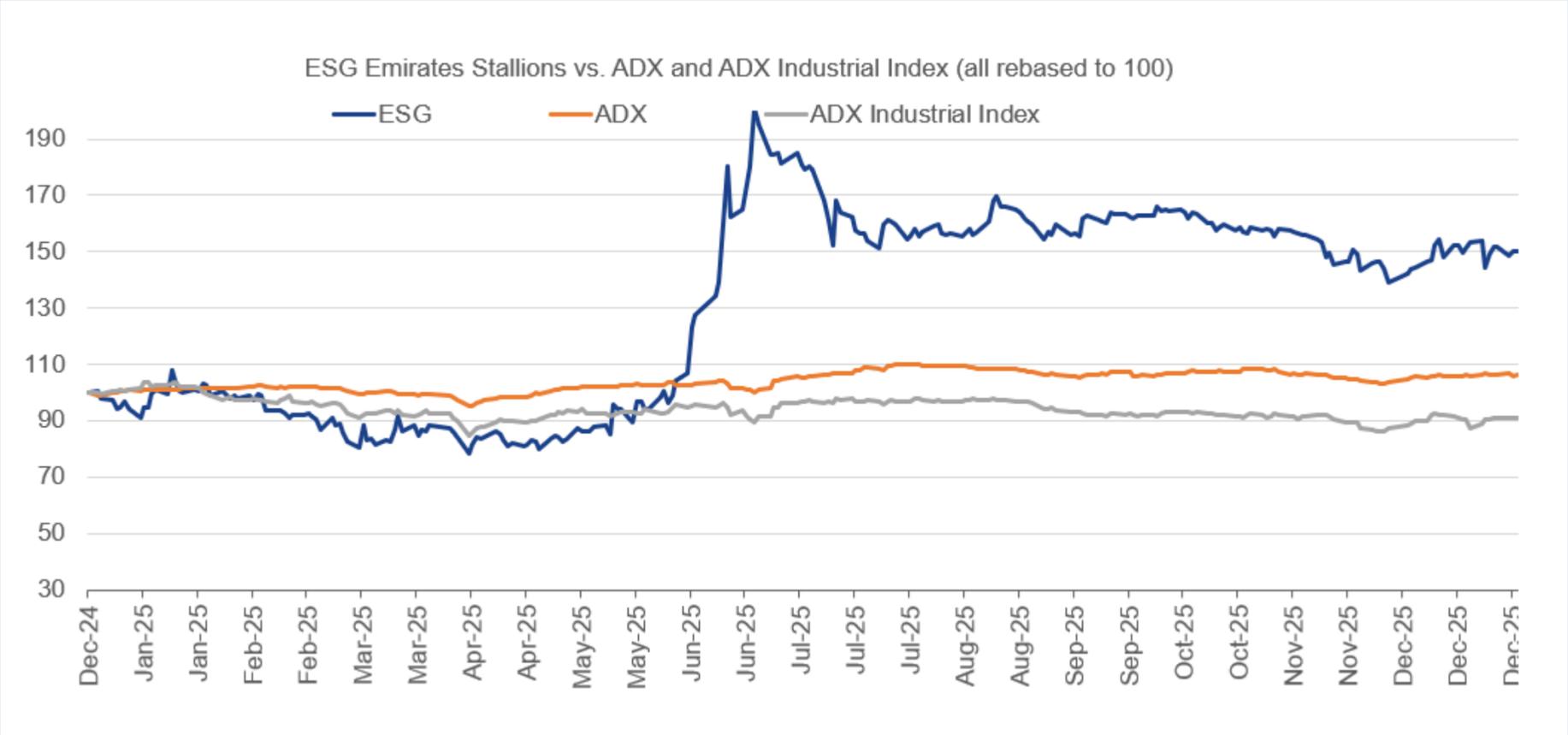
12-1-2 COMPANY'S SHARE PRICE PERFORMANCE DURING THE YEAR 2025





12-1-3 PERFORMANCE OF THE COMPANY'S SHARES, COMPARED WITH THE ADX INDEX AND ADX REAL ESTATE INDEX DURING THE YEAR 2025

ESG Share Price Performance vs. ADX and ADX Real Estate Index (all rebased to 100)



12-1-4 DISTRIBUTION OF SHAREHOLDERS' OWNERSHIP

<i>Description</i>	<i>Individuals</i>	<i>Companies</i>	<i>Government</i>	<i>Total</i>
<i>UAE</i>	23,861,310	215,358,609	-	239,219,919
<i>Arab Countries</i>	33,504	6,732	-	40,236
<i>GCC</i>	6,948,319	2,091	-	6,950,410
<i>Foreign</i>	3,096,702	692,733	-	3,789,435
<i>Total</i>	33,939,835	216,060,165	-	250,000,000
<i>Percentage</i>	%13.58	%86.42	-	%100

12-1-5 STATEMENT OF SHAREHOLDERS OWNERSHIP 5% OR MORE

<i>Name of Shareholders</i>	<i>Shareholders Share %</i>
IHC Real Estate Holding LLC	84.97%
<i>Total</i>	84.97%

13-1 INVESTOR RELATIONS AFFAIRS



The company has established a **department specialized in managing the affairs of the shareholders**. The Investor Relations Officer has been appointed and holds the following qualifications:

- Holds a degree suitable for work.
- Has experience in managing the affairs of shareholders.
- Aware of the relevant legal and legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

A **special investor relations page** has been created on the Company's website to be constantly updated and maintained in line with international standards, including Investor Relations Department data and contact information such as, a dedicated phone number & e-mail, providing all reports on financial results whether recorded or published, Financial year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, & any other important events.

Contact details for Investor Relations Officer

MRS. AMAL MOHAMMAD

ESG'S INVESTOR RELATION OFFICER

BOARD SECRETARY

Address: ESG HQ - Burj Al Tala' St, Al Nahyan I PO Box 3194 | Abu Dhabi, United Arab Emirates

T: +971 2 7775333

E: Amal.Mohammad@esgae.com | www.esgae.com



14-1 SPECIAL RESOLUTIONS PRESENTED TO THE GENERAL ASSEMBLY HELD DURING 2025

<i>Sr No</i>	<i>Meeting Date</i>	<i>Items / Special Resolutions</i>	<i>Action Taken</i>
		-	

15-1 EMIRATIZATION PERCENTAGE IN THE COMPANY AS OF 2025

Year	Emiratis Citizens	Non-Emiratis Citizen	Total
2025	14.71%	85.29%	100%
2024	8.1%	91.9%	100%
2023	6.09%	93.91%	100%

16-1 SIGNIFICANT EVENTS DURING 2025

May 2025

- Decovision, a subsidiary of Stallions Emirates Group, expanded its regional operations through the opening of a new branch in the Kingdom of Saudi Arabia.

May 2025

- The Group's subsidiary, Vision Furniture and Decoration Factory, entered into a 16-year renewable usufruct agreement for an industrial facility covering 13,000 square meters in the Kingdom of Saudi Arabia.

June 2025

- ESG Stallions Emirates Group announced the launch of Royal Development Holding, a real estate developer specializing in the design, management, and execution of luxury property projects aimed at enhancing quality of life and elevating standards of modern living.

June 2025

- Royal Development Holding entered into a strategic partnership with SAS Real Estate to develop a project valued at AED 1.6 billion, in collaboration with Autograph Collection Hotels by Marriott, in the Emirate of Abu Dhabi. November 2024

December 2025

- Afkar Financial and Property Investments, a subsidiary of ESG Stallions Emirates, executed a AED 540 million musataha agreement for 33 years with Spox Investments to develop 16 land plots located in strategic areas across the Emirate of Abu Dhabi.
- Royal Development Holding signed joint collaboration agreement with Radisson Hotel Group to Develop Waterfront Radisson Residences on Abu Dhabi's Reem Island

17-1 INITIATIVES AND INNOVATIONS DURING 2025

Blood Donation Initiative

Aligned with our continued commitment to supporting the UAE's vision and fostering a culture of giving and community responsibility, Emirates Stallions Group led a **successful blood donation initiative** aimed at enhancing community health and wellbeing. This initiative reaffirmed that even the smallest act of giving can create meaningful impact. Through the **collective efforts of our employees**, we provided not just blood, but hope, strength, and a lifeline to those in need. This initiative reflects the Group's sustained commitment to contributing to a more **resilient and compassionate** future for the communities we serve.



17-1 INITIATIVES AND INNOVATIONS DURING 2025

Centralized Data Center Implementation

ESG Emirates Stallions Group has successfully completed the establishment of a centralized, **state-of-the-art data center**, an important milestone in strengthening our digital infrastructure. This new facility now serves as the unified technology platform for all subsidiaries under the ESG umbrella, enabling greater control, enhanced security, and improved scalability across our operations.

By **consolidating our IT environment**, we have reduced reliance on external service providers, streamlined system management, and reinforced data protection measures in line with industry best practices. The **centralized data center** also provides a **future-ready foundation** that supports ongoing digital transformation initiatives, fosters innovation, and ensures the Group's long-term operational resilience.

This initiative reflects our **continued commitment to operational excellence** and underscores our strategic focus on building robust, secure, and scalable digital capabilities to support sustainable growth across all business units.



17-1 INITIATIVES AND INNOVATIONS DURING 2025

Sustainability Awareness Initiative

The Group organized a dedicated sustainability awareness seminar that included educational sessions aimed at enhancing employees' understanding of their individual role in supporting sustainability practices. These sessions highlighted how simple daily choices, both in the workplace and in everyday life, can create a meaningful positive impact on the Group's sustainability efforts.

This initiative reflects the Group's commitment to fostering a culture of sustainability and empowering employees to adopt responsible behaviors that support environmental and social performance, while contributing to long-term sustainable growth.



Walk for Wellness Competition

The Group organized the Walk for Health Challenge initiative with the aim of raising awareness of the importance of physical activity and encouraging the adoption of healthy practices as part of employees' daily lifestyle. The initiative witnessed positive engagement from participants, who were motivated through the awarding of prizes to the winners, thereby fostering a spirit of positive competition and teamwork.



17-1 INITIATIVES AND INNOVATIONS DURING 2025

Celebrating Emirati Women's Day

ESG Emirates Stallions Group hosted a **special event to honor the remarkable achievements and contributions of Emirati women** within our community.

The occasion was a meaningful opportunity to recognize the diverse roles they play in shaping and enriching our society.



Strengthening Employee Capability through Training & Development

To support continuous learning and capability building across Emirates Stallions Group, a **specialized Training & Development sub-department** has been established within the HR function. The team delivers **focused Group-wide programs** including leadership development, functional and technical skills training, health & safety, customer experience, and ESG awareness, strengthening employee **capability, engagement, and alignment** with the organizational objectives.

17-1 INITIATIVES AND INNOVATIONS DURING 2025



Launch of the SAIF Platform (Enterprise AI Enablement)

As part of ESG Group's commitment to advancing **digital transformation and supporting sustainable innovation**, the Group participated in the adoption of the **SAIF** artificial intelligence platform, which was launched by **International Holding Company (IHC)** as an advanced platform providing access to core AI technologies. ESG Group began activating the platform across its companies to support the responsible use of smart technologies and enhance operational efficiency. To ensure effective utilization of the platform, ESG Group provided introductory materials and user guides to help employees understand SAIF's capabilities and encourage the use of **AI-driven solutions** in daily operations, supporting informed decision-making and the creation of long-term sustainable value.



17-1 INITIATIVES AND INNOVATIONS DURING 2025

Sponsoring First Star Sports Academy football team for the season 2025 -2026

For the second consecutive year, ESG Emirates Stallions Group **sponsor the under 14 children's football team at The First Star Sports Academy** for the season 2025 - 2026.

With this sponsorship, ESG aims to **inspire, nurture & promote** the spirit of sportsmanship and competitiveness within the younger generation.



The Report was approved by the Board of Directors on 25/02/2026



**H.E. Matar Suhail Ali Al Yabhouni
Aldhaheri**
Chairman, Board of Directors

**Mr. Ali Saeed Abdulla Sulayem
Alfalasi**
Chairman – Audit Committee

**Mr. Abdulla Rashed Mohammad Rashed Al
Rashdi**
Chairman - Nomination & Remuneration
Committee

“This Corporate Governance Report has been prepared in compliance with the provisions of the Commercial Companies Law and the governance framework issued by the Ministry of Economy applicable to private joint stock companies. Any reference to governance standards or guidelines issued by the Securities and Commodities Authority is made on a voluntary basis only, for benchmarking and best-practice reference purposes, and does not constitute an acknowledgment of mandatory applicability.”

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