# ABU DHABI NATIONAL INVESTMENT AND DEVELOPMENT - P.J.S.C AND ITS SUBSIDIARIES (FORMERLY KNOWN AS "ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC")

ABU DHABI – UNITED ARAB EMIRATES

## REVIEW REPORT AND INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2026

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as "Abu Dhabi National Company for Building Materials PJSC")

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
For the nine months ended 30 September 2026

**CONTENTS** **PAGES**


| | |
|---|---|
| Report of the Board of Directors | 1 – 4 |
| Independent Review Report | 5 – 7 |
| Interim Consolidated Statement of Financial Position | 8 |
| Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income | 9 – 10 |
| Interim Consolidated Statement of Changes in Equity | 11 |
| Interim Consolidated Statement of Cash Flows | 12 –13 |
| Notes to the Interim Consolidated Financial Statements | 14 – 43 |

أبوظبي الوطنية للإستثمار والتطوير
Abu Dhabi National Investment and Development
SINCE 1974 منذ

**To the Shareholders of Abu Dhabi National Investment & Development PJSC (formerly Abu Dhabi National Company for Building Materials – BILDCO PJSC),**

The Board of Directors is pleased to present its report on the financial and operating performance of Abu Dhabi National Investment & Development PJSC (formerly Abu Dhabi National Company for Building Materials – BILDCO PJSC) (the "Company") and its subsidiaries (the "Group") for the nine months ended 30 September 2026 — a period marked by a substantial strengthening of the capital and equity base, the extinguishment of accumulated losses, revenue growth of 31.6%, and an improvement in the gross profit margin to 28.1%.

## Key Financial Indicators

### Operating performance — nine months ended 30 September 2026 (AED Mn unless stated)

| Revenue | Gross profit | Gross profit margin | Q3 revenue |
|---|---|---|---|
| 44.25 | 12.42 | 28.1% | 10.10 |
| ▲ 31.6% | ▲ 111.1% | ▲ 10.6 pts | ▲ 15.2% |
| 2025: 33.62 | 2025: 5.88 | 2025: 17.5% | 2025: 8.77 |

### Financial position — as at 30 September 2026 (AED Mn unless stated)

| Total assets | Total equity | Equity to total assets | Liabilities to equity |
|---|---|---|---|
| 2,437.05 | 2,136.45 | 87.7% | 0.14x |
| ▲ 6.8x | ▲ 27.5x | ▲ 66.1 pts | ▼ 3.49x |
| 2025: 360.17 | 2025: 77.75 | 2025: 21.6% | 2025: 3.63x |

*Dark bars represent the current period, light bars the comparative; financial position compared with 31 December 2025.*

## First: Financial Position and Shareholders' Equity

Total assets increased to AED 2,437.05 Mn as at 30 September 2026 (31 December 2025: AED 360.17 Mn) and total equity to AED 2,136.45 Mn (31 December 2025: AED 77.75 Mn), following the capital increase arising from the in-kind contribution associated with the Arabian Nights Village Tourist Camp – Sole Proprietorship L.L.C transaction. Pursuant to the resolution of the Extraordinary General Assembly held on 6 December 2025, 1.2 billion ordinary shares of AED 1 each were issued on 6 January 2026 to the strategic partner against land of

approximately 36 million square metres, independently valued at AED 2,131 Mn — increasing share capital by AED 1,200 Mn and establishing a general reserve of AED 931 Mn.

Pursuant to the resolution of the General Assembly held on 6 June 2026, and following receipt of the necessary regulatory approvals, accumulated losses of AED 464.08 Mn as at 31 March 2026 were extinguished against the general reserve, leaving a general reserve of AED 466.92 Mn; retained earnings amounted to AED 36.66 Mn as at 30 September 2026. Equity to total assets accordingly improved to 87.7% from 21.6%, and total liabilities to equity declined to 0.14 times from 3.63 times.

## Second: Operating Performance

Revenue increased by 31.6% to AED 44.25 Mn (corresponding period of 2025: AED 33.62 Mn) while cost of sales increased by 14.7% to AED 31.83 Mn, lifting gross profit to AED 12.42 Mn from AED 5.88 Mn and the gross profit margin to 28.1% from 17.5%. Block sales amounted to AED 38.77 Mn and interlock sales to AED 5.48 Mn. Gulf BILDCO Ready Mix L.L.C, the Group's 50% joint venture with Gulf Commercial International FZE, started operations on 1 September 2026, contributing a share of profit of AED 0.08 Mn for the period.

The Group recorded a profit before tax of AED 29.40 Mn in the third quarter of 2026, compared with a loss before tax of AED 8.93 Mn in the third quarter of 2025:

| AED Mn | Q3 2026 | Q3 2025 | Change |
|---|---|---|---|
| Revenue | 10.10 | 8.77 | +15.2% |
| Gross profit | 0.48 | 0.32 | +0.16 |
| Gross profit margin | 4.7% | 3.6% | +1.1 points |
| Profit / (loss) before tax | 29.40 | (8.93) | +38.33 |

The third-quarter profit principally reflects the reversal of accrued interest of AED 31.57 Mn on the First Abu Dhabi Bank borrowings following the agreed settlement, together with a realised gain of AED 6.57 Mn on the sale of investments carried at fair value.


A Public National Joint Stock Company established by Royal Decree No. 5 of 1974 شركة مساهمة وطنية عامة تأسست بالمرسوم الأميري رقم ٥ لسنة
P.O. Box 2443 | Abu Dhabi, United Arab Emirates ص.ب. ٢٤٤٣ | أبوظبي، الإمارات العربية المتحدة
Phone +971 2 645 5500 | Fax +971 2 645 5544 | Email: info@adid.ae

## Third: Results for the Period

The Group recorded a net loss of AED 66.26 Mn (corresponding period of 2025: AED 20.48 Mn) and a total comprehensive loss of AED 72.30 Mn; basic and diluted loss per share was AED 0.05 (corresponding period of 2025: AED 0.07). The result was materially affected by non-cash accounting items relating to the revaluation and impairment of assets and to provisions, recognised during the first half of 2026:

- Revaluation losses on property, plant and equipment of AED 53.66 Mn (AED 47.62 Mn within profit or loss and AED 6.04 Mn within other comprehensive income), and a reduction in the fair value of investment properties of AED 27.7 Mn;
- Provisions for slow-moving and obsolete inventories, expected credit losses and the impairment of a bank term deposit totalling AED 8.01 Mn, together with an unrealised loss on investments carried at fair value of AED 3.66 Mn;
- Depreciation of AED 7.72 Mn and finance costs on borrowings and lease liabilities of AED 5.55 Mn, offset by the reversal of accrued interest of AED 31.57 Mn and a realised gain on the sale of investments, dividend income and other income totalling AED 9.89 Mn.

## Fourth: Liquidity, Financing Obligations and Subsequent Events

Cash and cash equivalents amounted to AED 12.74 Mn as at 30 September 2026 (31 December 2025: AED 13.34 Mn). Net cash used in operating activities was AED 22.15 Mn, while net cash generated from investing activities was AED 28.86 Mn, mainly from the sale of investments carried at fair value of AED 32.03 Mn. As the recapitalisation was effected principally in kind, it generated no corresponding cash inflow, and strengthening liquidity and working capital therefore remains a principal priority.

Bank borrowings amounted to AED 173.97 Mn, bank overdraft to AED 26.14 Mn and accrued interest to AED 7.77 Mn as at 30 September 2026. On 9 October 2026 (subsequent event), the Company signed a settlement agreement with First Abu Dhabi Bank settling the debt under execution file no. 3893/2020 for AED 55 Mn — AED 5 Mn on signing and AED 50 Mn within 45 days of signing. In respect of case no. 425/2026 before the Abu Dhabi Commercial Court, the Court issued its judgment on 22 July 2026 dismissing the original claim of AED 33 Mn filed against the Group and holding the counterclaim of AED 20 Mn to be inadmissible. The claimant subsequently appealed the judgment, and the appeal is currently under consideration.

## Fifth: The Next Phase and Responsibility of the Board

The Group now moves to converting the strength of its financial position and asset base into operating growth, cash flows and sustainable returns — through greater utilisation of production capacity, maximising the value of its asset and real estate base, strengthening liquidity and the financing structure, and evaluating investment opportunities against clear criteria of feasibility, return, risk and governance. The Board affirms the Company's

commitment to governance, transparency and disclosure, and thanks the shareholders, the executive management and the employees of the Group.

The Board of Directors confirms, to the best of its knowledge, that the financial information in this report has been prepared on the basis of the Group's interim consolidated financial statements for the nine months ended 30 September 2026 and fairly reflects, in all material respects, the financial position of the Group, the results of its operations and its cash flows.

The Board of Directors has authorised the following persons to sign the interim consolidated financial statements:

| | |
|---|---|
| 1. Mr. Rasheed Ali Rasheed Nasser Al Omaira | Chairman of the Board |
| 2. Eng. Saeed Saif Darwish Ahmed Al Ketbi | Vice Chairman of the Board |
| 3. Mrs. Shamsa Sulaiman Al Fahim | Board Member |

Date: 13 November 2026

Rasheed Ali Rasheed Nasser Al Omaira
Chairman of the Board

2002 West 10,
Corniche Road, Abu Dhabi,
United Arab Emirates
Tel +971 2 665 5035
forvismazars.com/ae

٢٠٠٢ غرب ١٠،
طريق الكورنيش، أبوظبي،
الإمارات العربية المتحدة
هاتف: ٩٧١٢٦٦٥٥٠٣٥+

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ABU DHABI NATIONAL INVESTMENT AND DEVELOPMENT P.J.S.C (FORMERLY KNOWN AS "ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC")

### Introduction

We have reviewed the accompanying interim consolidated financial statements of Abu Dhabi National Investment and Development PJSC (Formerly known as "Abu Dhabi National Company For Building Materials P.J.S.C") (the "Company") and its subsidiaries (together referred to as the "Group") which comprise the interim consolidated statement of financial position as at 30 September 2026, and the related interim consolidated statement of profit and loss and other comprehensive income for the three months and nine months then ended, interim consolidated statement of changes in equity and the interim consolidated statement of cash flows for the nine months' period then ended, and other explanatory notes.

Management is responsible for the preparation and presentation of these interim consolidated financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim 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.

### Basis for Qualified Conclusion

- The Group measures property, plant and equipment using the revaluation model. As at 31 December 2025, the Group obtained independent revaluation reports for its property, plant and equipment. During the current period, management prepared a new fixed assets register based on those reports. However, the fixed assets register does not reconciles with the individual trial balances of the Companies within the Group. Consequently, we were unable to determine whether adjustments may be necessary in respect of this matter and the related disclosures in the interim consolidated financial statements as at and for the nine months period ended 30 September 2026.

- During the financial year ending 31 December 2025, the Group disposed of property, plant and equipment of AED 38,900,000 (net book value) against sale proceeds of AED 22,035,000. We were unable to substantiate the underlying documentation pertaining to disposal. Consequently, based on the procedures performed, we were unable to determine whether any adjustments are required to the opening retained earnings and the related balances and disclosures in the interim consolidated financial statements as at and for the nine months period ended 30 September 2026.

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ABU DHABI NATIONAL INVESTMENT AND DEVELOPMENT P.J.S.C (FORMERLY KNOWN AS "ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC") (CONTINUED)

**Basis for Qualified Conclusion (Continued)**

- We were unable to verify the cost of conversion of inventories - finished goods and the cost of production, as detailed calculations were not available from the Group's accounting system and unable to obtain sufficient appropriate evidence to support the reconciliation of inventories and cost of revenue. Furthermore, the Group has recognised a provision for slow-moving and obsolete inventories of AED 6,418,892. We were unable to obtain sufficient appropriate evidence to assess the reasonableness of this provision, including the underlying assumptions and supporting documentation used in its determination. Further, we were unable to assess the completeness and accuracy of cost of revenue of AED 31,830,651. Consequently, based on the procedures performed, we were unable to determine whether adjustments may be required in respect of the valuation and accuracy of inventories, production costs and the provision for slow-moving and obsolete inventories, and the completeness and accuracy of cost of revenue.

- We were not provided with the bank confirmation, bank statements and reconciliations for bank borrowings, and related contingencies and commitments included in the interim consolidated statement of financial position of AED 41,757,471, and related interest, as at 30 September 2026. In the absence of such information and supporting documentation, we were unable to obtain sufficient appropriate evidence regarding the completeness and accuracy of this balance and the related commitments and contingencies as at 30 September 2026.

- We were unable to obtain the signed financial statements of the subsidiaries and standalone signed financial statements of the Parent Company (including the tax position of the Group) as at 31 December 2025. In the absence of such financial statements and related information, we were unable to obtain sufficient appropriate evidence regarding the completeness, accuracy and appropriateness of the financial information incorporated as comparative information in the interim consolidated financial statements of the Group as at 30 September 2026. Consequently, we were unable to determine whether any adjustments may be required in respect of the balances and disclosures included in the consolidated financial statements as at 31 December 2025 and the corresponding impact, if any, on the Group's interim consolidated financial statements as at 30 September 2026.

**Qualified Conclusion**

Based on our review, except for the effects of the matters described in the *Basis for Qualified Conclusion* paragraphs above, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ABU DHABI NATIONAL INVESTMENT AND DEVELOPMENT P.J.S.C (FORMERLY KNOWN AS "ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC") (CONTINUED)

**Emphasis of Matter**

We draw attention to note 18 to the interim consolidated financial statements, which describes the Group's bank borrowings, bank overdraft and related accrued interest payable to the bank, amounting to AED 132,210,349, AED 26,136,005 and AED 31,574,807, respectively. Subsequent to period end, the Group entered into a settlement agreement with the bank for the final settlement of these outstanding amounts for AED 55,000,000. The Group reversed the related accrued interest amounting to AED 31,574,807 during the nine months ended 30 September 2026. However, the bank borrowings and bank overdraft continue to be recognised at their original outstanding amounts pending payment of the agreed settlement amount and completion of the settlement process. Our conclusion is not modified in respect of this matter.

**Other Matters**

- The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by other auditor who expressed an adverse opinion on those consolidated financial statements on 22 February 2026.

- The interim consolidated financial statements of the Group for the nine months period ended 30 September 2025 were reviewed by another auditor who expressed an adverse conclusion on those interim consolidated financial statements on 14 November 2025.

**Forvis Mazars Chartered Accountants-L.L.C.**

Signed by:
Mohammed Abu Hijleh
Registered Auditor Number 1010

13 November 2026
Abu Dhabi, United Arab Emirates

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as Abu Dhabi National Company for Building Materials PJSC)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2026

| | Notes | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 2,288,365,071 | 213,490,005 |
| Investment properties | 4 | 17,500,000 | 45,200,000 |
| Right-of-use assets | 5 | 52,455,164 | 23,763,774 |
| Investment in joint venture | 6 | 7,584,198 | --- |
| Deferred tax assets | 22 | 1,934,645 | 1,934,645 |
| | | **2,367,839,078** | **284,388,424** |
| **Current assets** | | | |
| Inventories | 7 | --- | 5,943,879 |
| Trade and other receivables | 8 | 42,178,915 | 12,812,423 |
| Due from related parties | 9 | 836,444 | 218,689 |
| Bank term deposit | | --- | 632,034 |
| Prepayments and other debit balances | 10 | 733,321 | 996,465 |
| Investments at fair value through profit or loss | 11 | 12,723,036 | 41,842,860 |
| Cash and cash equivalents | 12 | 12,739,171 | 13,335,563 |
| | | **69,210,887** | **75,781,913** |
| **TOTAL ASSETS** | | **2,437,049,965** | **360,170,337** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 13 | 1,500,000,000 | 300,000,000 |
| General reserve | 13 | 466,921,833 | --- |
| Statutory reserve | 14 | 43,424,314 | 43,424,314 |
| Capital reserve | 15 | 15,398,843 | 15,398,843 |
| Revaluation reserve for property, plant and equipment | | 59,527,610 | 70,412,265 |
| Retained earnings / (accumulated losses) | | 36,656,260 | (361,109,013) |
| **Equity attributable to the equity holders of the Parent** | | **2,121,928,860** | **68,126,409** |
| Non-controlling interest | | 14,522,355 | 9,622,361 |
| **Total equity** | | **2,136,451,215** | **77,748,770** |
| **Non-current liabilities** | | | |
| Provision for employees' end of service indemnity | 16 | 1,192,770 | 1,976,087 |
| Lease liabilities | 5 | 51,928,242 | 25,777,308 |
| | | **53,121,012** | **27,753,395** |
| **Current liabilities** | | | |
| Trade and other payables | 17 | 27,188,494 | 18,598,397 |
| Due to a related party | 9 | 7,719,854 | 68,295 |
| Borrowings | 18 | 173,967,820 | 173,967,820 |
| Bank overdraft | 18 | 26,136,005 | 26,136,005 |
| Accrued interest | 18 | 7,774,854 | 35,386,911 |
| Lease liabilities | 5 | 4,690,711 | 510,744 |
| | | **247,477,738** | **254,668,172** |
| **Total liabilities** | | **300,598,750** | **282,421,567** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,437,049,965** | **360,170,337** |

| | | |
|---|---|---|
| **Mr. Rasheed Ali Rasheed Al Omaira** | **Mr. Saeed Said Darwaish Ahmed Alketbi** | **Mr. Shamsa Sulaiman Alfahim** |
| Chairman | Vice Chairman | Board Member |

The accompanying notes 1 to 26 form an integral part of these interim consolidated financial statements.

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as Abu Dhabi National Company for Building Materials PJSC)

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2026

| | Notes | *Unaudited Three months ended* | | *Unaudited Nine months ended* | |
|---|---|---|---|---|---|
| | | *30 September 2026 AED* | *30 September 2025 AED* | *30 September 2026 AED* | *30 September 2025 AED* |
| Revenue | *19* | 10,101,640 | 8,768,509 | 44,251,353 | 33,622,263 |
| Cost of revenue | | (9,624,074) | (8,452,130) | (31,830,650) | (27,739,533) |
| **GROSS PROFIT** | | **477,566** | **316,379** | **12,420,703** | **5,882,730** |
| General and administrative expenses | *20* | (10,669,133) | (3,002,167) | (25,723,687) | (8,095,388) |
| Directors' remuneration | | (150,000) | (147,500) | (730,000) | (222,500) |
| Gain/(Loss) on disposal of property, plant and equipment | | -- | --- | -- | 2,020,000 |
| Unrealised loss on revaluation of investments at fair value through profit or loss | *11* | 1,013,798 | --- | (3,661,564) | --- |
| Realised gain/(loss) on disposal of investments | | 6,569,996 | | 6,569,996 | --- |
| Reversal of impairment of investments at fair value through profit or loss | *11* | -- | --- | -- | 1,017,500 |
| Gain/ (loss) on sale of investments at fair value through profit or loss | | -- | --- | -- | (370,893) |
| Finance cost on borrowings | | (281,993) | (38,601) | (4,244,745) | (69,562) |
| Reversal of accrued interest on borrowings | *18* | 31,574,807 | --- | 31,574,807 | --- |
| Finance cost on lease liabilities | | (378,274) | (291,150) | (1,305,308) | (992,679) |
| Impairment loss on term deposits | | | --- | (632,034) | --- |
| Fair value changes of investment properties | *4* | -- | (3,298,308) | (27,700,000) | (5,912,357) |
| Revaluation loss on property, plant and equipment | *3* | | --- | (47,622,411) | (18,900,000) |
| Provision for slow moving and obsolete inventories | *7* | 715,764 | --- | (6,418,892) | --- |
| Allowance for expected credit losses on trade and claim receivables | *8* | -- | --- | (2,187,972) | --- |
| Reversal of allowance for expected credit losses on trade and claim receivables | *8* | -- | --- | -- | 537,919 |
| Dividend income | | | --- | 2,443,417 | 1,831,694 |
| Share of profit of Joint venture | | 84,198 | --- | 84,198 | --- |
| Other income | *21* | 444,983 | (2,467,363) | 877,328 | 2,022,074 |
| **PROFIT/ LOSS FOR THE PERIOD BEFORE TAX** | | **29,401,712** | **(8,928,710)** | **(66,256,164)** | **(21,251,462)** |
| Income tax (expense)/ credit | *22* | -- | 978,026 | -- | 774,762 |
| **PROFIT/ LOSS FOR THE PERIOD AFTER TAX** | | **29,401,712** | **(7,950,684)** | **(66,256,164)** | **(20,476,700)** |

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as Abu Dhabi National Company for Building Materials PJSC)

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2026

| | Notes | *Unaudited Three months ended* | | *Unaudited Nine months ended* | |
|---|---|---|---|---|---|
| | | *30 September 2026* | *30 September 2025* | *30 September 2026* | *30 September 2025* |
| **Loss for the period attributable to:** | | | | | |
| Equity holders of the Parent | | 29,483,378 | (8,090,616) | (66,312,894) | (21,257,314) |
| Non-controlling interest | | (81,666) | 139,932 | 56,730 | 780,614 |
| | | **29,401,712** | **(7,950,684)** | **(66,256,164)** | **(20,476,700)** |
| **Earnings per share:** | | | | | |
| Basic and diluted loss per share | | **(0.11)** | **(0.030)** | **(0.04)** | **(0.07)** |

| | Notes | *Unaudited Three months ended* | | *Unaudited Nine months ended* | |
|---|---|---|---|---|---|
| | | *30 September 2026 AED* | *30 September 2025 AED* | *30 September 2026 AED* | *30 September 2025 AED* |
| **LOSS FOR THE PERIOD AFTER TAX** | | 29,401,712 | (7,950,684) | (66,256,164) | (20,476,700) |
| **Other comprehensive income** | | | | | |
| Revaluation loss on property, plant and equipment | | --- | --- | (6,041,391) | (18,900,000) |
| **TOTAL COMPREHENSIVE LOSS FOR THE PERIOD** | | **29,401,712** | **(7,950,684)** | **(72,297,555)** | **(39,376,700)** |
| **Total comprehensive loss for the period attributable to:** | | | | | |
| Equity holders of the Parent | | 29,483,378 | (8,090,616) | (66,312,894) | (21,257,314) |
| Non-controlling interest | | (81,666) | 139,932 | (5,984,661) | (18,119,386) |
| | | **29,401,712** | **(7,950,684)** | **(72,297,555)** | **(39,376,700)** |

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as Abu Dhabi National Company for Building Materials PJSC)

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2026

| | *Share capital* AED | *General reserve* AED | *Statutory reserve* AED | *Capital reserve* AED | *Revaluation reserve for property, plant and equipment* AED | *Retained earnings/ Accumulated losses* AED | *Total equity attributable to the equity holders of the Parent* AED | *Non-controlling interest* AED | *Total equity* AED |
|---|---|---|---|---|---|---|---|---|---|
| As at 1 January 2025 (Audited) | 300,000,000 | --- | 43,424,314 | 15,398,843 | 40,554,425 | (332,578,535) | 66,799,047 | 9,066,316 | 75,865,363 |
| Total comprehensive loss for the period | --- | --- | --- | --- | --- | (21,257,314) | (21,257,314) | 780,614 | (20,476,700) |
| **As at 30 September 2025 (Unaudited)** | **300,000,000** | **---** | **43,424,314** | **15,398,843** | **40,554,425** | **(353,835,849)** | **45,541,733** | **9,846,930** | **55,388,663** |
| As at 1 January 2026 (Audited) | 300,000,000 | --- | 43,424,314 | 15,398,843 | 70,412,265 | (361,109,013) | 68,126,409 | 9,622,361 | 77,748,770 |
| Issuance of share capital (note 13) | 1,200,000,000 | 931,000,000 | --- | --- | --- | --- | 2,131,000,000 | --- | 2,131,000,000 |
| Loss for the period | -- | -- | -- | -- | -- | (66,312,894) | (66,312,894) | 56,730 | (66,256,164) |
| Other comprehensive income for the period | -- | -- | -- | -- | (6,041,391) | -- | (6,041,391) | --- | (6,041,391) |
| *Total comprehensive loss for the period* | | | | | (6,041,391) | (66,312,894) | (72,354,285) | 56,730 | (72,297,555) |
| Transfers during the period | -- | -- | -- | -- | (4,843,264) | -- | (4,843,264) | 4,843,264 | -- |
| Adjustment of accumulated losses (note 13) | -- | (464,078,167) | -- | -- | -- | 464,078,167 | -- | -- | -- |
| **As at 30 September 2026 (Unaudited)** | **1,500,000,000** | **466,921,833** | **43,424,314** | **15,398,843** | **59,527,610** | **36,656,260** | **2,121,928,860** | **14,522,355** | **2,136,451,215** |

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as Abu Dhabi National Company for Building Materials PJSC)

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2026

| | Notes | *Unaudited 30 September 2026 AED* | *Unaudited 30 September 2025 AED* |
|---|---|---|---|
| **Operating activities** | | | |
| Loss for the period before tax | | (66,256,164) | (21,251,462) |
| *Adjustments for:* | | | |
| Depreciation on property, plant and equipment | *3* | 4,887,628 | 3,683,607 |
| Depreciation of right-of-use assets | *5* | 2,833,739 | 808,525 |
| Allowance for expected credit losses on trade and claim receivables | | 2,187,971 | --- |
| Unrealised loss on revaluation of investments at fair value through profit or loss | *11* | 3,661,564 | 5,912,357 |
| Reversal of Impairment of investments at fair value through profit or loss | *11* | --- | (1,017,500) |
| Realised gain/(loss) on disposal of investments | | (6,569,996) | --- |
| Loss on sale of investments at fair value through profit or loss | | --- | 370,893 |
| Loss on disposal of property, plant and equipment | | 47,622,411 | (2,020,000) |
| Provision for employees' end of service indemnity | *16* | 202,249 | 114,357 |
| Provision for slow moving and obsolete inventories | *7* | 6,418,892 | --- |
| Impairment loss on term deposits | | | --- |
| Fair value changes on investment properties | *4* | 27,700,000 | --- |
| Reversal of allowance for expected credit losses on trade and claim receivables | *8* | --- | (537,919) |
| Finance cost on borrowings | | 4,244,745 | 69,562 |
| IFRS 16 lease remeasurement adjustment | | 660,269 | --- |
| Reversal of accrued interest on borrowings | | (31,574,807) | --- |
| Finance cost on lease liabilities | | 1,305,308 | 1,028,331 |
| | | **(2,676,191)** | **(12,064,487)** |
| ***Working capital changes:*** | | | |
| Inventories | | (475,013) | (2,663,205) |
| Trade and other receivables | | (31,554,463) | (2,316,521) |
| Prepayments and other debit balances | | 263,144 | 551,137 |
| Due from related parties | | (617,755) | 297,981 |
| Trade and other payables | | 6,427,744 | (1,644,597) |
| Due to a related party | | 7,651,559 | (18,703) |
| **Cash flows used in operations** | | **(20,980,975)** | **(18,633,157)** |
| Employees' end of service benefits paid | | (985,566) | (295,239) |
| **Net cash flows used in operating activities** | | **(21,966,541)** | **(18,928,396)** |

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

# Abu Dhabi National Investment and Development PJSC and its Subsidiaries (Formerly known as Abu Dhabi National Company for Building Materials PJSC)

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2026

| | Notes | *Unaudited 30 September 2026 AED* | *Unaudited 30 September 2025 AED* |
|---|---|---|---|
| **Investing activities** | | | |
| Purchase of Investments at fair value through profit or loss | *11* | --- | (12,159,352) |
| Proceeds from disposal of investments at fair value through profit or loss | | 32,028,256 | 3,454,760 |
| Decrease in right of use asset | | --- | 78,750 |
| Purchase of property, plant and equipment | *3* | (3,172,930) | --- |
| Proceeds from disposal of property, plant and equipment | | --- | 40,920,000 |
| **Net cash flows (used in)/ generated from investing activities** | | **28,855,326** | **32,294,158** |
| **Financing activities** | | | |
| Finance cost paid | | (4,244,745) | (69,562) |
| Lease contract modification | | --- | (262,515) |
| Payment of lease liabilities | *5* | (3,240,432) | (1,537,771) |
| **Net cash flows used in financing activities** | | **(7,485,177)** | **(1,869,848)** |
| **Net change in cash and cash equivalents** | | **(596,392)** | **11,495,914** |
| Cash and cash equivalents at 1 January | | 13,335,563 | 3,453,146 |
| **CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER** | | **12,739,171** | **14,949,060** |

The accompanying notes 1 to 27 form an integral part of these interim consolidated financial statements.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**
For the nine months ended 30 September 2026

## 1. ACTIVITIES

Abu Dhabi National Investment and Development PJSC (Formerly known as Abu Dhabi National Company for Building Materials PJSC) ("BILDCO" or the "Company") was incorporated in Abu Dhabi by Amiri Decree No. 5 for the year 1974 and registered with Department of Economic Development - Abu Dhabi with a trade license number 1002141 on 18 May 1980. The Company was listed for trading on Abu Dhabi Securities Exchange (ADX) on 15 November 2000 following the Company's Initial Public Offering ("IPO"). The registered address of Company is at Abu Dhabi Building Material Company Building, Salam Street, Abu Dhabi. The Group is also operating through following subsidiaries registered in other emirates.

The Company has branches in United Arab Emirates and holds investment in subsidiaries/ joint venture (referred together with Company as "Group"). The details of these branches, subsidiaries and joint ventures are as listed below

| Legal name | License number | Date of incorporation | Location | Activities |
|---|---|---|---|---|
| Abu Dhabi National Company for Building Materials | 1005372 | 18 May 1980 | Al Ain | Commercial agencies, companies' representation and general trading. |
| Abu Dhabi National Company for Building Materials - Bildco – Branch | 546792 | 6 July 2003 | Dubai | General trading and oilfield and natural gas equipment and spare parts trading. |
| Bildco Aerated Concrete Products L.L.C | 608886 | 5 November 2008 | Dubai | Bricks manufacturing. |
| Bildco Cement Products L.L.C | 1000463 | 14 September 1997 | Abu Dhabi | Construction precast concrete, cement or artificial stones articles manufacturing. |
| Bildco Reinforcing Steel Services | 1000606 | 31 March 1998 | Abu Dhabi | Steel bars preparation. |
| Bildco Steel Industries | 1001347 | 5 August 2006 | Abu Dhabi | Hot-rolled steel bars and rods manufacturing. |
| Arabian Nights Village Tourist Camp – Sole Proprietorship LLC | CN-3899063 | 14 February 2021 | Abu Dhabi | Tourist camp services, and organising and conducting desert adventures. |
| Gulf Bildco Ready Mix LLC | CN-6661533 | 17 July 2026 | Abu Dhabi | Construction materials and building supplies, including concrete, cement, sanitary ware, and related products. |

The interim consolidated financial statements were authorised for issue and approved by the Board of Directors on -- November 2026.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The interim consolidated financial statements of the Company and its Subsidiaries (collectively, the "Group") have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The interim consolidated financial statements have been presented in Arab Emirates Dirham (AED), which is the Group's functional and presentation currency.

The interim consolidated financial statements are prepared on a historical cost basis, except for property, plant and equipment, which are carried at revaluation model, and investment properties and investments at fair value through profit or loss, which are carried at fair value model.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services, while Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

**New standards, interpretations and amendments effective from 1 January 2026**
The following amendments and interpretations have been issued and are effective for the period but are either not relevant to the operations of the Group or do not have a significant impact on these interim consolidated financial statements:

- Classification and measurement of financial instruments (amendments to IFRS 9 and IFRS 7).
- Contracts referencing nature dependent electricity (amendments to IFRS 9 and IFRS 7).
- Annual improvements to IFRS Accounting Standards.

**Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group**
The standards, amendments, and interpretations that have been issued by the IASB are effective in future accounting periods that the Group has decided not to adopt early include:

- IFRS 18 – Presentation and disclosure in the financial statements.
- IFRS 19 – Subsidiaries without public accountability: Disclosures.
- Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28).

The Group does not expect that the adoption of the standards and amendments listed above will have a material impact on the future interim consolidated financial statements of the Group.

### 2.3 BASIS OF CONSOLIDATION

These interim consolidated financial statements reflect the operations of the Company and its subsidiaries as at 30 September 2026. The Company holds, directly or indirectly (through nominees), a controlling interest and has the power to govern the financial and operating policies in each of the subsidiaries listed below (collectively referred to as the "Group" and individually referred to as "Group Entities"):

| | | | *Controlling interest* | |
|---|---|---|---|---|
| ***Names of subsidiaries*** | ***Country of incorporation*** | ***Registration and operation*** | ***30 September 2026*** | ***31 December 2025*** |
| Bildco Aerated Concrete Products L.L.C | United Arab Emirates | Bricks manufacturing. | 100% | 100% |
| Bildco Cement Products L.L.C | United Arab Emirates | Construction precast concrete, cement or artificial stones articles manufacturing. | 80% | 80% |
| Bildco Reinforcing Steel Services | United Arab Emirates | Steel bars preparation. | 100% | 100% |
| Bildco Steel Industries | United Arab Emirates | Hot-rolled steel bars and rods manufacturing. | 100% | 100% |
| Arabian Nights Village Tourist Camp – Sole Proprietorship LLC* | United Arab Emirates | Tourist camp services, and organising and conducting desert adventures. | 100% | --- |

*On 18 December 2025, the Group acquired 100% shareholding of the Arabian Nights Village Tourist Camp – Sole Proprietorship LLC, via amendment to the memorandum of association of the subsidiary, and notarized on 22 December 2025. The acquisition is done through in-kind consideration i.e. issuance of share capital of the Parent of AED 1,200,000,000 and creation of general reserve of AED 931,000,000. The acquisition of the subsidiary was contingent on issuance of the share capital by the Parent. Parent has issued share capital on 6 January 2026. Hence, the Parent has considered assumption of control of the subsidiary on 6 January 2026. Details of acquisition of the subsidiary are as follows:

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.3 BASIS OF CONSOLIDATION (CONTINUED)

| | *AED* |
|---|---|
| Carrying amount of net assets acquired | 2,131,869,509 |
| In-kind consideration paid | (2,131,000,000) |
| **Gain on acquisition of a subsidiary** | **869,509** |

**a) Investments in subsidiaries**

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

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

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the interim consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the Parent and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the IFRS accounting standards. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in the interim consolidated statement of profit or loss and other comprehensive income. Any investment retained is recognised at fair value.

**b) Investments in joint ventures**

A joint venture is an arrangement whereby the Group has joint control and rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recognised at cost and subsequently adjusted to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income of the joint venture. Distributions received from the joint venture reduce the carrying amount of the investment. Upon disposal of an investment in a joint venture, the difference between the disposal proceeds and the carrying amount of the investment at the date of disposal is recognised in profit or loss. Where the Group loses joint control over a joint venture, the Group derecognises the investment and recognises any resulting gain or loss in profit or loss. Any retained interest is measured at fair value at the date joint control is lost, with the fair value recognised as its initial carrying amount.

## 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The summary of material accounting policy information set out below have been applied consistently, except as mentioned in note 2.2, in the preparation of these interim consolidated financial statements.

**Entities under common control, business combinations, and goodwill**
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition-date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed.

When the Group acquires a business, it assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and pertinent conditions as at the acquisition date.

Where entities are transferred within the Group as a result of an internal reorganisation, these are not accounted for as acquisitions under business combinations. The assets and liabilities transferred are combined on a line-by-line basis to the assets and liabilities of the Group as of the effective date of the transfer with the resulting difference being recognised in equity (under retained earnings). No gain or loss is recognised in such transactions. Similarly, where the Group transfers out entities to another group entity as a result of an internal reorganisation, these are similarly derecognised in line with the above policy with the resulting differences being recognised in equity (under retained earnings).

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

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

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

**Current versus non-current classification**
The Group presents assets and liabilities in the interim consolidated statement of financial position based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

## 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in the normal operating cycle.
- Held primarily for the purpose of trading.
- Due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

**Property, plant and equipment**
Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except for land, building and caravans, furniture, fixtures, decoration and hardware, machinery and equipment and industrial vehicles, which are measured at fair value based on valuations performed by independent professional valuers. Land is not depreciated.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property. plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the interim consolidated statement of profit or loss and other comprehensive income as incurred.

Property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

| | |
|---|---|
| Building and caravans | 10 – 45 years |
| Furniture, fixtures, decoration and hardware | 4 years |
| Machinery and equipment | 4 – 45 years |
| Tools and equipment | 4 years |
| Motor vehicles | 3 – 4 years |
| Moulds | 2 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the interim consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

A revaluation surplus is recorded in OCI and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the interim consolidated statement of profit or loss and other comprehensive income, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus.

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

*Right-of-use assets*
The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset has been transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policy in section Impairment of non-financial assets.

*Lease liabilities*
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercise by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Investment properties**
Investment properties (land or building or part of a building or both) is property: (a) held by the Group to earn rentals, (b) for capital appreciation rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, and/ or for undetermined use. Investment properties are measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair value of investment properties are included in the interim consolidated statement of profit or loss and other comprehensive income in the period in which they arise.

An investment property is derecognised upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from the disposal of an investment property is calculated as the difference between the net disposal proceeds and the carrying amount of the asset at the date of disposal and is recognised in the interim consolidated statement of profit or loss and other comprehensive income in the period in which the disposal occurs.

**Impairment of non-financial assets**
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Goodwill is tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount is sensitive to various input parameters. These estimates are most relevant to goodwill and brand recognised by the Group.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the interim consolidated statement of profit or loss and other comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the interim consolidated statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Inventories**
Inventories are stated at the lower of cost and net realizable value. Inventory costs include:

- Costs of purchase (including transport, and handling) net of trade discounts received.
- Other costs incurred in bringing the inventories to their present location and condition.

Year-end inventory cost of raw materials is reached at using weighted average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

*Finished goods*
Finished goods are stated at raw materials and consumables cost used in production, plus cost of conversion (including fixed and variable manufacturing overheads which are estimated by management).

*Raw materials*
Raw materials are stated at costs of purchase (including taxes, transport and handling) net of trade discounts received, plus other costs incurred in bringing the inventories to their present location and condition.

**Financial instruments – initial recognition and subsequent measurement**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

**i) Financial assets**
Any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

The Group does not have debt instruments that qualify for measurement at fair value through other comprehensive income nor at fair value through profit or loss. Moreover, the Group's financial assets does not have any equity instrument financial assets.

Financial assets are recognized when the Group becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, cash at banks-current accounts and other short-term highly liquid investments with original maturities of three months or less.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Financial instruments – initial recognition and subsequent measurement (continued)**

**i) Financial assets (continued)**

*Trade and other receivables*
Trade and other receivables do not bear interest. Trade receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in the interim consolidated statement of profit or loss and other comprehensive income.

*Financial assets at fair value through profit or loss*
A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Directly attributable transaction costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss, in the interim consolidated statement of profit or loss and other comprehensive income.

***Effective interest method***
The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

***Impairment of financial assets***
The Group assesses on a forward looking basis the expected credit losses (ECL) associated with its debt instrument assets carried at amortized cost and FVOCI. For financial assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses.

***De-recognition of financial assets***
A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

**ii) Financial liabilities**
Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

*Subsequent measurement*
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the interim consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognized, and through the amortization process.

*De-recognition of financial liabilities*
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the interim consolidated statement of profit or loss and other comprehensive income.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Financial instruments – initial recognition and subsequent measurement (continued)**

**iii) Fair value of financial instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions) without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis, or other valuation models.

**Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Share premium represents the excess of consideration received over the nominal (par) value of shares issued by the Group. It is recognised within equity and is not subsequently remeasured. Where shares are issued for non-cash consideration, the share premium is measured as the difference between the fair value of the consideration received and the nominal value of the shares issued. The fair value is determined at the date of the transaction.

**Capital reserve**

The Group articles provide for setting aside 10 % of the Group's net profits to create a capital reserve. The ordinary general assembly may stop deduction based on suggestion of Board of Directors or if the capital reserve reaches twice of the Group paid up capital. This reserve may be used to the purpose decided by the Board of Directors. The Board has decided not to transfer any amount to capital reserve during the period.

**Borrowing costs**

Finance cost comprises interest expense on bank borrowings, profit expense on bank financing and bank charges. All finance costs are recognized in the interim consolidated statement of profit or loss and other comprehensive income using the effective interest rate method. However, borrowing costs which are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is an asset which necessarily takes a substantial year of time to get ready for its intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

**Provisions**

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the interim consolidated statement of financial position date, that is, the amount that the Group would rationally pay to settle the obligation at the interim consolidated statement of financial position date or to transfer it to a third party.

Provisions reviewed and adjusted at each interim consolidated statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

**Contingencies**

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

**Employees' end of service benefits**

The Group provides end-of-service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Pension funds for UAE nationals has been computed as per rates approved by the concerned government department.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Taxes**
The portion of assessable profit attributable to the Group arising in jurisdictions where corporate income tax is applicable is subject to income tax in accordance with the respective local tax laws and regulations. The related income tax expense is recognised in the interim consolidated statement of profit or loss and other comprehensive income.

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

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

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

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

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Taxes (continued)**

***Deferred tax (continued)***
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be either treated as a reduction to goodwill (as long as it does not exceed the goodwill) if it incurred during the measurement period or in the interim consolidated statement of profit or loss and other comprehensive income.

***Value added tax (VAT)***
Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the interim consolidated statement of financial position.

**Foreign currencies**
The interim consolidated financial statements are presented in Arab Emirates Dirham, which is the Parent Company's functional and presentation currency. Each subsidiary in the Group uses the currency of their country of domicile as their respective functional currency and items included in the interim consolidated financial statements of each subsidiary are measured using that functional currency.

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the interim consolidated statement of profit or loss and other comprehensive income. Exchange difference on monetary assets and liabilities forming part of the 'net investment in foreign operation' is taken directly to other comprehensive income.

The statements of financial position of overseas subsidiaries and associates are translated using the closing rate method, whereby assets and liabilities are translated at the rates of exchange ruling at the reporting date. The statements of profit or loss and other comprehensive income of overseas subsidiaries are translated at average exchange rates for the year. Exchange differences arising on the retranslation of net assets are taken directly to other comprehensive income. Goodwill and fair value adjustments arising on business combinations are treated as assets of foreign operation.

On the disposal of a foreign entity, accumulated exchange differences are recognised in the interim consolidated statement of profit or loss and other comprehensive income as a component of the gain or loss on disposal. Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

**Related parties**
Related parties are considered to be related because they have the ability to exercise control over the Group or to exercise significant influence or joint control over the Group's financial and operating decisions. Further, parties are considered related to the Group when the Group has the ability to exercise control, significant influence, or joint control over the financial and operating decisions of those parties. Transactions with related parties, normally, comprise of transfer of resources, services, or obligations between the parties. At the interim consolidated statement of financial position date, the related parties receivables and payables are stated at the net realizable value.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

**Revenue**
Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods. The Group's performance obligations are satisfied at a point in time. The amount of revenue recognized is the amount allocated to the satisfied performance obligations.

*i) Sale of goods*
Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of inventories, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

*Variable consideration*
If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

*Rights of return*
Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

*Volume rebates*
The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

*ii) Rental income*
Rental income from investment properties is recognized in the interim consolidated statement of profit or loss and other comprehensive income on a straight line basis over the term of the lease.

*iii) Interest income*
Interest revenue is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

*iv) Dividend income*
Dividend income is recognized in the interim consolidated statement of profit or loss and other comprehensive income on the date that the Group's right to receive the payment is established.

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

**Judgements**
In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the interim consolidated financial statements:

***Revenue***

*Variable consideration*
Certain contracts for the sale of goods include provisions that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

*Satisfaction of performance obligations*
The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method of recognising revenue. The Group has assessed that performance obligation relating to the sale of goods is satisfied when the control of goods is transferred to the customers. Accordingly, revenue is recognised when the goods are collected by the customers.

***Classification of financial assets***
The Group determines the classification of financial assets based on assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

***Determining the lease term of contracts with renewal and termination options – Group as a lessee***
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The Group has some lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

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

***Impairment of financial assets***
An estimate of the collectible amount of financial assets is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

### 2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

***Impairment of inventories***

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

***Useful lives of property, plant and equipment, and right of use assets***

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

***Impairment of non-financial assets***

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested.

***Leases – estimating the incremental borrowing rate***

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

### 3. Property, plant and equipment

| | Land AED | Building and caravans AED | Furniture, fixtures, decoration and hardware AED | Machinery and equipment AED | Tools and equipment AED | Motor vehicles AED | Moulds AED | Capital work-in-progress AED | Total AED |
|---|---|---|---|---|---|---|---|---|---|
| **Cost:** | | | | | | | | | |
| As at 1 January 2025 (Audited) | --- | 132,077,085 | 5,663,063 | 185,893,957 | 1,430,935 | 3,172,075 | 9,248,388 | 122,524,757 | 460,010,260 |
| Additions during the year | --- | 2,900 | 34,075 | --- | --- | --- | --- | --- | 36,975 |
| Disposals during the year | --- | --- | --- | (615,250) | --- | --- | --- | (122,524,757) | (123,140,007) |
| Revaluation gain/ (deficit) | --- | 5,078,651 | (1,620,926) | (68,340,783) | --- | 22,224 | --- | --- | (64,860,834) |
| **As at 31 December 2025 (Audited)** | **---** | **137,158,636** | **4,076,212** | **116,937,924** | **1,430,935** | **3,194,299** | **9,248,388** | **---** | **272,046,394** |
| Additions during the period | --- | --- | 7,500 | 2,205,024 | --- | 204,665 | 330,741 | 425,000 | 3,172,930 |
| Additions on acquisition of a subsidiary | 2,131,245,749 | --- | --- | --- | --- | --- | --- | --- | 2,131,245,749 |
| Disposals during the period | --- | --- | --- | --- | --- | (199,525) | --- | --- | (199,525) |
| Revaluation gain/ (deficit) | --- | (44,109,899) | --- | (10,311,818) | --- | (67,724) | --- | --- | (54,489,441) |
| **As at 30 September 2026 (Unaudited)** | **2,131,245,749** | **93,048,737** | **4,083,712** | **108,831,130** | **1,430,935** | **3,131,715** | **9,579,129** | **425,000** | **2,351,776,107** |
| **Depreciation and impairment:** | | | | | | | | | |
| As at 1 January 2025 (Audited) | --- | 29,016,854 | 4,963,654 | 97,236,142 | 1,419,229 | 2,828,318 | 8,900,143 | 83,624,757 | 227,989,097 |
| Elimination on revaluation | --- | (19,209,375) | (1,400,387) | (71,279,885) | --- | (2,492,569) | --- | --- | (94,382,216) |
| Charge for the year | --- | 4,764,104 | 64,528 | 3,975,089 | 5,743 | 251,762 | 128,289 | --- | 9,189,515 |
| Related to disposals | --- | --- | --- | (615,250) | --- | --- | --- | (83,624,757) | (84,240,007) |
| **As at 31 December 2025 (Audited)** | **---** | **14,571,583** | **3,627,795** | **29,316,096** | **1,424,972** | **587,511** | **9,028,432** | **---** | **58,556,389** |
| Charge for the period | | 2,530,649 | 8,198 | 2,112,760 | --- | 181,449 | 54,572 | --- | 4,887,628 |
| Related to disposals | --- | --- | --- | --- | --- | (32,981) | --- | --- | (32,981) |
| **As at 30 September 2026 (Unaudited)** | **---** | **17,102,232** | **3,635,993** | **31,428,856** | **1,424,972** | **735,979** | **9,083,004** | **---** | **63,411,036** |
| **Net carrying amount:** | | | | | | | | | |
| **As at 30 September 2026 (Unaudited)** | **2,131,245,749** | **75,946,505** | **447,719** | **77,402,274** | **5,963** | **2,395,736** | **496,125** | **425,000** | **2,288,365,071** |
| **As at 31 December 2025 (Audited)** | **---** | **122,587,053** | **448,417** | **87,621,828** | **5,963** | **2,606,788** | **219,956** | **---** | **213,490,005** |

## 3. PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation of AED 4,816,839, and AED 70,789 has been allocated to general and administrative and general expenses, and cost of revenue, respectively (30 September 2025 (Unaudited): AED 295,969, and AED 3,387,638 has been allocated to general and administrative and general expenses, and cost of revenue, respectively).

Management adopted revaluation model for the certain categories of property, plant and equipment i.e. land, building and caravans, furniture, fixtures, decoration and hardware, machinery and equipment and industrial vehicles.

The fair value of these categories of property, plant and equipment is determined using the below mentioned methodology:

- Land: Market approach (comparable method).
- Building: Direct income capitalization method.
- Remaining assets: Sales comparison method, and depreciated replacement cost method under cost approach.

The valuations have been performed by the valuers and are in accordance with the current edition of RICS Valuation – Global Standards (the "Red Book"), which incorporate Valuation Standards (IVS) and the Abu Dhabi Valuation Standards 2018 (ADVS). The market analysis of the valuation has been undertaken using market knowledge within valuers, enquiries from other agents, searches of proprietary databases, market surveys, as appropriate.

## 4. INVESTMENT PROPERTIES

Movement in the investment properties is as follows:

| | *Building* *AED* |
|---|---|
| As at 1 January 2025 | 45,200,000 |
| **As at 31 December 2025 (Audited)** | **45,200,000** |
| Fair value changes during the period | (27,700,000) |
| **As at 30 September 2026 (Unaudited)** | **17,500,000** |

The valuation of the building has been performed by the valuer and are in accordance with the current edition of RICS Valuation – Global Standards (the "Red Book"), which incorporate Valuation Standards (IVS) and the Abu Dhabi Valuation Standards 2018 (ADVS). The fair value of the building is determined by using market approach – comparable method, as per the guidelines of IVS. The market analysis of the valuation has been undertaken using market knowledge within valuers, enquiries from other agents, searches of proprietary databases, as appropriate. Accordingly, the resulting fair value measurement is classified as Level 3 in the fair value hierarchy under IFRS 13 due to the use of significant unobservable inputs in making property-specific adjustments.

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Group has lease contracts for leasehold lands used for buildings. Leases of these assets generally have lease terms of 30 - 49 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Set out below is the carrying amount of right-of-use assets recognised and the movement during the period/ year:

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| **COST** | | |
| As at 1 January | 31,415,078 | 31,493,828 |
| Additions during the period/ year | 21,119,242 | --- |
| Adjustments during the period/ year | 339,936 | --- |
| Remeasurements during the period/ year | 10,137,511 | (78,750) |
| **As at 30 September / 31 December** | **63,011,767** | **31,415,078** |

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Set out below is the carrying amount of right-of-use assets recognised and the movement during the period/ year (continued):

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| **ACCUMULATED DEPRECIATION** | | |
| As at 1 January | 7,651,304 | 6,648,542 |
| Charge for the period/ year | 2,833,739 | 1,002,762 |
| Remeasurements during the period/ year | 71,560 | --- |
| **As at 30 September / 31 December** | **10,556,603** | **7,651,304** |
| **NET BOOK VALUE** | **52,455,164** | **23,763,774** |

Set out below is the carrying amount of lease liabilities recognised and the movement during the period/ year:

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| As at 1 January | 26,288,052 | 27,208,001 |
| Additions during the period/ year | 21,119,242 | --- |
| Finance cost on lease liabilities | 1,305,308 | 1,356,922 |
| Adjustments during the period/ year | 1,009,272 | --- |
| Remeasurements during the period/ year | 10,137,511 | --- |
| Payments during the period/ year | (3,240,432) | (2,276,871) |
| **As at 30 September / 31 December** | **56,618,953** | **26,288,052** |

Presented in the interim consolidated statement of financial position is as follows:

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| Current | 4,690,711 | 510,744 |
| Non-current | 51,928,242 | 25,777,308 |
| | **56,618,953** | **26,288,052** |

Maturity analysis of lease liabilities is as follows:

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| Within a year | 7,038,750 | 1,537,767 |
| Year 2 - 5 years | 26,605,291 | 5,881,068 |
| Year 5 - 10 years | 11,649,750 | 6,338,835 |
| More than 10 years | 46,599,009 | 30,593,381 |
| Less: unearned interest | (35,273,847) | (18,062,999) |
| **Net lease liabilities** | **56,618,953** | **26,288,052** |

## 6. INVESTMENT IN JOINT VENTURE

The Group holds a 50% equity interest in Gulf Bildco Ready Mix LLC incorporated in the United Arab Emirates and engaged in construction materials and building supplies trading.

The investment is accounted for using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The Group has joint control over the investee through a contractual arrangement requiring unanimous consent of the venturers for decisions relating to the relevant activities.

Movement on investment in joint venture is as follows:

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| As at 1 January 2026 | --- | --- |
| Capital contribution / acquisition during the period | 7,500,000 | --- |
| Share of profit for the period | 84,198 | --- |
| As at 30 September 2026 | **7,584,198** | --- |

Summarised financial information of the joint venture

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| Cash and bank balances | 168,397 | --- |
| Inventories | 62,751 | --- |
| **Total assets** | **231,148** | --- |
| Share capital | 15,000,000 | --- |
| Revenue | 750,766 | --- |
| Salaries and operating expenses | (350,276) | --- |
| Profit for the period (approx.) | 168,396 | --- |
| BILDCO share (50%) | 84,198 | --- |

## 7. INVENTORIES

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| Raw materials | 1,277,787 | 3,997,922 |
| Finished goods | 2,929,374 | 2,787,025 |
| Consumables | 1,284,931 | 601,855 |
| Spare parts | 5,233,941 | 2,864,218 |
| | **10,726,033** | **10,251,020** |
| Provision for slow moving and obsolete inventories | (10,726,033) | (4,307,141) |
| | **---** | **5,943,879** |

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

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| As at 1 January | 4,307,141 | 4,107,141 |
| Charge during the period/ year | 6,418,892 | 200,000 |
| **As at 30 September/ 31 December** | **10,726,033** | **4,307,141** |

## 8. TRADE AND OTHER RECEIVABLES

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| Trade receivables | 24,629,293 | 22,077,351 |
| Claim receivables | 75,132,226 | 75,132,226 |
| Impairment of trade and claim receivables | (93,112,714) | (90,924,742) |
| **Net trade and claim receivables** | **6,648,805** | **6,284,835** |
| Margin on letters of guarantee | 20,296,593 | 211,143 |
| Refundable deposits | --- | 715,353 |
| Net Staff advances | 84,569 | 129,381 |
| Post dated cheques received | 5,920,951 | 3,893,458 |
| Value added tax - receivables (net) | 1,222,081 | 189,255 |
| Advance payment to suppliers | 6,982,383 | 1,388,998 |
| Others | 1,023,533 | --- |
| | **42,178,915** | **12,812,423** |

At 30 September 2026, trade and claim receivables at nominal value of AED 93,112,714 (31 December 2025: AED 90,924,742) were impaired.

## 8. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| As at 1 January | 90,924,742 | 91,747,023 |
| Charge during the period/ year, net | 2,187,972 | (822,281) |
| **As at 30 September/ 31 December** | **93,112,714** | **90,924,742** |

At 30 September 2026, the ageing of trade and claim receivables is as follows:

| | *Net trade and claim receivables AED* | *Trade receivables AED* | *Claim receivables AED* | *Expected credit losses AED* |
|---|---|---|---|---|
| 1 - 90 days | 1,743,351 | 1,743,351 | --- | --- |
| 91 - 180 days | 788,110 | 788,110 | --- | --- |
| 181 - 365 days | 498,415 | 498,415 | --- | --- |
| More than 365 days | 3,618,929 | 21,599,417 | 75,132,226 | (93,112,714) |
| ***Total*** | **6,648,805** | **24,629,293** | **75,132,226** | **(93,112,714)** |

At 31 December 2025, the ageing of accounts receivable is as follows:

| | *Net trade and claim receivables AED* | *Trade receivables AED* | *Claim receivables AED* | *Expected credit losses AED* |
|---|---|---|---|---|
| 1 - 90 days | 1,562,715 | 1,562,715 | --- | --- |
| 91 - 180 days | 706,451 | 706,451 | --- | --- |
| 181 - 365 days | 446,772 | 446,772 | --- | --- |
| More than 365 days | 3,568,897 | 19,361,413 | 75,132,226 | (90,924,742) |
| ***Total*** | **6,284,835** | **22,077,351** | **75,132,226** | **(90,924,742)** |

## 9. RELATED PARTIES' BALANCES AND TRANSACTIONS

Related parties represent the Parent Company and its shareholders, nominees and trustees holding the beneficial interest of the Group and its subsidiaries, directors and key management personnel of the Group and its Ultimate Parent, affiliated companies where the shareholder of the Group have an ownership interest and entities controlled, jointly controlled, or significantly influenced by such parties. Pricing, policies, and terms of these transactions are approved by the Group's management.

Related parties comprise members of the Board of Directors and entities in which Board members have significant influence or control.

## 9. RELATED PARTIES' BALANCES AND TRANSACTIONS (CONTINUED)

*a) Balances with related parties included in the interim consolidated statement of financial position are as follows:*

| ***Due from related parties*** | ***Unaudited 30 September 2026 AED*** | ***Audited 31 December 2025 AED*** |
|---|---|---|
| M/s. Saif Bin Darwish L.L.C | 39,604 | 39,604 |
| M/s. Darwish Bin Ahmad & Sons | 671,178 | 156,743 |
| Mr. Rashid Ali Al Omeira | 105,976 | 2,656 |
| Mr. Ali Rashid Al Omeira | 19,686 | 19,686 |
| | **836,444** | **218,689** |

| ***Due to a related party*** | ***Unaudited 30 September 2026 AED*** | ***Audited 31 December 2025 AED*** |
|---|---|---|
| Gulf BILDCO Ready Mix LLC | 7,719,854 | --- |
| M/s. Al Omeira Printing and Publishing Co. W.L.L | --- | 68,295 |
| | **7,719,854** | **68,295** |

## 10. PREPAYMENTS AND OTHER DEBIT BALANCES

| | ***Unaudited 30 September 2026 AED*** | ***Audited 31 December 2025 AED*** |
|---|---|---|
| Prepaid expenses | **733,321** | **996,465** |

## 11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

| | ***Unaudited 30 September 2026 AED*** | ***Audited 31 December 2025 AED*** |
|---|---|---|
| Quoted securities (local) | 12,639,711 | 41,759,535 |
| Unquoted securities* | 83,325 | 83,325 |
| | **12,723,036** | **41,842,860** |

* Unquoted securities are registered under the personal name of Mr. Ali Rasheed Naser Almoaira (Managing Director) which are beneficially held and controlled by the Group.

Movement in the investments at fair value through profit or loss is as follows:

| | ***Unaudited 30 September 2026 AED*** | ***Audited 31 December 2025 AED*** |
|---|---|---|
| As at 1 January | 41,842,860 | 35,478,695 |
| Purchase during the period/ year | --- | 37,136,629 |
| Disposals during the period/ year | (32,028,256) | (26,529,120) |
| Realized Gain/(loss) on disposal of investment | 6,569,996 | --- |
| Unrealized loss in fair value through profit or loss | (3,661,564) | (4,243,344) |
| **As at 30 September/ 31 December** | **12,723,036** | **41,842,860** |

## 11. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Breakdown of listed securities is as follows:

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| Banks sector | --- | 7,549,417 |
| Insurance sector | --- | 27,412,679 |
| Real estate | 816,000 | 870,000 |
| Others | 11,907,036 | 6,010,764 |
| | **12,723,036** | **41,842,860** |

## 12. CASH AND CASH EQUIVALENTS

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| Bank balances | 12,654,120 | 13,192,304 |
| Cash on hand | 85,051 | 143,259 |
| | **12,739,171** | **13,335,563** |

## 13. SHARE CAPITAL AND GENERAL RESERVE

As per the Authorized Organization Structure incorporated in Abu Dhabi pursuant to Amiri Decree No. (5) of 1974, the authorized capital was originally AED 300,000,000, divided into 300,000,000 shares of AED 1 each.

During the period, the Company's issued share capital was increased by AED 1,200,000,000 (one billion two hundred million dirhams) through the issuance of 1,200,000,000 new ordinary shares, each with a nominal value and issue price of AED 1 per share. The new shares were fully subscribed by the strategic partner through an in-kind contribution consisting of land with a total area of approximately 36 million square meters, which was independently valued at AED 2,131,000,000 by an external professional consultant. The excess of the fair value of the contributed asset over the nominal value of the issued shares, amounting to AED 931,000,000, has been recorded as general reserve. The capital increase was approved pursuant to the resolution of the Extraordinary General Assembly held on 6 December 2025. Further, pursuant to resolution of the General Assembly held on 6 June 2026, the Group offset the accumulated losses of AED 464,078,167 as at 31 March 2026, against the general reserve. resulting in net balance of general reserve of AED 466,921,833 as at 30 September 2026.

## 14. STATUTORY RESERVE

Statutory reserve represents reserves which are required to be transferred in accordance with the local laws that are effective in the countries where the Company and its subsidiaries operates. The reserve is generally not available for distribution, except in circumstances stipulated by the applicable local laws.

## 15. CAPITAL RESERVE

The capital reserve represents amounts arising from transactions of a capital nature that are not distributable as dividends. The reserve includes contributions received from the shareholder(s) without the issuance of shares and other amounts transferred to capital reserve in accordance with applicable laws and regulations.

The capital reserve is non-distributable and may be utilized only in accordance with the provisions of the Organization's Authorized Organization Structure and applicable UAE laws, including for purposes such as offsetting accumulated losses, subject to the necessary approvals.

## 16. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

Movement in the provision recognised in the interim consolidated statement of financial position is as follows:

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| As at 1 January | 1,976,087 | 2,155,929 |
| Provided during the period/ year | 202,249 | 239,552 |
| End of service benefit paid | (985,566) | (419,394) |
| **As at 30 September/ 31 December** | **1,192,770** | **1,976,087** |

## 17. TRADE AND OTHER PAYABLES

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| Trade payables | 8,375,102 | 5,931,413 |
| Post dated cheques issued | 11,132,636 | 4,077,845 |
| Accruals | --- | 21,922 |
| Accrued salaries | 411,641 | 275,000 |
| Advances received from customers | 999,969 | 5,182,845 |
| Provision for leave salaries and air tickets | 595,419 | 894,275 |
| Deposit from others | --- | 66,720 |
| Dividend payable | --- | 81,067 |
| Income tax payable (note 22) | 2,067,536 | 2,067,310 |
| Security deposits received | 3,458,130 | --- |
| Other payables | 148,061 | --- |
| | **27,188,494** | **18,598,397** |

## 18. BORROWINGS AND BANK OVERDRAFT

| | *Unaudited 30 September 2026* | *Audited 31 December 2025* |
|---|---|---|
| | *AED* | *AED* |
| Borrowings | **173,967,820** | **173,967,820** |
| Bank overdraft | **26,136,005** | **26,136,005** |
| Accrued interest | **7,774,854** | **35,386,911** |

Loans of AED 334,243,218 were obtained from several banks at interest rates between 3% and 4.6 % annually plus EIBOR. The balance as of 30 September 2026 was AED 173,967,820 (31 December 2025 : AED 173,967,820).

Bank facilities are granted against the following securities :

- Assignment of insurance policy over factory located on plot # 41003, Dubai Industrial City amounting to AED 40,000,000- assigned to bank.
- Cash margin / fixed deposit under lien.
- Post dated cheques drawn on any other bank covering the loan instalments.

## 18. BORROWINGS AND BANK OVERDRAFT (CONTINUED)

The Group has defaulted in the repayment of the borrowings. The details of the legal proceedings and settlements in relation to these facilities have been disclosed below:

**ENBD**
ENBD filed a suit against the Group claiming an amount of AED 46,413,146 plus 12% per annum interest from the date of filing the case till the date of the order plus other charges.

On August 4, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgement in relation to the case, ordering an amount of AED 41,759,471 to be paid by the Group to the bank, inclusive of interest at a rate of 3% per annum on the outstanding balance of AED 23,446,038. Interest continues to accrue until the amount is fully settled.

On November 8,2020, the Group filed an appeal to the Court of Fist Instance's judgement and requested to review the case further. On March 31, 2021, the appeal was rejected and the decision made on August 4, 2020 remained unchanged. The Group has accrued interest as per the ruling of the Court.

**First Abu Dhabi Bank**
In prior periods, First Abu Dhabi Bank (FAB) had obtained a court judgment against the Group in respect of outstanding borrowings and related interest. Subsequent to 30 September 2026, the Group entered into a settlement agreement with FAB for the full and final settlement of all outstanding obligations for AED 55,000,000. As a result of the agreement, the Group reversed accrued interest amounting to AED 31,574,807 and recognised the related gain in profit or loss. As at 30 September 2026, the settlement agreement had not yet been entered into, and the related borrowings and overdrafts continued to be recognised in the Group's financial statements.

## 19 REVENUE

### 19.1 DISAGGREGATED REVENUE INFORMATION

Set out below is the disaggregation of the Group's revenue from contracts with customers:

| | Unaudited nine months ended | |
|---|---|---|
| | 30 September 2026 AED | 30 September 2025 AED |
| Types of goods or services | | |
| Block | 38,767,499 | 29,455,620 |
| Interlocks | 5,483,854 | 4,166,643 |
| | **44,251,353** | **33,622,263** |
| Geographical markets | | |
| United Arab Emirates | 44,251,353 | 33,622,263 |
| | **44,251,353** | **33,622,263** |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 44,251,353 | 33,622,263 |
| | **44,251,353** | **33,622,263** |

## 20. GENERAL AND ADMINISTRATIVE EXPENSES

| | *Unaudited Nine months ended* | |
|---|---|---|
| | *30 September 2026 AED* | *30 September 2025 AED* |
| Salaries and related benefits | 7,573,554 | 4,203,612 |
| Rent | 300,282 | 344,296 |
| Depreciation on property, plant and equipment (note 3) | 4,816,839 | 295,969 |
| Depreciation on right-of-use assets | 2,833,739 | 808,525 |
| Repairs and maintenance expenses | 944,004 | 122,635 |
| Legal, visa, government and professional expenses | 5,192,545 | 1,239,195 |
| Utilities expenses | 145,796 | 249,151 |
| Communication expenses | 119,601 | --- |
| Bank charges | 233,794 | 46,994 |
| Loss on remeasurement of lease liabilities | 660,269 | --- |
| Insurance expenses | 131,111 | 148,998 |
| Miscellaneous expenses | 2,772,153 | 636,013 |
| | **25,723,687** | **8,095,388** |

## 21. OTHER INCOME

| | *Unaudited Nine months ended* | |
|---|---|---|
| | *30 September 2026 AED* | *30 September 2025 AED* |
| Rental income | --- | 1,705,536 |
| Miscellaneous income | 877,328 | 316,538 |
| | **877,328** | **2,022,074** |

## 22. INCOME TAX AND DEFERRED TAX

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a Federal corporate tax regime in the UAE. Furthermore, a Cabinet Decision was published which specifies that taxable income not exceeding AED. 375,000 would be subject to a 0% UAE CT rate and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate.

Components of tax expense for the Nine months ended 30 September are as follows:

| | *Unaudited Nine months ended* | |
|---|---|---|
| | *30 September 2026 AED* | *30 September 2025 AED* |
| Current income tax | --- | 774,762 |
| | **---** | **774,762** |

## 22. INCOME TAX AND DEFERRED TAX (CONTINUED)

Movement in the provision for income tax payable during the period// year is as follows:

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| As at 1 January | 2,067,536 | 2,067,310 |
| **As at 30 September/ 31 December** | **2,067,536** | **2,067,310** |

Reconciliation of income tax expense and the accounting profit for the nine months ended 30 September:

| | *Unaudited Nine months ended* | |
|---|---|---|
| | *30 September 2026 AED* | *30 September 2025 AED* |
| Accounting loss for the period before tax | (66,256,164) | (21,251,462) |
| Add : Non-deductible expenses for tax purposes | --- | --- |
| **Net taxable loss** | **(66,256,164)** | **(21,251,462)** |
| Less: Non-taxable income | (375,000) | (375,000) |
| **Tax income eligible: 9%** | **---** | **---** |
| **Tax provision for the period: 9%** | **---** | **---** |

Movement in deferred tax asset during the period/ year is as follows:

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| As at 1 January | 1,934,645 | 1,934,645 |
| **As at 30 September/ 31 December** | **1,934,645** | **1,934,645** |

## 23. COMMITMENTS AND CONTINGENT LIABILITIES

| | *Unaudited 30 September 2026 AED* | *Audited 31 December 2025 AED* |
|---|---|---|
| Letter of guarantee | 211,143 | 211,143 |
| Security and guarantee cheques | 19,725,370 | 19,455,370 |

The Group was involved in legal proceedings before the Abu Dhabi Commercial Court under case no. 425/2026, comprising an original lawsuit filed against the Group for AED 33 million filed by the former Chairman of the Board and a counterclaim filed by the Group for AED 20 million. Both matters were still in the preparation stage as at the reporting date, with the Court having directed the parties to submit documents and adjourned the hearings to 1 July 2026. Accordingly, no provision has been recognized for the original lawsuit, as no present obligation existed at the reporting date, and no asset has been recognized for the counterclaim, as no enforceable right to compensation had arisen.

On 22 July 2026, the Court issued its judgments dismissing the original lawsuit and ruling the counterclaim inadmissible on the grounds that the right to bring the counterclaim had become time-barred under the applicable statutory limitation period. These judgments did not have an impact on the interim condensed consolidated financial position of the Group as at 30 September 2026.

## 24. RISK MANAGEMENT

The financial risk management function is regularly performed by the management of the Group including investment decisions and monitoring and managing the financial risks relating to the Group's business and operations. These risks includes capital risk, credit risk, foreign currency risk, market price risk, interest rate risk and liquidity risk.

The Group seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

The senior management of the Group reviews and agrees policies for managing each of these risks which are summarised below:

**Credit risk**
Credit risk refers to the risk that a debtor will default on its contractual obligations resulting in financial loss to the Group. The Group maintains a credit policy that states dealing with only creditworthy parties as a means of mitigating the risk of financial loss from defaults. The Group monitors, regularly, the credit ratings of its major debtors and the volume of transactions with those debtors during the year using publicly available financial information and its own trading records. Ongoing credit evaluation is performed on the financial condition of debtors. The carrying amount of financial assets recorded in the interim consolidated financial statements represents the Group's maximum exposure to credit risk. Credit risk related to trade and claim receivables is mentioned in note 8.

The credit risk on liquid funds is insignificant since these funds are deposited with financial institutions that maintain a strong capital base and appropriate credit standings inside the UAE.

**Foreign currency risk**
The Group undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the period. The Group maintains policies and procedures to manage the exchange rate risk exposure.

**Market price risk**
Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

Assets that expose the Group to market price risk is property, plant and equipment, investment properties and investments at fair value through profit or loss (FVTPL).

**Capital risk**
The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the shareholders through optimization of debt and equity balance.

The capital structure of the Group consists of debt, which includes financing from banks as disclosed in Note 18, and equity comprising issued capital, and reserves as disclosed in the interim consolidated statement of changes in equity.

**Interest rate risk**
The Group is exposed to interest rate risk resultant from its banking facilities and bank term deposit. Management try (to the extent possible) to manage interest rate risk through maintaining an appropriate mix between fixed and floating interest rates balances at the start of the financial period/ year.

**Liquidity risk**
Responsibility of liquidity risk management rests with the Management of the Group, they adopt an appropriate liquidity risk management framework. The Group maintains adequate reserves and the Management monitors its cash flows and match them with maturity dates of financial assets and liabilities.

## 24. RISK MANAGEMENT (CONTINUED)

The tables below summarise the maturities of the Group's financial liabilities at 30 September/ 31 December, based on contractual payment dates and current market interest rates.

| *30 September 2026 (Unaudited)* | *Less than 1 year AED* | *1 to 5 Years AED* | *Total AED* |
|---|---|---|---|
| **Financial assets** | | | |
| Trade and other receivables | 42,178,915 | --- | 42,178,915 |
| Due from related parties | 836,444 | --- | 836,444 |
| Cash and cash equivalents | 12,739,171 | --- | 12,739,171 |
| Investments at fair value through profit and loss | 12,723,036 | --- | 12,723,036 |
| | **68,477,566** | **---** | **68,477,566** |

| | *Less than 1 year AED* | *1 to 5 Years AED* | *Total AED* |
|---|---|---|---|
| **Financial liabilities** | | | |
| Trade and other payables | 27,188,494 | --- | 27,188,494 |
| Due to a related party | 7,719,854 | --- | 7,719,854 |
| Borrowings | 173,967,820 | --- | 173,967,820 |
| Bank overdraft | 26,136,005 | --- | 26,136,005 |
| Accrued interest | 7,774,854 | --- | 7,774,854 |
| Lease liabilities | 4,690,711 | 51,928,242 | 56,618,953 |
| | **247,477,738** | **51,928,242** | **299,405,980** |

| *31 December 2025 (Audited)* | *Less than 1 year AED* | *1 to 5 Years AED* | *Total AED* |
|---|---|---|---|
| **Financial assets** | | | |
| Trade and other receivables | 12,812,423 | --- | 12,812,423 |
| Due from related parties | 218,689 | --- | 218,689 |
| Bank term deposit | 632,034 | --- | 632,034 |
| Cash and cash equivalents | 13,335,563 | --- | 13,335,563 |
| Investments at fair value through profit and loss | 41,842,860 | --- | 41,842,860 |
| | **68,841,569** | **---** | **68,841,569** |

| | *Less than 1 year AED* | *1 to 5 Years AED* | *Total AED* |
|---|---|---|---|
| **Financial liabilities** | | | |
| Trade and other payables | 18,598,397 | --- | 18,598,397 |
| Due to a related party | 68,295 | --- | 68,295 |
| Borrowings | 173,967,820 | --- | 173,967,820 |
| Bank overdraft | 26,136,005 | --- | 26,136,005 |
| Accrued interest | 35,386,911 | --- | 35,386,911 |
| Lease liabilities | 510,744 | 25,777,308 | 26,288,052 |
| | **254,668,172** | **25,777,308** | **280,445,480** |

## 25. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial assets of the Group comprises of trade and other receivables, due from related parties, bank term deposit, investments at fair value through profit or loss, and cash and cash equivalents. Financial liabilities comprises of trade and other payables, due to a related party, borrowings, bank overdraft and lease liabilities.

The Group's disclosure of fair value measurements by level of fair value measurements hierarchy is as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
Level 2: Quoted prices included within Level 1 adjusted using an observable input.
Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value measurement hierarchy used for investments at fair value through profit or loss is as below:

| ***30 September 2026 (Unaudited)*** | ***Total AED*** | ***Level 1 AED*** | ***Level 2 AED*** | ***Level 3 AED*** |
|---|---|---|---|---|
| *Investments at fair value through profit or loss* | | | | |
| Quoted securities | 12,639,711 | 12,639,711 | --- | --- |
| Unquoted securities | 83,325 | --- | --- | 83,325 |
| | **12,723,036** | **12,639,711** | **---** | **83,325** |

| ***31 December 2025 (Audited)*** | ***Total AED*** | ***Level 1 AED*** | ***Level 2 AED*** | ***Level 3 AED*** |
|---|---|---|---|---|
| *Investments at fair value through profit or loss* | | | | |
| Quoted securities | 41,759,535 | 41,759,535 | --- | --- |
| Unquoted securities | 83,325 | --- | --- | 83,325 |
| | **41,842,860** | **41,759,535** | **---** | **83,325** |

## 26. SUBSEQUENT EVENTS

Other than the event mentioned above in Note 18 relating to the loan settlement with First Abu Dhabi Bank (FAB), there were no other material subsequent events identified up to the date of authorisation of these financial statements that require adjustment or disclosure.

## 27. COMPARATIVE INFORMATION

During the period, the Group's management identified certain prior year amounts which have also been reclassified to conform with the current period presentation.