Integrated Report
Gulf Cement Company
2025

Board of Directors' Report

On the Company's Activities and Financial Position

For the Period Ending December 31, 2025

Dear shareholders of Gulf Cement Company,

May the peace, blessings, and mercy of God be upon you,,,

On your behalf, we extend our greetings to His Highness

Sheikh Mohammed bin Zayed Al Nahyan, President of the UAE,

May God protect him,,

And to His Highness Sheikh **Mohammed bin Rashid Al Maktoum**, Vice President of the UAE,

May God protect him,,

And to His Highness Sheikh **Saud bin Saqr Al Qasimi**, Member of the Supreme Council - Ruler of Ras Al Khaimah,

May God protect him,,

My deepest gratitude and appreciation for their continued support to the industry and the economy.

On my own behalf and on behalf of my fellow members of the Board of Directors, I am pleased to welcome you to the 51st General Assembly meeting. I am also pleased to present to you our report on the company's activity and financial position for the period ending December 31, 2025.

The year 2025 marked a historic landmark for Gulf Cement Company. On May 8, 2025, Buzzi SpA, through its subsidiary TC Mena Holdings Ltd, a world-class, multi-regional, and international cement company, completed the acquisition of a controlling stake of 64.13% in our company. This strategic hold signals a new era of growth and innovation for Gulf Cement Company, integrating us into a global network of excellence.

The integration with Buzzi provides significant strategic synergies. It marks Buzzi's strategic entry into the promising Middle East market, leveraging our strong local presence and export capabilities. This collaboration is crucial for strengthening our domestic and export competitiveness including with Buzzi's international operations.

The strategic transformation undertaken in 2025 has yielded remarkable results despite continued market challenges. The new leadership has implemented a clear vision focused on performance, sustainability, and human capital development, which has fundamentally improved our financial and operational standing.

We are proud to report a significant turnaround in our performance. Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) saw a remarkable improvement of 84%, increasing from AED 23.9 million in 2024 to AED 43.8 million in 2025. Furthermore, our net loss after tax was substantially reduced by 80%, from AED 41.4 million in 2024 to AED 7.99 million in 2025.

Community Mission

The wise leadership of the United Arab Emirates is keen to deepen the social security umbrella and has made it a top priority by working to deepen community cohesion and consolidate social solidarity among various segments and groups of society. Corporate social responsibility (CSR) for Gulf Cement Company has become a national priority linked to sustainable development goals, in accordance with laws and regulations, ensuring the stimulation of institutional giving and enhancing contribution to community development.

Environmental conservation

The company is committed to implementing decisions, laws, and best practices related to environmental conservation and sustainability under the slogan "Sustainable Environment and increasingly sustainable high-quality products." The company devotes the utmost attention and efforts to environmental sustainability projects that contribute to the preservation of natural resource and reflecting the prestigious status of the United Arab Emirates and its Vision 2030.

Governance rules

The company is committed to a set of controls, rules, and charters that ensure institutional discipline in the company's management, in accordance with international standards and methods. It also supports the culture of corporate governance for all its employees through continuous review of its policies and programs with the aim of continuously developing them. The company believes in the importance of implementing these rules to establish the principles of transparency, justice, and accountability, based on best practices and standards.

Vision 2026

Looking ahead, our vision is to solidify Gulf Cement Company's position as a leading, competitive, and sustainable cement producer in the region. Leveraging the global expertise and technological leadership of Buzzi, we will continue to focus on operational excellence, product innovation, and expanding our market reach. Our strategic priorities include strengthening our domestic presence, exploring new export opportunities, and delivering sustainable value to our shareholders, customers, and the community.

Conclusion

In conclusion, I would like to extend my sincere thanks to the company's esteemed shareholders, governmental, local, and community bodies and institutions, financial institutions and markets, our valued customers, and all of the company's employees.

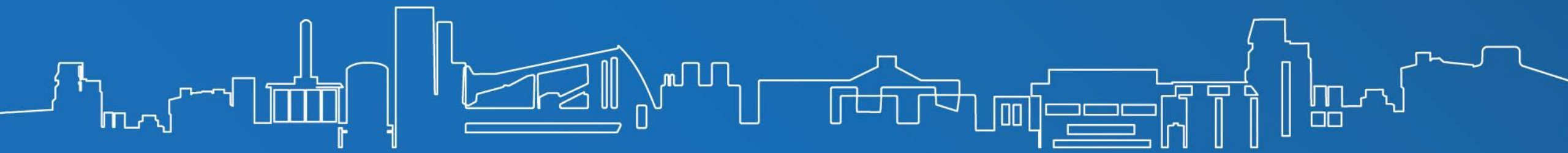
God is the Grantor of success.

Omar Saqer Khaled Humaid Alqassimi

Chairman of the Board of Directors

ANNUAL SUSTAINABILITY REPORT- YEAR 2025

Gulf Cement Company, Ras Al Khaimah, UAE



شركة أسمنت الخليج ش.م.ع
Gulf Cement Company P.S.C

CHAPTER 1

- 1.1 Foreword
- 1.2 Scope
- 1.3 Message from The Chairman of the Board of
  1.4 Message from Managing Director & CEO
- 1.5 Message from Vice President

1.1 FOREWORD

It is my pleasure to present our Environmental, Social, and Governance (ESG) Report, prepared in accordance with the ADX ESG Disclosure Guidance and aligned with leading global frameworks. This report reflects our continued commitment to transparent, responsible, and forward-looking governance as we work to create long-term value for our stakeholders and contribute to the sustainable development priorities of the UAE. This is Gulf Cement Company (GCC) 6th Annual Sustainability Report. The report reviews our sustainability performance and forms part of annual reporting for the financial year ended on 31st December 2025, and covers data from 1st January 2025 to 31st December 2025, unless otherwise specified.

Over the past year, we have strengthened our sustainability governance, enhanced our operational efficiency, and integrated ESG considerations more deeply into our business strategy. Guided by the UAE Net Zero 2050 vision and ADX's sustainability expectations, we have undertaken initiatives to reduce environmental impacts, elevate employee wellbeing, promote responsible supply chain practices, and reinforce strong ethical conduct across the organization.

Our environmental efforts focused on optimizing energy and water consumption, reducing greenhouse gas (GHG) emissions, and adopting innovative solutions that support climate resilience. On the social front, we continued to invest in our people through training, inclusion programs, and enhanced health & safety systems, recognizing that our employees remain the foundation of our success. From a governance perspective, we strengthened our internal controls, compliance structures, and risk management processes, ensuring transparency, accountability, and integrity in all our operations.

This report demonstrates not only our performance but also our ambition. We remain committed to continuous improvement, enhanced disclosure, and alignment with the evolving expectations of ADX, our shareholders, and the wider community. As we move forward, we will continue to seek new ways to innovate responsibly, operate sustainably, and contribute meaningfully to the UAE's economic and environmental goals.

I would like to express my gratitude to our employees, partners, and stakeholders whose dedication and collaboration have enabled us to make meaningful progress.



Jose De Moya
Head Commercial & Optimization
(Sustainability Manager)

1.2 SCOPE

The development of our 2025 ESG report aims for our commitment to sustainability is embodied in all aspects of our business in line with our overall strategy and revolve around the key sustainability pillars i.e. Environment, People, Community and Marketplace. GCC is grossly committed for its creative thinking and innovative approach, so that we can continue in striving for excellence track record of Environmental performance and ensure Sustainable Future Happen.

Our sustainability strategy remains focused on the four pillars as outlined in our Sustainability Framework, and is aligned with the United Nations Sustainable Development Goals (UNSDGs), Policies and Code of Conduct and Business Ethics of the company. The ESG report reflects in driving sustainability forward in the country under the framework of UAE Vision 2021 and fully comply with the ADX's ESG Disclosure Guidance.

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. For Professional advice on these contents of this report, please contact Gulf Cement Company on mail josedemoya@gulfcement.ae for any further information related to this report.
This report was prepared by GCC own internal Sustainability Team & did not involve any external assurance for the reporting period and will consider it where there are regulatory requirements to do so.

1.3 CHARIMAN'S MESSAGE



Sustainability has become the defining measure of resilience and leadership in today's industrial landscape. At Gulf Cement, we recognize that our long-term success depends on our ability to operate responsibly, innovate continuously, and contribute meaningfully to the communities we serve. The past year has reinforced the importance of this commitment, and I am proud to share the progress we have made on our sustainability journey.

As one of the region's established cement producers, we understand the responsibility that comes with our role in supporting national development and infrastructure growth. This responsibility extends beyond delivering high-quality products—it includes reducing our environmental footprint, enhancing operational efficiency, and aligning our practices with the UAE's and GCC's broader sustainability ambitions, including NetZero pathways and circular economy principles.

During the year, we advanced several initiatives aimed at lowering emissions, optimizing energy consumption, and increasing the use of alternative fuels and raw materials. These efforts reflect our belief that environmental stewardship and business performance are not competing priorities but mutually reinforcing goals. We also strengthened our governance frameworks, improved transparency, and deepened our engagement with employees, partners, and local communities.

Looking ahead, we remain steadfast in our ambition to build a more sustainable and competitive organization. We will continue to align our strategies with global best practices, adopt emerging technologies, and collaborate with stakeholders to accelerate our transition toward a low carbon future. Our goal is clear: to create long-term value for our shareholders while contributing positively to the environment and society.

I extend my sincere appreciation to our employees, customers, partners, and shareholders for their trust and support. Together, we will continue shaping a future where growth and sustainability go hand in hand.

Sheik Omar Saqer Khaled Humaid Alqasimi
Chairman of the Board of Directors

1.4 MD & CEO Message

I am proud to congratulate our team on the release of Gulf Cement's Sixth Annual Sustainability Report, a key milestone in our ESG journey. I am also pleased to announce that Buzzi, the Italy-headquartered global cement and construction materials group, has successfully completed its acquisition and integration of Gulf Cement Company. This strengthens our ESG platform and aligns us with world-class group standards.

As the UAE advances bold initiatives such as the UAE Net Zero 2050, corporate leadership is being redefined. Success today is measured not only by financial results, but by credible environmental, social, and governance performance.

Across the Emirates, ESG has become a strategic and regulatory priority. Frameworks from the Abu Dhabi Securities Exchange and Abu Dhabi Global Market now require transparent annual sustainability reporting. We welcome this shift. Responsible business practices drive resilience, long-term value, and competitive strength.

As the nation continues its sustainability leadership—highlighted by hosting COP28—we are accelerating ESG integration across our operations: lowering our environmental footprint, empowering our workforce, and upholding the highest governance standards. Our reporting reflects both progress and accountability.

Aligned with global frameworks such as the Global Reporting Initiative and the Task Force on Climate-related Financial Disclosures, we are committed to clear, decision-useful transparency. We view ESG not as compliance, but as a driver of innovation, operational excellence, and sustainable growth.

Thank you to our employees, partners, regulators, and stakeholders for your continued trust. We look forward to advancing this journey together.



Jose B. Sena
Managing Director & Chief Executive Officer

1.5 Message from Vice President

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It is with great pride that I present Gulf Cement Company’s Sustainability Report, which reflects our ongoing commitment to responsible growth and environmental stewardship.

Our efforts are closely aligned with the UAE’s national vision for a sustainable future. We actively support the Ministry of Climate Change and Environment (MOCCAE) in advancing climate resilience, resource efficiency, and the transition to a circular economy. We also collaborate closely with the Environment Protection & Development Authority (EPDA) – Ras Al Khaimah and REEM, the Energy Efficiency and Renewables Office of Ras Al Khaimah Municipality. These government entities play a vital role in driving, monitoring, and continuously updating the RAK Integrated Sustainability (RIS) Strategy 2050.

To meet and exceed local environmental standards, maintain transparent reporting, and ensure continuous improvement in air quality management, waste reduction, and ecosystem protection, Gulf Cement Company has prioritized comprehensive sustainability initiatives across all aspects of its operations.

At the global level, our sustainability framework is inspired by the United Nations Sustainable Development Solutions Network (UN SDSN), which guides our integration of the Sustainable Development Goals (SDGs) into our operations and governance. We remain firmly committed to reducing our environmental footprint, investing in clean technologies, adopting responsible manufacturing practices, and making meaningful contributions to climate action.

Mohammed A.Ebrahimouh Al shehhi
Vice President

1.5 Message from Vice President

This report highlights our progress in key areas including emissions reduction, energy efficiency, alternative fuel utilization, waste management, health and safety, and community development. More importantly, it demonstrates our commitment to embedding sustainable thinking throughout our organization, ensuring that every step we take supports the UAE Net Zero 2050 commitment and strengthens our long-term resilience as a business.

Our sustainability journey is ongoing, and we recognize that meaningful progress is achieved through collaboration. We are grateful for the guidance of MOCCAE, the environmental leadership of EPDA Ras Al Khaimah, and the global vision provided by the UN SDSN framework. These partnerships empower us to move forward with confidence and responsibility.

As we look ahead, Gulf Cement Company remains dedicated to innovation, operational excellence, and transparent reporting. We will continue to enhance our contributions to national and global sustainability goals, ensuring that our growth remains responsible and aligned with the needs of future generations.

I extend my sincere appreciation to our employees, partners, regulators, and stakeholders for their continued trust and support. We look forward to advancing this journey together.

CHAPTER 2

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CHAPTER 2

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CHAPTER
2

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GCC is a leading economic edifice & a pillar of the state economy and one of the industry's leading companies to produce the best cement types and a global specification in addition to producing electric power by taking advantage of the lost heat, it contributes to the state's march in the environment and industry down to space Innovation for future design.

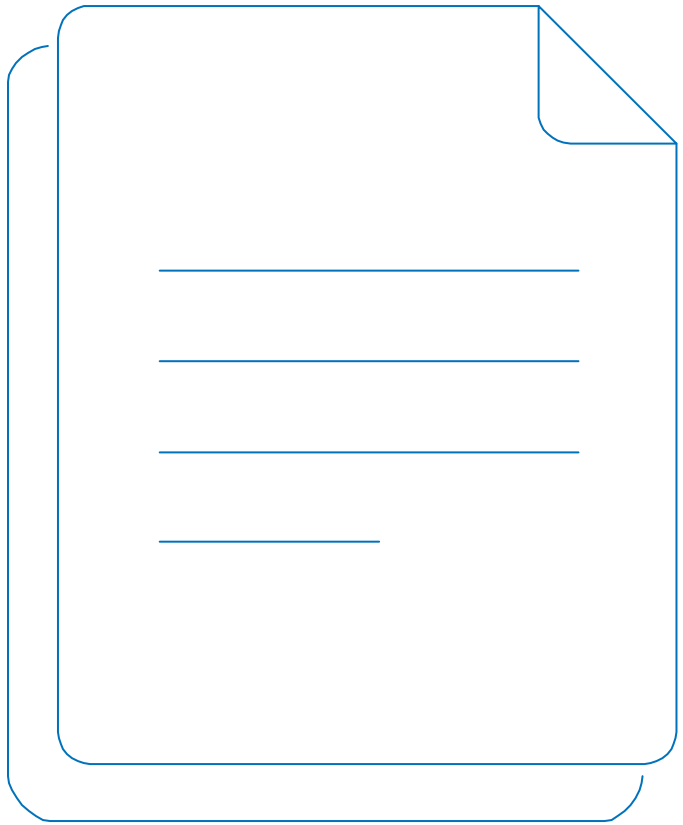
Since its establishment in 1977, we played a key role as a partner in the economic development process in the Emirate of Ras Al Khaimah and the United Arab Emirates, through its contribution to the manufacture and production of cement and clinker. The cement industry is one of the most valuable industries that characterize the United Arab Emirates and the main factor for its economic growth.

Taking the lead ahead of the all the companies that are producing cement in the country, which is basis of the national economy, GCC supports construction sector with various cement types and its derivatives with a world-class product matching to American, British and European standards and contribute effectively to the implementation of infrastructure projects at the country level. The company is also proud of using it cement product in most development project and the countries mega infrastructural projects such as airports, seaports, buildings, roads, bridges, rail network, industrial islands and other vital projects in the country.



2.1.1 Our policy

Gulf Cement Company is specialized in Manufacturing, Storage, Marketing and Sales of all types of cement (OPC/SRC/MSRC/OWC), fly ash and GGBS for UAE markets and abroad. Top Management recognize the significance, accordingly prepared, documented, established and implementing an Integrated Management System (IMS) aligned with all applicable legal regulations, code of practices and international standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and latest editions of API Spec Q1 & 10 A requirements.



The policy and the objectives have been communicated understood implemented and maintained at all levels at all relevant functions and levels of the organization as well as being reviewed periodically for assessing opportunities for improvement and changes if any needed to them. Our Quality, Health, Safety and Environment Policy is dealt in detail under Section 4.2.

2.1.2 Company Strategy

Gulf Cement Company proudly supplies its products across the Gulf region, the Middle East, and West Africa—delivering reliability and quality to markets that depend on our expertise. Our strategy extends far beyond simple distribution; we cultivate strong, long-term partnerships with our product marketers to better understand consumer needs and exceed customer expectations.

Through dedicated technical support, professional teamwork, and a deep commitment to service excellence, we ensure our clients receive exceptional value at every stage. Leveraging the latest technological advancements and industry best practices, we consistently deliver high-quality products that earn customer trust and satisfaction across all our markets.

Gulf Cement Company stands as one of the UAE's most vital industrial pillars—an engine of economic growth and a trusted producer of world-class cement products. Since our establishment in 1977, we have played a defining role in supporting the development of the Emirate of Ras Al Khaimah and the wider United Arab Emirates.



2.1.2 Company Strategy

With decades of expertise in cement and clinker manufacturing, we deliver products that meet the highest global standards while pioneering innovative solutions such as electricity generation through advanced waste-heat recovery systems.

Our commitment to responsible operations reflects our contribution to national progress in industry, sustainability, and environmental stewardship—driving innovation today to shape the future.
Gulf Cement Company has consistently maintained its position at the forefront of the nation's cement sector. As a key contributor to the UAE's economic momentum, we supply a diverse range of high-quality cement products that comply with American, British, and European standards.

Our products have been integral to many of the country's landmark developments—including airports, seaports, industrial zones, major highways, bridges, and iconic infrastructure projects. We take pride in strengthening the foundations of the UAE's growth and enabling the construction of its most ambitious achievements.



2.1.3 Our products

We take pride in producing world-class cement products that meet the highest American, British, and European standards. Our commitment to excellence ensures every product is manufactured to global specifications—delivering consistent strength, reliability, and long-term durability across every application. Our Premium product line include the following products:

Ordinary Portland Cement



Moderate Sulfate resisting Portland Cement



Sulfate resisting Portland Cement



2.1.3 Our products

Oil Well Cement



Ground Granulated Blast Furnace Slag



Fly Ash



ECO FAC® Fly ash based Blended Cement



2.1.4 Awards & Certificates

2.1.4.1 Awards

Over the past four decades, Gulf Cement Company has earned recognition for excellence in governance, production, quality, and sustainability. These awards reflect our long-standing commitment to operational discipline, innovation, and responsible industrial leadership—both regionally and internationally. Our achievements underscore the strength of our management systems, the consistency of our product quality, and our contribution to national economic development.

ADMINISTRATION & THE PRODUCTION AWARD

The governance and administration of the 1996 International Quality Commission-Madrid/Spain



INTERNATIONAL EXCELLENCE AWARD

International Excellence Award No. 21 on quality of the Trade club Madrid/Las Banja in respect of the Miami-Florida/United States of America, 7/1/1996.



At Gulf Cement Company,
quality, safety, and environmental responsibility

are validated through rigorous third-party certifications and continuous compliance with internationally recognized standards. Our certifications reflect our commitment to delivering products that meet the highest technical, regulatory, and sustainability requirements across local, regional, and international markets.

2.1.4.2 Certificates

All certificates listed in this section are issued by accredited authorities and regulatory bodies, covering product conformity, quality management systems, environmental performance, occupational health and safety, and industry-specific applications. These certifications demonstrate our alignment with globally accepted standards such as ASTM, BS EN, ISO, API, SASO, and recognized national quality marks within the GCC.

To support transparency and ease of reference, each certificate is available for download. Stakeholders, consultants, contractors, and regulatory authorities may access the relevant documentation below to verify compliance by product type, market, or standard. We encourage users to download the certificates applicable to their specific requirements. We hold the certificates as listed below:

2.1.4.2 Certificates

GLOBAL ISO MANAGEMENT SYSTEM CERTIFICATION

ISO 9001: 2015, ISO 14001: 2015 & ISO 45001



Bureau Veritas Certification

GULF CEMENT COMPANY P.S.C.

KHOR KHWAIR, P.O. BOX 5295, RAS AL KHAIMAH, UNITED ARAB EMIRATES

Bureau Veritas Certification Holding SAS – UK Branch certifies that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

ISO 9001:2015

Scope of certification

MANUFACTURING, STORAGE, MARKETING AND SALES OF ORDINARY PORTLAND CEMENT, SULPHATE RESISTING PORTLAND CEMENT, MODERATE SULPHATE RESISTING PORTLAND CEMENT, OILWELL CEMENTS, BLENDED CEMENTS AND GROUND GRANULATED BLAST FURNACE SLAG (GGBS) AND FLYASH

Original Cycle Start Date:	24 June 2011
Expiry date of previous cycle:	23 June 2023
Certification / Recertification Audit date:	07 April 2023
Certification / Recertification cycle start date:	23 April 2023
Subject to the continued satisfactory operation of the organization's Management System, this certificate expires on:	23 June 2026

Certificate No.: DU005274 Rev: 1 Issue date: 23 April 2023

UKAS MANAGEMENT 0048

Certification Body Address: 5th Floor, 66 Prescot Street, London, E1 8HG, United Kingdom

Local Office: Bureau Veritas - Dubai Branch, 2nd Floor, Block C, Al Hudaiba Awards Building, Jumeirah Road with 2nd December Interchange, Dubai, U.A.E.

Further clarifications regarding the scope and validity of this certificate, and the applicability of the management system requirements, please call: +971 4 307 4400

1/1

OIL WELL CEMENT PRODUCTION API MONOGRAM CERTIFICATE

For the Oil Well Cement production, API Monogram Certificate No. 10A-0137 from the American Petroleum Institute (API) was successfully obtained in year 2017, the company has thus became globally certified for the production and marketing of this type of cement.



Certificate of Authority to use the Official API Monogram

License Number: 10A-0137 ORIGINAL

The American Petroleum Institute hereby grants to

GULF CEMENT COMPANY
Khor Kwair Industrial Area
Ras Al Khaimah, Ras Al Khaimah
United Arab Emirates

the right to use the Official API Monogram® on manufactured products under the conditions in the official publications of the American Petroleum Institute entitled API Spec Q1® and **API-10A** and in accordance with the provisions of the License Agreement.

In all cases where the Official API Monogram is applied, the API Monogram shall be used in conjunction with this certificate number: **10A-0137**

The American Petroleum Institute reserves the right to revoke this authorization to use the Official API Monogram for any reason satisfactory to the Board of Directors of the American Petroleum Institute.

The scope of this license includes the following: API Well Cement Class G at Grade(s) HSR

American Petroleum Institute

QMS Exclusions: Design; Validation of Processes

Effective Date: SEPTEMBER 25, 2025
Expiration Date: JANUARY 30, 2029

To verify the authenticity of this license, go to www.api.org/compositelist.

Senior Vice President of Global Industry Services

2.1.4.2 Certificates

IN-COUNTRY VALUE CERTIFICATE

For successfully demonstrating the commitment for developing the local talents and promoting business among Local companies.



IN-COUNTRY VALUE CERTIFICATE

Certificate No.: 140639
Issue Date: 19.05.2025
Valid Until: 16.04.2026

GULF CEMENT CO P.S.C

77.65%

Company General Information
License No.: 32
Company Type: Non SME in UAE
Financial Year End Date: 31.12.2024
Company Based In: Within UAE
Company Business: GOOD MANUFACTURER

For Cases of Re-Certification
Re-Certification (*) No.:

Reason for this Re-Certification

Scan the QR code to verify status

برنامج المحتوى الوطني

Signed By
On behalf of Supplier

Name:
Mohammed Ahmed Ali Ebrahimouh Alshehhi

Designation:
Vice President

Verified as per ICV Agreed Upon Procedures (AUP)
On behalf of Certification Body

Name:
Saju Augustine

Designation:
Partner

Electronically signed by Saju Augustine

Company:
Kreston Menon Chartered Accountants

Certificate Issued Based on ICV Version: 3.0

ABU DHABI QUALITY & CONFORMITY COUNCIL

Successfully registered under Registration scheme for Pre-Packaged Cement Product.

علامة أبوظبي للثقة

Abu Dhabi Trust Mark

CERTIFICATE OF PRODUCT CONFORMITY (DUBAI MUNICIPALITY)

Dubai Central Laboratory Department (DCLD) attestation for Composition, Specification and Conformity Assessment for common cements.



CERTIFICATE OF PRODUCT CONFORMITY

Dubai Central Laboratory Department (DCLD) of Dubai Municipality
hereby attests that the product(s)

Composition, Specification and Conformity Assessment for Common Cement

(Details as per the attached Scope of Certification)

manufactured by:

GULF CEMENT COMPANY

P.O.Box 5295 - Khor Khewair- Ras El Khaimah - United Arab Emirates

have been assessed in accordance with DCLD Document Ref. No. DM-DCLD-RD-DP21-2001 (IC) "General Rules for DM third party product certification system through factory assessment" and the relevant Specific Rules, and were found in conformity with the standard specification:

BS EN 197-1: 2011 - February 2019

Accordingly, DCLD hereby authorizes the above manufacturer
to affix the DCL Product Conformity Mark on the above-mentioned product(s).

ENG. MAJED AL SHAMSI
Certification and Quality Control of Products Section's Manager
Dubai Central Laboratory Department-Dubai Municipality

Certificate No: CL19020683
Valid Until: 15/06/2026

PRODUCT CONFORMITY

Current Issue Date: 16/06/2025
Original Issue Date: 16/06/2019

The attached Scope of Certification bearing the same Certificate Number forms an integral part of this Certificate.
This Certificate is an electronic document subject to the Terms and Conditions of the Product Certification System and shall not be reproduced except in full.

2.1.4.2 Certificates

ENVIRONMENTAL SUSTAINABILITY (EPDA) - ecolabel® AWARD

Received the coveted ecolabel award from Environment Protection and Development Authority, Ras Al Khaimah being selected for Environmental Sustainability performance during the year.

KUWAIT QUALITY COUNCIL MARK

Kuwait Quality Council Mark from Kuwait Standards & Metrology Dept, Public authority for Industries, Kuwait for our products of OPC, SRC and GGBS.



رقم الشهادة
٢٥٧

شهادة ترخيص باستعمال علامة الجودة الكويتية

يرخص لـ شركة اسمنت الخليج

باستخدام علامة الجودة الكويتية على المنتج التالي :

Portland cement type 1

طبقاً للمواصفة القياسية الكويتية :

الأسمنت البورتلاندي

رقم : KWS GSO 1914:2010

مدير عام الهيئة العامة للصناعة
نائب رئيس اللجنة العامة للتوحيد القياسي

تاريخ الإصدار : ٢٠٢٤ / ١١ / ١٣
تاريخ الإنتهاء : ٢٠٢٧ / ١١ / ١٣

CE ISO 10426-1 – OIL WELL CEMENT

Authority: Saudi Standards, Metrology and Quality Organization (SASO)
Description: Validates compliance with ISO 10426-1 requirements for Oil Well Cement used in drilling and cementing operations



SASO QUALITY MARK

المواصفات السعودية
Saudi Standards

شهادة ترخيص باستعمال علامة الجودة
License For Use of The Quality Mark

License Number: 20250804131 رقم الترخيص:

The Establishment:	شركة اسمنت الخليج	المنشأة:
The Establishment's Address:	Khor Khwair, Ras Al Khaimah, United Arab Emirates	عنوان المنشأة:
Production Line Location:	Khor Khwair, Ras Al Khaimah, United Arab Emirates	موقع خط الإنتاج:
Normative References:	SASO-ISO-10426-1/2014	المراجع القياسية:
The Trade Mark:		العلامة التجارية:
The Product:	الاسمنت والمواد الخاصة بالبئر الإسمنتية	المنتج:
Date of Granting:	2025/12/16	تاريخ المنح:
Date of Renwal:	-	تاريخ التجديد:
Date of Expiry:	2028/12/16	تاريخ الانتهاء:

مدير عام الإدارة العامة لمنح الشهادات
Director General of Certification Department
المهندس/ خالد بن محمد النملة
Eng. Khalid M. Alnamlah

المملكة العربية السعودية | ص.ب 3437 الرياض 11471 | P.O.Box 3437 Riyadh 11471 | T 920009085 | F +966114520086 | GMS-F-32-06 V6.00 | 13/08/2024 | www.saso.gov.sa | info@saso.gov.sa

ecolabel
Environmental Sustainability

شركة اسمنت الخليج ش.م.ع
Gulf Cement Company P.S.C

2.2 Corporate Governance

Gulf Cement Company adopts a Corporate Governance framework inspired by the principles set out in the Corporate Governance Guide for listed companies, as well as by leading local and international best practices. The Company has established a comprehensive system of policies, internal controls, and charters that regulate its institutional structure and internal relationships in accordance with globally recognized standards.

Gulf Cement Company follows a governance model, whereby the Board of Directors holds full authority over the ordinary and extraordinary management of the Company. These powers are exercised without limitation, except for matters expressly reserved by law or by the Company's Articles of Association to the General Assembly of Shareholders.

The Board of Directors performs a central role in providing strategic direction and exercising oversight over the Company's overall activities. The Company ensures that the responsibilities, duties and specializations of the Board and senior executive management are clearly defined and transparently communicated. This approach safeguards the rights of shareholders and stakeholders while fostering trust and confidence in the corporate environment.

2.2 Corporate Governance

In line with its commitment to accountability and transparency, the Company maintains effective coordination with regulatory authorities and ensures continuous and open communication with the public. This strengthens its standing at the local, regional, and international levels.

The Company complies with the requirements of the Securities and Commodities Authority, including Chairman Decision No. (3/Chairman) of 2020 concerning the adoption of the Corporate Governance Guide for Public Joint Stock Companies. Through this compliance, the Company reinforces the principles of transparency, fairness, and accountability in alignment with internationally recognized best practices.

Gulf Cement Company reaffirms its full commitment to adhering to all applicable laws, regulations, and decisions issued by the relevant regulatory authorities. These provisions apply to members of the Board of Directors, executive management, and all employees in the performance of their respective duties and responsibilities.

2.2 Corporate Governance



2.2.1 Board of Directors

Gulf Cement Company adopts a firm vision that diversity and the integration of expertise constitute a fundamental pillar for strengthening sound corporate governance and enabling more balanced and sustainable decision-making. Driven by its deep belief in the pivotal role of women in the development journey, the Company is committed to empowering female talent and providing equal opportunities for meaningful participation in decision-making positions, thereby enriching the work environment and fostering constructive exchange of perspectives across the organization.

In this context, the Company reaffirms its full compliance with the requirements set forth in Chairman of the Authority's Board of Directors Decision No. (3/ Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide for Public Joint Stock Companies and its amendments. Accordingly, the Company ensures that candidacy for membership of the Board of Directors is open to both genders in every election cycle, on a basis of full equality and equal opportunity, without any restrictions or discrimination, reflecting its practical commitment to the principles of transparency, fairness, and enhanced diversity in Board composition.

2.2.1 Board of Directors

Name	Membership status			BOD Member from
Sheikh Omar Saqer Khaled Humaid Alqasimi	Chairman	Independent	Non-executive	2021
Mr. Hussam Mohamed Elsayed Hussein (Representative of Al-Khair National for Stocks & Real Estate Co. W.L.L.)	Vice Chairman	Independent	Non-executive	2018
Mr. Esmaeel Hasan Esmaeel Alblooshi	Member	Independent	Non-executive	2024
Mr. Dirk Beese	Member	Non-Independent	Non-executive	2025
Mr. Jose Bernardo Sena Peralta	MD/CEO	Non-Independent	Executive	2025
Ms. Aarefa Saleh Hareb Alfalahi	Member	Independent	Non-executive	2024
Ms. Benedetta Buzzi	Member	Non-Independent	Non-executive	2025

2.2.2 Gender diversity in the Board

Pursuant to Article (18) of the Company's Articles of Association, the management of Gulf Cement Company is entrusted to a Board of Directors composed of seven members, as follows:

Description	Number	%
Board of Directors Member (Male)	5	**70**
Board of Directors Member (Female)	2	**30**

2.2.3 Committees of the Board of Directors

Pursuant to the Chairman of the Authority's Board of Directors Decision No. (3/ Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide for Public Joint Stock Companies and its amendments, the Board of Directors has established permanent committees emanating from it, which report directly to the Board. This aims to support the Board in performing its functions and to enhance the efficiency and effectiveness of its supervisory and oversight performance.

These committees play a pivotal role in assisting the Board in fulfilling its responsibilities and duties related to the management of the company and the supervision of its operations. Each committee performs its tasks within a specific scope of authority approved by the Board, in accordance with the relevant laws and regulations and best governance practices.

2.2.3 Committees of the Board of Directors

The Board of Directors has adopted clear organizational frameworks and procedures regulating the work of these committees. These frameworks include precise definitions of each committee's tasks and responsibilities, the duration of membership, the powers granted, and the mechanisms for monitoring and supervising their work, ensuring clarity of roles and responsibilities and reinforcing the principle of accountability.

The committees are committed to submitting periodic and written reports to the Board of Directors, detailing the actions and measures they have undertaken, the outcomes reached, and their recommendations. This is done in accordance with the highest standards of transparency and disclosure, enabling the Board to make appropriate decisions based on accurate and comprehensive information.

2.2.4 Investor Relations Controls (Communication mechanism with the shareholders)

In compliance with the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and all related resolutions and circulars pertaining to investor relations regulations, and based on Gulf Cement Company's vision to solidify its position as a leading industrial entity and a strategic partner in achieving sustainable development, and in keeping with global best practices and the highest standards of quality and governance, the company has comprehensively and seamlessly enhanced its investor relations system.

This included strengthening the role of the Investor Relations Department and clearly defining its tasks and responsibilities to ensure effective communication and efficient disclosure, in addition to adopting formal and organized communication channels that uphold the principles of fairness and transparency for all investors without discrimination.

2.2.4 Investor Relations Controls (Communication mechanism with the shareholders)

The company also developed and updated its website according to the latest standards, launching the "Investor Relations Portal" as a specialized platform that provides investors and interested parties with direct and easy access to essential information and disclosures, including financial statements, annual reports, business results, share prices, and other relevant information. This enhances investor confidence and supports the company's long-term sustainability and growth.

The Investor Relations Portal serves as a strategic platform to enhance effective communication channels and encourage information exchange, enabling investors and financial analysts to access accurate and clear insights in accordance with the highest standards of transparency and credibility. The portal provides access to the latest data and updates, reflecting the company's full commitment to transparency principles and best governance practices.

Ms. Dalya Mohamed Al Shehhi, Investor Relations Manager, supervises the management of the portal to ensure that information is presented reliably and accurately, enhancing investor confidence and reaffirming the company's commitment to institutional excellence.

2.2.4 Investor Relations Controls (Communication mechanism with the shareholders)

Investor Relations Department Manager:

Ms. Dalya Mohammed Al Shehhi

Phone: 2027377 7 971 +

E-Mail: dalya@gulfcement.ae / shares@gulfcement.ae

Investors Relation Portal: https://gulfcement.ae/en/investor-relations/

2.2.5 Risk Management

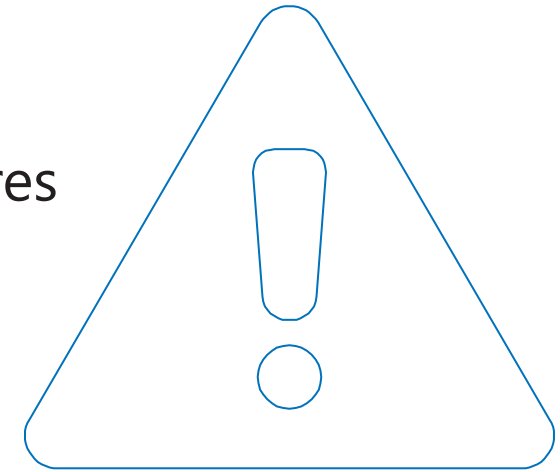
The Board of Directors has adopted comprehensive policies, frameworks, and regulations to ensure the effective management of risks in alignment with the nature and scope of the Company's operations. The Risk Management Policy and Framework are founded on the principle that risk management is a shared responsibility. While the Board of Directors and its committees maintain overall oversight and accountability, all executives and employees are responsible for identifying and managing risks within their respective areas.

The Company's risk management framework provides a structured and systematic approach to identifying, analyzing, evaluating, treating, mitigating, and monitoring risks. It also ensures timely reporting to support informed decision-making by leadership and enable prompt responses when risks arise.

2.2.5 Risk Management

The objectives of the Company's Risk Management framework are to:

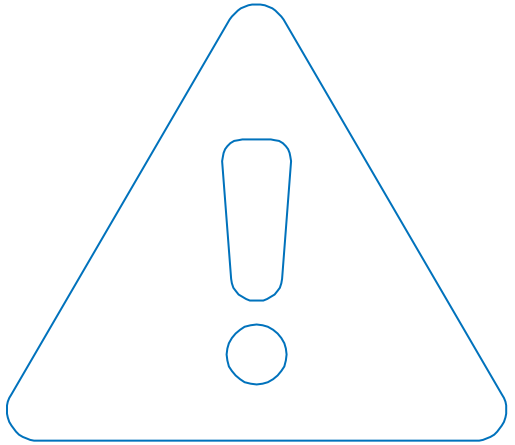
- Establish and maintain a comprehensive risk management framework and ensure its consistent implementation across the Company.
- Identify, assess, and manage all current and emerging risk exposures effectively.
- Promote a risk-aware culture across all levels of the organization.
- Support sustainable business growth within a dynamic and evolving business environment.
- Enhance financial stability and long-term value creation.



2.2.5 Risk Management

The Company's Risk Assessment Framework covers a broad spectrum of risks, including but not limited to:

1. Operational and production risks.
2. Domestic and international market risks.
3. Regulatory and legal risks, including compliance with laws and regulations issued by the State, local authorities, and the Securities and Commodities Authority.
4. Technology and information security risks arising from rapid technological advancements and digital transformation.
5. Human capital risks, including the attraction, development, and retention of competent personnel.
6. Risks related to suppliers, customers, and other key stakeholders.
7. Environmental risks, natural resource constraints, and broader sustainability-related risks.



2.2.6 Internal Audit System

The Internal Audit Department (IAD) operates independently and reports directly to the Audit Committee. It is responsible for evaluating the effectiveness of the Company's risk management, internal control, and governance processes. The IAD assesses compliance with applicable laws, regulations, internal policies, and corporate governance requirements.

The Department reviews financial statements, accounting policies, and accounting practices to evaluate their adequacy, accuracy, and compliance with applicable standards and regulatory requirements.

The Internal Audit Department has unrestricted access to all Company records, documents, systems, personnel, and relevant data necessary to perform its duties objectively and effectively.

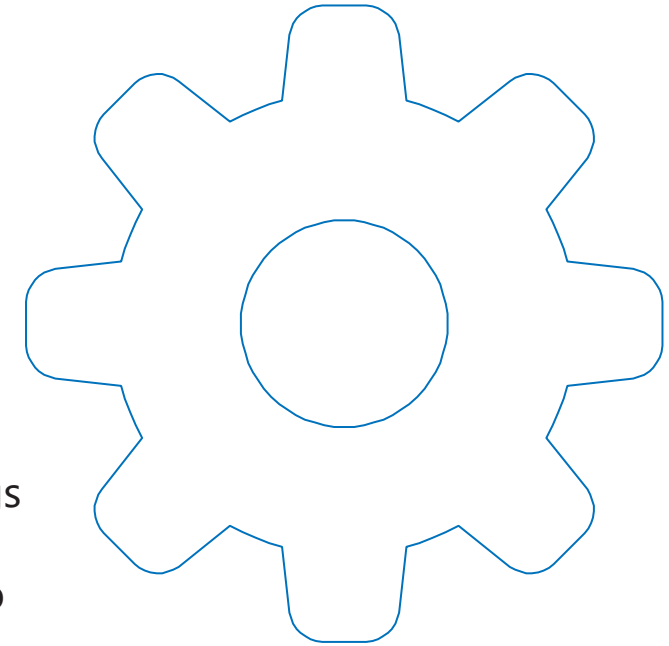
The Internal Audit Department shall follow up on the implementation of audit recommendations and corrective actions and shall report the status of implementation to the Board of Directors.

All departments and employees are required to cooperate fully with the Internal Audit Department. In cases of non-cooperation, restriction of access, or obstruction, the IAD shall report the matter directly to the Board of Directors.

2.2.6 Internal Audit System

BOD defines the most important objectives and tasks of IAD as follows:

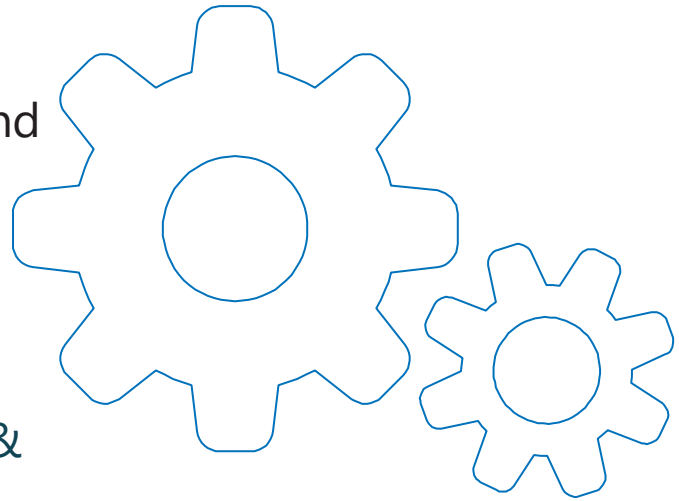
- Evaluate the adequacy and effectiveness of internal controls and work procedures across all departments of the Company.
- Assess the Company's compliance with corporate governance requirements and codes of conduct.
- Assess the effectiveness of controls designed to prevent, detect, and correct errors, irregularities, and potential fraud.
- Evaluate and report on employees' compliance with applicable laws, regulations, and Company policies.
- Review the safeguarding of Company assets and verify, on a test basis, their existence and protection against loss or misuse.
- Conduct periodic audits and reviews of the Company's activities and report findings and recommendations to the Board of Directors.
- Provide independent assurance and advisory support to Executive Management to support the achievement of the Company's objectives.
- Review and evaluate the reliability and integrity of financial and accounting records and reporting processes.



2.2.6 Internal Control Effectiveness

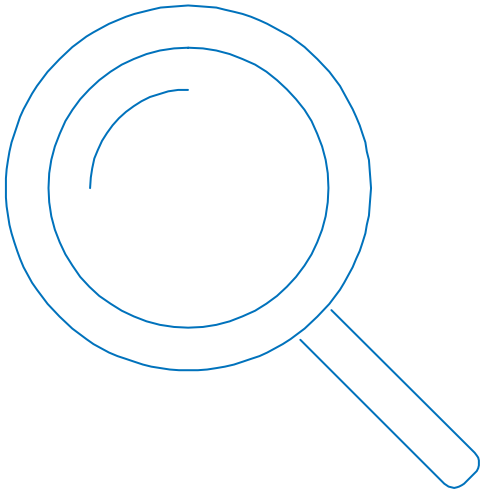
The Internal Audit Department has evaluated the effectiveness of the Company's risk management and internal control systems, reviewed internal policies and procedures, assessed the implementation of corporate governance rules, and verified compliance with applicable laws, regulations, and Board resolutions. The Department submits periodic reports to the Board of Directors and the Audit Committee outlining its findings, observations, and recommendations.

- The Internal Audit Department addresses identified issues and challenges independently and objectively by reporting significant matters to the Audit Committee and informing senior executive management of identified risks and control deficiencies. The Department proposes recommendations and corrective actions and follows up on their implementation. The status of corrective actions is periodically reported to the Board of Directors and the Audit Committee.
- The company relies on the whistleblowing of any violations by employees & all reports will be handled with strict confidentiality regarding any legal, regulatory, or operational breaches.



2.2.7 Anti –Corruption Policy

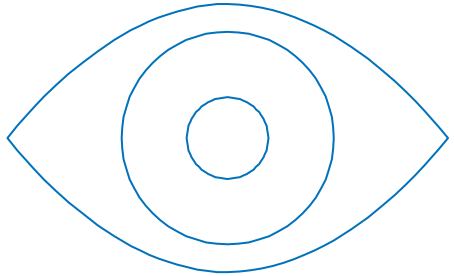
In our dealings with customers and suppliers, we get our employees to strictly uphold the Group's policy on anti- corruption/bribery.



GCC has clear-cut directives and regulations, regarding bribery of any sort and taken a number of other measures targeting at the risk of commercial bribery, to ensure that its business activities are carried out on the premise of fair lawfulness and compliance. GCC was never involved in any litigation cases concerning corruption, bribery, since its inception and no any such cases reported for Financial Years 2024 & 2025.

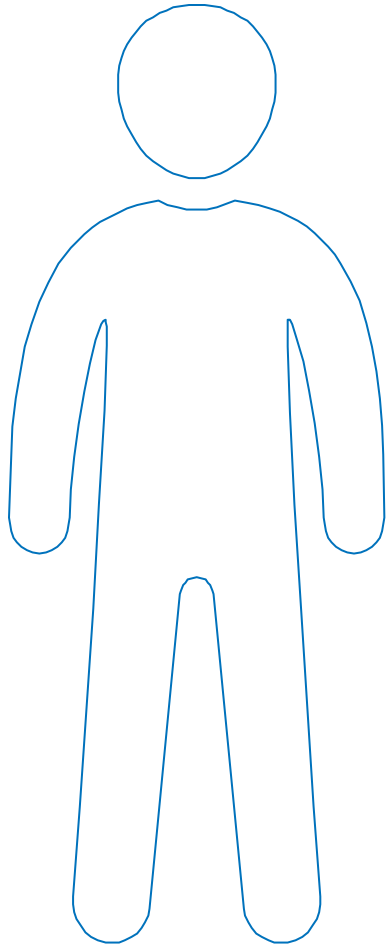
2.2.8 Whistle Blowing Policy

We had provided a mechanism for employees and external parties to report concerns over alleged wrongful acts. Employees as well has other parties are free to report about any fraudulent practices by reporting via phone calls, fax, emails and Management ensures strict action against the reported activity, in the event of finding it genuine. There were no whistleblowing cases in Financial Year 2024 & remained Nil in the financial year 2025.



2.2.9 GCC Stake Holders and Materiality Matrix

Material Aspects Assessment



An important part of our sustainability journey begins with the identification of relevant aspects. Relevant aspects are then prioritized as material factors, which are then validated. The result of this process is a list of material factors disclosed in the sustainability report. The assessment process is as shown below:

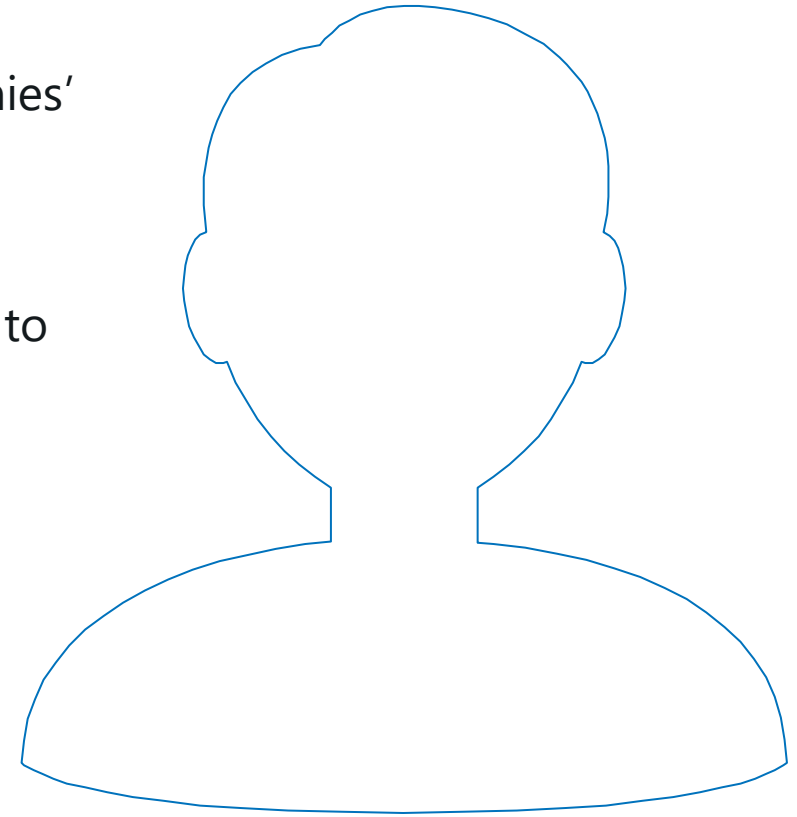
- To determine if an aspect is material, we assessed its potential impact on the economy, environment and society and influence on the stakeholders. Together with senior management and our external consultant, aspects were identified and prioritized through internal workshops, peer reviews and social impact assessments on site.

- This process resulted in the identification of the Material Topics for GCC, which may have an impact not only on the creation of economic value for the company, but also at the environmental and social level, which are manifestly important for the different groups of stakeholders that were heard. These topics are mirrored throughout this report in chapters 4, 5 and 6.

2.2.9 GCC Stake Holders and Materiality Matrix

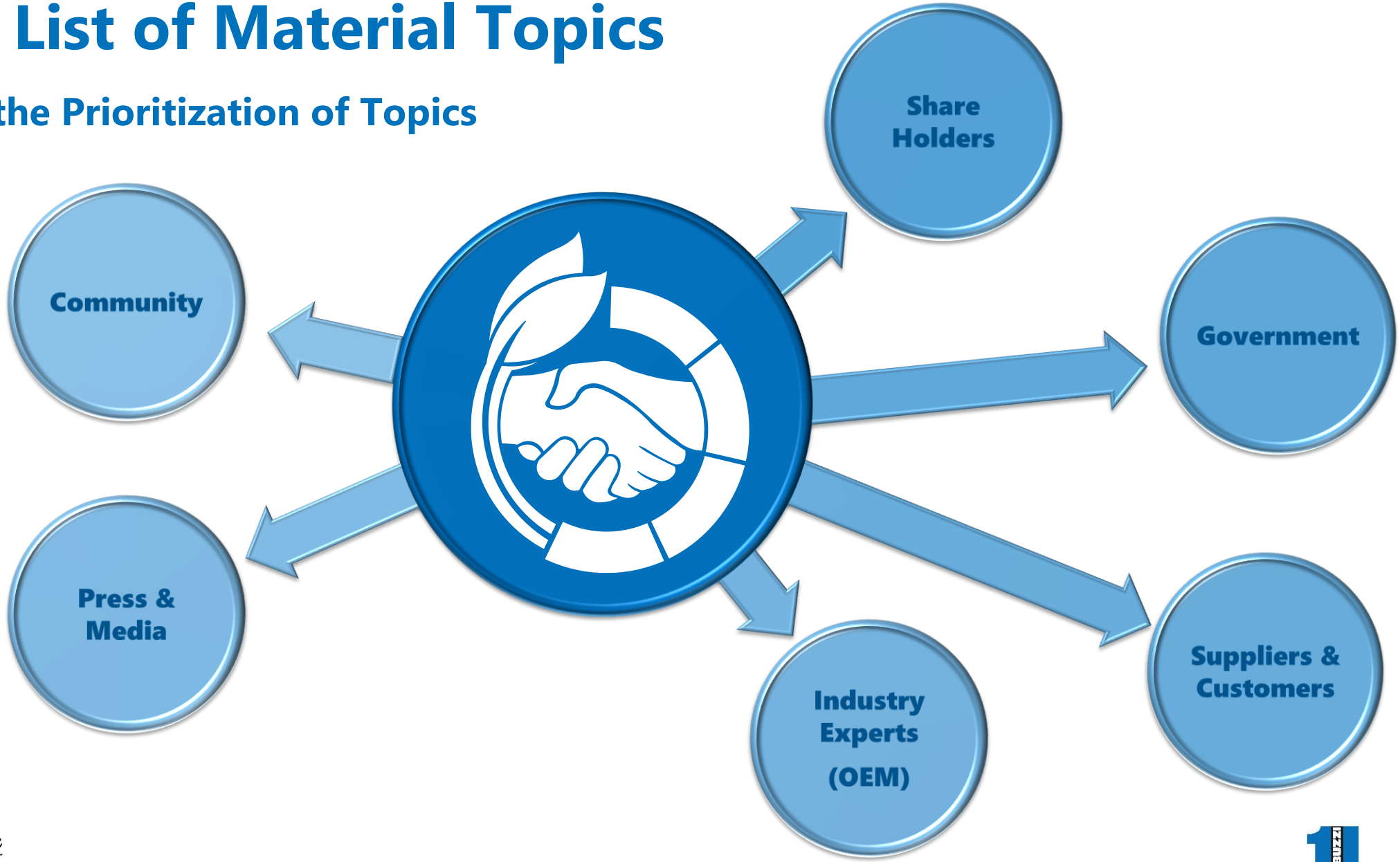
Material Aspects Assessment

- IDENTIFICATION of material factors that are of relevance to the Companies' activities and relevant topics from the ADEX Sustainability reporting guidelines
- VALIDATION of the completeness of key sustainability factors identified to finalize sustainability report with consultation from stakeholders
- PRIORISATION Analysis of the results, and weighting of responses to stakeholders from different locations



2.2.10 List of Material Topics

Result of the Prioritization of Topics



2.2.10 List of Material Topics

GCC STAKEHOLDERS	TOOLS	GENERATED OUTPUTS
Employees	Performance Assessment Development programs Trainings	Opportunity for career development Safety at work Information provision and transparency Skills and competence building Team-building
Customers and broader community	Community interaction sessions Grievance redress Surveys Charity activities Social media Sustainability reporting	Satisfaction of customers' needs Support for local communities Promotion of mutual trust and transparency Promotion of sustainability values

2.2.10 List of Material Topics

GCC STAKEHOLDERS	TOOLS	GENERATED OUTPUTS
Industry experts Interactions (OEM)	Regular Interaction with all OEM for technical solutions	Shared solution for common challenges Industry innovations
Suppliers and contractors	Training for Contractors Supplier assessment Supplier Reevaluation and approval procedures	Enhanced effectiveness and quality throughout the value chain Opportunities for local suppliers Standards, best practices and adopting code of conduct for the suppliers.

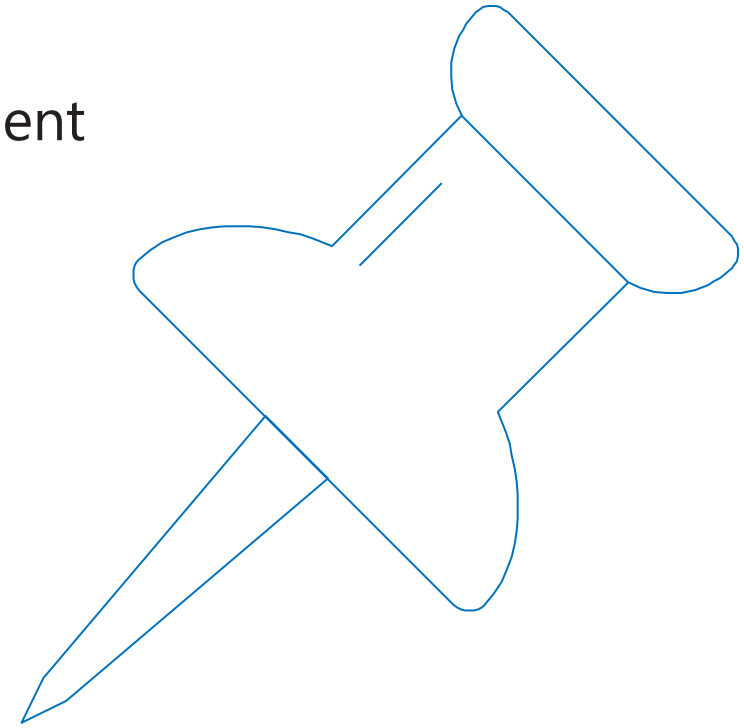
2.2.10 List of Material Topics

GCC STAKEHOLDERS	TOOLS	GENERATED OUTPUTS
Government	Seminars, Meetings Regular reporting to government institutions	Compliance with Federal and local laws. Promotion of transparency and mutual trust
Shareholders	Annual General Body meetings Financial reports Corporate Governance report Sustainability report	Shareholder value and transparency
Press & Media	Press releases	Transparency for all stakeholders Communication of milestones, events and activities

2.2.10 List of Material Topics

We at GCC have mapped these material topics for our Materiality Matrix. The Top Management had identified in-house members who contributed to understanding the responsibility for preparation of Sustainability road map and have analyzed identified, and validated and prioritized the material topics, which are of vital importance for a sustainable development in near future, and the same is listed below:

1. Health, Security and safety
2. GHG emissions and climate change
3. Community development and local impact management
4. Waste Management.
5. Energy conservation.
6. Human Resources Management, Gender equality
7. Other emissions
8. Involvement of stakeholders
9. Water use and management
10. Product safety and quality
11. Customer relationship and satisfaction

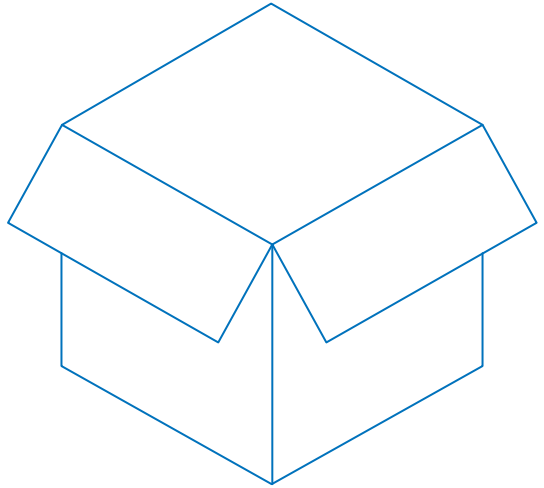


2.2.11 Corporate Social Responsibility Initiatives

The wise leadership of the United Arab Emirates is keen to deepen the umbrella of social protection and made it one of its main priorities by working to deepen community cohesion and consolidate Social cooperation between various segments and groups of society, and Gulf Cement Company's social responsibility has become a national priority linked to the Sustainable Development Goals, in accordance with laws and regulations and ensures the stimulation of institutional giving and enhancing the contribution to the development of society.

According to the laws of the Securities and Commodities Authority and Article 65 of the Company's Articles of Association, "The Company may, by a special resolution, after the expiration of two financial years from the date of its incorporation and achieve profits, Voluntary contributions for community service purposes must not exceed 2% of the average net profits.

The Company's net profits during last two fiscal years 2023 and 2024, were negative, the Company withheld in its Annual General Meeting No. (49) held on April 18, 2025, from making voluntary contributions for the purposes of community service for the year 2025.



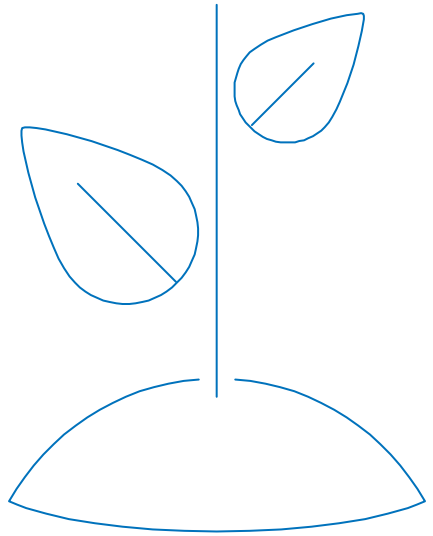
2.2.11.1 Contributions:

Continue to supply water, free of cost to the neighboring areas (Al-Hulayla area).
Continuing to contribute the expertise of some of the company's employees in supporting community institutions.

Providing cement products to people with limited income for the purpose of maintenance, and to institutions of public benefit.

2.2.11.2 Environmental Conservation:

The company intends to comply with the laws and resolutions issued by the Ministry of Climate Change and the Environment, and by Environment Protection and development authority in Ras Al Khaimah. Implement the policy of the Board of Directors that the company to be a leader in its field by applying best practices related to sustainable environment and green products. Gulf Cement Company also pays attention to the environment and its sustainability, and it believes that it is one of the main objectives that requires attention and focus on it, represented in its efforts in environmental sustainability projects that contribute to preserving natural resources and also addressed in our Corporate Governance Report for reducing carbon emissions resulting from production processes in kilns, which confirms its distinction with environmental leadership. The company works to support UAE orientations towards the green economy through ongoing environmental projects.



2.2.11.3 Urbanization:

The company takes great interest in Urbanization Projects as it represents the bright facade of the environmental reality of the company.

These projects contribute to the presentation of the company's commitment to the importance of urbanization to achieve professional safety and job security and other parties as per the Ministry of Climate Change and EPDA requirements.

2.2.11.4 Landscaping:

The company has been concerned with afforestation in and around the perimeter of the company in order to achieve integration with urban construction projects that aim to highlight the aesthetic appearance of the company and increase the green area that contributes to improving the environmental situation of the area.

2.2.11.5 Environmental certificates

Obtained an Environmental Impact Assessment Approval Certificate from the Environment Protection and Development Authority in Ras Al Khaimah, allowing it to use all types of waste and alternative fuels in the company's kilns.

Renewing the environmental permit of the company issued by the Environmental Protection and Development Authority

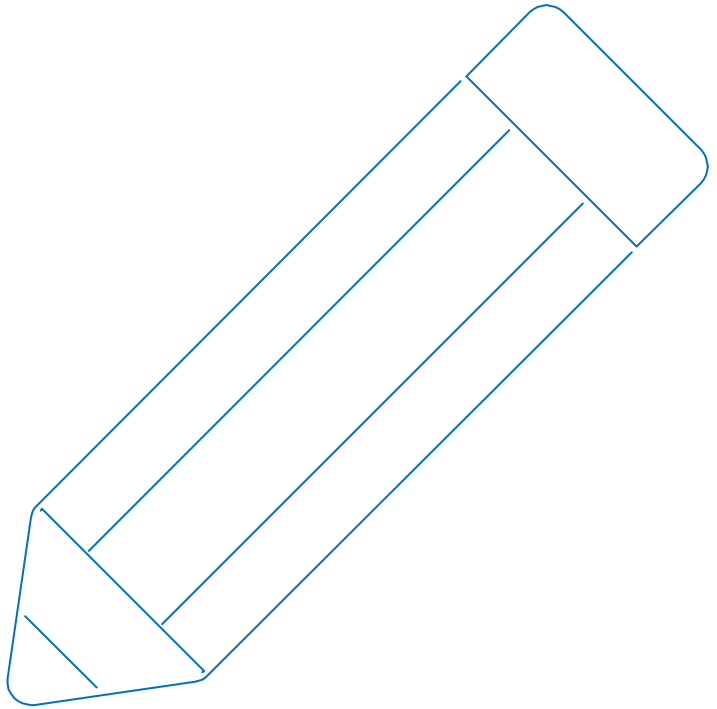
Maintained Ecolabel award from Environment Protection and Development Authority, Ras Al Khaimah being selected for Environmental Sustainability performance during the year.

ecolabel
Environmental Sustainability

2.2.11.6 Environmental communication

The Authority honored the company on the efforts made and compliance with environmental laws and requirements.

The company was keen on continuous and permanent communication with both the ministry and the authority to provide them with the environmental reality of the company, benefiting from the electronic monitoring network and permanent monitoring devices, as the company takes all precautionary measures upon any interruption or sudden failure and informs the ministry and the authority, and as a result of these efforts, the ministry has become the authority that is fully aware of the environmental reality of the company.



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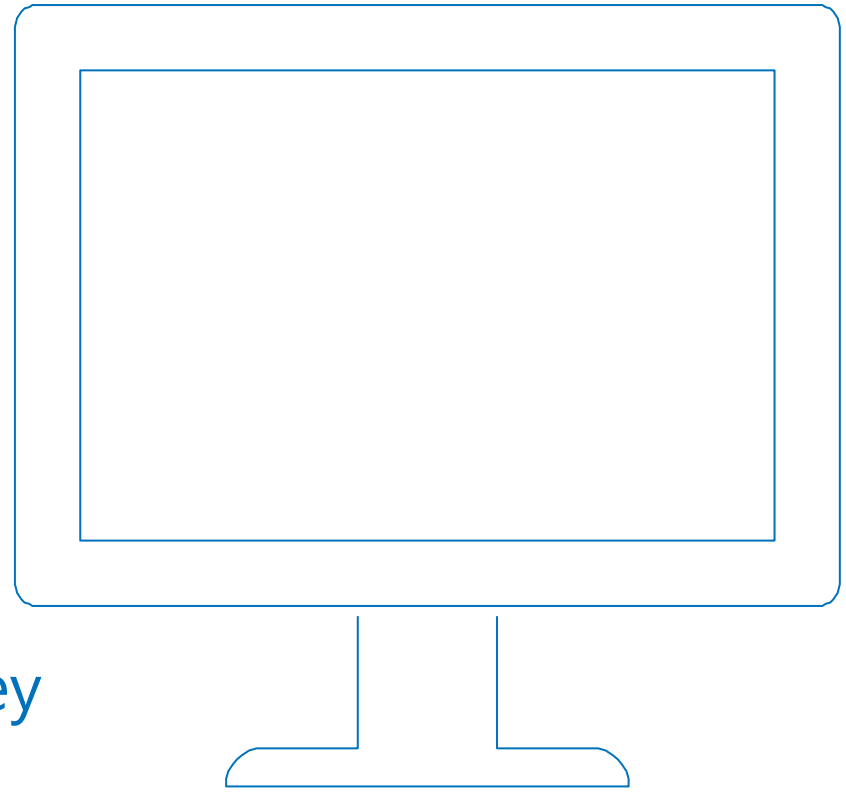
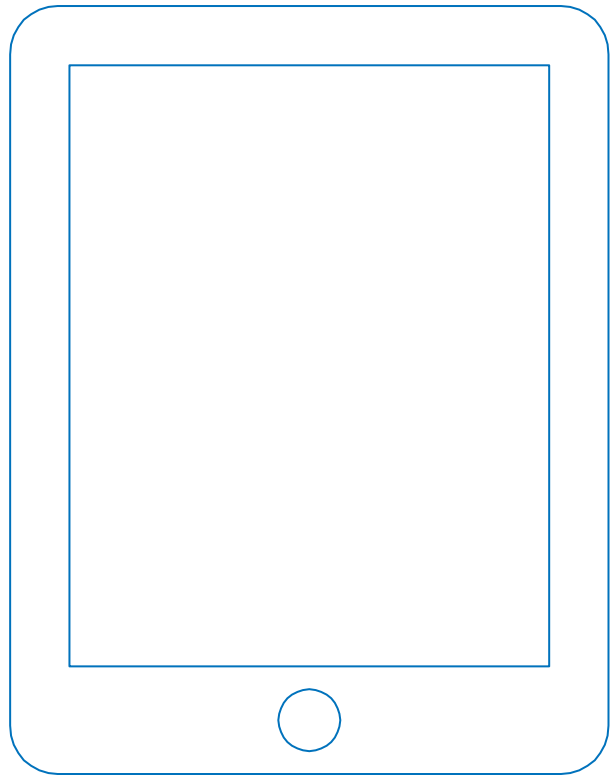
2.2.12 GCC Cybersecurity- Data Storage and Security



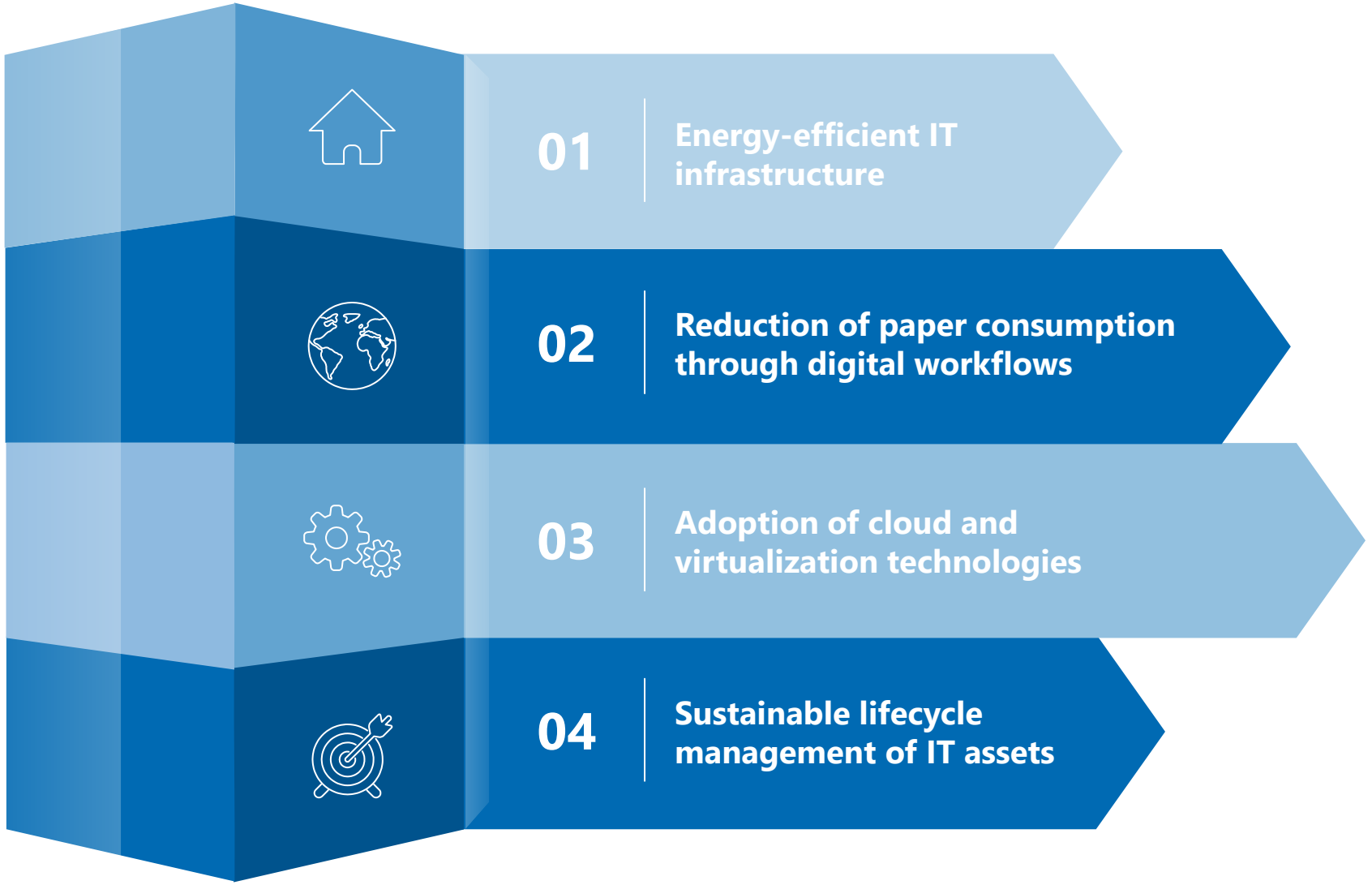
The IT Section continues to support the organization's sustainability and operational resilience objectives by implementing environmentally responsible IT practices while maintaining secure and reliable digital services. Key initiatives focused on energy efficiency, digital transformation, secure remote operations, and strengthening cybersecurity resilience to ensure sustainable and uninterrupted business operations.

2.2.12.1 Sustainability Contribution of IT

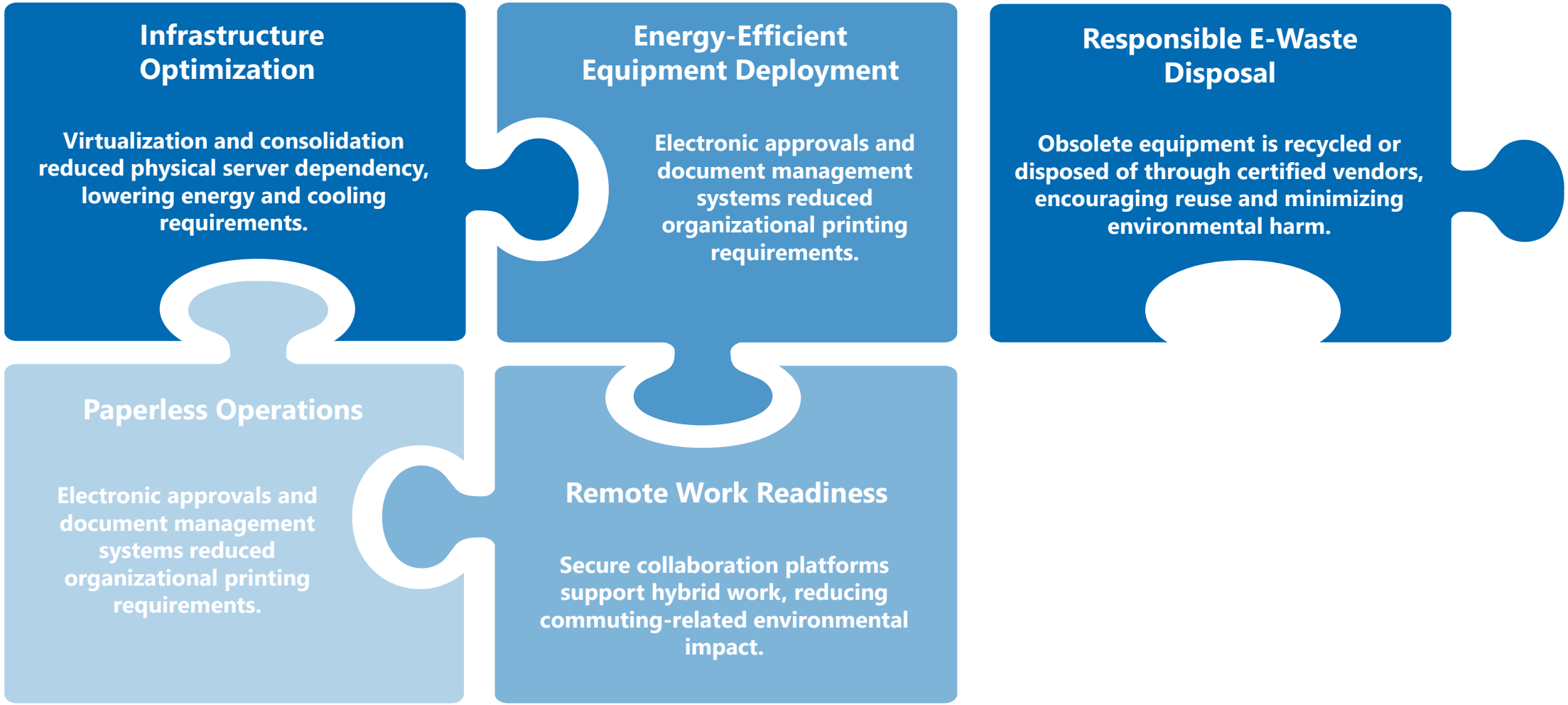


The IT Section contributes to organizational sustainability through optimization of infrastructure, reduction of resource consumption, and adoption of efficient digital technologies.

2.2.12.2 Strategic Focus Areas



2.2.12.2 Strategic Focus Areas



2.2.12.2 Strategic Focus Areas



Infrastructure Optimization
Virtualization and consolidation reduced physical server dependency, lowering energy and cooling requirements.



Paperless Operations
Electronic approvals and document management systems reduced organizational printing requirements.



Energy-Efficient Equipment Deployment
Energy-compliant hardware replaced legacy systems, with standardized workstation power management implemented.



Remote Work Readiness
Secure collaboration platforms support hybrid work, reducing commuting-related environmental impact.



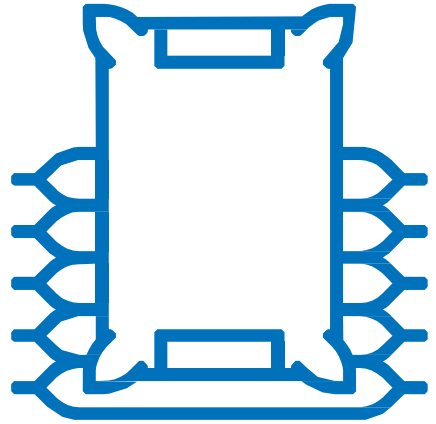
Responsible E-Waste Disposal
Obsolete equipment is recycled or disposed of through certified vendors, encouraging reuse and minimizing environmental harm.

2.2.12.4 Measurable Outcomes

- Reduction in physical server footprint and energy consumption
- Decreased printing volumes organization-wide
- Improved energy efficiency of user computing devices
- Compliance with responsible IT asset disposal practices

2.2.12.5 Cybersecurity & Digital Resilience Posture

Sustainable digital transformation requires secure and resilient IT infrastructure. The IT Section maintains a multi-layered cybersecurity framework protecting critical information assets and ensuring operational continuity as highlighted below.



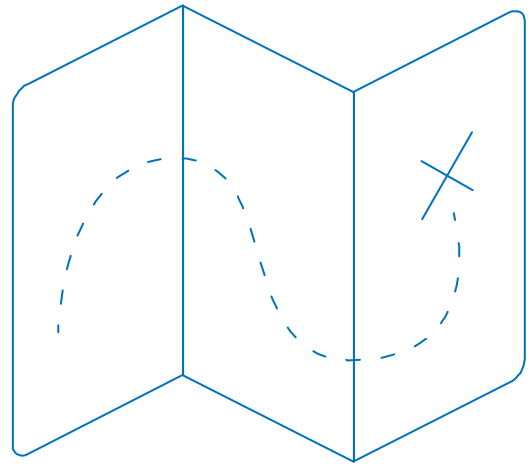
- Endpoint protection and real-time EDR monitoring
- Next-generation firewall protection across network gateways
- Secure server and storage systems with encryption and patch management
- Network segmentation using VLAN architecture
- Multi-Factor Authentication (MFA) for critical system access
- Advanced email security protection against phishing and malware
- Annual Vulnerability Assessment & Penetration Testing (VAPT) exercises
- Segregation of Duties (SoD) controls within SAP ERP to mitigate operational risks

These measures support uninterrupted digital services and organizational risk management.

2.2.12.6 Forward Sustainability Roadmap

The IT Section aims to further enhance sustainability contributions through:

- Expanded cloud adoption and infrastructure optimization
- Improved asset lifecycle management and reuse programs
- Organization-wide promotion of sustainable digital practices
- Development of measurable sustainability Key Performance Indicators (KPI) for IT operations

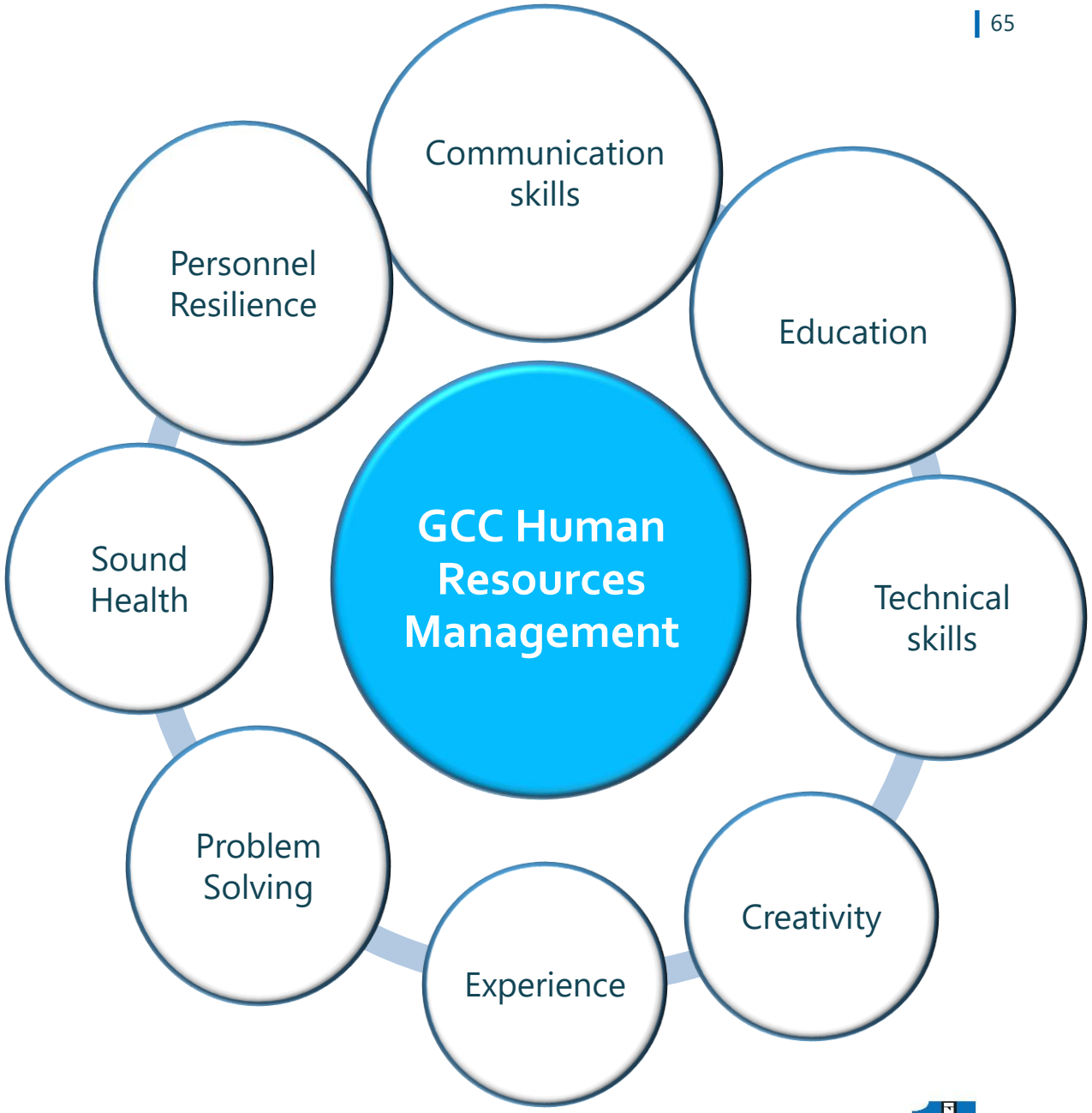


The IT Section remains committed to delivering secure, efficient, and environmentally responsible IT services. Continued investments in infrastructure optimization, cybersecurity resilience, and digital transformation will further strengthen the organization's sustainability and operational excellence objectives.

2.3. Human Resources

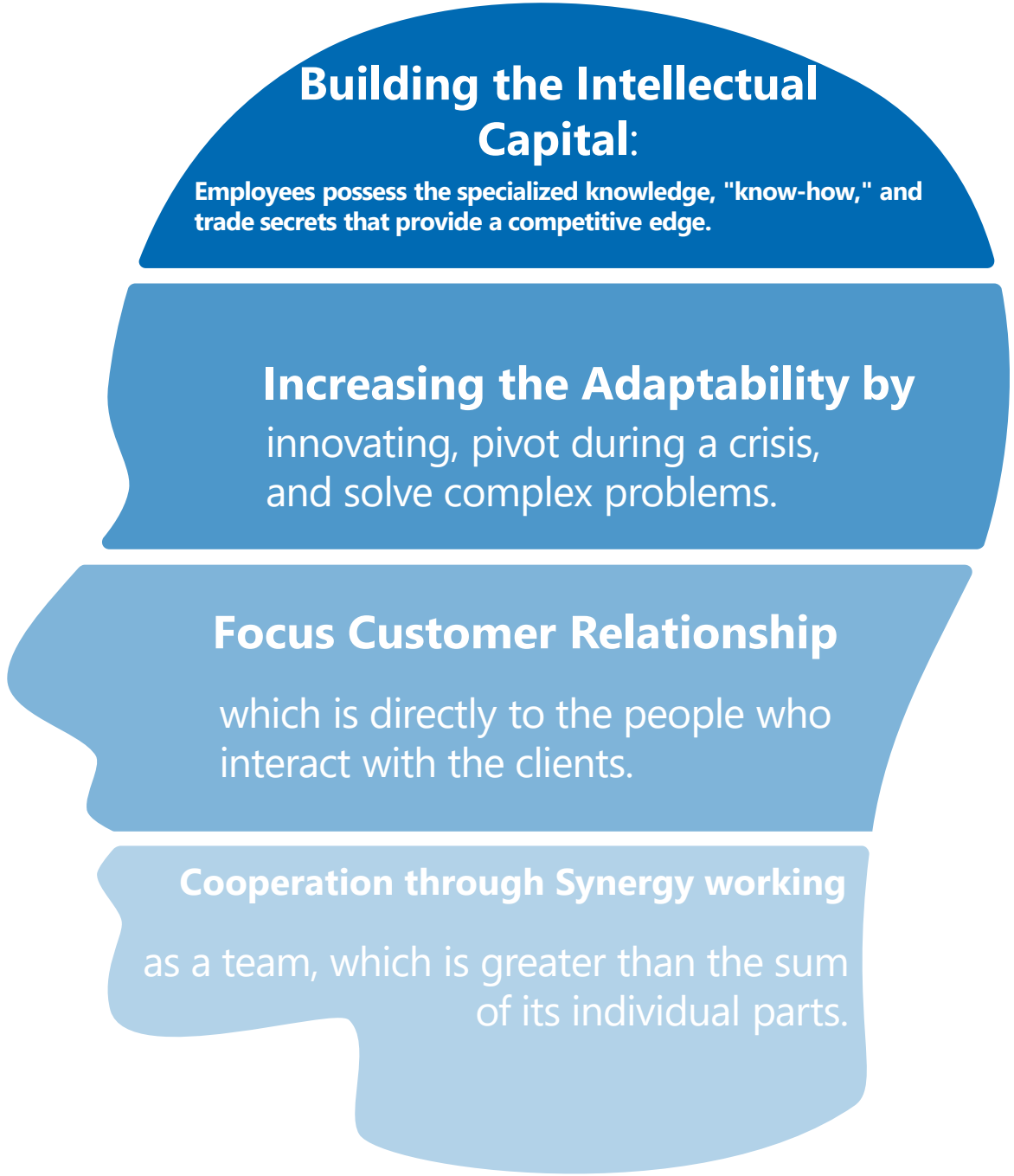
GCC considers happy employees on topmost priority, and the key essentials can be summarized as below: The employees are considered an asset to be invested, and the concept is referred as Human Capital Management (HCM). Viewing people as assets implies that their value is growing over time through meticulous development of the individual thereby contributing to growth of the Organization.

Unlike physical assets, human assets are "intangible," but they drive the performance of every other resource the company owns. The human capital working for the following



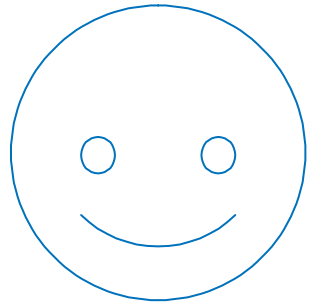
2.3. Human Resources

The human capital working for the following:



2.3. Human Resources

The workforce representing all parts of the world and a variety of ethnic, cultural and religious backgrounds. GCC employees display a strong sense of loyalty to the Company. The employee strength remains stable. The high satisfaction score indicated that a significant share of employees is satisfied with various work-related initiatives, people processes, training and learning opportunities. The strategy of the Ministry of Human Resources and Emiratization was based and formulated on the UAE Vision 2022 through its initiatives; the Ministry has sought to achieve the government's strategic goals giving priority to increasing efficiency, flexibility, and productivity in the business market conforming to international standards and conventions in the field of work and labor organization.

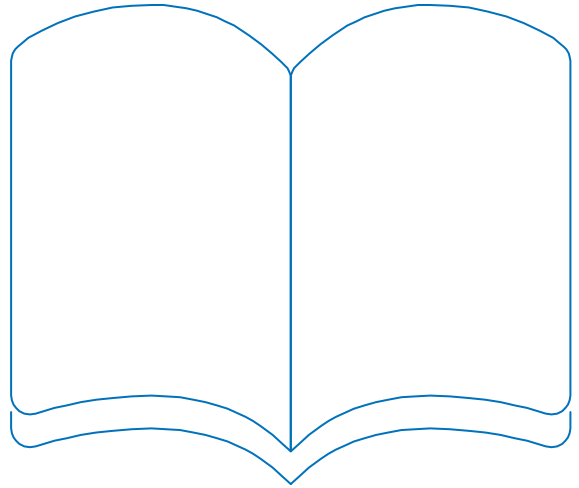


Taking a lead from the above, GCC practice a highly comprehensive system for protecting labor rights, while safeguarding employers' interests; by providing excellent services to make the GCC as one of the best destinations in the work area and for living for their employees.

GCC also strengthened its base by providing full safety, security and stability for the workforce and are deploying many cultures and nationalities, so that the GCC remains a favorable workplace in UAE.

2.3.1 Employee Training

The growing importance of continuous training the workforce is recognized as a major competitive advantage in business today. The emergence of Big Data and Artificial Intelligence has just accelerated the need for skills within this discipline. The foundation for success in this new paradigm is the establishment of practices dedicated to the discipline of data management. GCC has now a full-scale upgradation of their SAP stem to S4-Hana, which will enable the organization into a paperless work culture and have disciplined workforce for smart work.



Training Details

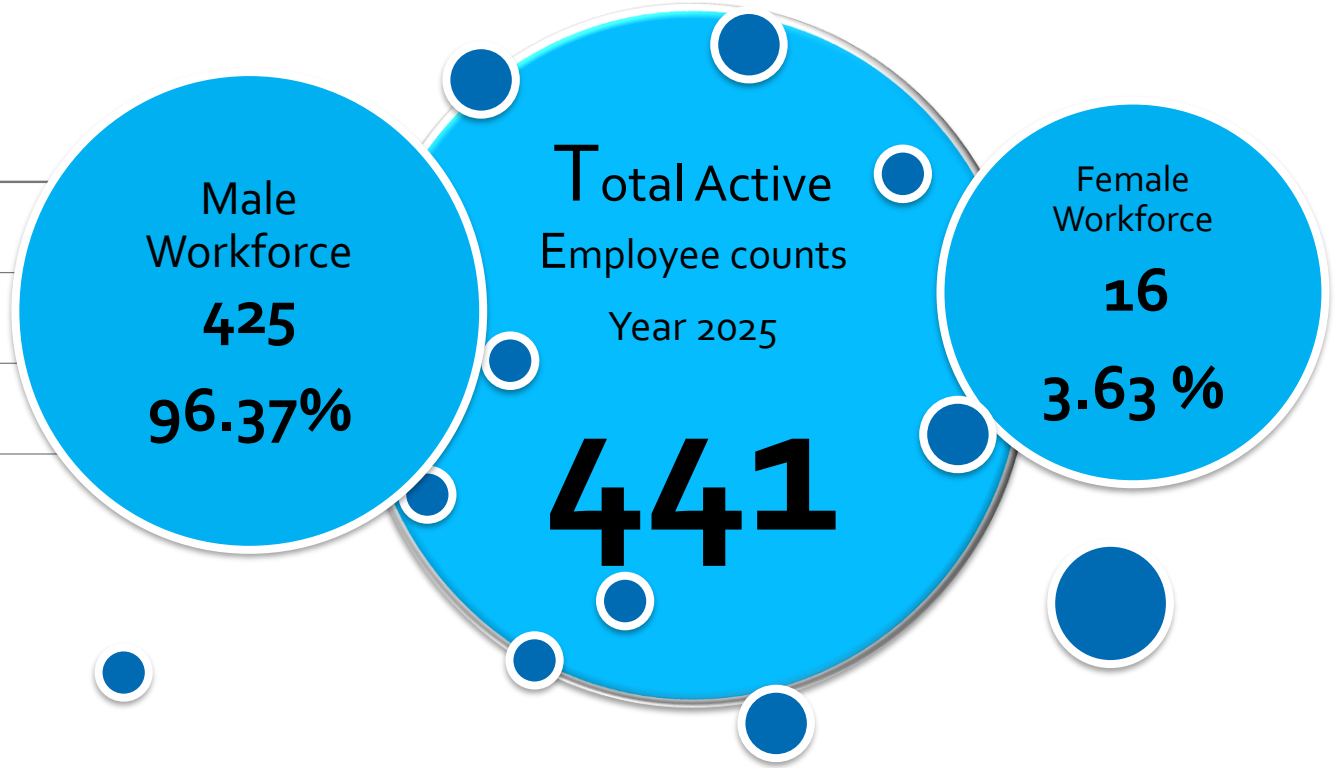
	2024	2025
No of Hours of training imparted (GCC Employees)	805	**1,294**
Number of Employees covered	966	**1,191**

Gender Ratio

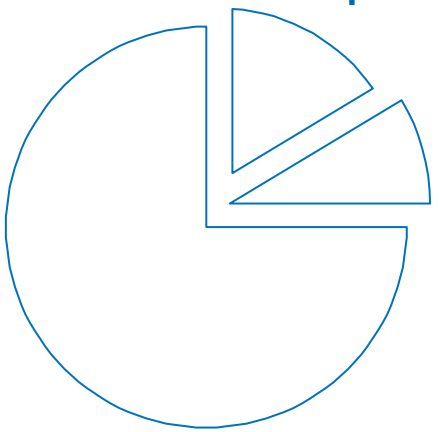
The ratio of Men to Women is 3.98% registering an increase of 0.58% in year 2025. The women workforce taking up roles and responsibilities, which are strategically positioned in high-influence administrative and regulatory roles including Technical.

Gender Ratio

	2024	2025
Male	441	**425**
Female	15	**16**
Ratio of Male to Female	3.40	**3.63**



Gender Ratio



The Contribution of Emirati Women to the United Arab Emirates is immense and forms the backbone of the society.

Emirati women have become central contributors to the United Arab Emirates' national development, demonstrating leadership, innovation, and resilience across all sectors. Their achievements reflect the UAE's strategic commitment to gender empowerment and sustainable growth. This report outlines the key areas in which Emirati women have significantly influenced the nation's progress, with relevance to the values and aspirations of Gulf Cement Company. Emirati women hold influential positions within federal and local government, contributing to national policy, strategic planning, and international diplomacy. Their presence in ministerial roles, the Federal National Council, and diplomatic missions underscores the UAE's recognition of women as essential partners in shaping the country's future. Their leadership strengthens institutional performance and reinforces the UAE's global reputation for progressive governance. Their academic excellence contributes to a highly skilled national workforce, supporting sectors such as manufacturing, construction, and sustainability, all of which are vital to Gulf Cement Company's long-term growth. Emirati women are integral to the UAE's success story. Their achievements across leadership, education, science, economy, culture, and diplomacy reflect a nation committed to inclusive progress. For Gulf Cement Company, these contributions serve as a model of excellence, resilience, and innovation—values that align with the company's mission and its role in supporting national development. Empowering Emirati women within the industrial sector will continue to strengthen the UAE's economic foundation and ensure sustainable growth for generations to come.

2.3.2 Emiratization

Emiratization means employment of UAE citizens, and it is one of the highest priorities of the government. The Emirati Human Resources Competitiveness Council, 'Nafis', implements national initiatives, which plays a vital role in implementing the national agenda on Emiratization in the Private sector companies. In GCC has always complied with the rules and regulation and have recruited the Emirati employees' percentage proportion as per the directives of the Ministry of Human Resources & Emiratization (MOHRE).

For the year 2025; the following table summarize the Emirati employee count in the organization.

By Gender	2024	2025
Emirati Male	33	**33**
Emirati Female	15	**15**

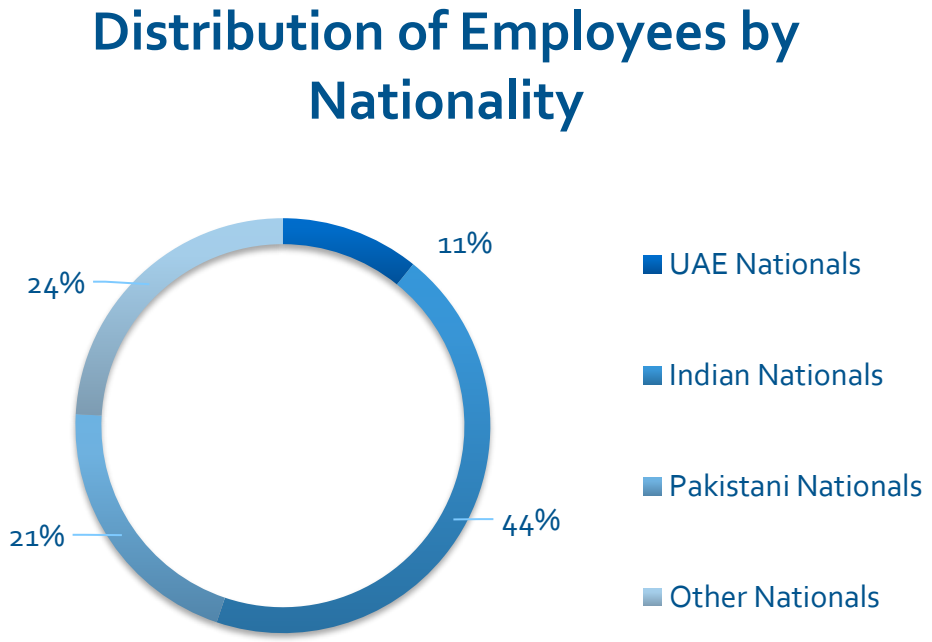
The ratio of Emiratis with the total employees in the organization now stand at 10.88%

2.3.3 Employee Counts

GCC has more than 20 nationalities constituting the work force, which includes both Emirati and Expatriates and this year and the ratio of the Emirati employees to the total employee's stands at 10.81 % and follows the directives of Ministry of Human Resources & Emiratization (MOHRE). Gulf Cement Employee counts for the year 2025 are given as below:

By Nationality

	2024	2025
Emirati	48	**48**
Expatriates	378	**393**
Emirati Male	33	**33**
Emirati Female	15	**15**
Expatriate Male	378	**391**
Expatriate Female	0	**2**



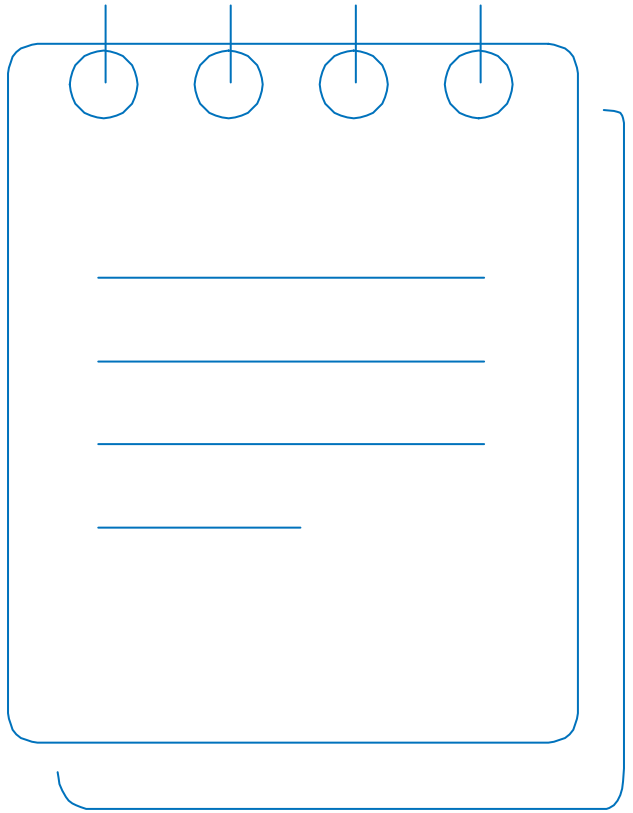
2.3.3 Employee Counts

A total No of 59 employees have newly joined, and 45 employees have left GCC in the year. The Gulf cement recruitment is driven by the Business needs and vacancies as deemed by the scenarios are regularly updated.

Particulars	2024	2025
No of employees who have joined newly in the Organization	46	**59**
No of employees who have left the Organization (Termination of Service/sick/resignation)	49	**45**

2.3.6 Human Rights and Child Labor

The company does not encourage anything relating to child labor, forced labor, involuntary labor, human rights abuse or discriminatory employment. During the year, there are no any complaints regarding the Human Rights abuse or use of any prohibited labor.



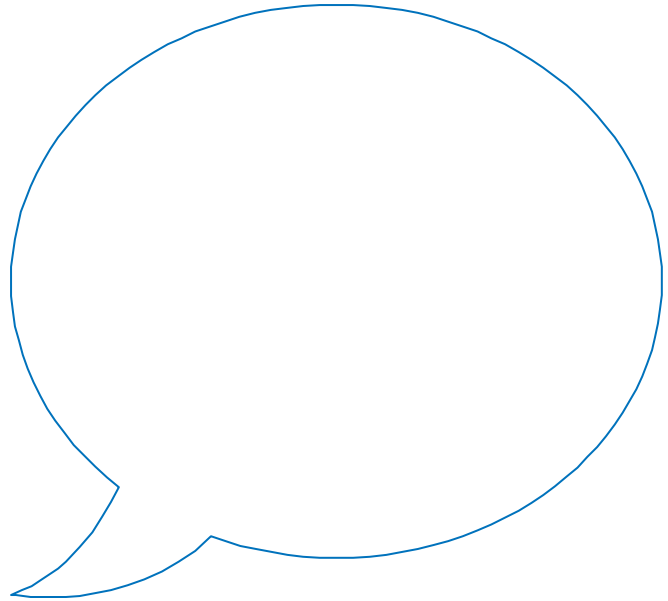
2.3.7 Employee Appraisal and Incentivized Pay system

The Human Resource management system provides due processes for employee consultation and participation in organizational development and policy formulation. Employee Appraisal System revamped and provided areas for improvement of the individuals by mapping Key Result areas (KRA) and Key Behavioral Areas (KBA) and clear-cut objectives. The new Appraisal system, which is handled through SAP system fully provide avenues for the employees to link their Job description with their performance with fair transparency on their achievements during the year. A new procedure in place for the awards/revision in pay packages /annual bonus for all the employees.



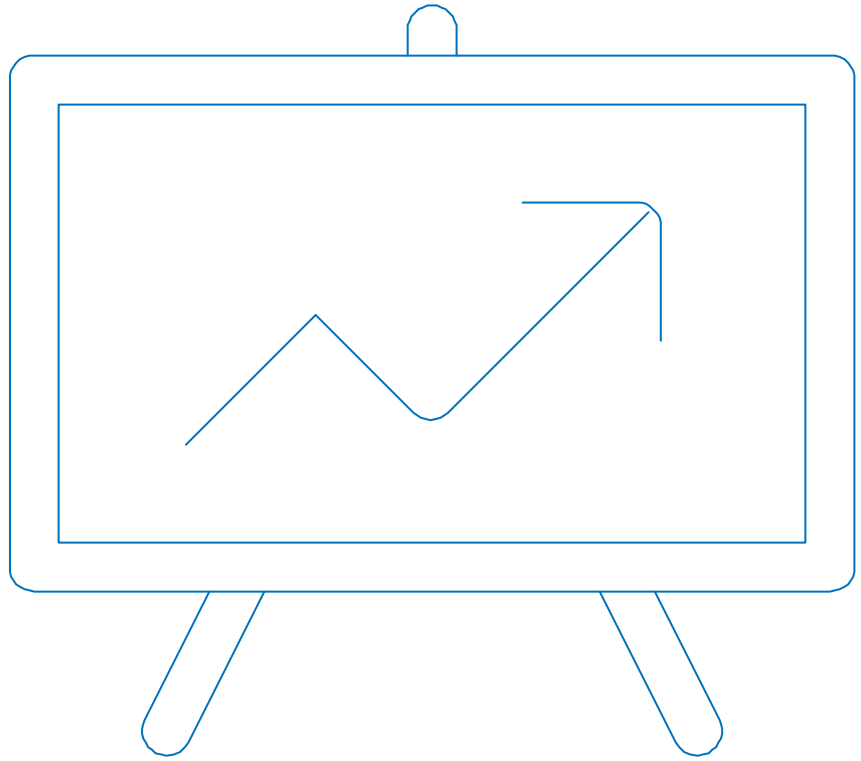
2.3.8 Effective Employee Engagement (EEE)

EEE forms most important part, which is ensuring GCC working without boundaries. It is important that employees feel a sense of loyalty to the company and feel supported in their workplace. GCC organizing encouraging practices and aims to enhance the emotional quotient of our people with the company. We provide opportunity and create a workplace place where people are empowered to optimize performance. We engage with our people through various avenues, including the general meeting forums, organized outside the company, which ensures an effective flow of information, and connect them with the central principles of operation of the company.



2.3.9 Strategic Forecast 2026

The new structure is focused on Digital Sovereignty and Talent Rejuvenation. By enforcing the 11% Localization target we are preparing the organization for a sustainable and technologically advanced future.



2.4 Company sponsored Events

Celebration of UAE National Day



Campaign Illness to Wellness



Organization of Blood Donation camps



2.4 Company sponsored Events

Organization of Sports event



Celebration of Emirati Women day



Celebration of Environmental day



CHAPTER 3

3.0 Environmental Aspects

3.1.1 Federal laws

3.1.2 Local regulations & Sustainability initiatives

3.1.2.1 Federal Law No. (24) 1999

3.1.2.2 Local Regulations

3.1.2.3 Sustainability Initiatives at Gulf Cement Company (UAE)

3.1.3.4 Emission Reduction and Cleaner Production

3.1.2.5 Waste Heat Recovery and Energy Efficiency

3.1.2.6 Innovation through GCCA's Innovandi Network

3.1.2.7 Switching to Natural Gas: Fossil Fuel & Carbon Reduction

CHAPTER 3

3.1.2.8 Carbon Reduction Benefits

3.1.2.9 Alternative Fuels & Raw Materials

3.1.2.10 Clinker Factor Reduction

3.1.2.11 Environmental Performance Monitoring

3.1.2.12 Energy Conservation Initiatives with REEM & Ras Al Khaimah Municipality

3.1.2.13 Key Energy Conservation Initiatives

3.1.2.14 Air Quality & Emissions Control

3.1.2.15 Resource Management & Circular Economy

3.1.2.16 Alignment with Global & National Frameworks

CHAPTER 3

3.2 Conservation of Natural Resources & Usage of Alternate fuels

3.2.1. Raw water consumption, alternate fuels & recycled water for Steam Turbine Generator

3.2. 2 Generation of Captive Green Power

3.2. 3 Alternate fuels for Pyro processing

3.2. 4 Environment Performance

3.2. 5 CO2 emission from cement plant for years 2024 & 2025

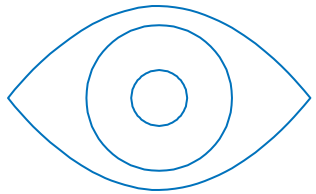
CHAPTER 3

3.3 United Nations Sustainability Development Goals

3.3.1 GCC sustainability Alignment with UNSDG'S

3.3.2 GCC sustainability Development Goals

3.1.1 Federal Law No. (24) 1999



The applicable federal laws are referred here:

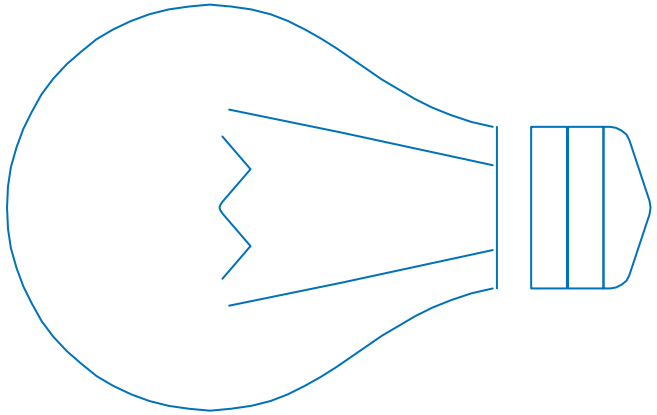
- Federal Law No (24) concerning the Protection and Development Executive Order of the Federal Law No (24) 1999
- Ministerial Decree No 137 (2012) for Cement Industries
- Regulatory Guidelines for Environmental Control in the Cement Industry
- Article-1: Scope of Application: The provision of this resolution will apply to all the establishments operating in the field of cement industry in the UAE, in addition to the decisions issued by the competent authorities.
- Article-2: Environmental Impact Assessment: All the establishments in the UAE will have an EIA report prepared by an Environmental Consultant experienced in the cement industry.
- Federal Law No (11) of 2024 on the Reduction of Climate Change Effects
- Cabinet Resolution No. (67) of 2024 Concerning the National Register For Carbon Credits

3.1.2 Local regulations



- Regulation No (1) 2001 for public hygiene in the Emirate of Ras Al Khaimah
- LAW NO (2) 2007
- For the Environment Protection and Development Authority – Ras Al Khaimah
- Law No (2) 2007 stipulates that the competent environmental authority in the Emirate of Ras Al Khaimah is the “Environment Protection and Development Authority” (EPDA – RAK) under the Chairmanship of the Crown Prince and Deputy Ruler.
- Resolution No (20) regarding Energy Audits in Large Industrial Facilities in Ras Al Khaimah , 2026

3.1.2.1 Sustainability Initiatives in line with MOCCAE (UAE)



In order to meet the requirements, we are implementing several initiatives in the company to ensure strict compliance as listed below:

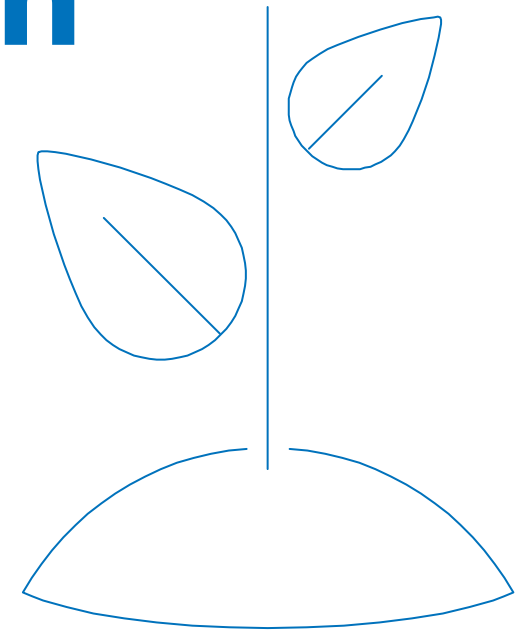
- Supports UAE's national climate agenda, including Net Zero 2050 and MOCCAE's Green Agenda.
- Contributes to national goals for lower industrial emissions, resource efficiency, and circular economy adoption.
- Implements environmental management practices consistent with MOCCAE's regulatory framework for air quality, waste reduction, and sustainable manufacturing.
- Joining the momentum for National Carbon Registry as per Federal Law No. 11 (2024)

3.1.2.2 Sustainability Initiatives at Gulf Cement Company (UAE)

In the UAE—where sustainability is a national priority—resource conservation aligns with broader goals of reducing environmental footprints and transitioning to greener industrial practices.

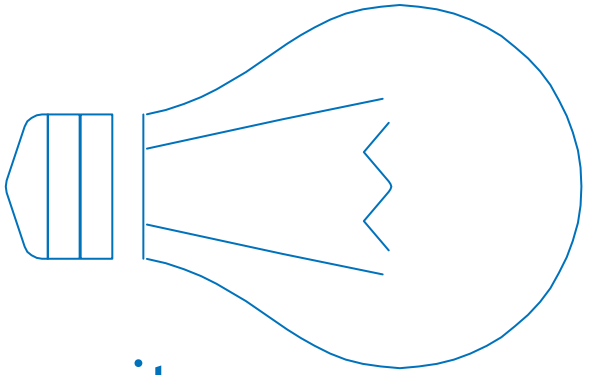
Gulf Cement Company has integrated several sustainability measures that directly support raw material conservation and responsible resource use besides reduction in CO2 footprint of our products and promoting clean energy usage for cement production as highlighted ahead.

3.1.2.3. Emission Reduction and Cleaner Production



GCC emphasizes maintaining achievements in eliminating emissions from its plant, which indirectly reduces the need for excessive raw material processing and energy consumption. Yearly raw material consumptions are monitored and the push to use alternate sources of raw materials such as Used Grits from UAE sources and Japanese copper slag up to 139,426 mt substituted with Natural resources (Iron Ore).

3.1.2.4. Waste Heat Recovery and Energy Efficiency



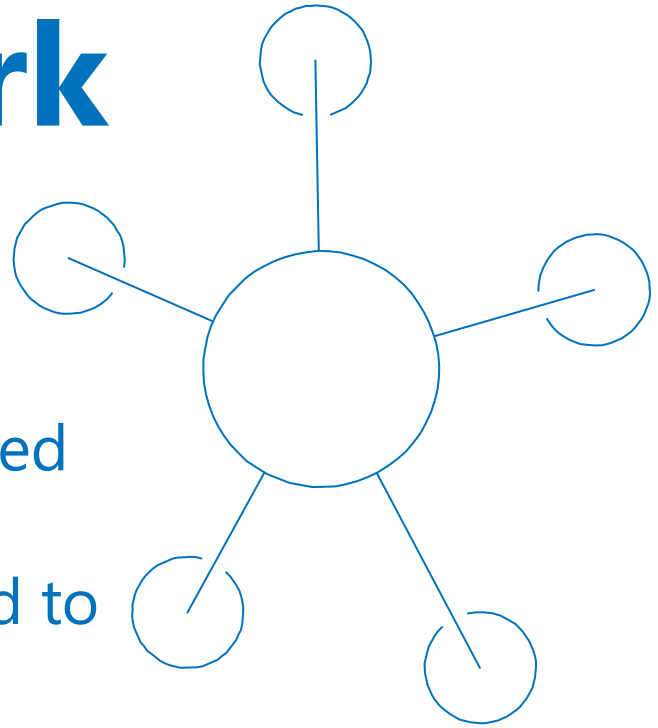
The company fully exploits waste thermal energy from its processes. This reduces the need for additional fuel sources, conserving natural resources and lowering carbon intensity. During the year produced more than 50% of its power requirement through Waste Heat Recovery Based Power generation, which do not use any fossil fuel.

3.1.2.5. Use of Alternative Fuel and Residue



GCC used more than 20,000 MT of Refused Derived Fuels in the year and 10,000 mt of Carbon Black material as alternative fuels. This reduced dependence on fossil fuel and diverted waste from landfills formed an important step toward circular resource use.

3.1.2.6. Innovation Through GCCA's Innovandi Network



Following the Global Concrete and Cement and Concrete Association (GCCA) Innovandi research network, GCC showed interest in using cementitious materials thereby reduced the clinker factor The reduction in clinker to cement ratio, helped to optimize the resource-intensive component of cement and enabled lowering Specific emissions of CO_2 per ton of Cement produced.

3.1.2.7 Alignment With Regional Decarbonization Efforts

Research on UAE cement decarbonization highlights the importance of materials and waste management in reducing environmental impact. GCC's initiatives align with these national and regional strategies by improving efficiency and reducing raw material intensity. Raw material conservation is not an isolated goal—it is embedded in GCC's broader sustainability strategy. By reducing emissions, recovering waste heat, adopting alternative fuels, and innovating in low-energy production, GCC effectively lowers its reliance on virgin raw materials. This creates a more sustainable production cycle, supports UAE environmental targets, and strengthens the company's long-term operational stability.

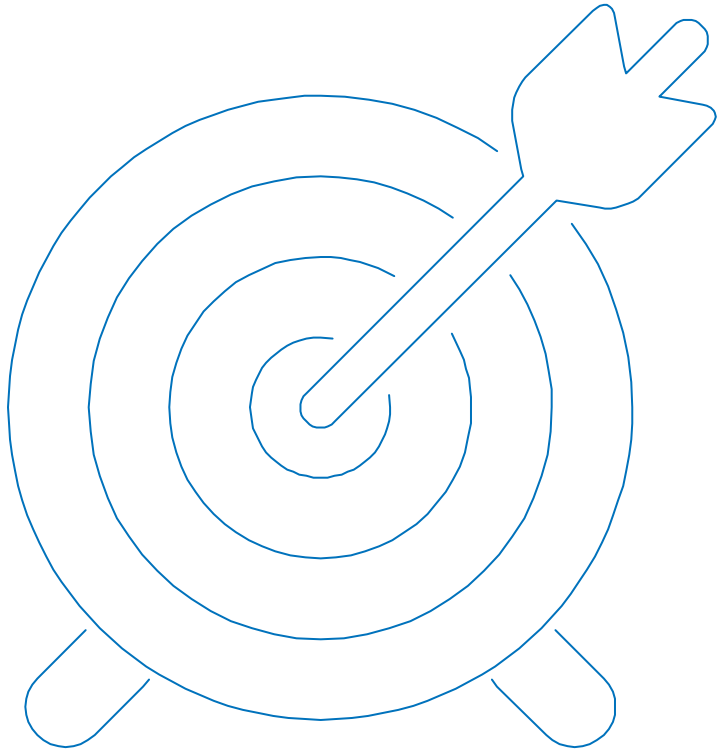
3.1.2.8 Switching to Partial Natural Gas: Fossil Fuel & Carbon Reduction

Natural gas is the cleanest-burning fossil fuel, producing significantly fewer pollutants than coal or heavy fuel oil. It emits 20–30% less CO_2 than oil and up to 50% less than coal during combustion. Lower sulfur oxides (SO_x), nitrogen oxides (NO_x), and particulate matter improve air quality and reduce regulatory pressure. enhances energy efficiency due to higher calorific value and more stable combustion. For the year 2025, company has used 40% natural gas for their clinker production.

3.1.2.9 Alternative Fuels & Raw Materials

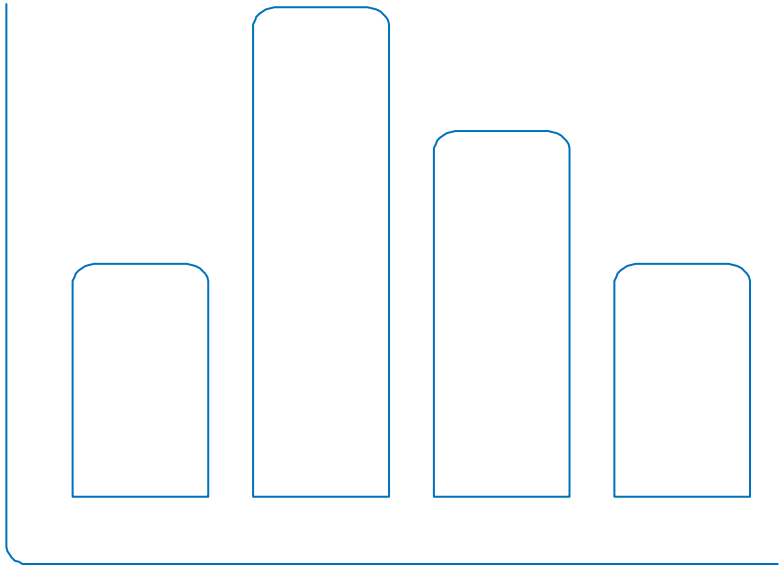
- Utilized industrial residues and alternative fuels to replace part of the clinker and fossil fuels.

- Reduced reliance on virgin raw materials and cuts CO_2 from clinker production—the most carbon-intensive stage.



3.1.2.10 Clinker Factor Reduction

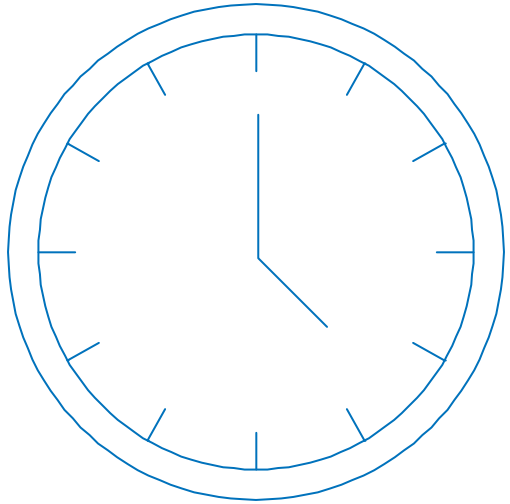
- GCC has lowered clinker content directly and reduced process emissions from limestone calcination following the .Global Cement and Concrete Association (GCCA) global initiative aimed at fostering innovation in the cement and concrete sector. The clinker factor was 0.94 during the year and aiming to lower it up to 0.90 for the year 2026.



3.1.2.11 Environmental Performance Monitoring

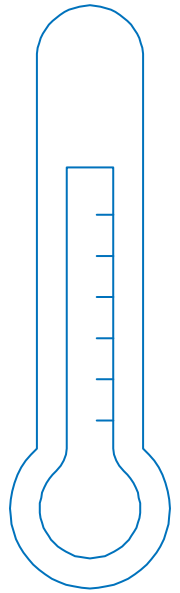
- Continuous monitoring of emissions and resource use to meet MOCCAE environmental compliance standards.

- Enhances transparency and ensures alignment with national sustainability reporting expectations.



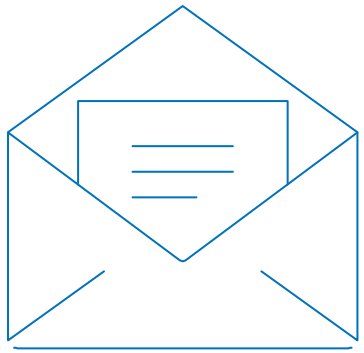
3.1.2.11.Energy Conservation Initiatives with REEM & Ras Al Khaimah Municipality

- Collaborates with REEM (RAK Energy Efficiency & Renewables Office) under Ras Al Khaimah Municipality
- Supports the RAK Energy Efficiency & Renewables Strategy 2040
- Aligns with emirate-wide goals for reduced energy intensity, cleaner industrial operations, and lower emissions.



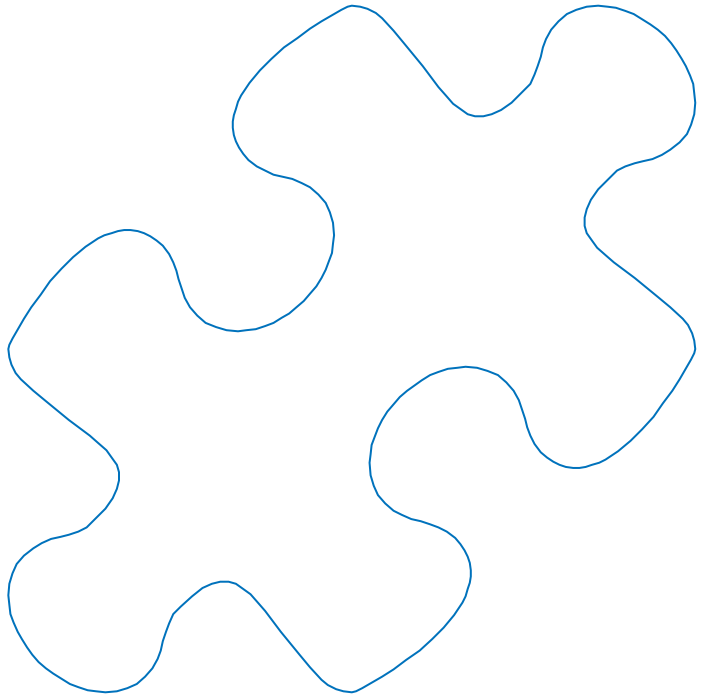
3.1.2.12 Key Energy Conservation Initiatives

- Conducts energy performance third party audits in coordination with REEM
- Implements recommended upgrades to meet RAK's industrial energy-efficiency standards Captures thermal energy from kiln operations
- Reduces fuel consumption and electricity demand Supports RAK's target for industrial energy optimization
- Lower energy consumption per ton of cement
- Reduced operational carbon footprint strong alignment with RAK's 2040 sustainability vision
- Demonstrates GCC's commitment to responsible, efficient, and future-ready manufacturing
- CO_2 emissions intensity trends (Scope 1 & 2)
- Fuel switching to natural gas
- Clinker-factor reduction initiatives
- Participation in GCCA Innovandi low-carbon research



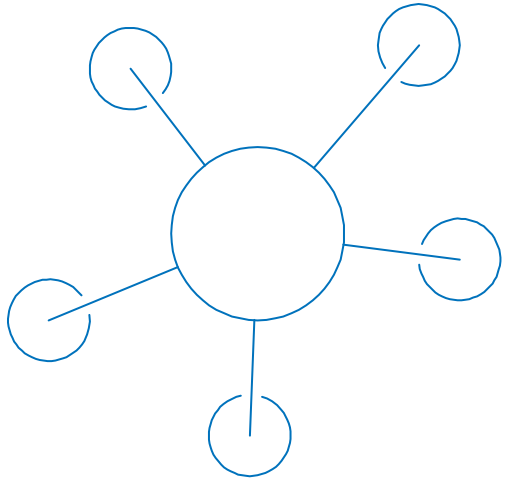
3.1.2.13 Air Quality & Emissions Control

- Dust-control systems and stack-emission monitoring
- Compliance with MOCCAE and RAK Municipality standards
- Continuous emissions monitoring systems (CEMS)



3.1.3.14 Resource Management & Circular Economy

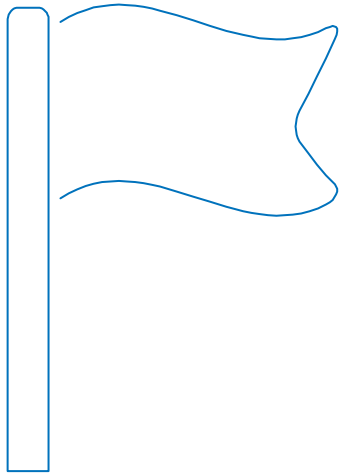
- Raw material conservation strategies
- Use of industrial residues and alternative fuels
- Water conservation and recycling initiatives
- Waste management and reduction performance



3.1.2.15. Carbon Reduction Benefits

Lower direct emissions:

- Reduced CO_2 per unit of energy helps industries meet climate-action targets.



Supports decarbonization pathways:

- Natural gas enables gradual transition toward hydrogen, carbon capture, and renewable integration and almost using 30% gaseous fuel with less carbon intensity in our operations for the year of Reporting.
- Operational efficiency is assigned as a KPI Indicators, monitored, and reported to the top Management for ensuring continual improvements.
- Cleaner combustion reduces maintenance needs and improves equipment lifespan.
- By switching from coal to natural gas, we could reduce our carbon footprint, which otherwise would have been on the higher side

Alignment with global and UAE sustainability goals:

- Supports national strategies for cleaner industrial energy and reduced carbon intensity.

3.1.3.15 Alignment With Global & National Frameworks

Ref also Section 3.3

United Nations Sustainable Development Goals (SDGs)

- SDG mapping for GCC initiatives

UAE National Sustainability Frameworks

- MOCCAE Green Agenda 2030
- UAE Net Zero 2050
- RAK Energy Efficiency & Renewables Strategy 2040

Industry Standards

- GCCA Sustainability Charter
- GRI Standards



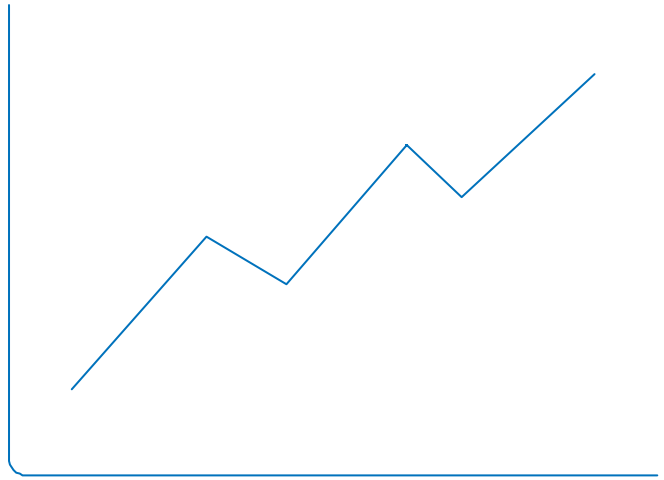
3.1.3.16 Our Achievements and Outlook – 2026 and Beyond

- To protect the environment GCC has initiated several steps in the plant including the state-of-the-art Bag filters with an emission levels of <5 mg/nm3 which is very stringent than the permissible levels by the regulations.

- GCC has installed a Continuous Emission Monitoring Systems (CEMS) which minutely monitors the emission levels from the chimney gases, as per the mandatory requirement for the stacks and have already linked the outputs to the ministry online.

- The ambient air quality is also strictly monitored for all the emissions, and particulates and sharing the output of the unit online with the Ministry.

- We have no violation on the environmental and have 100% compliance with the stipulated laws regarding the maintaining of emission levels.



3.1.3.16 Our Achievements and Outlook – 2026 and Beyond

Goals for Gulf Cement towards Sustainability mapping as highlighted below:

- Roadmap for further carbon-reduction initiatives and reach 750 kg CO2/T of clinker by year 2030 and support National Agenda for Net Zero by 2050.

- Digital transformation for energy and resource optimization.

- Expansion of alternative fuels and renewable energy and achieve minimum 10% Thermal Substitution Rate (TSR) through responsible sourcing of alternate fuels within the country. Continued alignment with UAE climate and sustainability goals. (Ref also Section 3.3.2 for the detailed goals)



3.2 Conservation of Natural Resources & Usage of Alternate Fuels

Cement manufacture is highly energy intensive, with fuel and energy accounting for majority of variable cost.

Energy is thus a prime concern for GCC, necessitating a constant focus on optimizing its consumption. The year 2025 became more crucial and important as we had entered a partner with MOCCAE in reducing the carbon footprints and achieve Net Zero in 2050.

3.2.2 Raw Water Consumption, Alternate Fuels & Recycled Water for Steam Turbine Generator

Water conservation is one of the most urgent environmental priorities of our time.

As global populations grow and climate patterns shift, freshwater resources are becoming increasingly strained. Sustainable water management ensures that communities, ecosystems, and future generations have reliable access to clean water. This begins with recognizing water as a finite resource and adopting practices that reduce waste and protect natural supplies.

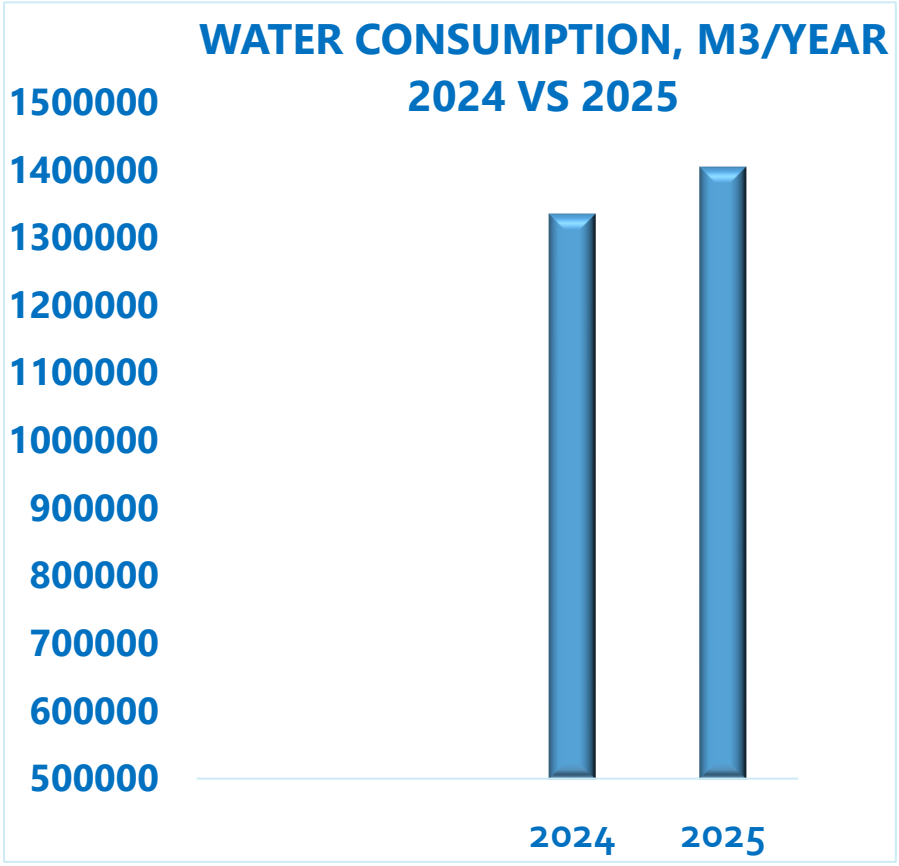
Sustainable water use involves both individual responsibility and large-scale policy efforts. Simple actions—such as fixing leaks, using water-efficient appliances, and reducing unnecessary consumption—can significantly lower household water use. On a broader scale, Gulf Cement Company played a crucial role by investing in recycling wastewater and conserve our natural resources effectively. These strategies not only preserve water but also reduce energy consumption, since water treatment and distribution require substantial power.

Ultimately, water conservation is about balance: meeting human needs while safeguarding the environment. By embracing sustainable practices today, societies can build resilience against droughts, support biodiversity, and ensure that clean water remains accessible for generations to come. It is a shared responsibility that demands awareness, innovation, and long-term commitment.

3.2.2 Raw Water Consumption, Alternate Fuels & Recycled Water for Steam Turbine Generator

Table 3.2.1 Water Consumption

Parameters	2024	2025
Total Raw Water(M^3)	1,334,108	**1,412,249**
STG Raw Water(M^3)	1,070,346	**1,137,141**
Recycled Raw Water(M^3)	183,044	**213,341**



Gulf Cement Company has been using Fresh Reverse Osmosis based water from local resources up to 1 million m3 per year. Most of the water (80%) is used for Power station. The water consumption is higher than normal for a cement plant operation since the company uses Fresh water in their Water-Cooled condenser.

Using the Recycling facility, freshwater consumption for Power Generation reduced from 6.068 to 5.651 m3/MWH, which is 7.4% lesser as compared to year 2024.

3.2.2 Raw Material Resources Conservation:

Conserving raw materials is essential for any resource-intensive industry, and cement manufacturing is among the most demanding. Cement production relies heavily on limestone, Silica, gypsum, and significant energy inputs. These resources are finite, and their extraction can cause land degradation, habitat loss, and increased carbon emissions. The conservation effort taken by the company has the following agenda:

- Extend the lifespan of natural reserves by reducing over-extraction.
- Lower environmental impact, especially emissions and waste.
- Improve operational efficiency, reducing costs and energy use.
- Support long-term industrial resilience, ensuring materials remain available for future production.

3.2.2 Raw Material Resources Conservation:

The raw materials used for year 2024 & 2025 are tabled below: We have used lesser raw materials in this year and promoted the use of alternate materials in place of Iron ore (139,426 MT) out of which a sizable portion was sourced from Dubai Dry dock world, a local company and promoted circular economy and prevented it going to the landfill. Approximately 99% of the raw materials are sourced locally to promote the In-country Value measures (ICV).

Table 3.2.2 Raw Material Consumption

Year 2024	Limestone	Silica (Red and White)	Copper Slag & Used Grits
% Usage	80.05	17.69	2.26
In MT	4,065,191	898,221	114,738
Year 2025	**Limestone**	**Silica**	**Copper Slag & Used Grits**
% Usage	**80.85**	**16.44**	**2.69**
In MT	**4,181,275**	**850,409**	**139,426**

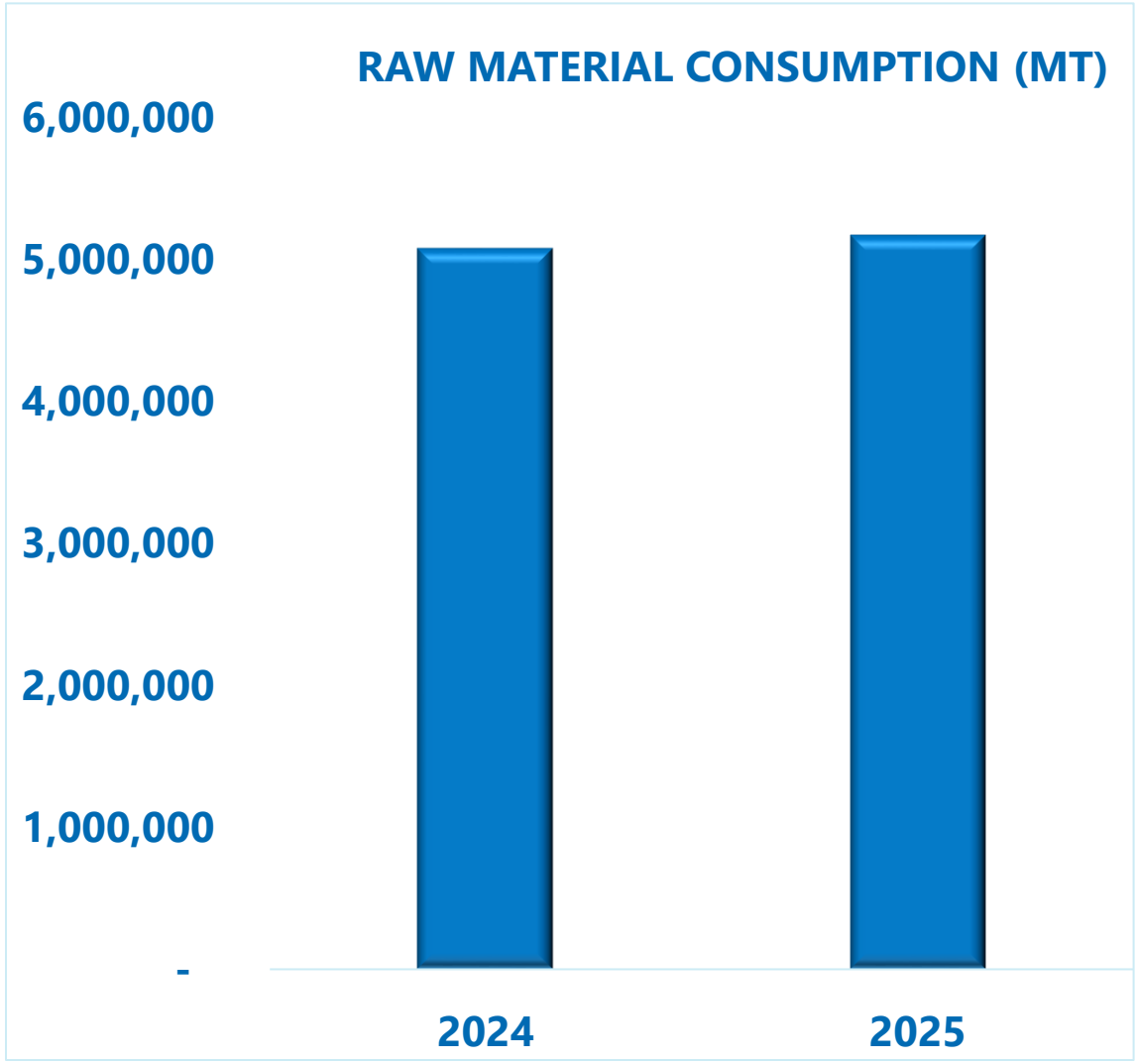
3.2.2 Raw Material Resources Conservation:

Used > 97% of raw materials, which are Locally Resourced.



Conservation of Natural Resources by using Alternate Raw material for Iron ore

139,246 mt .



3.2.3 Alternate fuels & Thermal Substitution Rate

Thermal Substitution rate was lower than the federal target of 10% as the feeding of the material is done only one line, as we do not have facility to recycle in Line No 1. No alternate fuels used in Q3/Q4 due to major shutdown of Line 2 taken in the months of September/October 2025.The availability of the material (RDFSRF/Other wastes) remained restricted.

Altogether, 30,000 MT of alternate fuels were sourced and used in the year.
The target for TSR% for the year 2026 is aimed at Minimum 10% by sourcing responsibly the RDF/other waste fuels in the Emirate.

Table 3.2.3 Alternate fuel usage/Thermal Substitution Rate (TSR)

Year	2024	2025
Thermal Substitution Rate %	2.24	**3.30**

3.2.3 Generation of Captive Green Power

Year 2025 saw a growth in the generation of WHR Power (Green Power) which stood at 199,372,000 KWH was better by 5.25% as compared to the year 2024 and contributed significantly towards reduction of Scope 2 Emission.

Table 3.2.3 Generation of Captive Power

	2024	2025
Gross Power Generation (Kwh)	**189,416,000**	**199,372,000**
Green Power generation (Kwh)	187,532,451	**191,233,356**

3.2. 4 Power Generation and Consumption

Table 3.2.4 Power Generation and Consumption

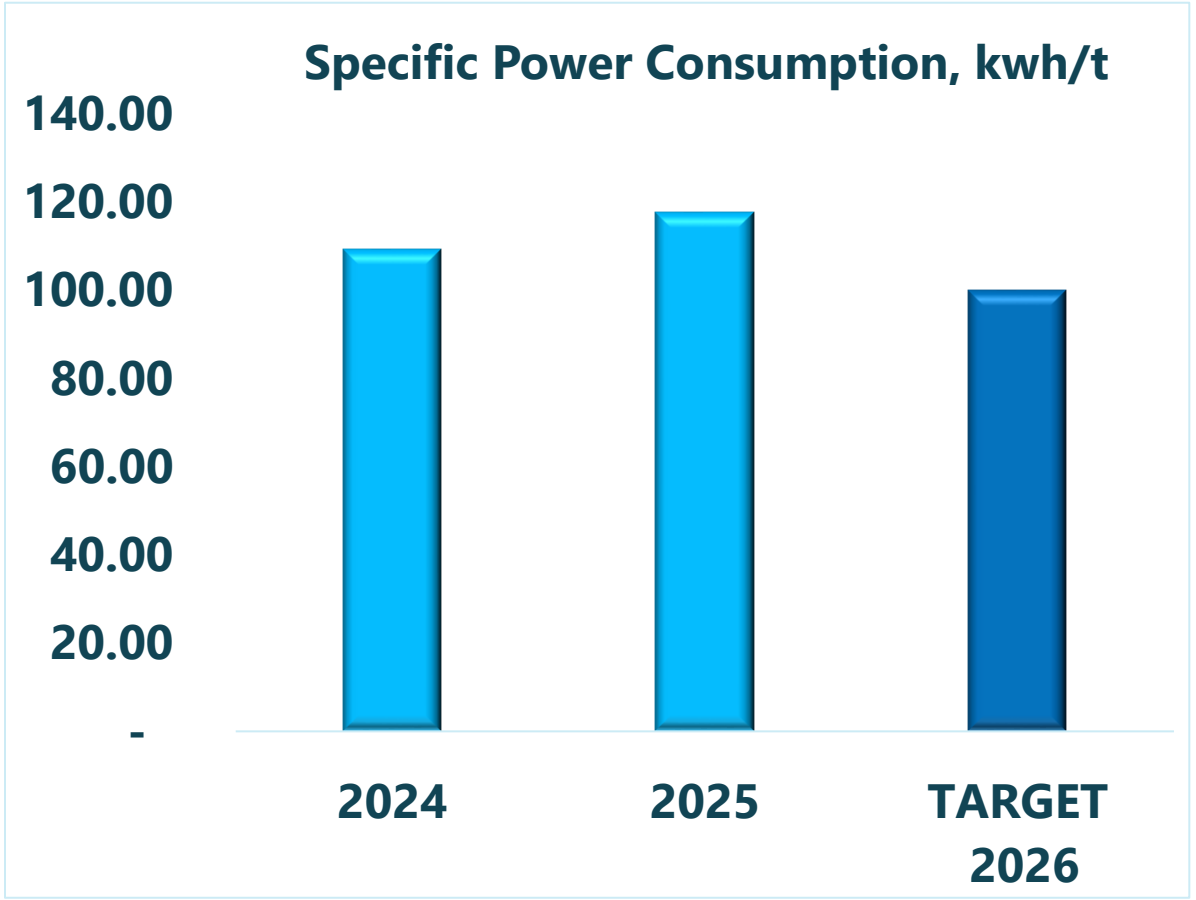
	2024	2025
Gas Turbine Power KWH	159,602,233	**147,545,275**
Steam Turbine Power, KWH	171,268,011	**178,646,891**
Etihad WE Power, KWH	63,934,606	**88,294,270**
% Gas turbine to total Power	40.43	**35.60**
% Steam turbine Power to total Power	43.38	**43.10**

3.2. 4 Power Generation and Consumption

Table 3.2.5 Specific Power Consumption

	2024	2025
Specific Power Consumption, KWH/T of clinker	66.92	**69.00**
Specific Power Consumption, KWH/T of Cement	42.68	**42.61**
Total Power consumption, KWH/T Cement sales	2.40	**2.07**
*** Overall, Power Consumption KWH/T**	109.32	**113.69**

Average overall specific power consumption increased by 3.99 % comparing with year 2024 due to long Kiln2 planned major shut down during September and October 2025 for middle tyre and shell changing work.



3.2.5 CO_2 Footprints Measurement:

The carbon footprints over the years have shown reduction on A/C of increased Natural gases in both Production process and power generation. Quantity of recycled RDF is over 20,000 MT GCC also sourced carbon Black material and utilized more than 10,000 MT in the year 2025, which also reduced our dependence of the fossil fuel. The above efforts have contributed to the reductions in our carbon footprints of the product.

Also, GCC as a part of BUZZI group interacted with Headquarters in ITALY to enter all the information's in a database "Tagetik" developed for CO_2 inventory calculations throughout its manufacturing facility. GCC will be now entering the data online with effect from the month of Jan 2026 so that we can go for live data.

GCC is also actively working with NCV, an UAE based Digital technology provider focused on Carbon Emission management. This will help GCC to develop and set their sustainability targets and eventually reach net zero goals.

Table 3.2.5 CO_2 Footprints measurement

	2024	2025
'Specific GROSS CO_2 (excl. CO_2 from on-site power generation, before capturing) - cem. e	**758**	**748**

3.3. United Nations Sustainability Development Goals

For more information on the UNSDS click:
https://unric.org/en/united-nations-sustainable-development-goals/

Gulf Cement company follows the Sustainable Development Goals (SDGs) are committed to its principles for the world's best plan to build a better world for people and our planet by 2030. We at Gulf Cement Company are committed to the economic growth of our society and address a range of social needs including, health, gender equality responsible Energy usage, optimize production efficiency. The SDGs are integrated in our policy —that is, they recognize our actions towards development balancing social, economic and environmental sustainability. Gulf Cement firmly commits itself towards the Goals set by United Nations. The following Goals are applicable for us

1. Good Health and Well-Being
2. Gender Equality
3. Clean Water and Sanitation
4. Affordable and Clean Energy
5. Decent Work and Economic Growth
6. Industry, Innovation and Infrastructure
7. Reduced Inequalities
8. Responsible Consumption and Production
9. Climate Action
10. Life Below Water
11. Life on Land



3.3.2 Gulf Cement Company Sustainability Goals

Gulf Cement Company has the following visions for a sustainable environment by Year 2030.

- Promote Initiatives towards Sustainability by following both the Federal Government, and Local government policies.
- Promote Sustainable Economic growth.
- Promote industrial innovation for conserving Energy.
- Promote recycling of all wastes in the plant & other sources in the Emirate
- Promote Good health and well-being by providing safe working environment to all.
- Promote Emiratization.
- Promote Gender equality by Emirati women participation.
- Promote transparency Management by code of conduct practices for suppliers and all workmen across the company.
- Active participation in the efforts taken by UAE Government towards achieving NETZERO by year

GCC Agenda on Environmental Key Performances

Participation in National Agenda on priority for all Sustainability related initiatives

Promote Sustainability in the Organization by Total Employee Participation

Achieve Plant Stability and reduce CO_2 Footprints for our Product lineup

Drive Fossil fuel Replacement with Alternate fuels in the Plant Production

Commitment to reduce both Electrical and Thermal Energy Consumption for our products

Events

3.4 Environmental Events

3.4.1 GCC Recycles RDF and Other Waste

3.4.2 GCC Cleans Up Medical/Medicine Waste From Recycling Companies

3.4.3 GCC Celebrates “World Environment Day”

3.4.4 GCC Participates in “The Journey to Net Zero Summit-2025 “by Khaleej Times

3.4.5 GCC Green Belt Developments

3.4.1 GCC recycles RDF and other waste

It was an important milestone for the company as it has installed an in-house facility for feeding Refused Derived Fuels/other materials. Gulf Cement Company thus made a significant contribution to the UAE's net zero commitments and global climate resilience. The total Quantity recycled was more than 30,000 MT in the year 2026 and aims to achieve >10% Thermal Substitution rate.

3.4.2 GCC Cleans up medical/medicine waste from Recycling companies.

The company has entered into an agreement with a local company for cleaning up the medical/medicine waste and has successfully recycled more than 82,000 Kg following the full guidelines of health ministry with topmost priority of health and safety to our Employees. As the process is done in our kilns, it did not result into any secondary waste (ash) as normally would have been generated if it were subjected to incinerators and prevented landfill of the same.

3.4.3 GCC Celebrates “World Environment Day”

On 5th June 2025, the World Environment Day was celebrated in Gulf Cement Company with full enthusiasm, and the event has attracted many Employees. Awareness on the ongoing efforts of the company policy towards Sustainability were highlighted to the employees and involvement from the top Management was seen during the celebrations. New Plantation of trees were done which will eventually cleanup the atmosphere and promote “Go-Green” activity in the company, which is a steadfast commitment towards the society with full responsibility.





3.4.4.GCC participates in “The Journey to Net Zero summit-2025 “by Khaleej Times

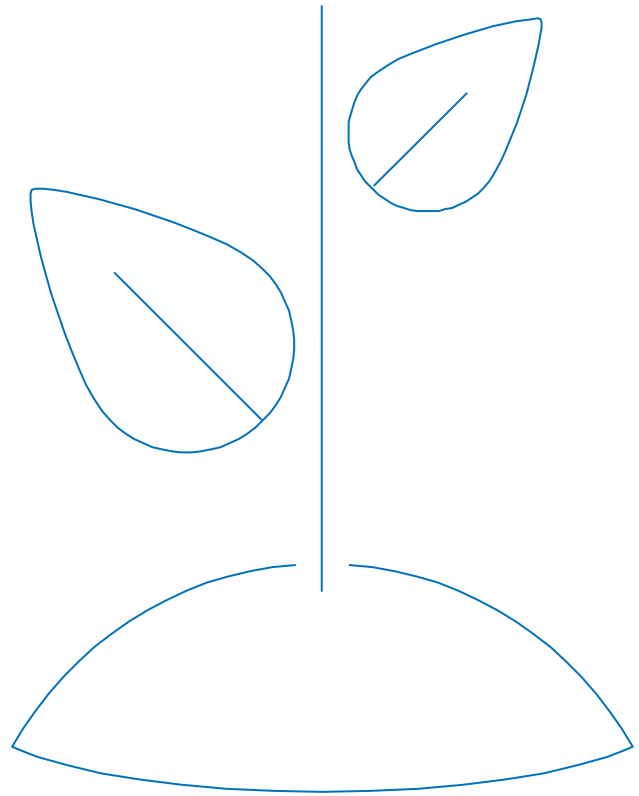
The 2025 edition took place on September 17 in Dubai, focusing on local action and global impact. The event was well represented by industry leaders, government officials, and innovators; The event was filled with breakthrough technologies and solutions that are accelerating the path to net zero. The Journey to Net Zero summit was an important event for Gulf Cement Company towards sustainability and climate action. The event had significant contribution to the UAE's net zero commitments and global climate resilience from Gulf Cement





3.4.5.GCC Green Belt Developments

GCC attached Importance in covering the plant with gardens and have developed new greenery and maintained the same. In the year 2026 ,GCC has planned for new areas for green belt development and subsequently will be covering more areas in future under greenbelt zones



CHAPTER 4

4.1 Safety & Health Management

4.1.1 Safety and Health Management
4.1.2 Risk Management & Critical Controls
4.1.3 Engineering & Process Safety Improvements
4.1.4 Competency, Training & Engagement
4.1.5 Occupational Health & Industrial Hygiene
4.1.6 Emergency Preparedness & Response
4.1.7 Digitalization & Data-Driven Safety
4.1.8 Contractor & Supply Chain Assurance
4.1.9 Compliance & Assurance
4.1.10 Future Commitments

CHAPTER 4

4.2 Health and Safety

4.2.1 Quality Health Safety and Environment Policy (QHSE Policy)

4.3 Safety and Health-Training and Accident Statistics

4.3.1. Accident statistics

4.3.2 Training imparted

4.3.3 Lost time Injury rate (LTI)

4.4 Safety and Health Events

4.4.1. Training and Awareness campaigns

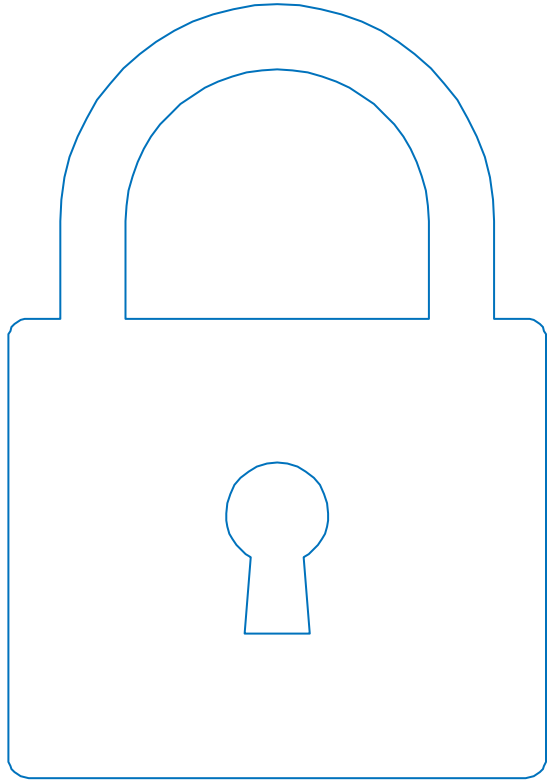
4.4.2 Departmental Tool Room Talks

4.4.3 Good House Keeping rounds

4.1 Safety and Health Management

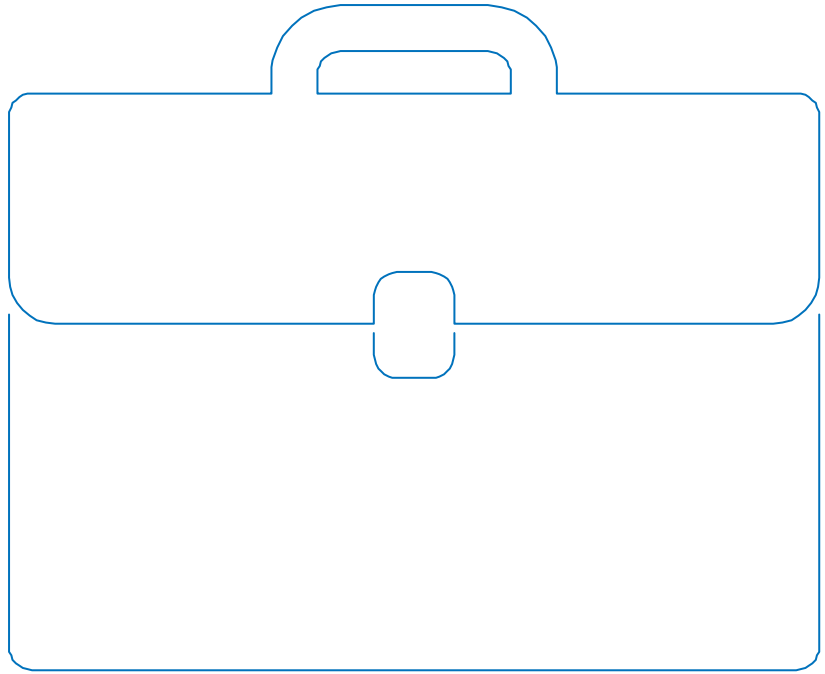
Gulf Cement Company (GCC) Safety & Health Improvements – Year 2025

In 2025, Gulf Cement Company (GCC) strengthened its commitment to a “Zero Accident” culture through leadership-driven safety, targeted risk controls, and data-led decision-making. The company advanced process safety in our operations, while improving occupational health protections across heat stress, respirable dust, and ergonomics. Investments in engineering controls, competency development, contractor oversight, and digital reporting have collectively enhanced safety performance and strengthened compliance with UAE laws and international best practice.



4.1.1 Leadership, Culture & Governance

The new Management led by our MD& CEO of the company has carried out walkdown in the plant and kept constantly advising the workforce on the importance of Safety and Good housekeeping in the plant and emphasized the need to keep the work atmosphere safe and clean to work: The new Management has a Quality, Health Safety and Environment policy which is fully implemented at all sections and levels in the company. The safety statistics were logged in a digital tracker with (Tagetik) and “Be safe” database within the company.



GCC also incorporated measures on:

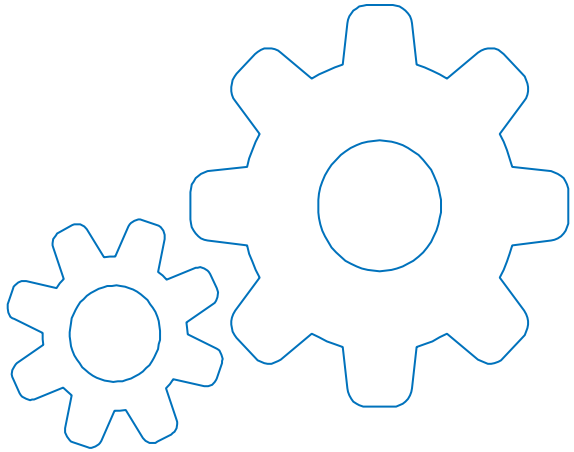
Promotion of Safety Ownership:
HSE KPIs integrated into performance plans for managers and supervisors; monthly dashboards reviewed by the top Management.

Updates of Policy & Standards Refresh:
Updated HSE Policy, and posters on HSE awareness are deployed in English, Arabic, and toolbox talk packs refreshed with visual hazard prompts.

4.1.2 Risk Management & Critical Controls

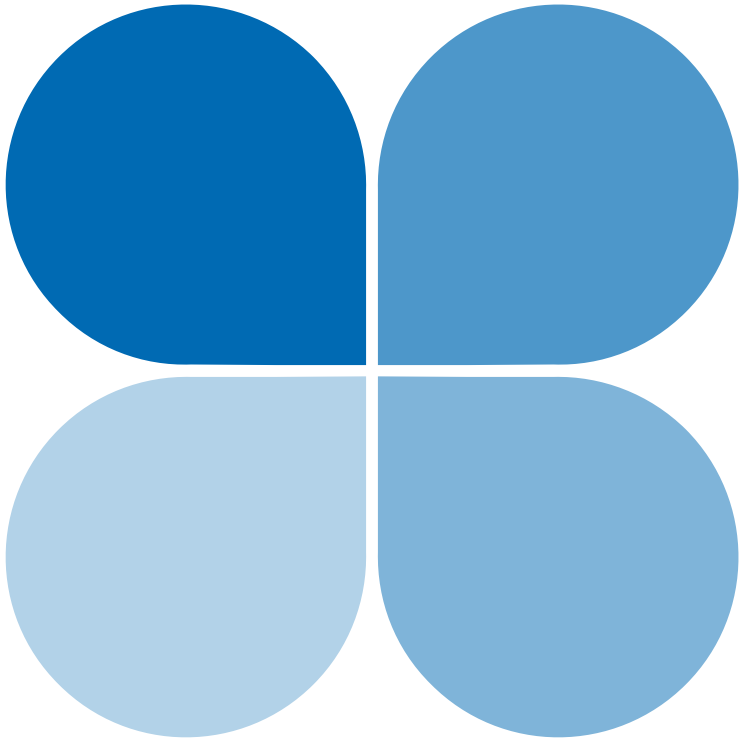
These control mechanism to reduce the risk are fully implemented in the plant such as:

- Energy Isolation (RAK-IN RAK-OUT -LOTO)
- A Working in Confined Space
- Restrictions on Mobile Equipment usage during pedestrian Interaction in the company
- Working at Height (maintenance, baghouse, preheater tower)
- Hot Work & Fire/Explosion Risk (kiln, coal mill, fuel handling)
- Critical Risk Verifications (CRVs): Supervisors conducted routine field verifications of critical controls (barricading, , LOTO tags, fall protection, spotters).
- Management of Change (MoC): Enhanced MoC process for equipment modifications (e.g., kiln burner adjustments, guard redesigns), integrating HAZOP-style reviews and pre-startup safety checks.



4.1.3 Engineering & Process Safety Improvements

Machine Guarding & Interlocks:
Retrofitted fixed guards and tamper-proof interlocks on conveyors, crushers, and rotating equipment; introduced hold-to-run jog controls for maintenance.



Traffic Separation:
Re-marked pedestrian walkways, added physical barriers at loading areas, instituted dedicated truck routes with speed limiting and reversing alarms; implemented banksman training and standardized hand signals.

Dust Control & Housekeeping:
Upgraded bag filters and added local exhaust ventilation in transfer points; established 5S zones and daily visual cleanliness checks to reduce slip/trip hazards and combustible dust risk.

Energy Isolation (LOTO):
Issued standardized lock kits, color-coded tags by trade, and shadow boards; conducted quarterly spot audits on LOTO quality and isolation points.

4.1.4 Competency, Training & Engagement

Role-Based Training Matrix:
Mapped mandatory training by role (e.g., kiln operators, fitters, electricians, lab techs, drivers).

High-Risk Work Training:
Practical drills on confined space rescue, emergency evacuation from preheater, working-at-height rescue kits, and hot work fire watch.

Contractor Induction & Control:
Implemented a two-tier contractor induction (general + task-specific), Risk Assessments and supervisor participation in full. Contractor HSSE performance included in selection and renewal criteria.

If the contractor workmen need more than 15 employees for a given task, then the contractor has to mandatorily fulfill the following:

- ✓ Provide the Safety and Environment awareness of the company Method Statement submission
- ✓ Addressed fully the workmen compensation
- ✓ Submit the Assessment on Employee competence levels
- ✓ Appointing a EHS engineer to take care of the personnel deployed inside GCC premises
- ✓ Provide PPE for the workmen.

Near-Miss & Hazard Reporting: Introduced the reporting workflow and will be in full implementation in year 2026.

4.1.5 Occupational Health & Industrial Hygiene

Dust & Silica Exposure Control:
Respirable masks were issued to all workmen to prevent any issues on health while working in dust and at crushers, mills, and packing plant. Upgraded wet suppression at material unloading Hoppers and belt transfer points. Fit-testing of tight-fitting respirators; deployment of reusable elastomeric respirators where appropriate.

Heat Stress Management:
Heat index monitoring integrated with work-rest cycles and prevention of working in hot sun as per the Ministerial guideline and provision of electrolyte hydration (Lemon and Salt), cool drinking water facility and, shaded rest areas and paved way for health of both Employees and stake holders.

Noise & Vibration:
Baseline noise mapping; rotation plans and engineered acoustic panels in high dB zones; anti-vibration gloves for specific roles.

Health Surveillance:
l Pre-employment and periodic medicals coverage are provided to all the working employees under company insurance and are advised to undertake full precaution by periodic screening (Illness-Wellness). The company also has organized camps for blood donations, eye checkup, sugar and blood Pressure monitoring on a regular basis for the benefit of the employees.

4.1.6 Emergency Preparedness & Response

- Drills conducted for preparing for Emergency Preparedness and Response in the factory.
- Trained Emergency Response Team
- GCC conducted multi-scenario drills involving the employees and organized First Aid training by the company.
- Updated site layout, hydrant map, and shutoff valves documentation and were maintained as per the UAE Civil Defense requirements

4.1.7 Digitalization & Data-Driven Safety

Updating the Safety Performance of the company on “Tagetik” data base and maintaining the requirements of Safety Reporting through “Be safe”

Deployed for near-miss reporting, inspections, action tracking, and permit management; automated reminders and analytics dashboards for closure performance.

Root-Cause Learning:
Adopted investigations for recordable incidents and with corrective and preventive actions (CAPAs).

4.1.8 Contractor & Supply Chain Assurance

Pre-Qualification & Onboarding:
HSE performance

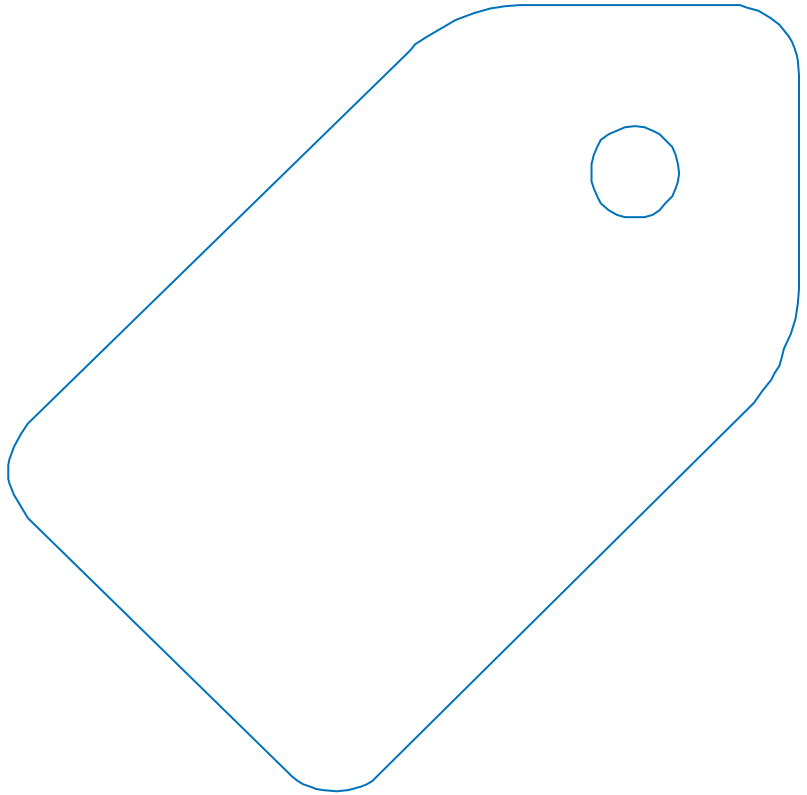
Field Verification: Random Safety Inspection/ audits on contractor tasks; stop-work authority reinforced and exercised without negative repercussions.

Shared Accountability: Joint toolbox talks, co-signed risk assessments, and weekly interfaces between GCC supervisors and contractor leads.

4.1.9 Compliance & Assurance

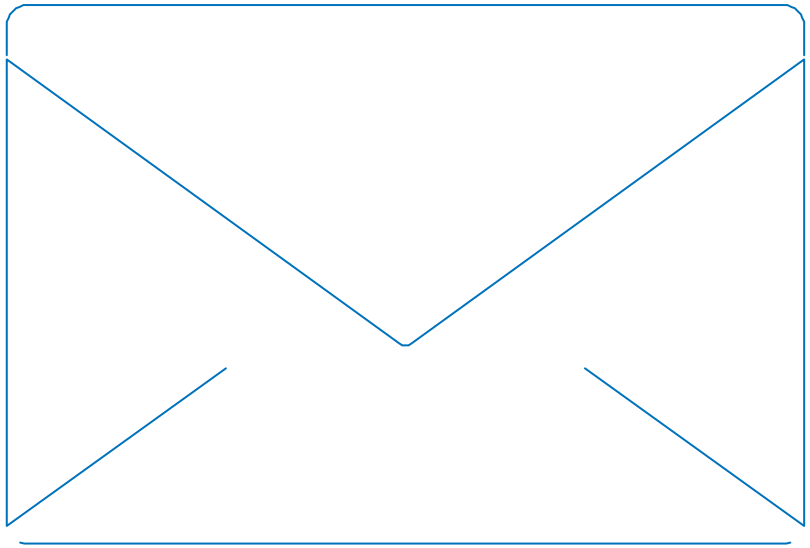
Legal Compliance are ensured by:

- Internal audits against UAE federal and emirate-level HSE requirements; action plans implemented for findings with on-time closure.
- Maintained ISO 45001 system certification by all related operational control, emergency planning, and performance evaluation.



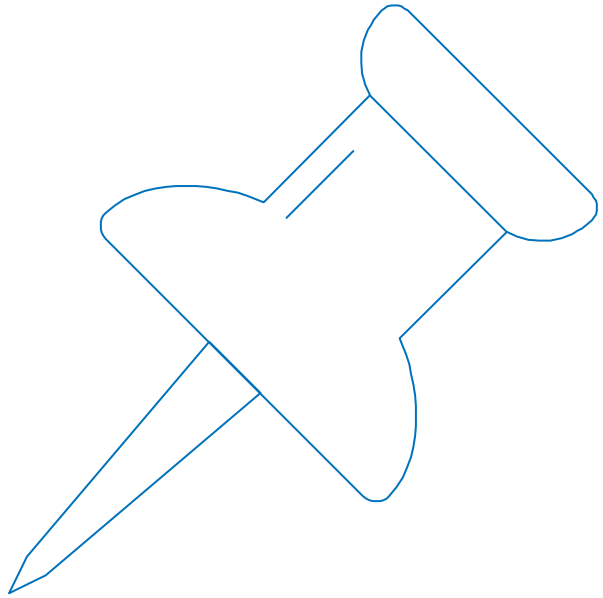
4.1.10 Future commitments:

- To focus fully on Safety and Environment and achieve Zero Accidents and zero violations with respect to environmental Regulations.
- To align fully with the Policies of Buzzi for Safety and Environment requirements in the Plant.
- Target set for Zero accidents and Lost Time Injury
- Implement Health and Safety for all the Employees and stake holders of the company



4.2 Quality, Health, Safety and Environment Policy

Gulf Cement Company is specialized in Manufacturing, Storage, Marketing and Sales of all types of cement (OPC/SRC/MSRC/OWC), fly ash and GGBS for UAE markets and abroad. Top Management recognize the significance, accordingly prepared, documented, established and implementing an Integrated Management System (IMS) aligned with all applicable legal regulations, code of practices and international standards ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, API Spec Q1 10th Edition and API Spec 10 A requirements.



4.2 Quality, Health, Safety and Environment Policy

We aim to achieve the objectives by:

- Produce highest quality of cement in timely manner, which will conform to the international standards/Specifications including Oil well cement.
- Follow all statutory regulations and provide continuous training for all concerned employees in the required fields.
- To demonstrate continual improvement of its product including Oil well cement and the effectiveness of QMS through measurements of Quality Objectives in line with the quality policy.
- Proper communication and consultation with employees, other involved parties regarding company policy, procedures and commitments to improve their awareness and contribution to maintain legal compliance, client requirements and suggestions for continual improvement of the IMS.
- Careful selection, allocation of competent personnel, performance evaluation, providing specific trainings, safe work procedure, proper tools and safe equipment to perform activities in utmost safety to prevent injury and ill health.
- Performing maintenance inspections, audits, implementation of proper corrective actions to control or eliminate all potential non-conformities to ensure Quality, Health, Safety and Environmental conformities and legal compliances
- Conducting proactive hazard/aspect identification, risk/impact assessment, determination and implementation of reliable control measures for continual improvements.
- Promoting involvement of all personnel attention for emergency response and maintaining positive HSE culture on all work sites, company camps and offices.
- Promoting pollution prevention by enforcing Reduction, Recycle and Reuse practices, avoidance of misuse of water and fuel, toxic emission prevention, waste disposal as per regulation for assuring a safe, healthy survival and for pleasant future.
- Setting and reviewing QHSE objectives & targets on periodic basis and set further targets with respect to Quality, Health Safety and Environmental Management system.

4.2 Quality, Health, Safety and Environment Policy

"This policy and quality objectives are communicated, understood and implemented and maintained t all relevant functions and levels of the organization as well as being reviewed periodically for assessing the opportunities for improvement and changes if any needed to them and shall be made to any interested party or member of public on demand."

Jose B. Sena
CEO & Managing Director
Rev 4 Issue date 01.01.2026

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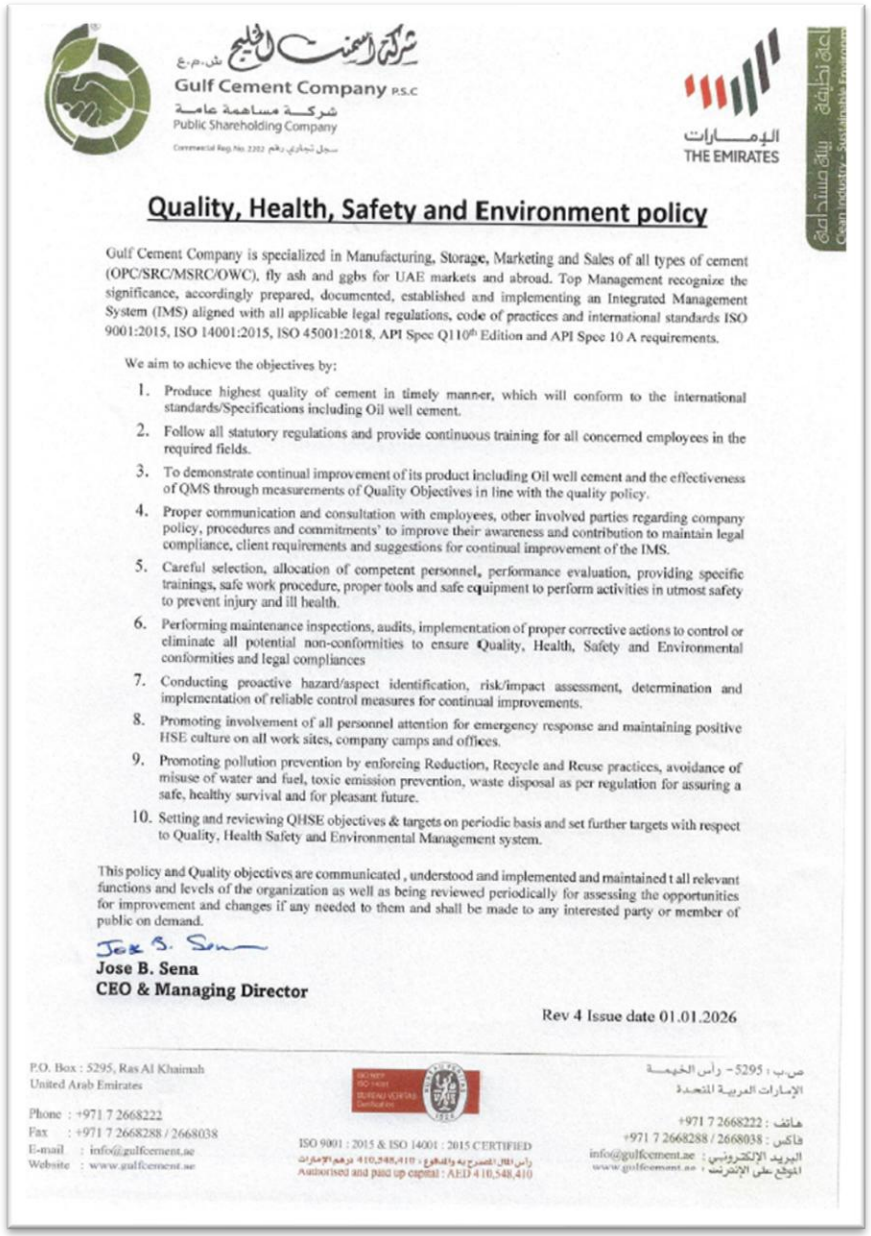

شركة أسمنت الخليج ش.م.ع
Gulf Cement Company P.S.C
شركة مساهمة عامة
Public Shareholding Company
سجل تجاري رقم 2202

الإمارات
THE EMIRATES

إعادة تدوير | بيئة مستدامة
Cement Industry - Sustainable Environment

Quality, Health, Safety and Environment policy

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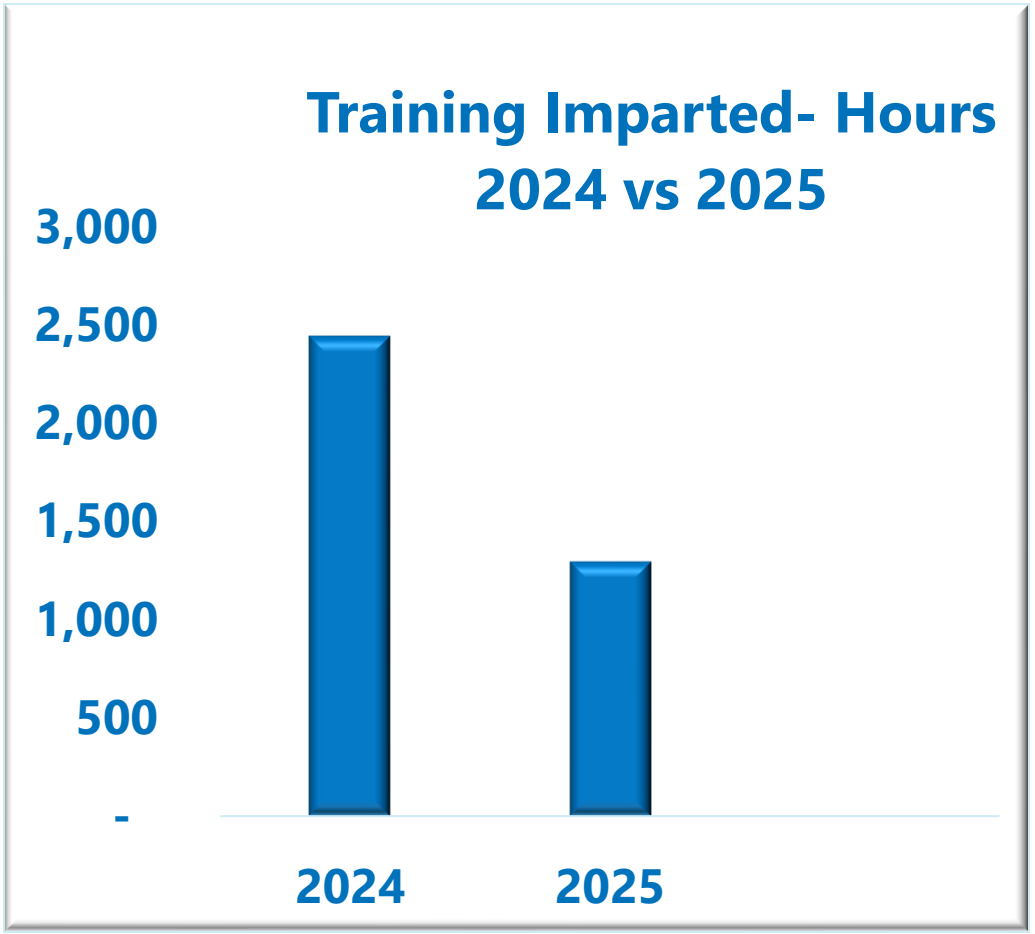
4.3.2 Training imparted

Table 4.3.2 Safety and Health Related trainings

	2024	2025
No of Hours training imparted	**2440**	**1294**

As both the manufacturing lines were taken up for major shutdown during the Q3 and Q4 training hours have reduced in the year 2025.



4.3.3 Lost Time Injury Rate

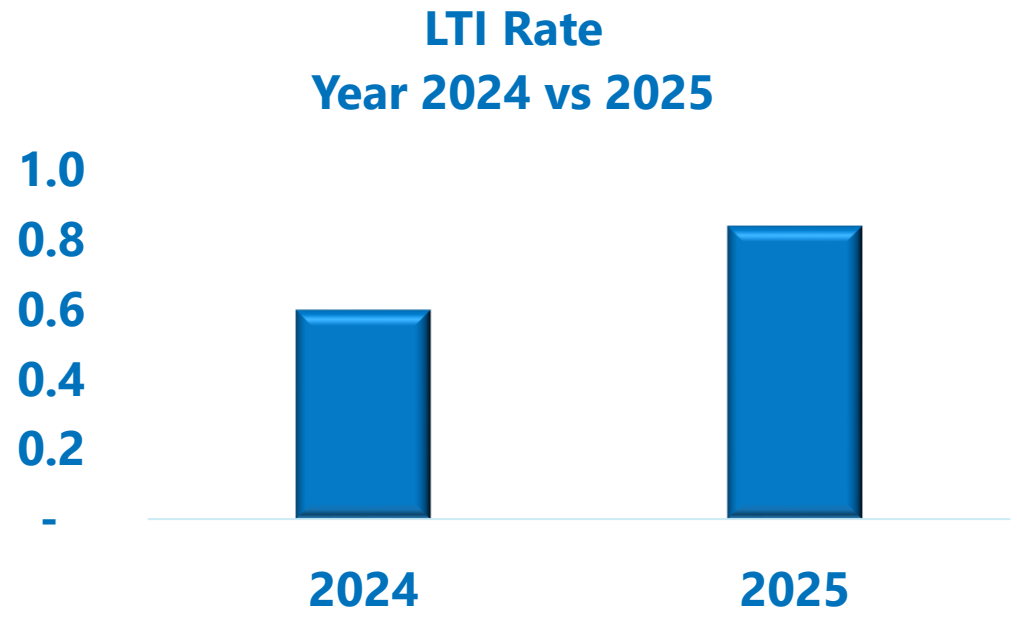
Every LTI comes with immediate financial burdens such as medical bills, workers' compensation claims, and potential legal fees. In GCC, the average compensation cost of a lost-time claim was over ? in 2025

It also adds to Indirect Costs, drains productivity and causes reputation risks to the company.

GCC Constantly measures the LTIR and for the year it rose to 0.84 as compared to the previous year but remain closer to the industrial standards

Table 4.3.3 LTI Rate

	2024	2025
LTI Rate	0.60	0.84



4.4 Safety and Health Events







CHAPTER
5

Global Reporting Initiatives

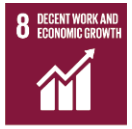
(GRI Content Index)

ADX Content of Index

Category	Metric	Corresponding GRI Standards	Corresponding SDG	Page no.
ENVIRONMENT	E1. GHG Emissions	GRI 305: Emissions 2016		115
	E2. Emissions Intensity	GRI 305: Emissions 2016		115
	E3. Energy Usage	GRI 302: Energy 2016		112-114
	E4. Energy Intensity	GRI 302: Energy 2016		112-114
	E5. Energy Mix	GRI 302: Energy 2016		112-114

Metric	Corresponding GRI Standards	Corresponding SDG	Page no.
E6. Water Usage	GRI 303: Water and Effluents 2018		106-107
E7. Environmental Operations	GRI 103: Management Approach 2016		55-56, 105-115
E8. Management Environmental Oversight	GRI 102: General Disclosures 2016		5-8
E9. Board Environmental Oversight	GRI 102: General Disclosures 2016		5-8
E10. Climate Risk Mitigation			N/A

Category	Metric	Corresponding GRI Standards	Corresponding SDG	Page no.
SOCIAL GOVERNANCE	S1. CEO Pay Ratio	GRI 102: General Disclosures 2016		18.8:1
	S2. Gender Pay Ratio	GRI 405: Diversity and Equal Opportunity 2016		3.98:1
	S3. Employee Turnover	GRI 401: Employment 2016		10.2%
	S4. Gender Diversity	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016		69-71
	S5. Temporary Worker Ratio	GRI 102: General Disclosures 2016		N/A
	S6. Non-Discrimination	GRI 103: Management Approach 2016		73-76

Metric	Corresponding GRI Standards	Corresponding SDG	Page no.
S7. Injury Rate	GRI 403: Occupational Health and Safety 2018		143
S8. Global Health and Safety	GRI 103: Management Approach 2016		138-142
S9. Child and Forced Labour	GRI 103: Management Approach 2016*		74
S10. Human Rights	GRI 103: Management Approach 2016		74
S11. Nationalization (Percentage of nationals in the total workforce)			72
S12. Community Investment	GRI 413: Local Communities 2016		49-51

Metric	Corresponding GRI Standards	Corresponding SDG	Page no.
G1. Board Diversity	GRI 405: Diversity and Equal Opportunity 2016		29
G2. Board Independence			28
G3. Incentivized Pay			N/A
G4. Supplier Code of Conduct			47
G5. Ethics and Prevention of Corruption			41

Category	Metric	Corresponding GRI Standards	Corresponding SDG	Page no.
GOVERNANCE	G6. Data Privacy			57
	G7. Sustainability Reporting			GCC publish a stand-alone sustainability report as well as integrate sustainability information in its Integrated annual report.
	G8. Disclosure Practices			This year in our ESG Report, GCC covered SCA guidelines as mentioned in unified ESG ADX disclosures index, which are mapped against GRI Standards and the SDGs. Our previous sustainability reports were published in accordance with GRI Standards.
	G9. External Assurance	GRI 102: General Disclosures 2016		GCC report is not verified by a third-party audit firm, but we have engaged in an internal assurance process.

CHAPTER
6

GLOSSARY & ABBREVIATIONS

- ADX - Abu Dhabi Securities Exchange (ADX), United Arab Emirates
- BUZZI – Buzzi Unicem S.p.A. is a major Italian building materials manufacturer, primarily producing Cement, Ready-mix concrete &Construction aggregates
- CSR - Corporate social responsibility
- EPDA- Environment Protection and Development Authority, Ras Al Khaimah, UAE
- ESG - Environmental, Social and Governance
- GCC - Gulf Cement Company, a PSC company in U.A.E. Ras Al Khaimah
- GRI - Global Reporting Initiative, which is an international framework recommended for reporting progress against Sustainable Development.
- GPS - Global Positioning System
- GHG- Greenhouse Gases are the gases that absorb and emit radiation within the thermal infrared range of the earth's atmosphere.

- KWh - kilowatt-hour, a standard unit of energy.
- LTI- Lost Time Injury Rate
- MOCCAE- Ministry of Climate Change and Environment
- MOHRE- Ministry of Human Resources & Emiratization
- MWh - megawatt-hour, a standard unit of energy. Megawatt, a unit of power equal to one million watts
- NAFIS -
  National Program for Emirati Human Resources Development, is a federal initiativ e aimed at increasing the employment of UAE nationals in the private sector thro ugh various support programs and incentives.
- NOx - A generic term for Nitrogen oxides usually refers to it as an air pollutant.

- NRCC- National Register for Carbon Credits, a nationwide regulatory system created under UAE Cabinet Resolution No. 67 of 2024.
- OEM - Original Equipment Manufacturer
- PPE - Personal Protective Equipment- Protective clothing, helmets, goggles, or other garments or equipment designed to protect the wearer's body from injury.
- REEM- Energy Efficiency & Renewables Office under Ras Al Khaimah Municipality
- SOx A generic term for Oxides of Sulfur usually refers to it as an air pollutant.
- SDG- Sustainable Development Goals
- Sustainable Development - Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

- Sustainability Reporting – A practice of measuring, disclosing, and being accountable to internal and external stakeholders for organizational performance towards the goal of sustainable development.
- UNSDGS - United Nations Sustainable Development Goals is an intergovernmental set of aspiration goals officially known as Transforming Our World: The 2030 Agenda for Sustainable Development.
- UNGC -United Nations Global Compact is an UN initiative to encourage global businesses to adopt ten principles covering Human Rights, Labor Standards, Environment and Anticorruption
- WHR - Waste Heat Recovery - Generating power by utilizing waste heat from preheater and cooler gases, by producing steam running the Steam Turbine Generator.

Thanks

شركة أسمنت الخليج ش.م.ع
Gulf Cement Company P.S.C

Governance Report
2025

Gulf Cement Company was established in 1977 in the Emirate of Ras Al Khaimah, United Arab Emirates. The company's plant is located in the Khor Khuwair area of Ras Al Khaimah, enjoying a prime strategic location near major limestone quarries, the primary raw material for cement production.

The plant's proximity to Saqr Port facilitates the efficient import of equipment and materials, as well as the export of cement, clinker, and granulated blast furnace slag (GGBS).

Gulf Cement Company is one of the leading cement producers in the UAE, with a current authorized capital of AED 410,548,410. It is a public joint-stock company listed on the Abu Dhabi Securities Exchange. Since its establishment, the company has implemented numerous major development and expansion projects to enhance its production capacity and operational efficiency.

Gulf Cement Company adopts an integrated approach to corporate governance, inspired by the principles outlined in the Corporate Governance Guide for Listed Public Companies, as well as leading local and international best practices. The company has established a comprehensive system of internal policies, controls, and regulations governing its corporate structure.

Gulf Cement Company affirms its full commitment to complying with all laws, regulations, and decisions issued by the competent regulatory authorities. These provisions apply to members of the Board of Directors, the Executive Management, and all employees in the performance of their duties and responsibilities.

(1) Procedures taken to complete the corporate governance

Gulf Cement Company adopts a set of rules, controls and charters that achieve institutional discipline in the company's relations and management in accordance with international standards and methods by defining the responsibilities and duties of the board of directors and senior executive management of the company and taking into consideration the protection of shareholders 'and stakeholders' rights. The company is keen to communicate with the related authorities and public in order to maintain its position locally, regionally and globally.

The company is committed to implement the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and In line with this commitment, the Company issues its Corporate Governance Report approved by the Chairman of the Board of Directors, which includes all data and information in accordance with the template prepared by the CMA. This reflects the Company's strong commitment to the proper and optimal implementation of corporate governance rules, thereby reinforcing the principles of transparency, integrity, and accountability in line with internationally recognized best practices.

Corporate Governance

1. Implementation of policies, procedures and resolutions issued by the CMA on the standards of institutional discipline and corporate governance of public shareholding companies. In addition, commit to applying best practices in relation to the Board of Directors and its committees and dealing transparently with the external auditor and implementing the resolutions of the General Assembly.
2. Formulation of business rules regarding the transactions of the company's Board of Directors, employees and insiders, in addition, formation of a committee working to follow up and supervise all transactions of insiders in the company's shares.
3. Board of Directors has taken all necessary measures to maintain the complete confidentiality of the company's data and information which has a significant impact in a precise manner to ensure that it is not exploited and to put in place effective contractual arrangements whereby the other parties are aware of company's internal data, information about its customers to maintain the confidentiality of such data and information and not to misuse, direct or indirect transfer of such information to any third parties.
4. All insider's parties to sign on an official declaration that confirm their knowledge that they acquire internal data and information related to the company and its customers and bear all the legal effects in case of leaking this information or data or giving advice on the basis of the information in possession and to notify the company of any transactions on its shares before and after such transactions.
5. Commitment of any Board of Directors member, who has joint or conflicting interest in a transaction to inform the Board of Directors to take a decision thereof and to be recorded in the minutes of the meeting and the related member shall not vote on that decision.

6. The company's keenness to carry out its business transparently and to adopt the disclosure and transparency policy of the company in accordance with the requirements of regulatory authorities and legislations in force:
    - Disclosure of periodic reports, material information, the ownership of insiders and their relatives, transactions of related parties with the Company, and the advantages to the members of the Board of Directors and the senior executive management.
    - Provide information to shareholders and investors accurately and clearly and at the specified times.
7. All the shares issued by the Company within the same class of shares are equal in rights and obligations and proven to the shareholder all the rights related to the shares in accordance with the provisions of the Companies Law. The Article of Association of the Company and its internal regulations include the procedures to ensure all rights of shareholders.
8. The Board of Directors formed permanent committees affiliated to it directly and work in accordance with the standards of corporate discipline and governance of public shareholding companies to carry out their responsibility according to the authority granted to them.
9. Adopting written detailed rules and regulations for internal audit that define the duties and responsibilities in accordance with the policy approved by the Board of Directors and the general requirements and objectives in order to follow up the compliance with the provisions of the laws, regulations and resolutions in force and the requirements of the regulatory authorities.
10. All members of the Board of Directors, its employees and its auditor shall have committed to the rules of code of conduct, policies and internal regulations, and abide by the applicable laws and regulations.
11. Continuous updating the website of the company, which includes all the information related to the company https://www.gulfcement.ae/ to enhance disclosure and transparency, and to present any new or material decisions, and is a means to reach the shareholder to see all events directly.
12. Continuous updating of the “Investor Relations Portal” https://www.gulfcement.ae/investor-relations through which the company seeks to enable investors to have direct access to the latest information.

The Company is applying all the provisions of the laws, regulations and decisions in force and the requirements of the supervisory authorities in an optimal manner. These provisions and rules shall apply to the members of the Board of Directors of the Company and the executive management and its employees in the performance of their duties.

(2) Ownership and transactions of the members of the Board of Directors, spouses and children thereof in the Company's securities during the year 2025

A. The rules of the transactions of the board of directors and employees of the company

The Board of Directors of the Company has adopted written rules regarding the transactions of the Board of Directors of the Company and its employees and insiders in its shares. The members of the Board of Directors of the Company are among the persons familiar with the Company's financial data and internal information. The Board of Directors is keen to raise the level of transparency in disclosure and full compliance with the laws and regulations of authorities and markets, the following has been done:

- The committee is responsible for the management, follow-up, and supervision of insiders' trading and their ownerships, and keep their record.
- Prepare a special and integrated register for all insiders, including persons who may be considered as persons with temporary insiders and who are entitled or have access to the company's internal information prior to publication. This record includes the prior and subsequent disclosures of the insiders.

The rules of trading of the members of the Board of Directors of the Company, its employees and insiders in its shares expressly stated the prohibited trading periods provided for in Article No. (14) of Resolution No. (2) for the year 2001 issued by the Board of Directors of CMA regarding the system for trading and clearing, which stipulates that the chairman and members of the board of directors of the listed company are prohibited from trading their securities and their general manager or any of the employees who are aware of the material information of the company trading with himself or for his account by third parties or in any other capacity for the account of others. The parent company, affiliate, sister or associate of that company if any of these companies are listed on the market during the following periods:

- Before ten (10) working days from the announcement of any material information, unless the information is the result of sudden events.
- Before fifteen (15) days from the end of the quarter, semi-annual or annual financial period until disclosure of the financial statements.

B. The table below shows the shares owned by the Board of Directors and transactions as of 31 December 2025 as follows:

S/N	Name	Position /Relationship	Shares Held as at 31/12/2025	Total Sale Transactions	Total Purchase Transactions
1	Sheikh Omar Saqer Khaled Alqassimi	CHAIRMAN	-	- -	- -
2	Mr. Husam Mohammed El-Sayed Hussein Represented by (Al-Khair National For Stocks & Real Estate Co. W.L.L.)	VICE CHAIRMAN	- 5,000	- -	- -
3	Mr. Esmaeel Hasan Esmaeel Mohammed Alblooshi	MEMBER	5,000	-	-
4	Mr. Dirk Beese	MEMBER	-	-	-
5	Mr. Jose Bernardo Sena Peralta	MEMBER	-	-	-
6	Ms. Benedetta Buzzi	MEMBER	-	-	-
7	Ms. Aarefa Saleh Hareb Alfalahi	MEMBER	5,000	-	-

Based on the above table and controls:

- There are no transactions on the company's shares during the fiscal year 2025 by relatives of board members (spouse and children), based on the declarations submitted by them.

- All members of the Board of Directors and the Company's insiders complied with the regulations and decisions governing their transactions in the Company's securities during the trading prohibition periods.

(3) Board of Directors

The Board of Directors is the authority entrusted with exercising all powers necessary to manage the Company and to undertake all acts and transactions on its behalf within the limits authorized to achieve its objectives. These powers are only restricted by the provisions stipulated in the law or those assigned, under the Company's Articles of Association, to the General Assembly.

The Board of Directors consists of seven members elected by the General Assembly through cumulative secret voting, ensuring fair representation and reinforcing the principles of transparency and integrity in the composition of the Board.

The Board assumes a pivotal role in approving the Company's strategic directions and overseeing their implementation, as well as supervising the Company's various activities to ensure the efficient and effective achievement of its objectives. The Company also ensures that the authorities, responsibilities, and duties of both the Board of Directors and senior executive management are clearly defined and organized, thereby strengthening the application of sound corporate governance principles, safeguarding the rights of shareholders and stakeholders, and supporting confidence in the institutional business environment.

A. Composition of the Board of Directors

In accordance with corporate governance requirements and the Company's Articles of Association, at least one-third of the Board members shall be independent, and the majority shall be non-executive directors possessing practical experience and technical skills that benefit the Company. The table below shows the composition of the Board of Directors and their memberships and positions in other public joint-stock companies in the UAE.

Sheikh Omar Saqer Khaled Humaid Alqassimi (Chairman)

Category	Independent
Experience	- Director of Procurement Department at Ras Al Khaimah Cement Company - Executive Director of Issuance of Bonds with the Government of Ras Al Khaimah - Chairman of the Credit Rating Review Committee responsible for managing ratings for the Government of Ras Al Khaimah - Chairman of the Investment Portfolio Review Committee of the Government of Ras Al Khaimah
Qualifications	Bachelor of Arts in International Studies with Concentration in International Economics
BOD Member from	2021
Memberships and positions in any other joint-stock companies	Chairman - Rak Insurance
Positions in any other important supervisory, governmental or business entities	-

Mr. Hussam Mohammed El-Sayed Hussein (Vice Chairman)
Represented by (Al-Khair National For Stocks & Real Estate Co. W.L.L.)

Category	Non-Independent / Non-executive
Experience	- Executive Director of Alkhair national Co. For Shares and Real Estate - Alkharafi group - Executive Director of Gulf National Holding Company - CFO of Alkharafi group in Syria and Lebanon
Qualifications	Bachelor of Commerce
BOD Member from	2018
Memberships and positions in any other joint-stock companies	-
Positions in any other important supervisory, governmental or business entities	-

Mr. Dirk Beese (Board Member)

Category	Non-Independent / Non-Executive
Experience	- General Manager / COO of Buzzi spA, Italy. - Managing Director of Dyckerhoff GmbH, Germany. - Senior Vice President & CFO of Buzzi USA.
Qualifications	Master Degree in Business Administration, major subjects Accounting, Corporate taxation and Corporate Finance.
BOD Member from	2025
Memberships and positions in any other joint-stock companies	-
Positions in any other important supervisory, governmental or business entities	-

Mr. Esmaeel Hasan Esmaeel Mohammed Alblooshi (Board Member)

Category	Independent
Experience	- Director General – RAK Transport Authority – Government of Ras AL Khaimah. - General Manager of the Ras Al Khaimah Transport Investment Company - Director of Strategy and Planning Department – Road & Transport Authority, RTA – Dubai - Senior Manager - Strategy & QHSE – Road & Transport Authority, RTA – Dubai - Senior Quality Assurance/Quality Control Engineer - Abu Dhabi Distribution Company-ADDC
Qualifications	• Master's degree in engineering management • Bachelor's degree in civil engineering • Higher diploma in sports management
BOD Member from	2024
Memberships and positions in any other joint-stock companies	Mahindra
Positions in any other important supervisory, governmental or business entities	- Director General – Ras Al Khaimah Transport Authority. - Director General – Ras Al Khaimah Civil Aviation Department. - Director General – Ras Al Khaimah Investment Company.

Mr. Jose Bernardo Sena (Board Member -Managing Director/ Chief Executive Officer) - appointed

Category	Non-Independent / Executive
Experience	- President – Terra Aggregates – Austin, Tx - Group Strategic Projects – Cementos Ciboa, – Santiago, Dr. - Principal - Auslander Ventures – Austin, Tx. - Director, Inverstor Relations - Paradigm Capital Corporation – Fort Worth, Tx. - President & CEO - Blue Clover – San Antonio, Tx
Qualifications	Bachelor of Accounting
BOD Member from	2025
Memberships and positions in any other joint-stock companies	-
Positions in any other important supervisory, governmental or business entities	-

Ms. Benedetta Buzzi (Board Member) - appointed

Category	Non-Independent / Non-Executive
Experience	- Corporate Finance – Business Analytics of Buzzi spA, Italy - Business Analyst – Junior investment Manager of Allianz Capital Partners, Italy.
Qualifications	Bachelor of Business Administration in Accounting
BOD Member from	2025
Memberships and positions in any other joint-stock companies	-
Positions in any other important supervisory, governmental or business entities	-

Ms. Aarefa Saleh Hareb Alfalahi (Board Member)

Category	Independent
Experience	- Banking Experience – HSBC, First Gulf Bank and Mashreq Bank
Qualifications	Bachelor of Applied Science - Business Administration Master of Business Administration
BOD Member from	2024
Memberships and positions in any other joint-stock companies	- Ras Al Khaimah Chamber of Commerce and Industry - Ras Al Khaimah Insurance - Sheikh Saud Foundation for Youth Projects - Villas for Housing - Al Mataf Association for Marine Crafts - Ras Al Khaimah Scouts
Positions in any other important supervisory, governmental or business entities	-

Members who resigned during the year 2025

- Mr. Abdullah Mohammed Hassan Mohammed Al Housani
- Mr. Hamad Bin Fahad Bin Hamad Al Waniyes
- Mr. Yousef Ali Mohammed Guloom ALblooshi

B. Women's representation in the Board of Directors for 2025

As per Article (18) of the Article of Association of Gulf Cement Company, the company is managed by a Board of Directors consisting of seven members, as follows:

Description	Number	%
Male	5	70%
Female	2	30%

C. Directors' Remuneration

1. Total remuneration of Board members paid for the year 2024

The remuneration of the members of the Board of Directors shall be determined according to the provisions of Article (171) of Federal Decree Law No. 32 of 2021 of Commercial Companies and the provisions of Article (29) of the CMA Chairman's Resolution No. (3/Chairman) and the Article (58) of the Article of Association of the Company.
Remuneration of the Chairman and members of the Board of Directors is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits. The Company may also pay expenses, fees, additional bonuses; a monthly salary as decided by the Board of Directors to any of its members if this member works in any committee, makes special efforts, or additional work to serve the Company in addition to his regular duties as a member of the Board of Directors. Attendance allowance may not be paid to the Chairman or a Board member for attending the Board meetings.
The fines imposed on the Company due to contraventions by the Board of Directors of the Companies Law or the Articles of Association of the Company during the ending financial year shall be deducted from the remuneration of the Board of Directors. The general assembly may not deduct such fines if it finds that such fines are not due to omission or error by the Board of Directors.

Since the company did not achieve profits for the year 2024, no proposal for Board of Directors' remuneration was submitted. However, pursuant to Article 171 of the Commercial Companies Law and in accordance with the regulations issued by the Authority in this regard, fees of AED 615,000 were paid to the members of the Board of Directors for the year 2024.

2. Total remuneration of Board members proposed for 2025

In accordance with the provisions of Article (171) of the Commercial Companies Law, and in consideration of the regulations and instructions issued by the CMA in this regard, a proposal will be submitted to the General Assembly to consider paying fees to the members of the Board of Directors for the financial year ending in 2025.

3. Allowances for attending the sessions of the committees emanating from the Board of Directors for the year 2025

No.	Name	Allowances for attending sessions of committees of the Board of Directors				
		Committee Name/Meeting			No. Meeting	Total value of the allowance (AED)
		Audit	Nomination & Remuneration	Executive		
1.	Sheikh Omar Saqer Khaled Humaid Alqassimi	-	-	4	4	22,500
2.	Mr. Husam Mohammed El-Sayed Hussein Represented by (Al-Khair National For Stocks & Real Estate Co. W.L.L.)	4	-	5	9	50,000
3.	Mr. Esmaeel Hasan Esmaeel Mohammed Alblooshi	4	-	-	4	20,000
4.	Mr. Dirk Beese	-	-	2	2	-
5.	Mr. Jose Bernardo Sena Peralta	-	-	-	-	-
6.	Ms. Benedetta Buzi	2	-	2	4	-
7.	Ms. Aarefa Saleh Hareb Alfalahi	-	1	-	1	5,000
8.	Mr.Abdullah Mohammed Abdullah Al Housani (Resigned)	1	-	3	4	22,500
9.	Mr. Yousef Ahmed Mohammed Alblooshi (Resigned)	-	1	2	3	15,000
10.	Mr. Hamad Bin Fahad Bin Hamad Al Wnais (Resigned)	-	1	-	1	7,500

The Board of Directors members from outside the United Arab Emirates receive an accommodation for travel and expenses as follows:

Mr. Husam Mohammed El-Sayed Hussein – AED 96,000
Mr. Hamad Bin Fahad Bin Hamad Alwnais – AED 64,000 (Resigned)

Notes:

- Allowances for attending the sessions of the committees emanating from the Board of Directors as follows:
  - Committee's Head: AED 7,500 /Meeting
  - Committee's Member : AED 5,000 /Meeting

- According to the policy of Buzzi's SpA, its employees and those who are members of the boards of its subsidiaries do not receive any bonuses, fees, or allowances for attending board committee meetings.
- Any travel or accommodation expenses for Buzzi members coming from abroad to attend these meetings are reimbursed solely based on the actual cost incurred.

4. Additional allowances, salaries or fees received by a board member other than the allowances for attending the committees for the year 2025

Null

D. Board of Directors' meetings during the financial year ended 31 December 2025

In accordance with the provisions of Article (23) of the resolution of CMA no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and in accordance with the provisions of Article (27) of the Article of Association of the Company, that the Board of Directors shall conduct its meetings at least four times a year and the meeting shall be based on a written invitation from the Chairman of the Board, or upon the written request of at least two members of the Board. The invitation shall be sent not less than one week prior to the specified date together with the agenda. Each member has the right to add to the agenda any matter he deems necessary for discussion in the meeting.

In accordance with the above controls, the Board of Directors of the Company held 7 meetings during the financial year ended 31 December 2025, as shown in the following table:

Number of meeting	Date of the meeting	Number of Attendees	Number of attendance by proxy	Absents
1	13/02/2025	7	-	-
2	14/03/2025	7	-	-
3	26/03/2025	5	-	2
4	17/04/2025	6	-	1
5	13/05/2025	6	1	-
6	04/08/2025	7	-	-
7	04/11/2025	7	-	-

E. Resolutions of the Board of Directors issued by passing during the year 2025

The Board of Directors, by circulation on September 3, 2025, resolved to appoint Mr. Jose Bernardo Sena Peralta as a Board of Directors Member to fill the vacant seat, with the role of Chief Executive Officer and Managing Director (Executive). This appointment will be submitted to the General Assembly at its next annual meeting for approval.

Committees of the Board of Directors

Based on the decision of the Chairman of the Authority's Board of Directors No. (3/Chairman) of 2020 regarding the adoption of the Corporate Governance Guide for Public Joint Stock Companies, the Board of Directors has formed several permanent committees directly reporting to it, with the aim of supporting the Board in performing its duties and enhancing the effectiveness of oversight and supervision of the company's operations.

These committees carry out a pivotal role in assisting the Board in executing its responsibilities and carrying out the tasks and duties entrusted to it in managing the company, with each committee exercising its powers in accordance with the authorities and responsibilities approved by the Board.

The Board has also approved a set of procedures regulating the work of these committees, including defining the responsibilities of each committee, the authorities granted to them, as well as mechanisms for the Board's monitoring and oversight of their activities. The committees are required to submit periodic written reports to the Board, detailing the actions taken, outcomes, and proposed recommendations, all within a framework of transparency and sound governance.

(4) Audit Committee

A. Acknowledgement of the Audit Committee's Chairman regarding his responsibility for the committee's system

In accordance with the requirements of Article (61) of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide specifically concerning the responsibilities of the Audit Committee, **Mr. Hussam Mohammed El-Sayed Hussein - Head of the Committee** - acknowledges his responsibility for the committee's system in the company and for examination of the mechanism of its work and ensure its effectiveness for the year 2025.

B. Names of members of the audit committee, and a statement of its functions and the duties assigned there to:

The Board of Directors has formed the Audit Committee to support the Board of Directors in many areas and in accordance with the requirements of Article (58) of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide. The Audit Committee consists of three non-executive members, two of them are independent members. The Committee is chaired by one of them. All members of the Committee have knowledge and experts in financial and accounting matters with previous work experience in the financial field and they have a financial certificate and the names of members as follows:

Name	Position	Category
Mr. Husam Mohammed El-Sayed Hussein Represented by (Al-Khair National For Stocks & Real Estate Co. W.L.L.)	HEAD	Independent
Mr. Esmaeel Hasan Esmaeel Mohammed Alblooshi	Member	Independent
Ms. Benedetta Buzzi	Member	Non - Independent

➢ Duties of the Audit Committee

The Audit Committee is undertaking its duties as per the requirements of CMA resolution no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, as follows:

1. Review the Company's financial and accounting policies and procedures.

2. Monitoring the integrity of the Company's financial statements and reports (annual, semi-annual, and quarterly) and review thereof as part of its normal work during the year, and the committee shall particularly focus on the following:

- ✓ Any changes in accounting policies and practices;
- ✓ Highlighting the aspects that are subject to the management's discretion;
- ✓ Ensure that the company updates its policies, procedures, and control systems annually.
- ✓ Substantial amendments resulting from auditing;
- ✓ Supposing continuity of the Company's business;
- ✓ Commitment to the accounting standards approved by the Authority;
- ✓ Commitment to the listing and disclosure rules and any other legal requirements related to preparation of financial reports.

3. Coordinating with the Company's Board of Directors, Senior Executive Management, and the financial manager or the manager doing such role in the Company, for the purpose of performing its duties.

4. Considering important and unusual clauses that are or shall be mentioned in such reports and accounts, the committee shall also pay the required attention to any issues brought up by the financial manager, the manager doing such role, compliance officer, or the auditor.

5. Submitting a recommendation to the Board of Directors respecting selection, resignation, or discharge of the auditor, and in case the Board of Directors rejects the recommendation of the Audit Committee in this regard, the Board of Directors shall include in the Governance Report a statement clarifying the Audit Committee recommendations and the reasons for the Board of Directors' rejection thereof.

6. Setting and implementing the policy of contracting with the auditor, submitting a report to the Board of Directors, specifying the issues the committee deems necessary to take procedures in relation to, and submitting the committee's recommendations concerning the steps required to be taken;

7. Ensuring the auditor's fulfillment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring his/her independence.

8. Meeting with the Company's auditor without attendance of any of the personnel of the Senior Executive Management or representative thereof, at least once annually, and discussing with the auditor the nature and scope of the auditing process and its effectiveness according to the approved auditing standards.

9. Approval of any additional work carried out by the external auditor for the company and the fees charged for that work.

10. Studying all that is related to the auditor's job, work plan, correspondence with the Company, comments, proposals, concerns, and any substantial inquiries posed by the auditor to the Senior Executive Management concerning accounting books, financial accounts, or control systems, and following up the Company's board of Directors response thereto and provision of the facilities required for performing the auditor's job.

11. Ensuring timely response of the Board of Directors to inquiries for illustration and substantial matters mentioned in the auditor's letter.

12. Review and assessment of internal audit and risk management systems in the Company.

13. Discussing the internal audit system with the Board of Directors and ensuring the latter's establishment of an effective system for internal audit;

14. Considering the results of primary investigations in internal audit issues as assigned to the committee by the Board of Directors or based on an initiative on the part of the committee and the Board of director's approval of such initiative.

15. Review of the auditor's assessment of internal audit procedures and ensuring coordination between the internal and external auditors.

16. Ensuring availability of the resources required for the internal audit department, and reviewing and monitoring the effectiveness of such department.

17. Studying internal audit reports and following up the implementation of corrective measures for the comments arising from such reports.

18. Setting the rules that enable the Company's staff to confidentially report any potential violations in financial reports, internal audit, or any other issues and the procedures sufficient for conducting independent and fair investigations concerning such violations.

19. Monitoring the extent to which the Company complies with the code of conduct;

20. Review of Related Party transactions with the Company, managing conflict of interests, and submitting recommendations concerning such transactions to the Board of Directors before concluding the contracts.

21. Ensuring implementation of code of conduct related to the committee's duties and powers assigned to it by the Board of Directors.

22. Submitting reports and recommendations to the Board of Directors concerning the above mentioned issues.

23. Considering any other issues determined by the Board of Directors.

C. Audit Committee meetings during 2025

As per Article (62) of CMA resolution no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide relating to Audit Committee meetings. The Audit Committee shall conduct its meeting once every three months at least or whenever the need arises. Audit Committee has conducted 4 meetings during the fiscal year ended 31 December 2025 in the presence of all its members in person. The meetings of the Committee were as follows:

Number of meeting	Date of the meeting	Number of Attendees	Absents
1	13/02/2025	3	-
2	13/05/2025	2	-
3	04/08/2025	3	-
4	04/11/2025	3	-

D. Annual Audit Committee report for 2025:

1. Significant matters relating to the financial statements and how they were addressed.

The Audit Committee has reviewed key areas of concern within the financial statements, including but not limited to going concern assumption, revenue recognition, impairment assessments, Provision for inventory obsolescence, deferred tax, related party transactions, and any other significant estimates and judgments made by management along with the impact of the impact of change in estimate of spare parts consumption pattern .The committee engaged with both management and the external auditors to ensure that these matters were thoroughly discussed, risks identified were properly mitigated, and compliance with relevant accounting standards was adhered to. As part of the review process, the committee received detailed briefings and independent assessments from the auditors, followed by in-depth discussions to address any issues raised. The external auditors Grant Thornton (Sharjah Branch) were allowed direct access to the Audit Committee.

2. The assessment methodology applied in evaluating the effectiveness of the external audit process and the independence of the external auditor, the approach to the appointment or reappointment of the auditor, and the tenure of the current audit firm.

Ensuring the auditor's fulfilment of the terms stipulated in the applicable laws, regulations, and resolutions and the Company's Articles of Association, and following up and monitoring their independence.

- A key element of maintaining auditor independence is the enforcement of a structured rotation policy.
- Partner Rotation: The committee mandates that the lead audit partner be rotated every three years.
- Firm Rotation: The external audit firm is rotated every six years.

During 2025, audit committee has appointed Grant Thornton as new auditor through competitive bidding as the previous auditor Ernst & Young completed six years.

3. Recommendations on the appointment, reappointment, or dismissal of the external auditor, and reasons for any Board rejection of such recommendations.

The Audit Committee has appointed company's external auditor for the year 2025, following the expiration of the previous auditor's tenure. As per the company's auditor rotation policy, the lead audit partner and audit firm had completed their respective restricted tenures of three and six years. Consequently, the company through competitive bidding process have appointed new auditor.

4. Measures taken to safeguard auditor independence when providing non-audit services.

The committee ensures that the independence of the external auditor is not compromised by reviewing all non-audit services (NAS) provided and ensuring they are pre-approved by the committee. The audit firm is prohibited from performing services that could create conflicts of interest or impair their objectivity, such as consulting, preparation of financial statements or internal audit services. The committee receives periodic updates on the non-audit services (NAS) rendered and assesses their impact on the external auditor's independence.

5. Actions taken or planned to address deficiencies arising from failures in internal control or risk management.

- In the event of identified deficiencies in the internal control systems by internal auditor, the Audit Committee works closely with management to address these concerns.
- No cases of material complaints regarding accounting, internal controls or audit matters, or Whistleblowing were received by the Committee.

6. Evidence that all internal audit reports identifying medium- and high-risk matters were reviewed to determine whether such matters arose from significant violations or material weaknesses in internal controls.

Internal audit function operates under the charter approved by the Audit Committee and head of the internal audit function has direct access to the Audit Committee.

- The Internal Audit Department carried out independent audits in accordance with an internal audit plan which was approved by the Board Audit Committee
- The committee reviews all internal audit reports. These reports are discussed in detail at each meeting, and the committee ensures that any significant findings are addressed with management.
- The Audit Committee, on the basis of the internal audit reports, reviewed the adequacy of controls and compliance shortcomings in areas audited and discussed corrective actions in the light of management's responses. This has ensured the continual evaluation of controls and improved compliance.

7. Corrective action plans addressing material internal control and risk-management deficiencies.

The Committee oversee plan to enhance control measures, improve oversight, and ensure that risk management frameworks are more robust. Committee has also reviewed the report presented by the consultant on Company's risk registers along with management's responses on the control gaps identified in the risk registers. Further committee was briefed by the external auditors on the status of ICFR status.

The Committee regularly reviews the mechanism for employees and management such as whistles blown to report concerns to the Audit Committee and ensures that any allegations are scrutinized seriously.

8. Evidence of the review of all related-party transactions, including the observations or findings arising from such review, and the extent of compliance with applicable laws.

The committee has reviewed all transactions with related parties as disclosed in notes 27 to the financial statements. A key focus was placed on ensuring that these transactions complied with the relevant laws, regulations, and company policies.

(5) Nominations and Remuneration Committee

A. Acknowledgement of the Nomination and Remuneration Committee's Chairman regarding his responsibility for the committee's system

In accordance with the requirements of Article (59) of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide specifically for the Nominations and Remuneration Committee. **Mr. Hussam Mohammed El-Sayed Hussein - Head of the Committee** - acknowledges his responsibility for the committee's system in the company and for examination of the mechanism of its work and ensure its effectiveness for the year 2025.

B. Names of members of the Nomination and Remuneration committee, and a statement of its functions and the duties assigned there to:

The Board of Directors has formed the Nomination and Remuneration Committee to support the Board of Directors in many areas and in accordance with the requirements of Article (58) of the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide. The Nomination and Remuneration Committee consists of three non-executive members, two of them are independent members. The Committee is chaired by one of them and the names as follows:

Name	Position	Category
Mr. Hussam Mohammed El-Sayed Hussein	HEAD	Independent
Mr. Dirk Beese	Member	Non - Independent
Ms. Aarefa Saleh Hareb Alfalahi	Member	Independent

➢ Tasks of the Nominations and Remuneration Committee

The Nomination and Remuneration Committee is undertaking its duties as per the requirements of CMA resolution no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, as follows:

1. Setting a policy for nomination of the Board and executive management membership with the aim of varying between the two genders in the Board and encouraging female nominees through offering privileges and training and motivational programs, and submitting a copy of such policy to the Authority.
2. Regulating and following up the procedures of nomination for Board membership in accordance with the applicable laws and regulations, as well as the provisions of this Decision.
3. Verify that the membership conditions for the members of the Board of Directors are still met.
4. Constantly verifying independence of independent Board members.
5. Setting the policy for granting bonuses, privileges, incentives, and salaries to the Company's Board members and staff, reviewing such policy annually, and ensuring that the bonuses and privileges offered to the Senior Executive Management are reasonable and in line with the Company's performance.
6. Annual review of the skills required for Board membership and preparation of the required capabilities and qualifications for Board membership including the time a member shall need to allocate to do his/her duties as a Board member.

7. Review the Board of Directors structure and submitting recommendations regarding the changes that may be made.
8. Determining the Company's needs of qualifications at the Senior Executive Management and the staff levels and the criteria for selection thereof.
9. Setting the Company's human resources and training policy, monitoring implementation of such policy, and reviewing thereof on annual basis.
10. Any other matters determined by the Board of Directors.

C. Nomination and Remuneration Committee meetings during 2025

As per Article (59) of CMA resolution no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, the Nomination and Remuneration Committee shall conduct its meetings at least once annually or as required. Nominations and Remuneration conducted (1) meeting during the fiscal year ended 31 December 2025 were attended by all its members, as the following table:

Number of meeting	Date of the meeting	Number of Attendees	Absents
1	12/02/2025	3	-

(6) Insiders' Trading Follow-Up and Supervision Committee

A. Acknowledgment of the insiders' Trading Follow-Up and Supervision Committee's Chairman

Based on the Chairman of the Authority's Board of Directors' Resolution No. (3/R.M) of 2020 concerning the approval of the Corporate Governance Guide for Public Joint Stock Companies, and in line with the Board of Directors' commitment to comply with disclosure and transparency requirements and to enhance oversight over the trading of the Company's shares by Board members, senior executives, and persons with access to material non-public information, the Board of Directors has established a committee responsible for insiders' affairs.

The committee is responsible for supervising the organization and monitoring of the trading activities of insiders in the Company's shares, in a manner that ensures compliance with the rules and regulations issued by the relevant regulatory authorities and limits any practices that may involve the misuse of inside information. Accordingly, **Ms. Dalya Mohammed Al Shehhi**, Head of the Committee, acknowledges her responsibility for the Committee's system within the Company and for reviewing its working mechanism and confirming its effectiveness for the year 2025.

B. Committee Members:

1. **Ms. Dalya Mohammed AlShehhi** — **HEAD**
2. **Ms. Badreyya Mohammed AlShehhi** — **Member**

➢ **Functions and the duties assigned to it:**

1. Manage, monitor and supervise the transactions of insiders and their ownership and keep their register.
2. Prepare a special register for all people's insiders who are entitled or have access to the company's internal information.
3. Keeping the record of past and subsequent disclosures of the insiders.
4. Keep official declarations of persons who are aware of the company's internal information.
5. To ensure continuous updating of the Company's list of insiders on ADX website and to update this list immediately when required.
6. Monthly follow-up of insiders balances.
7. Issuing periodic reports on insider transactions to CMA & ADX upon their request.
8. Inform all insiders about the required controls, by signing official declarations.
9. Continue to notify insiders of prohibition periods of trading
10. Review and monitor the trading policy of insiders in accordance with the rules of disclosure, transparency and take necessary action.
11. Continuous monitoring of the regulations and decisions issued by the CMA in this regard and the mechanism for their implementation.

C. A summary of the Committee's activities during the year 2025

The committee ensured compliance with relevant governance requirements and regulations by exercising its assigned powers and responsibilities. It played a crucial and effective role in managing insider affairs and communicating the objectives, policies, and controls to which they are subject. The committee also ensured that insiders were notified in advance of trading blackout periods imposed in accordance with the regulations and rules of the Securities and Commodities Authority and the Abu Dhabi Securities Exchange. Insiders were reminded of the necessity to refrain from directly or indirectly exploiting any inside or material information for any personal gain or benefit, and their responsibilities in this regard were clearly explained.

After reviewing the register of insiders, the committee confirmed that no transactions involving the company's shares were conducted by members of the Board of Directors or their first-degree relatives (spouse and children) during the blackout periods. The committee verified the following:

- Reviewing the company's main share register.
- Reviewing a statement from the Abu Dhabi Securities Exchange and the Kuwait Clearing Company.
- A disclosure form for the shares owned by board members.

1. Updating the list of permanent insiders immediately on the website of the Abu Dhabi Securities Exchange and the CMA.
2. Confirm the monthly balances of insider's through the company's main register at the end of each month.
3. Acquire official declarations from the permanent insiders about company's information when a change has occurred continuously in order to preserve its confidentiality and not to misuse it or transfer it or cause it to be transferred directly or indirectly to other parties. Also, bear everyone legal responsibility in the case of a violation of what was stated in the declarations and keep a record of those declarations.
4. Notify the insiders of the prohibition periods, as it was confirmed to address the chairman, members of the board of directors and all the insiders regarding the prohibition periods for trading in the company's shares until the financial statements are disclosed as the ban periods began (March 17, June 16, September 16 and December 17) of the year 2025.
5. Sending a circular by e-mail to the company's employees, regarding the necessity of notifying the Investor Relations Department in the event that the employee/insider issues an investor number with the Abu Dhabi Securities Market or trades in the company's shares, provided that the employee bears responsibility for not notifying.

(7) Executive Committee

According to decision of the Board of Directors the Executive Committee was formed in accordance with the law and regulations of the Company's governance and articles of association "Article No. 36". The Committee shall be composed of members of the BOD who determined its functions, duration of work and powers granted to it, and shall submit its results and recommendations to the Board of Directors.

A. Acknowledgment of the Executive Committee's Chairman

According to the tasks and the authority gave to it by the board. **Sheikh Omar Saqer Khaled Humaid Alqassimi - Head of the Committee** - acknowledges his responsibility for the committee's system in the company and for examination of the mechanism of its work and ensure its effectiveness for the year 2025:

B. Committee members

Name	Position
Sheikh Omar Saqer Khaled Humaid Alqassimi	HEAD
Mr. Hussam Mohammed El-Sayed Hussein	Member
Mr. Dirk Beese	Member
Ms. Benedetta Buzzi	Member

- **Statement of its functions and the duties**

1. Draw the strategic objectives, plans and policies of the company and submit them to the Board for discussion and approval.
2. Discussing and approving the annual budgets estimated by the executive management of the company before submitting them to the Board of Directors through the Audit Committee for discussion and approval.
3. Review the organizational structure of the company and make the necessary adjustments before submit to the Board of Directors through the Nominations and Remuneration Committee for discussion and approval.
4. Continuous evaluation of the performance of key managerial positions of the company to ensure their effectiveness and ability to achieve the strategic objectives entrusted to them and replace them with others when required.
5. Continuous review of implementation of policies, procedures and controls related to sales, procurement and operation issued by the Board, establishing the detailed regulations necessary to manage them in a tight manner and determining the scope and ceiling of authorizations available to the Executive Management by the Committee, as per BOD governance.
6. Approve the implementation mechanism for all contracts to which the company is a party, whether related to procurement, sales or services in accordance with stability of operations. Establish regulatory procedures that will ensure that the proper governing procedures.
7. Study and approval of new capital projects before submission to the Board of Directors for discussion and approval.

C. Executive committee meetings during 2025

Number of meeting	Date of the meeting	Number of Attendees	Names of absent members
1	08/01/2025	4	-
2	24/02/2025	4	-
3	08/04/2025	2	1
4	25/06/2025	4	-
5	07/10/2025	4	-

D. Board of Directors' tasks and functions, which were performed by the Executive Management during the year 2025

In accordance with the provisions of Article (27) of the resolution of CMA no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide, and the provisions of Article (24) of the Company's Articles of Association:

- The Board of Directors may delegate its Chairman or one of its members or Executive Management in some of the administrative issues in which the Board has the power to make decisions. In this case, the delegation shall be in writing and detailing the delegated powers, especially with regard to cases in which the Senior Executive Management needs to obtain prior approval from the Board of Directors before making any decisions or entering into any commitments on behalf of the Company. A list of tasks and functions which the Board of Directors performs shall be written, as well as those delegated to Senior Executive Management, and those tasks and functions shall be reviewed periodically.
- Each delegation shall be specific with regard to its subject, delegated persons, and the limits of their powers and in the duration, and that includes the date of presenting its results to the Board of Directors.
- The Chairman of the Board of Directors, Vice chairman or any other member authorized by the Board shall have the right to sign separately on behalf of the company.

In accordance with the above controls, the executive management of the Company shall conduct the day-to-day operations in accordance with the best practices of governance and the provisions of the Article of association.

F. Details of transactions with related parties (stakeholders) during the year 2025

Null

G. Assessment of the Board of Directors:

In implementation of the resolution of the Board of Directors of the Authority No. (03/Chairman) of 2020 regarding the adoption of the Corporate Governance Guide for Public Joint Stock Companies, which stipulates conducting an annual evaluation of the performance of the Company's Board of Directors, its members, and its committees, Gulf Cement Company carried out the annual evaluation process of the Board of Directors' performance for the year 2025. The evaluation was conducted by the Chairman of the Board and the Vice Chairman, with the support of the Board Secretary, with the aim of measuring the effectiveness of the Board's performance and enhancing the efficiency of its supervisory and oversight practices in line with best corporate governance practices.

The evaluation process was implemented based on a comprehensive methodology that included several assessment tools and evaluation criteria. The evaluation was carried out through three main pillars, which included the following:

• **Self-assessment of Board members:** Through questionnaires distributed to the Board members to evaluate the performance of each member individually.

• **Individual evaluation of Board members:** Where an independent and objective assessment of the performance of each Board member was conducted.

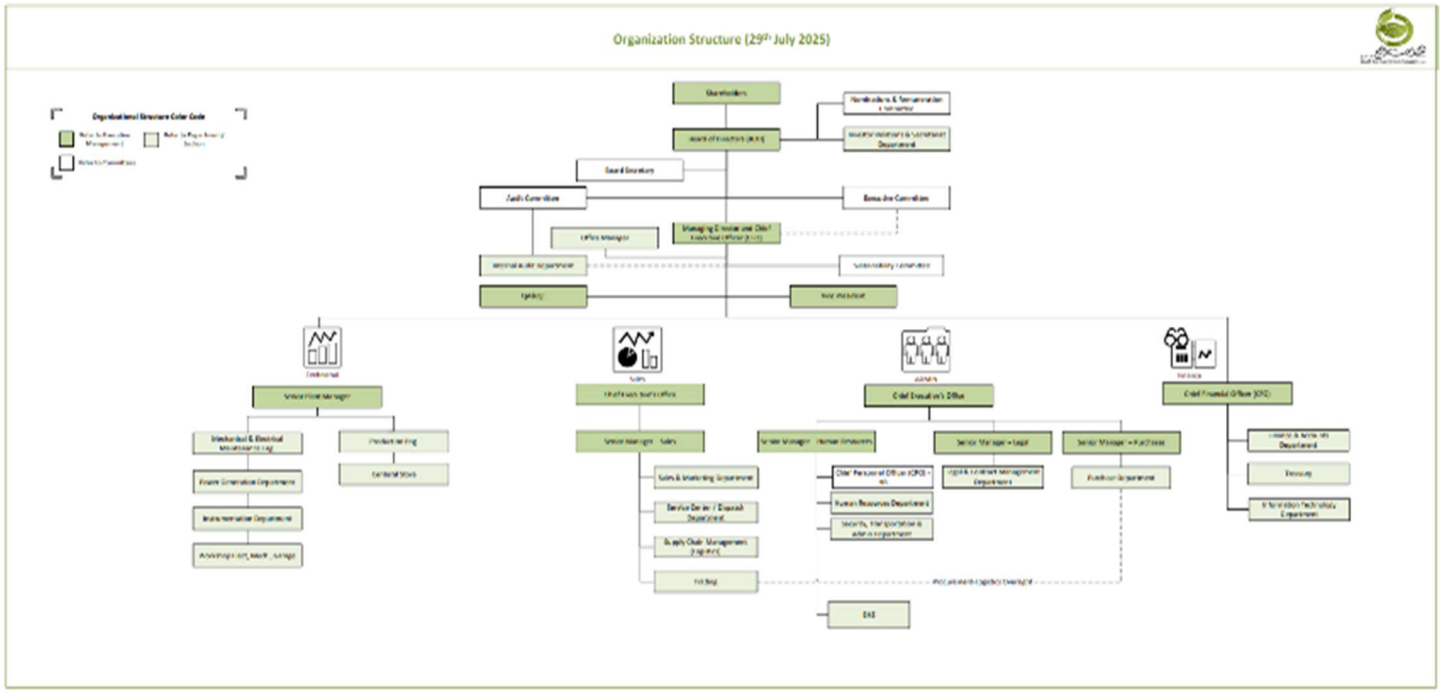
• **Comprehensive evaluation of the Board and its committees:** To assess the collective performance of the Board of Directors and its committees, their efficiency in performing their duties and responsibilities, and the extent of their compliance with corporate governance requirements and applicable regulations.

Based on the results of the evaluation process, the findings indicated that the overall performance of the Board of Directors of Gulf Cement Company, its members, and its committees during 2025 was generally good, with the Board demonstrating commitment to the application of governance requirements and the enhancement of oversight and supervisory practices in a manner that supports the achievement of the Company's objectives and safeguards shareholders' interests.

In addition to the annual evaluation, and in compliance with the requirements of the Corporate Governance Guide, which stipulates engaging an independent professional entity to conduct a comprehensive evaluation of the performance of the Board of Directors, its members, and its committees at least once every three years, the Company engaged an independent external consulting firm during 2023 to conduct a comprehensive evaluation of the performance of the Board of Directors, its members, and its committees for the relevant year. The evaluation was conducted by an independent entity that has no interests or relationships with the Company, any of its Board members, or its executive management that could affect the independence and objectivity of the evaluation.

H. The organizational structure of the company

Gulf Cement Company has been developing and implementing an efficient and effective organizational structure at the level of the company's departments and sections to ensure a high level of coordination and management interaction. The chart below shows the company's organizational structure approved by the Board of Directors as follows:



I. Statement of the company's senior executives

The table below shows the dates of appointment of the executive management members and their current positions according to the organizational structure of the company and the salaries and bonuses granted for 2025.

Position	Appointment date	Total Salaries and Allowances paid in 2025 (AED)	Total Bonuses paid in 2025 (AED)	Any other Cash/in-kind bounses for 2025 or due in the future
Chief Executive Officer/MD	2025	771,359	-	-
Vice President	2013	850,498	38,800	-
Cheif Financial Officer	2016	625,942	23,200	-
Cheif Operating Officer – Adminstration (Resigned)	1995	283,905	27,600	-

(8) External Auditor

First: Policy of contracting with the external auditor:

In accordance with the Chairman of the Authority's Resolution No. (3/Chairman) of 2020 concerning the approval of the Corporate Governance Guide for Public Joint Stock Companies, and in line with the Company's Articles of Association, the Board of Directors adheres to the policy of selecting the external auditor through nomination to the General Assembly.

The Executive Management, based on the request of the Audit Committee, provides the Committee with proposals from auditing firms for review. The Audit Committee studies these proposals, meets with the nominated external auditors, discusses their offers, and recommends the most suitable candidate based on competence, reputation, and experience.

Based on the recommendation of the Audit Committee, the Board of Directors nominates the external auditor, while the appointment and determination of the auditor's fees are approved by a resolution of the General Assembly.

In the event that the Board of Directors does not approve the Audit Committee's recommendation regarding the selection, appointment, resignation, or dismissal of the external auditor, the Board shall include a statement in the Corporate Governance Report explaining the Audit Committee's recommendations and the reasons for not adopting them.

Second:

A. External auditor of the company

Grant Thornton UAE is a homegrown professional services firm with nearly 60 years of experience supporting the country's evolving business landscape. Founded in 1966 by Chairman, Farouk Mohamed, the organization have grown alongside the UAE's economic transformation, working with government entities, listed and private businesses, and fast-growing enterprises.

With offices in Abu Dhabi, Dubai and Sharjah, combine deep local insight with international expertise to deliver clarity and confidence to its clients. The Grant Thornton International, a global network of independent firms operating in more than 150 countries. In addition, is part of a new multinational platform that connects leading member firms in strategic financial hubs across Grant Thornton UAE.

The organization provide a comprehensive range of audit, tax and advisory services, tailored to the needs of ambitious businesses navigating complexity and pursuing sustainable growth. Its clients include family businesses, privately held companies, public interest entities and regulators – all seeking long term value in an increasingly complex environment

B. Fees of the External Auditor during the year 2025

Name of Auditing Firm	Grant Thornton
Partner Name	Anand Prabhu
Number of years served as an external auditor for the Company	(1) Year
Number of years served as an the partner auditor for the Company	(1) Year
Total audit fees for 2025 (in AED)	AED 215,000
Nature and Description of Non-Audit Services Provided by the External Auditor	• Quarterly review of the Company's interim condensed financial statements • Agreed upon procedures in relation to Internal Control Over financial reporting (ICFR)
Total Non-Audit Fees for 2025	AED 210,000
Nature and Description of Services Provided in 2025 by an External Auditor Other Than the Appointed Auditor	Name of Auditor: Grant Thornton UAE Services Provided: Financial Advisory

C. Reservations that the company auditor included in the interim and annual financial statements for 2025

- No reservation expressed in the Annual Financial Statements for 2025.

(9) Internal audit System

The company's Internal Audit Department enjoys complete independence in performing its duties. It reports directly to the Board of Directors and is functionally linked to the Audit Committee, thus enhancing its oversight role and operational independence. The Internal Audit Department is responsible for implementing internal audit and control policies and procedures, contributing to the promotion and application of corporate governance principles within the company, and verifying the company's and its employees' compliance with applicable laws, regulations, and resolutions governing its activities and operations.

The Internal Audit Department's responsibilities also include reviewing and evaluating the efficiency and effectiveness of adopted internal policies and procedures, reviewing financial statements, and ensuring the integrity of accounting practices and policies in accordance with established standards.

The Internal Audit Department has full authority to access all company records, documents, and data, including information related to employee operations and activities, enabling it to perform its duties efficiently and objectively.

In accordance with the governance framework approved by the Board of Directors, all company departments and employees are obligated to fully cooperate with the Internal Audit Department and provide it with all the necessary information and data to enable it to perform its duties effectively.

The most important objectives and tasks of IAD as follows:

- Ensure the validity and integrity of work procedures in all departments of the company.
- Determining the extent to which the company complies with the requirements of governance and codes of ethics.
- Ensure the commitment of any party dealing with the company and the employees of the company to apply the rules of governance and institutional discipline and code of ethics.
- Ensure compliance of employees with the laws, regulations and policies of the company.
- Review the integrity of assets and verify the actual presence of it.
- Conduct regular and periodic reviews of various activities and report on findings and recommendations.
- Cooperation with the executive management to achieve the objectives of the Board of Directors.
- Ensuring the accuracy of accounting records and their integration so they can be reliable for taking higher decisions.

Based on the above, the Board of Directors is responsible for the Company's internal audit system, which has sufficient authority to apply the rules of governance throughout the Company and to achieve transparency and fairness.

A. The name, qualifications, and date of appointment of the Internal audit Manager

Ms. Badriya Mohammed Ali Hassoun Al Shahi holds the position of Internal Audit Manager and is currently acting as Compliance Officer on a temporary basis, pending the appointment of a new Compliance Officer. She holds a Master's degree in Business Administration (Finance) and a Bachelor's degree in Business Administration, and has accounting experience. She has been in her role since 01/01/2020.

B. How the Internal Audit Department handle any significant issues in the company, or issues disclosed in the annual reports and accounts:

Internal audit Department has evaluated the risk management, procedures of the company, reviewed the internal policies and the implementation of the company's governance rules, verified the company's compliance with the laws and resolutions, and submitted periodic reports to the Board of Directors and Audit Committee.

The Internal audit department deals with any challenges in the company independently and objectively by informing the Audit Committee and informing the senior executive management of the problem and potential risks and proposing the necessary steps to address the problem and ensure that it is not repeated and follow up with senior management to ensure of the procedures and decisions has been taken. The Company maintains a Whistleblowing Policy that allows employees, customers, and suppliers to report any financial, professional, legal, or ethical misconduct in strict confidence.

C. Number of reports issued by the internal audit department to the company's board of directors

The Internal Audit Department submitted 4 periodic reports to the Board of Directors during the year 2025.

(10) Violations during the year 2025

The company was keen to comply with federal and local laws and ministerial decisions and governance of the Board of Directors, and achieved justice with all Stakeholders, which is in line with the good reputation of the company. During the year 2025, the company did not commit any violations.

(11) Company contributions toward the local community development and environmental conservation

The wise leadership of the United Arab Emirates is keen to deepen the umbrella of social protection and made it one of its main priorities by working to deepen community cohesion and consolidate Social cooperation between various segments and groups of society, and Gulf Cement Company's social responsibility has become a national priority linked to the Sustainable Development Goals, in accordance with laws and regulations and ensures the stimulation of institutional giving and enhancing the contribution to the development of society.

Contributions:

- Continue to supply water, free of cost to the neighboring areas (Al-Hulayla area).
- Continuing to contribute the expertise of some of the company's employees in supporting community institutions.
- Providing cement products to people with limited income for the purpose of maintenance, and to institutions of public benefit.

Environmental conservation:

The company is keen to comply with the laws and resolutions issued by the Ministry of Climate Change and the Environment, and by Environment Protection and development authority in Ras Al Khaimah. Implement the policy of the Board of Directors that the company to be a leader in its field by applying best practices related to sustainable environment.

Gulf Cement Company also pays attention to the environment and its sustainability, and it believes that it is one of the main objectives that requires attention and focus on it, represented in its efforts in environmental sustainability projects that contribute to preserving natural resources and also addressed in our Corporate Governance Report for reducing carbon emissions resulting from production processes in kilns, which confirms its distinction with environmental leadership. The company actively supports the UAE's transition toward a green economy through continuous environmental initiatives.

Urbanization:

The company takes great interest in Urbanization Projects as it represents the bright facade of the environmental reality of the company. These projects contribute to the presentation of the company's commitment to the importance of urbanization to achieve professional safety and job security and other parties as per the Ministry of Climate Change and the Environmental Protection and Development Authority requirements.

Landscaping and Afforestation:

The company has been concerned with afforestation in and around the perimeter of the company in order to achieve integration with urban construction projects that aim to highlight the aesthetic appearance of the company and increase the green area that contributes to improving the environmental situation of the area.

Environmental certificates

Obtained an Environmental Impact Assessment Approval Certificate from the Environment Protection and Development Authority in Ras Al Khaimah, allowing it to use all types of waste and alternative fuels in the company's kilns.
Renewing the environmental permit of the company issued by the Environmental Protection and Development Authority.

Maintained Ecolabel award from Environment Protection and Development Authority, Ras Al Khaimah being selected for Environmental Sustainability performance during the year.

Environmental communication

The Environmental Protection and Development Authority honored the company on the efforts made and compliance with environmental laws and requirements.

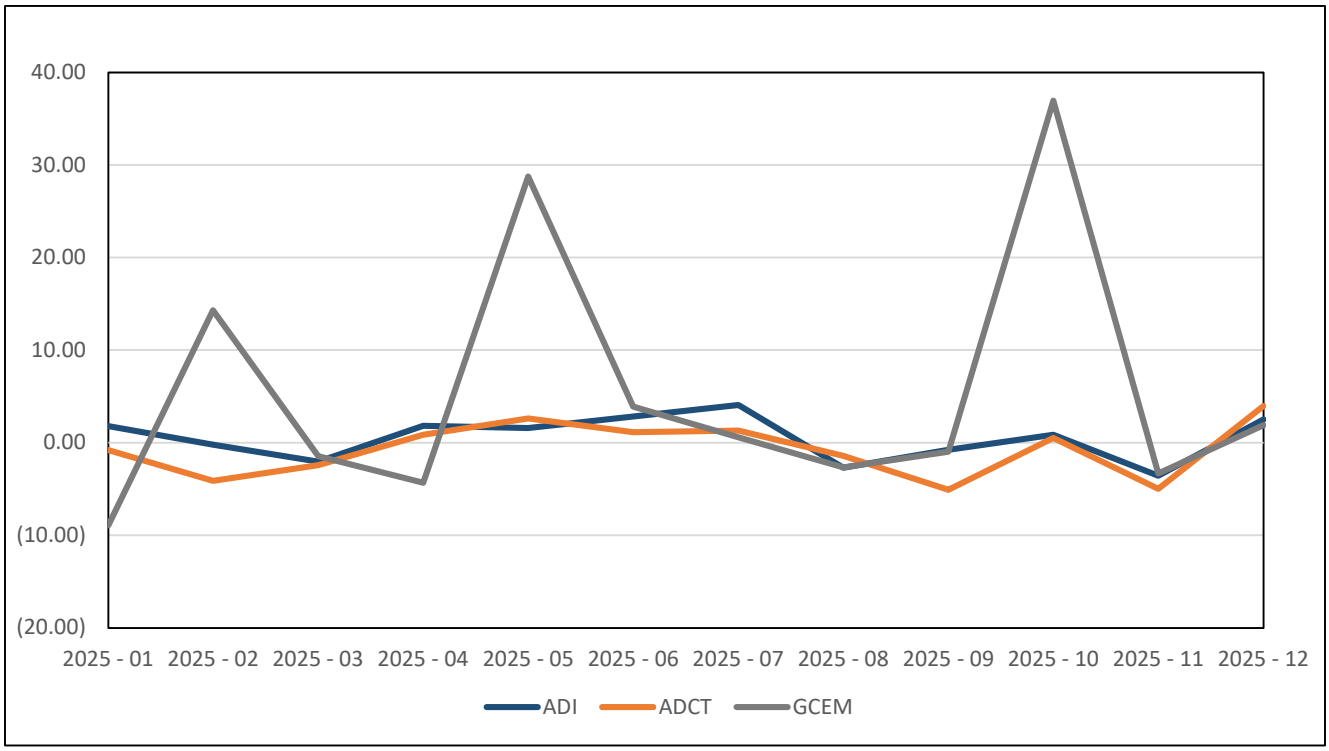
The company was keen on continuous and permanent communication with both the ministry and the authority to provide them with the environmental reality of the company, benefiting from the electronic monitoring network and permanent monitoring devices, as the company takes all precautionary measures upon any interruption or sudden failure and informs the ministry and the authority, and as a result of these efforts, the ministry has become The authority is fully aware of the environmental reality of the company.

(12) General information

A. The Company share price in the Market (closing price, highest price, lowest price) in the end of each month during fiscal year 2025

Date	Highest price (AED)	Lowest price (AED)	Closing price (AED)	Quantity (Shares)	Value (AED)
January	0.620	0.500	0.540	10,471,614	5,933,141
February	0.575	0.520	0.522	2,253,464	1,213,138
March	0.750	0.520	0.715	17,570,500	11,334,851
April	0.760	0.687	0.708	6,953,707	4,930,310
May	0.724	0.630	0.689	1,494,461	1,022,191
June	0.720	0.660	0.693	1,247,700	866,786
July	0.743	0.691	0.720	1,365,090	963,170
August	1.100	0.686	0.927	17,034,482	16,340,211
September	0.985	0.887	0.887	4,554,380	4,234,650
October	0.964	0.850	0.874	3,959,475	3,584,711
November	1.080	0.790	0.999	7,478,509	7,157,792
December	1.190	0.902	0.910	14,961,274	15,645,185

B. The comparative performance of the company's shares with the general market index and the industrial index during year 2025



C. Distribution of shareholding of the Company as at 31 December 2025

Shareholder Classification	Percentage of Shares Owned			
	Individuals	Companies	Governments	Total
Local	4.65%	66.10%	7.26%	78.01%
GCC	11.43%	9.53%	-	20.96%
Arab	0.60%	-	-	0.60%
Others	0.43%	-	-	0.43%
Total	17.11%	%75.63	7.26%	100%

D. Shareholders who own (5%) or more of the Company's capital as at 31 December 2025

S/N	Name	Number of Shares Held	%
1	TC Mena Holdings Ltd	269,737,369	65.70%
2	Government of Ras Al Khaimah	29,819,631	7.26%

E. Shareholders Distribution according to the volume of ownership as at 31 December 2025

S/N	Share(s) Ownership	Number of Shareholders	Number of owned Shares	percentage of the owned Shares of the Capital
1	Less than 50,000	**1,700**	**9,614,730**	**2.34%**
2	From 50,000 to less than 500,000	**203**	**28,786,536**	**7.01%**
3	From 500,000 to less than 5,000,000	**34**	**42,531,039**	**10.36%**
4	More than 5,000,000	**5**	**329,616,105**	**80.29%**
	Total	**1,942**	**410,548,410**	**%100**

F. Actions taken on investor relations controls

In compliance with the Chairman of Authority's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide and all related resolutions and circulars pertaining to investor relations regulations, and based on Gulf Cement Company's vision to solidify its position as a leading industrial entity and a strategic partner in achieving sustainable development, and in keeping with global best practices and the highest standards of quality and governance, the company has comprehensively and seamlessly enhanced its investor relations system. This included strengthening the role of the Investor Relations Department and clearly defining its tasks and responsibilities to ensure effective communication and efficient disclosure, in addition to adopting formal and organized communication channels that uphold the principles of fairness and transparency for all investors without discrimination. The company also developed and updated its website according to the latest standards, launching the "Investor Relations Portal" as a specialized platform that provides investors and interested parties with direct and easy access to essential information and disclosures, including financial statements, annual reports, business results, share prices, and other relevant information. This enhances investor confidence and supports the company's long-term sustainability and growth.

The Investor Relations Portal serves as a strategic platform to enhance effective communication channels and encourage information exchange, enabling investors and financial analysts to access accurate and clear insights in accordance with the highest standards of transparency and credibility. The portal provides access to the latest data and updates, reflecting the company's full commitment to transparency principles and best governance practices.

Ms. Dalya Mohamed Al Shehhi, Investor Relations Manager, supervises the management of the portal to ensure that information is presented reliably and accurately, enhancing investor confidence and reaffirming the company's commitment to institutional excellence.

Investor Relations Department Manager: Ms. Dalya Mohammed Al Shehhi
Phone: + 971 7 2027377
E-Mail: dalya@gulfcement.ae / shares@gulfcement.ae
Investors Relation Portal: https://gulfcement.ae/en/investor-relations/

G. Special resolutions presented to the General Assembly

The General Assembly "50", held on April 17, 2025, approved the following special resolutions:

- **Article (18) Clause (3):**

  Before amendment: In all cases, the majority of the Directors, including the Chairman must be citizens.

  After amendment : The majority of the Board members are not required to be citizens of the country, with the exception of the Chairman.

- **Article (18) Clause (5):**

  Before amendment: A Director must own a number of shares not less than (5,000) shares. If the Director, at the time of his election, does not own this number of shares, he must, within three months of his election, own the required shares, otherwise his membership will be revoked and the legal entity shall be responsible for the actions of its representative towards the Company.

  After amendment: (Delete)

- **Article (21) Point (7):**

  Before amendment: A statement specifying the number of shares owned by him or the person nominated by him in the company and a declaration not to sell these shares during his term in the board and to notify the financial markets in which the Company's shares are listed not to dispose of these shares in any way of disposal that transfers ownership, except after the expiration of the membership term or the submission of resignation and the market receives a notification from the Authority in this regard.

  After amendment: A statement specifying the number of shares owned by him or the person nominated by him in the company.

The company's Article of Association were amended after the approval of the General Assembly and obtaining the required approvals in this regard from the competent authorities.

H. Name of the rapporteur of the board meetings and the date of his appointment:

Name	Date Of Appointment	Qualifications & Experiences
Mr. Sherif Hassan Ali Attia Fouda	2024	Bachelor of Commerce

I. Major events during 2025

TC MENA Holdings Ltd. acquired a number of shares in Gulf Cement Company after obtaining the approval of the competent authorities and the Company's General Assembly held on 17/04/2025. This acquisition was based on the offer submitted to acquire shares of the Company representing up to 100% of the issued and paid-up share capital, provided that a minimum acquisition of 50% + 1 of the issued and paid-up ordinary shares of the Company is achieved. This was carried out in accordance with the provisions of Article (8) of the Chairman of the Board of the CMA Resolution No. (18/R.M.) of 2017 concerning the Rules of Acquisition and Merger for Public Joint Stock Companies.

J. The deals that the company made during the year 2025 that are equal to 5% or more of the company's capital.

Null

K. Emiratization percentage in the company

The company takes Emiratization as one of its major importance and considers it one of its responsibilities. The table below shows the Emiratization percentage as follows:

Year	Emiratization
2025	10.88%
2024	11.24%
2023	10.46%

L. Innovative projects and initiatives implemented by the company or which were under development during 2025.

Null

Sheikh Omar Saqer Khaled Humaid ALQassimi
Chairman

Mr. Hussam Mohammed El-Sayed Hussein
Head of Audit Committee

Mr. Hussam Mohammed El-Sayed Hussein
Head of Nomination and Remuneration Committee

Ms. Badreyya Mohamed Ali Al-Shehhi
Internal audit Manager

Gulf Cement Company P.S.C.

Financial Statements
For the year ended December 31, 2025

Gulf Cement Company P.S.C.

For the year ended December 31, 2025
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Director's report

The Board of Directors hereby submit the report and audited financial statements of Gulf Cement Company P.S.C. (the "Company") for the year ended December 31, 2025 presenting the Company's results and activities for the year.

Incorporation and registered office

The Company having license no. 32 is incorporated as a public shareholding company by Emiri decree number 24/77 issued by His Highness, The Ruler of Ras Al Khaimah, U.A.E., in 1977. The address of the Company's registered office is P. O. Box 5295, Ras Al Khaimah, United Arab Emirates. The Company's shares are listed on Abu Dhabi Securities Exchange (ADX).

Principal activity

The principal activities of the Company are production and marketing of all types of cement.

Financial position and results

The Company recorded revenue of AED 551.6 million for the year ended December 31, 2025 which is 14.7% higher than revenue of AED 480.8 million in the prior year. The Company incurred net loss amounting to AED 7.9 million (2024: AED 41.5 million) and generated EBITDA of AED 43.8 million (2024: AED 23.9 million). The financial position and results of the Company for the year ended December 31, 2025 are set out in the accompanying financial statements.

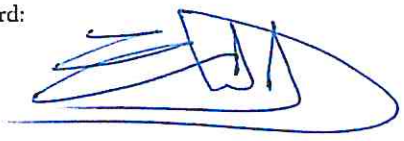
Auditors

Grant Thornton was appointed as auditors of the Company for the year ended December 31, 2025.

Acknowledgements

The Board would like to express their gratitude and appreciation to all shareholders, customers and business partners, government agencies, banks and financial institutions and employees, whose continued commitment, support and co-operation has been a great strength and encouragement.

on behalf of the board:



Sheikh Omar Saqer Khaled Humaid Alqassimi
Chairman

February 5, 2026

Ras Al Khaimah, United Arab Emirates

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- SHJ BR

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Independent Auditor's Report
To the Shareholders of Gulf Cement Company P.S.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Gulf Cement Company P.S.C. (the "Company"), which comprise the statement of financial position as at December 31, 2025, the statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

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Independent Auditor's Report
To the Shareholders of Gulf Cement Company P.S.C.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Impairment assessment of property, plant and equipment	Our audit procedures to test the impairment analysis performed by the Company's management included the following:
The Company's property, plant and equipment ("PPE") had a carrying value of AED 526.9 million as at December 31, 2025. The Company has incurred recurring operating losses, which indicate potential impairment of these assets. In response to these indicators, management performed an impairment assessment as at December 31, 2025 using a value-in-use ("VIU") model based on the discounted future cash flows expected to be generated from the business. Based on this assessment, management concluded that no impairment of PPE was required as at that date. The impairment assessment involves significant judgement, particularly in relation to future cash flows, discount rates and other key assumptions used in the value-in-use model. Given the size of the PPE balance and the sensitivity of the assessment to changes in these assumptions, this area required significant auditor attention and was therefore considered a key audit matter. Relevant disclosures are included in note 14 to the financial statements, with note 4.19 describing the key sources of estimation uncertainty relating to the impairment assessment.	▪ We obtained an understanding of management's process surrounding the impairment assessment of PPE. ▪ We evaluated the approach used by management to determine the value-in-use of the assets and considered its consistency with the requirements of IFRS Accounting Standards. ▪ We assessed the key assumptions and judgements applied by management, including the cash flow projections and supporting information used in the impairment model. ▪ We evaluated the reasonableness of management's forecasts for key assumptions by considering historical performance and information made available to management and Board of Directors. ▪ We reviewed the discount rate and terminal growth rate applied in the model and assessed their overall appropriateness with reference to available market information. ▪ We considered the adequacy of the related disclosures in the financial statements in accordance with IFRS Accounting standards.

Independent Auditor's Report
To the Shareholders of Gulf Cement Company P.S.C.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matter	How our Audit Addressed the Key Audit Matter
Management assessment of preparation of the financial statements on a going concern basis The financial statements have been prepared on going concern basis. Management is required to assess the Company's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. The Company has experienced circumstances that required significant judgment in assessing its ability to continue as a going concern. These conditions included recurring losses and liquidity pressures, which required management to use significant judgement, estimation and assumption to forecast the profitability and availability of financing. Given the importance of this assessment to the financial statements, this matter was considered a key audit matter. Management's disclosure relating to going concern are presented in note 1.1 to the financial statements.	Our audit procedures included, among others: ▪ We evaluated management's process for preparing going concern assessment, including understanding the key assumptions applied in the cash flow forecasts. ▪ We compared forecast information to historical performance and other available data to assess the reliability of management's forecasting process, including production levels, sales volumes, and cost assumptions. ▪ We performed stress testing on management's forecasted projections to evaluate the company's liquidity position under stressed conditions. ▪ We reviewed the availability of financing arrangements and other support, including examining the terms of banking facilities and assessing compliance with key covenants. ▪ We evaluated the adequacy of the disclosure in the financial statements relating to going concern, ensuring they appropriately describe the management's assessment and any related uncertainties.

Other Matter

The financial statements of the Company for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on February 17, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Board of Directors' report but does not include the financial statements and our auditor's report thereon. We obtained Directors' report prior to date of our auditors' report, and we expect to obtain the remaining sections of the Annual report after the date of auditors' report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report
To the Shareholders of Gulf Cement Company P.S.C.

Report on the Audit of the Financial Statements (continued)

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board (IASB) and their preparation in compliance with the applicable provisions of UAE Federal Decree Law No. (32) of 2021 and Articles of Association of the Company, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent Auditor's Report
To the Shareholders of Gulf Cement Company P.S.C.

Report on the Audit of the Financial Statements (continued)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. (32) of 2021, as amended by Federal Decree-Law No. 20 of 2025, we report that, for the year ended December 31, 2025, we report that:

i) We have obtained all the information we considered necessary for the purposes of our audit;

ii) The financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 as amended by Federal Decree-Law No. (20) of 2025 and Articles of Association of the Company;

iii) The Company has maintained proper books of account in accordance with established accounting principles;

iv) The financial information included in the Board of Directors' report is consistent with the books of account of the Company;

v) Investments, if any, in shares and stocks during the year ended December 31, 2025 are disclosed in note 16 to the financial statements;

vi) Note 27 to the financial statements discloses material related party transactions, and the terms under which they were conducted;

Independent Auditor's Report
To the Shareholders of Gulf Cement Company P.S.C. (continued)

Report on Other Legal and Regulatory Requirements (continued)

vii) The company has not made any social contributions during the financial year ended December 31,2025 and;

viii) Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended December 31, 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 as amended by Federal Decree-Law No. 20 of 2025 or of its Article of Association which would materially affect its activities or its financial position as at December 31, 2025.

GRANT THORNTON UAE

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Audit and Accounting Limited (Sharjah Branch)

Anand Prabhu
Registration No: 5567
Sharjah, United Arab Emirates

February 05, 2026

Gulf Cement Company P.S.C
Statement of profit or loss
For the year ended December 31, 2025

	Notes	2025 AED	2024 AED
Revenue from contracts with customers	5	**551,569,411**	480,822,562
Other operating income	6	**15,916,812**	15,439,114
Raw materials, supplies and consumables		**(428,057,644)**	(410,096,185)
Changes in inventories of finished goods and work in progress	7	**(1,787,622)**	4,655,826
Services	8	**(55,872,264)**	(36,839,481)
Staff cost	9	**(36,853,037)**	(29,268,987)
Other operating expenses	10	**(1,108,255)**	(766,446)
Depreciation and amortization expenses	11	**(57,368,451)**	(58,189,081)
Operating loss (Earnings before interest and tax)		**(13,561,050)**	(34,242,678)
Investment income	12	**3,864,356**	3,015,787
Finance revenues	13	**1,062,629**	1,603,838
Finance costs	13	**(4,321,318)**	(11,828,165)
Loss for the year, before tax		**(12,955,383)**	(41,451,218)
Income tax credit	25	**4,962,473**	-
Loss for the year, after tax		**(7,992,910)**	(41,451,218)
Earnings per share (EPS)			
Basic and diluted loss per share	26	**(0.02)**	(0.10)

The accompanying notes from 1 to 33 form an integral part of these financial statement

Gulf Cement Company P.S.C
Statement of other comprehensive income
For the year ended December 31, 2025

	Notes	2025 AED	2024 AED
Loss for the year after tax		**(7,992,910)**	(41,451,218)
Other comprehensive income:			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods			
Gain/ (loss) on disposal of investments carried at fair value through other comprehensive income (FVTOCI)	16 (a)	**316,674**	(31,238)
Net change in fair value of investments carried at FVTOCI	16 (b)	**27,171**	(3,778)
Total other comprehensive income/(loss)		**343,845**	(35,016)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(7,649,065)**	(41,486,234)

The accompanying notes from 1 to 33 form an integral part of these financial statement

Gulf Cement Company P.S.C
Statement of financial position
As at December 31, 2025

	Notes	2025 AED	2024 AED
ASSETS			
Non-current assets			
Property, plant & equipment	14	526,943,036	615,709,065
Right-of-use asset	28	3,848,196	2,300,833
Investment property	15	-	7,936,000
Deferred tax asset	25	4,962,473	-
Investment carried at FVTOCI	16(a)	48,471	1,844,244
Trade and other receivables	18	406,061	897,902
		536,208,237	628,688,044
Current			
Inventories	17	171,070,993	106,610,996
Trade and other receivables	18	145,601,298	114,806,984
Investment carried at fair value through profit or loss (FVTPL)	16(b)	-	13,664,856
Cash and cash equivalents	19	2,216,644	347,012
		318,888,935	235,429,848
TOTAL ASSETS		855,097,172	864,117,892
EQUITY AND LIABILITIES			
Equity			
Share capital	20	410,548,410	410,548,410
Reserves	21	166,482,312	166,482,312
Fair value reserve	16(a)	(12,827,850)	(12,947,338)
Accumulated losses		(65,251,553)	(57,483,000)
Total equity		498,951,319	506,600,384
Liabilities			
Non-current			
Employees' end of service benefits	22	8,432,234	7,877,614
Lease liability	28	2,208,249	1,531,227
		10,640,483	9,408,841
Current			
Bank borrowings	23	75,409,065	37,469,657
Trade and other payables	24	268,909,471	310,152,844
Lease liability	28	1,186,834	486,166
		345,505,370	348,108,667
Total liabilities		356,145,853	357,517,508
TOTAL EQUITY AND LIABILITIES		855,097,172	864,117,892

The financial statements for the company have been approved by Board of Directors on February 5, 2026 and signed on its behalf by:

Sheikh Omar Saqer Khaled Humaid Alqassimi
Chairman of the Board of Directors

The accompanying notes from 1 to 33 form an integral part of these financial statements

Gulf Cement Company P.S.C
Statement of changes in equity
For the year ended December 31, 2025

	Share capital AED	Reserves AED	Fair value reserve AED	Accumulated losses AED	Total equity AED
Balance as at 1 January 2024	410,548,410	166,482,312	(12,955,211)	(15,988,893)	548,086,618
Loss for the year, after tax	-	-	-	(41,451,218)	(41,451,218)
Other comprehensive loss for the year	-	-	(3,778)	(31,238)	(35,016)
Total comprehensive loss for the year			(3,778)	(41,482,456)	(41,486,234)
Transfer of fair value reserve of equity instruments designated at FVTOCI	-	-	11,651	(11,651)	-
Balance as at December 31, 2024	410,548,410	166,482,312	(12,947,338)	(57,483,000)	506,600,384
Balance as at 1 January 2025	**410,548,410**	**166,482,312**	**(12,947,338)**	**(57,483,000)**	**506,600,384**
Loss for the year, after tax	-	-	-	**(7,992,910)**	**(7,992,910)**
Other comprehensive income	-	-	**27,171**	**316,674**	**343,845**
Total comprehensive income/(loss) for the year	-	-	**27,171**	**(7,676,236)**	**(7,649,065)**
Transfer of fair value reserve of equity instruments designated at FVTOCI	-	-	**92,317**	**(92,317)**	-
Balance as at December 31, 2025	**410,548,410**	**166,482,312**	**(12,827,850)**	**(65,251,553)**	**498,951,319**

The accompanying notes from 1 to 33 form an integral part of these financial statements.

Gulf Cement Company P.S.C
Statement of cash flows
For the year ended December 31, 2025

	Notes	2025 AED	2024 AED
OPERATING ACTIVITIES			
Loss for the year before tax		**(12,955,383)**	(41,451,218)
Adjustments for:			
Depreciation of property, plant and equipment	14	**56,807,898**	57,979,914
Amortisation of right-of-use asset	11	**560,553**	209,167
Finance costs	13	**4,092,733**	11,690,859
Interest on lease liability	13	**134,765**	63,393
Provision for slow-moving inventories		**-**	2,128,864
Provision for employees' end of service indemnity	22	**975,371**	777,262
Reversal of provision for expected credit losses	6	**(17,365)**	(1,094,222)
Fair value gain on investment property	12	**-**	(686,000)
Unrealized gain on investments carried at FVTPL	12	**-**	(2,198,059)
Gain on sale of investments	12	**(3,864,356)**	(131,728)
Interest and dividend income	13	**(1,062,629)**	(1,603,838)
Finance income		**-**	(104,090)
		44,671,587	25,580,304
Net changes in working capital			
Inventories		**15,895,363**	(5,784,058)
Trade and other receivables		**(30,285,108)**	(27,764,731)
Trade and other payables		**(36,385,186)**	72,816,087
Cash flows from operations		**(6,103,344)**	64,847,602
Employees' end of service benefits paid	22	**(420,751)**	(1,244,586)
Finance costs paid		**(8,319,199)**	(6,719,179)
Net cash (used in)/generated from operating activities		**(14,843,294)**	56,883,837
INVESTING ACTIVITIES			
Additions to property, plant and equipment	14	**(40,127,229)**	(39,111,711)
Purchase of investments carried at FVTOCI		**-**	(251,124)
Proceeds from disposal of investment in securities	16	**19,334,830**	571,718
Dividends received		**1,061,501**	1,602,732
Interest income		**1,128**	1,106
Net cash flows used in investing activities		**(19,729,770)**	(37,187,279)
FINANCING ACTIVITIES			
Net movements in bank borrowings		**37,939,408**	(18,797,731)
Payment of lease liability	28	**(864,991)**	(556,000)
Dividends paid		**(631,721)**	(575,678)
Net cash generated from (used in) financing activities		**36,442,696**	(19,929,409)
Net change in cash and cash equivalents		**1,869,632**	(232,851)
Cash and cash equivalents, beginning of year		**347,012**	579,863
Cash and cash equivalents, end of year	19	**2,216,644**	347,012

The accompanying notes from 1 to 33 form an integral part of these financial statements.

1 Corporate information

Gulf Cement Company P.S.C. (Public Shareholding Company) having license no. 32 is incorporated as a public shareholding company by Emiri decree number 24/77 issued by His Highness, The Ruler of Ras Al Khaimah, U.A.E., in 1977. The address of the Company's registered office is P. O. Box 5295, Ras Al Khaimah, United Arab Emirates.

The principal activities of the Company are production and marketing of all types of cement.

The Company's shares are listed on Abu Dhabi Securities Exchange (ADX). In the General Assembly Meeting held on April 2, 2020, the shareholders approved the delisting of the Company's shares from Kuwait Stock Exchange (Boursa Kuwait). The last day of trading of the Company's shares in Boursa Kuwait was on December 14, 2020.

TC MENA Holdings Ltd ("TCM"), a subsidiary of Buzzi S.p.A. (an Italian public company listed on the Italian stock exchange and the ultimate parent entity holding 90% of TCM), became the ultimate reporting party, following the mandatory tender offer approved by the UAE Securities and Commodities Authority (SCA) and shareholders in their annual general meeting held on April 17, 2025 completed acquisition of a controlling stake of Gulf Cement Company PSC ("the Company") effective May 8, 2025. Post-acquisition, Gulf Cement Company PSC ("the Company") will leverage strategic synergies to enhance operational efficiency, expand market reach, and accelerate sustainable growth.

During the year, Federal Decree Law No. 20 of 2025, amending Federal Decree Law No. 32 of 2021 on Commercial Companies, was issued on October 1, 2025 and became effective on November 15, 2025.

The amendments introduce a number of changes to the UAE corporate framework, including, among others, enhanced flexibility in share capital structures, recognition of drag along and tag along rights, revised rules for valuation of in kind contributions, transfer of company registration across jurisdictions, legal transformation of companies without loss of legal personality, and alignment between mainland and free zone regulatory regimes.

The Amending Law provides for transitional implementation arrangements, whereby the application of certain provisions is phased, subject to the issuance of further implementing regulations and decisions by the competent authorities. Accordingly, not all amendments are required to be adopted immediately upon the effective date.

Management is currently assessing the impact of the amendments on the Company.

1.1 Going concern

Management has assessed the Company's ability to continue as a going concern for a period of at least twelve months from the reporting date and has concluded that the going concern basis of preparation is appropriate. This assessment reflects the continued strengthening of the Company's operating and financial position during the year. The Company generated EBITDA of AED 43.8 million, supported by sustained improvements in pricing, an enhanced domestic sales mix and ongoing operational efficiencies. Liquidity remained stable through access to AED 138 million of revolving banking facilities, of which approximately AED 41.9 million remained undrawn at December 31, 2025, and the Company remained fully compliant with all banking covenants throughout the year. The Company continues to meet day-to-day working capital requirements through advance cash sales, disciplined inventory management, strong credit control processes and established banking lines, including overdraft facilities that remain available and operational, as evidenced by subsequent utilisation noted in bank statements. In addition, the USD 10 million overdraft facility, backed by the majority shareholder, further demonstrating lender support and readiness of additional funding sources.

As at December 31, 2025, total revolving credit facilities of AED 138 million, including approximately AED 41.9 million of undrawn limits, provide substantial liquidity headroom for the forecast period.

1 Corporate information (continued)

1.1 Going concern (continued)

The Company has a consistent history of operating within 50%–60% of its available banking limits, reflecting prudent and conservative liquidity management.

Furthermore, the Company has implemented enhanced receivable-management practices, including a reduction in customer credit periods by 55 days, which is expected to accelerate cash collections, strengthen the cash-conversion cycle and further support short-term liquidity.

Operational continuity is reinforced through the execution of a three-year fuel supply agreement with a key supplier, securing a critical production input and providing greater predictability over operating costs and production levels. Management's forecasts assume the increased in normal production activity and anticipate further domestic revenue growth driven by existing sales contracts, newly generated local sales and opportunities to engage strategic partners through potential offtake arrangements. The Company also benefits from strengthened governance and oversight following the acquisition by TCM, whose strategic support, operational expertise and enhanced treasury monitoring directly contribute to financial discipline and continued progress against the Company's operational plans.

Management has prepared detailed cash-flow forecasts and conducted sensitivity analyses reflecting reasonably possible changes in trading conditions. The results indicate that the Company is expected to maintain sufficient liquidity headroom and meet its obligations as they fall due throughout the going-concern assessment period. Even under an unlikely scenario involving a 20% reduction in the total facility limit, the Company's ability to continue as a going concern over the next 12 months would remain intact, supported by stable cash flows and conservative levels of facility utilisation.

Considering these factors, together with the financing facilities currently in place and the enhanced strategic support following the recent change in ownership, management, with oversight from the Board of Directors, is confident that the Company has adequate financial and operational resources to continue as a going concern. Accordingly, the financial statements have been prepared on that basis.

2 Basis of preparation and statement of compliance

Statement of compliance

The financial statements of the company have been prepared in accordance with the IFRS Accounting Standards as issued by the IASB and applicable requirements of UAE Federal Law by Decree No. 32 of 2021 on Commercial Companies.

Basis of measurement

The financial statements have been prepared on a historical cost basis except for investments carried at fair value through profit or loss (FVTPL), investments carried at fair value through other comprehensive income (FVTOCI) and investment property that have been measured at fair value.

Functional and presentation currency

The financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional currency, and all values are rounded to the nearest Dirhams except where otherwise indicated.

3 New or revised standard or interpretations

The following relevant standards, interpretations and amendments to existing standards were issued by the IASB which have been effective from January 1, 2025:

- Lack of Exchangeability (Amendments to IAS 21)

This amendment did not have a significant impact on this financial statements.

Standards, amendments and interpretations to existing Standards that are not yet effective and have not been adopted early by the Company

Other standards, amendments and interpretations that are not yet effective and have not been early adopted by the Company include:

- Amendments to the Classification and Measurement of Financial Instruments(Amendments to IFRS 7 and 9)
- Annual improvements to IFRS Accounting Standards - Volume 11
- IFRS 19 Subsidiaries without Public Accountability: Disclosures
- IFRS 18 'Presentation and Disclosures in Financial Statements

IFRS 18 introduces new presentation and disclosure requirements of additional totals in the statement of profit or loss, a new note which discloses management-defined performance measures and enhancements to the requirements for aggregation and disaggregation. Management is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's financial statement. These remaining above standards, amendments and interpretations are not expected to have a significant impact on the financial statements for the period of initial application and therefore no disclosures have been made.

Standards issued by the International Sustainability Standards Board (ISSB)

On June 26, 2023, the ISSB published first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

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

IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 Climate-related disclosures

IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Subject to adoption by the local jurisdiction, both Standards are effective for annual periods beginning on or after January 1, 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and financial statements. The Company did not adopt these standards on the effective date given that they have not yet been adopted by the United Arab Emirates.

4 Material accounting policies

4.1 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. There are no significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers.

Sale of goods
Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

Dividend and interest income
Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

Income from sale of electricity
Income from the sale of electricity is recognised monthly based on metered units consumed and acknowledged by the customer. Revenue is measured at the agreed contractual unit price, and an invoice is generated monthly for the electricity transferred.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities
A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

4.2 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. 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 statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

4 Material accounting policies (continued)

4.2 Property, plant and equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the asset except for certain plant and machinery and power stations which are depreciated using units of product method, as follows:

Building	27 to 35 years
Plant and machinery	5 to 15 years / units of production
Power stations	units of production
Vehicles and equipment	2 to 5 years
IT computer, hardware & software	3 years

Units of production rates are based on estimated remaining production units of the plant and machinery and power stations measured in terms of tonnage and megawatts, respectively as of 1 January 2020 as determined by an independent third-party consultant. These remaining production units are estimated considering operation and maintenance of the plant and machinery and power stations as per internationally accepted industry standards.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising 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 statement of profit of loss in the year the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end, and adjusted prospectively if, appropriate.

Capital work-in-progress is stated at cost less accumulated impairment losses (refer accounting policy on impairment), if any, until the construction is complete. Upon completion of construction, the cost of such asset together with the cost directly attributable to construction (including borrowing costs and land rent capitalised) are transferred to the respective class of assets. No depreciation is charged on capital work-in-progress.

Spare parts that meet the definition of property, plant and equipment are capitalised as such and accounted for accordingly. If spare parts do not meet the recognition criteria of property, plant and equipment, they are either classified as inventory or consumed and recorded in the statement of profit or loss. Depreciation of spare parts commences when they are put into use, rather than when they are acquired. Spare parts are depreciated over the shorter of its useful life and the remaining expected useful life of the asset to which it relates. Before the spare parts is available for service, any reduction in value is reflected as an impairment loss as per the requirements of IAS 36 when indicators of impairment are identified. Key assumptions used by the management in assessing the impairment of property, plant and equipment are disclosed in note 4.5 and note 14.

4.3 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Raw materials - purchase cost on a weighted average basis
- Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

4 Material accounting policies (continued)

4.3 Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

4.4 Financial instruments

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVTOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVTOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include bank balances, trade and other receivables, investments carried at FVTOCI and FVTPL.

Subsequent measurement

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

- Financial assets at amortised cost
- Financial assets at FVTOCI with recycling of cumulative gains and losses
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition
- Financial assets at FVTPL

4 Material accounting policies (continued)

4.4 Financial instruments (continued)

Financial assets (continued)

Subsequent measurement (continued)

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

The Company's financial assets at amortised cost includes bank balances and trade and other receivables.

Financial assets designated at FVTOCI (equity instruments)

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

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

The Company elected to classify irrevocably its non-listed equity investments and certain listed equity investments under this category.

Financial assets at FVTPL

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

This category includes listed equity investments which the Company had not irrevocably elected to classify at FVTOCI. Dividends on listed equity investments are recognised as investment income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4 Material accounting policies (continued)

4.4 Financial instruments (continued)

Financial assets (continued)

Derecognition (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

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

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

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk but instead recognizes a loss allowance based on lifetime ECL's at each reporting date. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. ECLs are recognised in the statement of profit or loss.

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

4 Material accounting policies (continued)

4.4 Financial instruments (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, bank borrowings, other payables and lease liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

- Financial liabilities at FVTPL
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to trade payables, bank borrowings, other payables and lease liability.

Derecognition

A financial liability is derecognised 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

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

4 Material accounting policies (continued)

4.5 Impairment of non-financial assets

The Company 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 Company 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. The recoverable amount 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 no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a year of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued and the revaluation was taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGUs 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 income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

4.6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4 Material accounting policies (continued)

4.7 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the year in which they arise. Fair values are determined based on an annual valuation performed by an accredited external independent valuer.

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

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

4.8 Fair value measurement

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

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

4 Material accounting policies (continued)

4.8 Fair value measurement (continued)

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

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

The Company measures financial assets such as investment in quoted and unquoted securities and non-financial assets such as investment in properties, at fair value at each balance sheet date.

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

Fair value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in notes 15, 16 and 31.

4.9 Current versus non-current classification

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

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

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting year, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The Company classifies all other liabilities as non-current.

4 Material accounting policies (continued)

4.10 Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

4.11 Dividend

The Company recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the Company's Article of Association, a distribution is authorised when it is approved by the shareholders and in accordance with the rules, resolutions and circulations issued by the Securities and Commodities Authority.

4.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement.

4.13 Contingencies

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

4.14 Employee benefits

Defined contribution plan
UAE national employees of the Company are members of the Government-managed retirement pension and social security benefit scheme pursuant to the applicable Federal Labour Law. The Company is required to contribute 12.5% of the "contribution calculation salary" of payroll costs to the retirement benefit scheme to fund the benefits. The employees and the Government contribute 5% and 2.5% of the "contribution calculation salary" respectively, to the scheme. For the new employees after 31 October 2023, employee contribution has increased from 5% to 11%. The only obligation of the Company with respect to the retirement pension and social security scheme is to make the specified contributions (12.5%). The contributions are charged to profit or loss.

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

Provision for employees' end of service indemnity
The Company provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' 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. The accrual relating to annual leave is disclosed as a current liability, while the provision relating to end of service indemnity is disclosed as a non-current liability.

4 Material accounting policies (continued)

4.15 Leases

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

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

i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset of 5 years.

If ownership of the leased asset transfers to the Company 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.

ii) *Lease liabilities*
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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.

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

4 Material accounting policies (continued)

4.16 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

In assessing the recoverability of deferred tax assets, the Company relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

4 Material accounting policies (continued)

4.16 Taxes (continued)

Deferred tax (continued)

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

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

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

Value added tax

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

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

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

4.17 Foreign currencies

Transactions in foreign currencies are initially recorded at the spot rates at the date the transaction qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rates of exchange at the reporting date. All differences are taken to the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

4 Material accounting policies (continued)

4.18 Events after the reporting period

If the Company receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Company will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Company will not change the amounts recognised in its financial statements but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

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

4.19 Significant management judgements and estimates in applying accounting policies

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

Judgements

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

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and believes that the Company has the necessary required resources to enable it to continue its operations and meet its obligations as and when they fall due (note 1.1).

Based on the above, the management and the Board of Directors believe that the Company will be able to continue as a going concern for the foreseeable future, and accordingly, the financial statements of the Company have been prepared on a going concern basis.

Classification of investments

Management designates at the time of acquisition of securities whether these should be classified as at FVTOCI or FVTPL. In judging whether investments in securities are as at FVTOCI or FVTPL, management has considered the detailed criteria for determination of such classification as set out in IFRS 9, and accordingly management is satisfied that its investments in securities are appropriately classified.

4 Material accounting policies (continued)

4.19 Significant management judgements and estimates in applying accounting policies (continued)

Judgements (continued)

Component parts of property, plant and equipment

The Company's assets classified within property, plant and equipment, are depreciated on a straight-line basis over their economic useful lives or the units of production method. When determining the economic useful life of an asset, it is broken down into significant component parts such that each significant component part is depreciated separately. Judgement is required in ascertaining the significant components of a larger asset, and while defining the significance of a component, management considers quantitative materiality of the component part as well as qualitative factors such as difference in useful life as compared to main asset, its pattern of consumption, and its replacement cycle/maintenance schedule.

Classification of properties

Management decides at the time of acquisition of a property whether it should be classified as property, plant and equipment or investment property. The Company classifies properties as property, plant and equipment when the properties are held for use by, or in the operations, of the Company. Properties are classified as investment properties when the intention is to hold them for capital appreciation, for rental or for undetermined use. The Company changes the classification when its intention changes.

Deferred tax

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

The Company has AED 54.9 million of tax losses carried forward. These losses do not expire and may be used to offset taxable income in future years for an indefinite period. Company has recognised deferred tax assets of AED 4.9 million in expectation of utilisation of these losses and Company generating substantial taxable profits in the future years.

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 year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4 Material accounting policies (continued)

4.19 Significant management judgements and estimates in applying accounting policies (continued)

Estimates and assumptions (continued)

Units of production depreciation

Certain property, plant and equipment are depreciated using the units of production (UOP) method based on the remaining production capacity as determined by an independent third-party consultant as of 1 January 2020. This results in a depreciation charge proportional to the estimated production capacity of the relevant item of property, plant and equipment. Each items' life, which is assessed annually, has regard to both its physical life limitations and to present assessments of the remaining production capacity assuming the operation and maintenance of the property, plant, and equipment as per internationally accepted industry standards. These calculations require the use of estimates and assumptions, including the number of remaining units of productions and estimates of future capital expenditure.

The calculation of the UOP rate of depreciation could be impacted to the extent that actual production in the future is different from current forecast production or future capital expenditure estimates changes.

Changes to estimated production capacity could arise due to changes in the factors or assumptions used in estimating capacity, including the below:

- Unforeseen operational issues
- Manufacturing defects
- Improper modifications
- Improper replacements
- Poor maintenance practices
- Reducing costly unscheduled outages caused by in-service failures

Provision for expected credit losses of trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables and contract assets is disclosed in note 18 and note 32.

4 Material accounting policies (continued)

4.19 Significant management judgements and estimates in applying accounting policies (continued)

Estimates and assumptions (continued)

Provision for expected credit losses of trade receivables (continued)

As at December 31, 2025, gross trade receivables amounted to AED 126.3 million (2024: AED 100.6 million) and the provision for expected credit losses amounted to AED 2.8 million (2024: AED 2.8 million).

Existence of inventories

Inventories comprise of purchased raw materials (limestone, sand, slag, gypsum, iron ore and bauxite) and work in progress (mainly clinker which are stored in purpose built shed and stockpiles). Since the weighing of these inventories is not practicable, management assesses the quantities on hand at the year-end by obtaining measurements of the stockpiles and converting these measurements to unit of volumes by using the angle of repose and the bulk density. In doing so, management appoints an independent surveyor to estimate the quantities by using certain scientific systematic measurements calculations and applying the density conversion methods which are applied for similar stock in the cement industry.

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 anticipated selling prices.

At the reporting date, gross inventories were AED 209 million (2024: AED 121.7 million) with provision for old and obsolete inventories of AED 37.9 million (2024: AED 15.1 million). Any differences between the amounts actually realised in future years and the amounts expected will be recognised in the statement of profit or loss.

Fair value of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using observable or unobservable valuation techniques including the discounted cash flow (DCF) model, where appropriate. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

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 market approach (i.e. sales comparison method) and cost approach (i.e. depreciated replacement cost method). The value in use calculation is based on a DCF model.

4 Material accounting policies (continued)

4.19 Significant management judgements and estimates in applying accounting policies (continued)

Estimates and assumptions (continued)

Impairment of non-financial assets (continued)

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the CGU are disclosed in note 14.

Fair value of investment property

The Company carries its investment property at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment property, a valuation methodology based on the current prices in an active market for similar properties is used. In the absence of such information, the Company determined the amounts within a range of reasonable fair value estimates. In making its judgment, the Company considers recent prices of similar properties in the same location and similar conditions, with adjustments to reflect any changes in the nature, location or economic conditions since the date of the transactions that occurred at those prices. Such estimation is based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results.

The Company engaged an independent valuation specialist to assess fair value as at December 31, 2025. The key assumptions used to determine the fair value of the property and sensitivity analysis are provided in note 15.

Useful lives of property, plant and equipment, excluding power stations and a production line classified as part of plant and machinery

The Company'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. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Useful lives of Spare Parts

Management is required to exercise judgement when assessing the expected useful lives and consumption patterns of spare parts used in the Company's production processes. Following the acquisition by TCM, management used group technical team expertise to reassess the expected consumption life of spare parts. The new operational and technical information indicated that some items are expected to be consumed within a single operating cycle rather than providing multi-period service potential. Accordingly, the resulting change in useful life of the spare parts represents a revision of an accounting estimate. In accordance with IAS 8 the revision is applied prospectively, and no comparative figures have been restated.

5 Revenue from contract with customers

a) Disaggregated revenue information

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

	2025 AED	2024 AED
Type of revenue		
Sale of goods	**551,569,411**	480,822,562
Geographical markets		
Within UAE	**396,417,009**	262,752,210
Outside UAE	**155,152,402**	218,070,352
Timing of revenue recognition		
Goods transferred at a point in time	**551,569,411**	480,822,562

Revenue includes AED 294.3 million which represents 53% of total revenue from 7 customers (2024: AED 311.2 million which represents 65% of total revenue from 7 customers).

b) Contract balances

	2025 AED	2024 AED
Asset		
Trade receivables (note 18)	**123,490,007**	97,755,538

	2025 AED	2024 AED
Liability		
Advances from customers (note 24)	**22,069,885**	13,377,660

c) Performance obligations

The performance obligation on sales of goods is satisfied upon delivery and payment is generally due within 90 to 125 days from delivery (2024: 150 to 180 days).

6 Other operating income

	2025 AED	2024 AED
Sale of electricity to customer	**13,560,211**	11,487,344
Sales of scrap	**2,339,236**	2,857,548
Reversal of provision	**17,365**	1,094,222
	15,916,812	15,439,114

7 Changes in inventories of finished goods and work in progress

	2025 AED	2024 AED
Inventories as at December 31		
Finished goods	**2,975,277**	9,623,268
Work in progress	**39,858,793**	34,998,424
	42,834,070	44,621,692
Inventories as at January 1		
Finished goods	**9,623,268**	9,719,041
Work-in-progress	**34,998,424**	30,246,825
	44,621,692	39,965,866
(Decrease)/ increase in inventories	**(1,787,622)**	4,655,826

8 Services

	2025 AED	2024 AED
Transportation	**24,776,694**	21,443,948
Maintenance and contractual services	**16,470,608**	5,691,156
Insurance	**4,443,063**	2,850,532
Legal and professional consultancy	**4,090,636**	2,424,315
Operating leases of property and machinery	**1,736,637**	1,602,758
Travel	**382,900**	12,887
Other*	**3,971,726**	2,813,885
	55,872,264	36,839,481

*Others include Board members fee (note 27), communication Cost, canteen, bank charges and other administrative costs, among others.

9 Staff cost

	2025 AED	2024 AED
Salaries and wages	**34,947,466**	28,104,713
Other long-term benefits	**1,905,571**	1,164,274
	36,853,037	29,268,987

10 Other operating expenses

Other operating expenses, related to both the ordinary and the non-recurring course of business, are composed as follows:

	2025 AED	2024 AED
Indirect taxes and duties	**689,479**	335,606
Other expenses	**418,776**	430,840
	1,108,255	766,446

11 Depreciation and amortization expenses

	2025 AED	2024 AED
Right-of-use assets (note 28)	**560,553**	209,167
Property, plant and equipment (note 14)	**56,807,898**	57,979,914
	57,368,451	58,189,081

12 Investment Income

	2025 AED	2024 AED
Gain on disposal of investments carried at FVTPL (note 16b)	**3,530,356**	131,728
Gain on disposal of investment property (note 15)	**334,000**	-
Unrealized gain on revaluation of investments carried at FVTPL (note 16b)	**-**	2,198,059
Unrealised fair Value gain on Investment Property (note 15)	**-**	686,000
	3,864,356	3,015,787

13 Finance revenues and finance costs

Finance Revenue

	2025 AED	2024 AED
Dividend income	**1,061,501**	1,602,732
Interest income	**1,128**	1,106
	1,062,629	1,603,838

Finance Cost

	2025 AED	2024 AED
Interest on overdue payables	**1,065,025**	6,135,211
Interest on bank borrowings	**3,027,708**	3,756,687
Interest on unwinding of long-term payables	**-**	149,114
Interest on lease liability (note 28)	**134,765**	63,393
Others	**93,820**	1,723,760
	4,321,318	11,828,165

14 Property and equipment

	Land	Building AED	Plant and machinery AED	Power stations AED	Vehicles and equipment AED	IT computer hardware & software AED	Spare parts AED	Capital work in progress AED	Total AED
2025									
Gross carrying amount									
Balance at January 1	-	125,242,726	1,278,539,944	495,824,232	17,942,219	14,888,096	131,324,962	-	2,063,762,179
Additions for the year	-	-	80,000	-	309,501	44,761	23,722,697	15,970,270	40,127,229
Transfers for the year	-	-	26,961,966	-	-	-	(26,961,966)	-	-
Reclassification	8,270,000	-	-	-	-	-	(103,147,380)	-	(94,877,380)
As at December 31	8,270,000	125,242,726	1,305,581,910	495,824,232	18,251,720	14,932,857	24,938,313	15,970,270	2,009,012,028
Accumulated depreciation									
Balance at January 1	-	113,594,722	1,045,668,024	231,464,907	17,308,568	12,145,064	27,871,829	-	1,448,053,114
Charge for the year (note 11)	-	1,499,642	45,397,483	8,799,308	402,302	709,163	-	-	56,807,898
Transfer to inventory	-	-	-	-	-	-	(22,792,020)	-	(22,792,020)
As at December 31	-	115,094,364	1,091,065,507	240,264,215	17,710,870	12,854,227	5,079,809	-	1,482,068,992
Net carrying amount as at December 31	8,270,000	10,148,362	214,516,403	255,560,017	540,850	2,078,630	19,858,504	15,970,270	526,943,036
2024									
Gross carrying amount									
Balance at January 1	-	125,242,726	1,235,824,365	495,824,232	17,772,257	14,710,714	135,276,174		2,024,650,468
Additions for the year	-	-	-	-	169,962		38,941,749		39,111,711
Transfers for the year	-	-	42,715,579	-	-	177,382	(42,892,961)	-	-
As at December 31	-	125,242,726	1,278,539,944	495,824,232	17,942,219	14,888,096	131,324,962	-	2,063,762,179
Accumulated depreciation									
Balance at January 1	-	112,048,145	998,784,086	223,006,120	16,891,463	11,471,557	27,871,829	-	1,390,073,200
Charge for the year (note 11)	-	1,546,577	46,883,938	8,458,787	417,105	673,507	-	-	57,979,914
As at December 31	-	113,594,722	1,045,668,024	231,464,907	17,308,568	12,145,064	27,871,829	-	1,448,053,114
Net carrying amount as at December 31	-	11,648,004	232,871,920	264,359,325	633,651	2,743,032	103,453,133	-	615,709,065

14 Property and equipment (continued)

During the year ended December 31, 2025, no impairment losses (2024: Nil) has been recognised against property, plant and equipment ("PPE"), to adjust the carrying value to its recoverable amount. The recoverable amount assessed as at December 31, 2025 and 2024 was based on value in use calculated using the discounted cash flow approach over the period of next 5 years determined at the level of CGU with a terminal growth rate assumed after the 5th year. The CGU consisted of whole block of PPE as all the assets are used inseparably to provide service to customers that generate the cash flows. In arriving at the value in use of the PPE, the Company has projected the future cash flows for a period of five years using the following assumptions:

	2025	2024
Discount rate	**11.75%**	10%
Growth rate on price per ton	**2%**	2.50%
Terminal year growth rate	**1.50%**	1.50%
Fuel and power price	**refer below**	refer below

Fuel and power price include coal and gas prices. Average coal prices are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures of coal is based on publicly available data if available otherwise average five-year actual coal prices are used as an indicator of the future price. In case of gas, forecast figures is derived basis of average of five-year actual gas prices as an indicator of the future price including by reference to agreement entered with the supplier.

Value in use is higher than the carrying amount of the PPE as at December 31, 2025. Hence, no impairment losses were recorded by the Company.

Sensitivity to changes in assumptions

The discount rates represent the current market assessment of the risk specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived from the weighted average cost of capital, which takes into account both debt and equity. The cost of equity is derived from the expected return on investment of the Company's investors. The cost of debt is based on average lending rates. Segment specific risk is incorporated by applying individual beta factors, evaluated annually based on publicly available market data. An increase in discount rate by 1.65% (2024: 1.65%) in the CGU would result in impairment of AED Nil (2024: AED 3 million).

On average, the revenue of the CGU over the next five years is projected to grow in line with the economy or with real Gross Domestic Product. Historically, cement industry growth had a direct correlation with economic growth. A reduction by 2% (2024: 2%) in the growth rate on price per ton in the CGU would result in impairment of AED Nil (2024: AED :0.5 million)

The terminal year growth rate is based on the projected growth of the Company, which is in line with its historical experience, economic conditions of the countries where the Company operates, and the Company's future plans. A reduction by 2% (2024: 2%) in the terminal year growth rate in the CGU would result in impairment of AED Nil (2024: AED 0.2 million).

If prices of fuel and power increase on average by 3.1% (2024: 3%), the Company would result in impairment of AED 8.94 million (AED: 14.8 million).

14 Property and equipment (continued)

a) At December 31, 2025, the cost of fully depreciated property, plant and equipment that is still in use amounted to AED 674.3 million (2024: AED 731.5 million).

b) Depreciation on spare parts is not charged until such time as these assets are placed in service and transferred to the respective categories of property, plant and equipment.

c) The factory and its related buildings are constructed on plots of land owned by the Government of Ras Al Khaimah. All property, plant and equipment are located in the UAE.

d) Included within additions is plot of land valued at AED 8,270,000 transferred from investment property upon change in use to owner-occupation (staff accommodation). The amount represents the fair value at the date of transfer, recognised as deemed cost in accordance with IAS 40/IAS 16.

e) During the year, management reassessed the pattern of consumption of certain spare parts previously classified within property, plant and equipment (refer to note 4.19 – Significant Judgements and estimates). As a result of this reassessment, these items were reclassified to inventory an amount of AED 103.1 million at cost and AED 22.7 million impairment. (Subsequent to the reassessment, which was applied prospectively from 1 October 2025, the reclassification resulted in reduced depreciation of AED 1.8 million and increased maintenance expense of AED 14.8 million, with a net impact on profit or loss of AED 13 million for the period from October 1 to December 31, 2025.

f) There is a negative pledge over property, plant and equipment against borrowings (note 23).

g) Assignment of fire insurance policy over moveable property, plant and equipment in relation to banking facilities obtained by the Company (note 23).

15 Investment Property

	2025	2024
	AED	AED
Balance at January 1	**7,936,000**	7,250,000
Change in fair value (note 12)	**-**	686,000
Gain on exchange of land (note 12)	**334,000**	-
Reclassified to property plant & equipment (note 14)	**(8,270,000)**	-
Balance at December 31	**-**	7,936,000

Investment property represents plots of land in Ras Al Khaimah.

During the year, the Company exchanged an existing plot of land for another parcel of land. Based on an independent valuation, the transaction resulted in a gain of AED 334,000, which has been recognised in statement profit or loss.

Subsequently, management resolved to utilise the newly acquired land for the construction of staff accommodation. As a result, the property no longer meets the definition of investment property under IAS 40 and has been reclassified to property, plant and equipment (IAS 16) at its fair value on the date of reclassification. Accordingly, the full carrying amount of AED 8,270,000 has been transferred to property, plant and equipment. As a result of the reclassification, the Company held no investment property at December 31, 2025 (2024: AED 7,936,000).

The fair value of the Company's investment property (prior to reclassification) and 2024 has been arrived at on the basis of a valuation carried out at by an independent and competent valuer. The valuation was arrived at by reference to market evidence of transaction prices for similar properties.

15 Investment Property (continued)

The Company's investment property is classified as Level 3 in the fair value hierarchy and there were no transfers between the Levels 1, 2 and 3 during 2025 and 2024.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

Description of valuation techniques used and key inputs to valuation of investment property:

	Valuation techniques	Significant unobservable input	Range (weighted average) 2025	2024
Plot of land	Current market rate for comparable properties that have been sold in nearby area	Rate per sq. ft.	**AED 55**	AED 37

Significant increases/ (decreases) in estimated rate per square feet in isolation would result in a significantly higher (lower) fair value of the investment property.

16 Investment in securities

a) Investments carried at FVTOCI

	2025 AED	2024 AED
Quoted	**33,815**	1,949,076
Unquoted	**12,842,506**	12,842,506
Total gross investments at FVTOCI at cost	**12,876,321**	14,791,582
Less: accumulated fair value reserve, net	**(12,827,850)**	(12,947,338)
	48,471	1,844,244

The geographical spread of the above investments is as follows:

	2025			2024		
	Concentration percentage on fair value	**Cost AED**	**Fair value AED**	Concentration percentage on fair value	Cost AED	Fair value AED
Kuwait	**100%**	**12,876,321**	**48,471**	100%	14,791,582	1,844,244

16 Investment in securities (Continued)

a) Investments carried at FVTOCI (continued)

The cumulative change in fair value of investments carried at FVTOCI amounted to negative AED 12.8 million as at December 31, 2025 (2024: negative AED 12.9 million) and is shown under equity. During the year ended December 31, 2025, the Company has transferred AED 92,317 (2024: AED 11,651) from fair value reserve to accumulated losses arising from the disposal of investments carried at FVTOCI. The total proceeds from the disposal of investments carried at FVTOCI amounted to AED 2.1 million (2024: AED 0.21 million) resulting to a gain of AED 0.3 million (2024: loss of AED 0.03 million) which is shown in the statement of comprehensive income.

Equity instruments designated at FVTOCI include investments in equity shares of listed and non-listed companies. The Company holds non-controlling interests in these companies. These investments were irrevocably designated at FVTOCI as the Company considers these investments to be strategic in nature.

b) Investments carried at FVTPL

	2025 AED	2024 AED
Quoted investments at cost	-	7,409,192
Unquoted	**8,299,928**	8,299,928
Total gross investments at FVTPL at cost	**8,299,928**	15,709,120
Less: cumulative changes in fair value	**(8,299,928)**	(2,044,264)
Fair value of investments	-	13,664,856

The geographical spread of the above investments is as follows:

	2025			2024		
	Concentration percentage on fair value	Cost AED	Fair value AED	Concentration percentage on fair value	Cost AED	Fair value AED
UAE	-	-	-	100%	7,409,192	13,664,856
Other GCC countries	-	**8,299,928**	-	0%	8,299,928	-
	-	**8,299,928**	-	100%	15,709,120	13,664,856

The total proceeds from the disposal of investments carried at FVTPL amounted to AED 17.2 million (2024: AED 0.36 million) resulting to a gain of AED 3.5 million (2024: gain of AED 0.13 million) which is shown in the statement of profit or loss (note 12).

Movement in investment in securities is as follows:

	2025 AED	2024 AED
Fair value of investments as at the January 1	**15,509,100**	13,534,923
Additions made during the year	-	251,124
Disposals made during the year at carrying value	**(15,487,800)**	(471,228)
Unrealized gain on revaluation of investments carried at FVTPL (note 12)	-	2,198,059
Unrealized gain/(loss) on revaluation of investments carried at FVTOCI	**27,171**	(3,778)
Fair value of investments as at the December 31	**48,471**	15,509,100

17 Inventories

	2025 AED	2024 AED
Finished goods	**2,975,277**	9,623,268
Raw materials	**2,910,134**	8,662,483
Work in progress	**39,858,793**	34,998,424
Bags, fuel and lubricants	**22,844,956**	31,024,104
Spare parts*	**116,544,020**	26,043,373
Consumable items	**23,442,919**	10,951,860
Tools	**441,333**	461,903
	209,017,432	121,765,415
Less: provision for slow-moving and obsolete inventories (note (c))	**(37,946,439)**	(15,154,419)
	171,070,993	106,610,996

* It includes an amount of AED 103.1 million cost reclassified from property, plant and equipment to inventory following management's reassessment of their expected consumption pattern. (note 14(e)).

a) Assignment of fire insurance policy over inventories in relation to banking facilities obtained by the Company (note 23).

b) Inventories are pledged against banking facilities obtained by the Company (note 23).

c) Movement in provision for slow-moving and obsolete inventories during the year is as follows:

	2025 AED	2024 AED
Balance as at January 1	**15,154,419**	13,025,555
Reclassification (note 14(e))	**22,792,020**	-
Provision during the year	**-**	2,128,864
Balance as at December 31	**37,946,439**	15,154,419

18 Trade and other receivables

	2025 AED	2024 AED
Trade receivables	**126,307,444**	100,590,340
Less: provision for expected credit losses (note 18(a))	**(2,817,437)**	(2,834,802)
	123,490,007	97,755,538
Prepayments	**3,475,793**	3,547,780
Advance to suppliers	**5,473,191**	6,484,440
Other receivables	**12,662,307**	6,511,067
Receivable from sale of an associate	**906,061**	1,406,061
	146,007,359	115,704,886
Less: receivable from sale of an associate due after one year	**(406,061)**	(897,902)
	145,601,298	114,806,984

18 Trade and other receivables (continued)

a) Movement in provision for expected credit losses during the year is as follows:

	2025 AED	2024 AED
Balance as at January 1	**2,834,802**	3,929,024
Reversal for the year (note 6)	**(17,365)**	(1,094,222)
Balance as at December 31	**2,817,437**	2,834,802

b) In determining the recoverability of trade receivables, the Company considers any significant change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date.

c) Analysis of gross trade receivables are set out below:

	2025 AED	2024 AED
Secured against unconditional bank guarantees	**31,157,119**	29,271,069
Secured against letter of credit	**6,594,477**	2,169,311
Unsecured	**88,555,848**	69,149,960
	126,307,444	100,590,340

d) The average credit period on sale of goods is 90 days to 125 days (2024: 150 days to 180 days).

e) Trade receivables amounting to AED 87.6 million (2024: AED 83.4 million) is due from the Company's five largest customers representing 69% (2024: 83%) of the total outstanding balance at December 31, 2025.

f) Ageing analysis of gross trade receivables are as follows:

	Days past due				
	Not due AED	1 – 90 days AED	91 - 180 days AED	above 180 days AED	Total AED
2025					
Expected credit loss rate	**-**	**7%**	**100%**	**100%**	**2%**
Estimated total gross carrying amount	**117,971,330**	**5,933,536**	**674,604**	**1,727,974**	**126,307,444**
Expected credit loss	**-**	**414,859**	**674,604**	**1,727,974**	**2,817,437**
2024					
Expected credit loss rate	0	5%	100%	100%	3%
Estimated total gross carrying amount	84,876,827	13,489,017	328,225	1,896,271	100,590,340
Expected credit loss	610,306	328,225	1,896,271	2,834,802	610,306

g) Assignment of trade receivables in relation to banking facilities obtained by the Company (note 23). Information on the credit risk exposure is disclosed in note 32.

19 Cash and cash equivalents

	2025 AED	2024 AED
Cash on hand	**5,327**	24,119
Bank balances:		
Current accounts	**2,178,535**	281,320
Call deposits (note 19 (a))	**32,782**	41,573
	2,211,317	322,893
	2,216,644	347,012

a) Call deposits carry interest at commercial rates per annum and are made for a period of less than three months.

b) Bank balance amounting to AED 0.06 million (2024: AED 0.06 million) is under the legal ownership of the Company but for the beneficial interest of its employees. Therefore, the bank balance is not included in the statement of financial position of the Company,

20 Share capital

	2025 AED	2024 AED
Issued and fully paid:		
410,548,410 (2024: 410,548,410) ordinary shares of AED 1 each	**410,548,410**	410,548,410

21 Reserves

According to the Company's Articles of Association and the requirements of the U.A.E. Federal Decree Law No. 32 of 2021, 10% of the profit of each year is transferred to the statutory reserve. The transfer to statutory reserve may be suspended when it reaches 50% of the paid-up share capital. Statutory reserve is not available for distribution except as stipulated by the Law.

According to the Company's Articles of Association, 10% of the profit for each year is transferred to the voluntary reserve. The transfer to voluntary reserve may be suspended by the ordinary general assembly at the recommendation of the Board of Directors or when it reaches 20% of the Company's paid-up share capital.

As at December 31, 2022, the statutory reserve exceeded the 50% of the paid-up share capital. In prior years, upon the approval and recommendation by the regulatory authorities in the UAE, the management had decided to maintain the statutory reserve at the same level.

On November 14, 2023, the Company's Board of Directors has resolved to set off the accumulated losses of AED 182,180,729 by utilising an equivalent amount standing to the credit of available reserves, which is approved by the shareholders in the general meeting held on December 20, 2023, and Securities and Commodities Authority (SCA). This resulted in a decrease in the accumulated losses and a corresponding reduction in the statutory and voluntary reserves of the Company.

22 Employees' end of service benefits

	2025 AED	2024 AED
Provision as at 1 January	**7,877,614**	8,344,938
Provided during the year	**975,371**	777,262
Payments made during the year	**(420,751)**	(1,244,586)
Provision as at 31 December	**8,432,234**	7,877,614

23 Bank borrowings

	2025 AED	2024 AED
Bank overdraft facilities	**41,734,347**	8,830,331
Short-term loans	**33,674,718**	28,639,326
Total bank borrowings	**75,409,065**	37,469,657

a) The Company's overdraft balances are repayable on demand and short-term loans are repayable within twelve months. The overdraft balances and short-term loan carries interest rates at market rates based on EIBOR and SOFR plus a spread and are secured against promissory note issued by the Company and certain other securities such as assignment of fire insurance policy over inventory (note 17(a)) and movable property, plant and equipment (note 14(g)), assignment of trade receivables (note 18) and pledge over inventories (note 17(b)) and a negative pledge over property, plant and equipment (note 14(f)).

b) Bank overdrafts are considered a form of financing and hence not included as a component of cash and cash equivalents in the statement of cash flows.

c) The Company had covenants on EBITDA to debt service ratio, leverage ratio and minimum tangible net worth which had to be complied with as per the underlying facility agreements. These covenants were complied with as at December 31, 2025 and 2024.

24 Trade and other payables

	2025 AED	2024 AED
Trade payables	**195,778,284**	255,085,983
Unclaimed dividend	**24,753,851**	25,385,572
Accrued expenses	**24,212,557**	9,480,297
Advances from customers	**22,069,885**	13,377,660
Interest payable	**1,235,025**	5,461,491
VAT payable	**668,056**	836,336
Other payables	**191,813**	525,505
	268,909,471	310,152,844

24 Trade and other payables (Continued)

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on and average of 150 days (2024: 120-day terms).
- Other payables are non-interest bearing and have an average term of six months.

For explanations on the Company's liquidity risk management processes, refer to note 32.

25 Income tax

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from January 16, 2023) 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. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.
Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Company. The Company is subject to the provisions of the UAE CT Law for the year ended December 31, 2025.

Reconciliation of tax expense and accounting loss is as follows:

	2025	2024
	AED	AED
Accounting loss before tax	**(12,955,383)**	(41,451,218)
At United Arab Emirates' statutory corporate tax rate of 9% (2024: nil)		
Adjustments for amounts which are non-deductible / (taxable) in calculating		
taxable income:		
Non-deductible expenses for tax purposes	**423,917**	59,497
Exempt income	**(994,699)**	(616,714)
Gain on disposal of land	**1,020,000**	(686,000)
Gain/ (loss) on disposal of investments carried at FVTOCI	**316,674**	(31,238)
Net change in fair value of investments carried at FVTOCI	**27,171**	(3,778)
Taxable loss	**(12,162,320)**	(42,729,451)
At the effective income tax rate of 0%	**-**	-
Deferred tax asset on carry-forward tax losses*	**4,962,473**	-

* The Company has recognized a deferred tax asset of AED 4,962,473 (2024: AED NIL) relating to carried-forward tax losses. These losses are originated from the current financial year and the preceding period (since the inception of the UAE Corporate Tax Law).

The asset has been calculated at the enacted statutory rate of 9%. Management has performed an assessment of future profitability and concludes it is 'probable' that future taxable profits will be available against which these unused tax losses can be utilized.

26 Earning per share

Basic earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Company of loss of AED 7.99 million (2024: loss of AED 41,451,218) divided by the weighted average number of shares outstanding during the year of 410,548,410 shares (2024: 410,548,410 Shares).

The Company has not issued any instruments which would have a dilutive impact on earnings per share (2024: none existed). There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and date of authorization of these financial statements.

27 Related party transaction and balances

Related parties include the Company's major Shareholders, directors and businesses controlled by them and their families over which they exercise significant management influence as well as key management personnel.

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

	2025	*2024*
	AED	*AED*
Attendance expenses		
Board of Directors and committees' meetings (note 8)	**1,486,928**	921,971

Compensation of key management personnel

The remuneration of key management during the year was as follows:

	2025	2024
	AED	AED
Salaries and other short-term benefits (note below)	**4,868,747**	4,176,650
Employees' end of service benefits	**170,961**	236,029
	5,039,708	4,412,679

The amounts disclosed in the table above relating to salaries and other short-term benefits are the amounts recognised as an expense for the year ended December 31, 2025 and 2024 related to key management personnel.

28 Leases

Company as a lessee

a) The Company has a lease contract for use of plant and machinery for its operations with lease term of four years.

b) The Company also has certain lease with lease term of 12 months or less. The Company applies the 'short-term lease' recognition exemption for this lease.

28 Leases (continued)

c) Set out below is the carrying amount of right-of-use asset recognised and the movements during the year:

	2025 AED	2024 AED
Balance as at January 1	**2,300,833**	-
Additions during the year	**2,107,916**	2,510,000
Amortised during the year	**(560,553)**	(209,167)
Balance as at December 31	**3,848,196**	2,300,833

d) Set out below is the carrying amount of lease liability recognised and the movements during the year:

	2025 AED	2024 AED
Balance as at January 1	**2,017,393**	-
Additions during the year	**2,107,916**	2,510,000
Accretion of interest during the year (note 13)	**134,765**	63,393
Payment during the year	**(864,991)**	(556,000)
Balance as at December 31	**3,395,083**	2,017,393
Classified as:		
Current liabilities	**1,186,834**	486,166
Non-current liabilities	**2,208,249**	1,531,227
	3,395,083	2,017,393

e) Following are the amounts recognised in the statement of profit or loss for the year ended:

	2025 AED	2024 AED
Amortisation of right-of-use asset (note 11)	**560,553**	209,167
Interest on lease liability (note 13)	**134,765**	63,393
Expense relating to short-term lease	**1,755,970**	1,624,821
	2,451,288	1,897,381

f) The Company had total cash outflows for its leases of AED 864,991 in 2025 (2024: AED 556,000). The Company also had non-cash additions to right-of-use assets and lease liabilities of AED 2,107,916 in 2025 (2024: 2,510,000).

29 Contingent liabilities and commitments

	2025 AED	2024 AED
Letters of credits	**21,380,008**	33,629,127
Performance guarantee	**36,725**	36,725

30 Segment Information

The Company is organised into two main business segments:

Manufacturing of all types of cement and investments incorporating investments in marketable equity securities, deposits with banks (excluding current accounts) and investment properties.

There are no transactions between the business segments.

	2025			2024		
	Manufacturing AED	**Investments AED**	**Total AED**	Manufacturing AED	Investments AED	Total AED
Segment revenue	**551,569,411**	**-**	**551,569,411**	480,822,562	-	480,822,562
Segment result	**(12,919,895)**	**4,926,985**	**(7,992,910)**	(46,070,843)	4,619,625	(41,451,218)
Segment assets	**855,015,919**	**81,253**	**855,097,172**	840,631,219	23,486,673	864,117,892
Segment liabilities	**356,145,853**	**-**	**356,145,853**	357,517,508	-	357,517,508

Additional information required by IFRS 8 Segment Reporting relating to geographical segments and major customers are disclosed in note 5(a).

31 Fair value measurement

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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost
Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values, mainly due to their short-term maturities.

Valuation techniques and assumptions applied for the purposes of measuring fair value
The fair values of financial assets and financial liabilities are determined using similar valuation techniques and assumptions as used in the financial statements for the year ended December 31,2024.

Fair value of the Company's financial assets that are measured at fair value on recurring basis
Some of the Company's financial assets are measured at fair value at the end of the reporting year. The following table gives information about how the fair values of these financial assets are determined;

	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable input	Relationship of unobservable inputs to fair value
	2025	2024				
Financial assets	**AED**	AED				
Quoted equity investments carried at FVTOCI	**48,471**	1,844,244	Level 1	Quoted bid prices in an active market	None	N/A
Quoted equity instruments carried at FVTPL	**-**	13,664,856	Level 1	Quoted bid prices in an active market	None	N/A
	48,471	15,509,100				

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

31 Fair value measurement (continued)

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

There were no changes in the Company's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the year.

2025

	Level 1	**Level 2**	**Level 3**	**Total**
	AED	**AED**	**AED**	**AED**
Investment property	-		-	-
Investments carried at FVTPL	-	-	-	-
Investments carried at FVTOCI:				
- Quoted equities	**48,471**	-	-	**48,471**
	48,471	-	-	**48,471**

2024

	Level 1	Level 2	Level 3	Total
	AED	AED	AED	AED
Investment property	-	-	7,936,000	7,936,000
Investments carried at FVTPL	13,664,856	-	-	13,664,856
Investments carried at FVTOCI:				
- Quoted equities	1,844,244	-	-	1,844,244
	15,509,100	-	7,936,000	23,445,100

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

32 Financial instrument risk management objectives and policies

The Company's principal financial liabilities compose of bank borrowings, trade and other payables and lease liability. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, bank balances and other receivables that derive directly from its operations. The Company also holds investments in equity instruments which are classified as either FVTPL or FVTOCI.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by an executive committee that advises on financial risks and the appropriate financial risk governance framework for the Company.

32 Financial instrument risk management objectives and policies (continued)

The executive committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include bank borrowings, trade receivables, bank balances and other receivables and investments in equity instruments.

The sensitivity analysis in the following sections relate to the position as at December 31, 2025 and 2024.

The sensitivity of the relevant statement of profit or loss item or equity is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at December 31, 2025 and 2024.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank borrowings at floating rates of interest linked to EIBOR and SOFR for its facilities.

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's results for the year, based on the variable rate financial liabilities at the reporting date:

	Increase/decrease basis points	Effect on results for the year in AED
2025	**+50**	**(377,045)**
	-50	**377,045**
2024	+50	(187,438)
	-50	187,438

32 Financial instrument risk management objectives and policies (continued)

Market risk (continued)

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	2025	2024	**2025**	2024
	AED	AED	**AED**	AED
US Dollars	**133,395,821**	193,372,443	**-**	-
Euro	**1,831,220**	624,883	**-**	-
Japanese Yen	**13,136**		**-**	-
Kuwaiti Dinar	**-**	1,496,007	**48,471**	1,891,103
GB pound	**14,618**	-	**-**	-
	135,254,795	195,493,333	**48,471**	1,891,103

The UAE Dirham is currently pegged to the USD, thus the Company is not exposed to the risk on changes in foreign currency relating to its assets and liabilities denominated in USD. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates against the AED.

The following table shows the sensitivity of the statement of profit or loss to reasonable possible changes in currency rates, with all other parameters being unchanged. The effect of decrease is equal and opposite of those shown below

	Increase/ Decrease in currency rate %	*Effect on the results of the year AED*
2025	**+10%**	**(181,050)**
2024	+10%	(22,979)

32 Financial instrument risk management objectives and policies (continued)

Market risk (continued)

c) Price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the price risk through geographical and risk diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management and Board of Directors on a regular basis.

The effect on statement of comprehensive income due to a reasonably possible change in market indices, with all other variables held constant is as follows:

	2025			2024		
	Change in equity price	**Effect on profit or loss**	**Effect on OCI**	Change in equity price	Effect on profit or loss	Effect on OCI
	%	**AED**	**AED**	%	AED	AED
Market indices						
UAE	**±10%**	-	-	±10%	1,366,486	-
Other GCC countries	**±10%**	-	**4,847**	±10%	-	184,424

The Company limits market price risk by monitoring developments in the markets.

Method and assumptions for sensitivity analysis

- The sensitivity analysis has been done based on the exposure to equity price risk as at the reporting date.
- A 10% change in equity prices has been used to give a realistic assessment as a plausible event.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade and other receivables) including short-term deposits with banks.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management annually.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or letter of guarantees). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

32 Financial instrument risk management objectives and policies (continued)

Credit risk (continued)

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The letters of credit and letter of guarantees are considered integral part of trade receivables and considered in the calculation of impairment.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

	Gross value	2025 Provision for expected credit losses	Expected credit losses
	AED	**AED**	**(ECL)**
Secured trade receivables	**37,751,596**	**57,000**	**0.15%**
Unsecured trade receivables	**88,555,848**	**2,760,437**	**3.12%**
	126,307,444	**2,817,437**	

	Gross value	2024 Provision for expected credit losses	Expected credit losses
	AED	AED	(ECL)
Secured trade receivables	31,440,380	47,095	0.15%
Unsecured trade receivables	69,149,960	2,787,707	4.03%
	100,590,340	2,834,802	

Credit risk with respect to concentration of trade receivables by geographical area is as follows:

	2025	2024
	AED	AED
In UAE	**125,181,706**	99,509,901
In other GCC countries	**1,125,738**	1,080,439
	126,307,444	100,590,340

Credit risk on bank balances is assessed to be minimal as these balances are callable on demand and held with reputable financial institutions in the UAE and Kuwait. Accordingly, the ECL as at the reporting date against bank balances is minimal. Credit risk on other financial assets is assessed to be minimal based on historical default and the fact that they are held with counterparties with creditworthiness evaluated to be good by the Company's internal process.

The maximum exposure to credit risk for financial assets at the reporting date is limited to the carrying value.

32 Financial instrument risk management objectives and policies (continued)

Liquidity risk

Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has framed an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of the financial liabilities have been determined on the basis of the remaining year at the reporting date to the contractual maturity date. The maturity profile is monitored by management to ensure that adequate liquidity is maintained. The maturity profile of the liabilities at the reporting date based on contractual repayment arrangements was as follows:

	Less than 1 month AED	**2 to 12 months AED**	**1 to 5 years AED**	**Total AED**
2025				
Trade and other payables	**56,596,467**	**190,243,119**	**-**	**246,839,586**
Bank borrowings	**5,567,303**	**71,726,989**	**-**	**77,294,292**
Lease liability	**54,000**	**1,353,999**	**2,346,665**	**3,754,664**
	62,217,770	**263,324,107**	**2,346,665**	**327,888,542**

	Less than 1 month AED	2 to 12 months AED	1 to 5 years AED	Total AED
2024				
Trade and other payables	85,727,625	210,218,896	-	295,946,521
Bank borrowings	14,531,884	23,620,269	-	38,152,153
Lease liability	54,000	594,000	1,728,000	2,376,000
	100,313,509	234,433,165	1,728,000	336,474,674

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as bank borrowings less bank balances and cash. Total capital is calculated as 'equity' as shown in the statement of financial position.

32 Financial instrument risk management objectives and policies (continued)

Capital risk management (continued)

The gearing ratio at the yearend was as follows:

	2025	2024
	AED	AED
Bank borrowings	**75,409,065**	37,469,057
Less: bank balances and cash	**(2,216,644)**	(347,012)
Net debt	**73,192,421**	37,122,045
Total equity	**498,951,319**	506,600,384
Net debt to equity ratio (times)	**0.15**	0.07

In order to achieve this overall objective, the Company's capital management, among other things, aims to ensure that it meets financial covenants attached to the banks borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2025 and 2024.

Changes in liabilities arising from financing activities

2025	**January 1**	**Cash inflows**	**Cash Outflows**	**Others**	**December 31**
	AED	**AED**	**AED**	**AED**	**AED**
Bank borrowings	**37,469,657**	**221,409,949**	**(183,470,541)**	**-**	**75,409,065**
Unclaimed dividend	**25,385,572**	**-**	**(631,721)**	**-**	**24,753,851**
Lease liability	**2,017,393**	**-**	**(864,991)**	**2,242,681**	**3,395,083**
	64,872,622	**221,409,949**	**(184,967,253)**	**2,242,681**	**103,557,999**

2024	January 1	Cash inflows	Cash Outflows	Others	December 31
	AED	AED	AED	AED	AED
Bank borrowings	56,267,388	142,896,250	(161,693,981)	-	37,469,657
Unclaimed dividend	25,961,250	-	(575,678)	-	25,385,572
Lease liability	-	-	(556,000)	2,573,393	2,017,393
	82,228,638	142,896,250	(162,825,659)	2,573,393	64,872,622

The 'Others' column includes the new leases and the effect of interest on lease liability. The Company classifies interest paid as cash flows from operating activities.

33 Comparative information

Certain corresponding figures for previous year have been reclassified in order to conform to the presentation for the current year. Such reclassifications do not affect previously reported profit or shareholder's equity.

These changes have been made to improve the quality of information presented.