



Board of Directors' Report for the First Quarter

Three Months Ended 31 March 2026

To the Shareholders,

We hereby present our financial report for the three months ended 31 March 2026, for our group of companies: Abu Dhabi National Company for Building Materials, BILDCO (PJSC), BILDCO Reinforcement Steel Services, BILDCO Cement Products LLC, BILDCO Aerated Concrete Products LLC, and Arabian Nights Village Tourist Camp — Sole Proprietorship LLC.

Revenue Growth	Gross Margin	Equity Ratio	Debt-to-Equity
+20.2%	34.6%	87.2%	0.10x
AED 16.72M vs 13.91M	up from 22.0% — +12.6pp	up from 21.6%	down from 3.63x

The Group delivered a clear improvement in core operations during the period. Net revenue rose 20.2% to AED 16.72M (Q1 2025: AED 13.91M), while cost of sales recorded AED 10.94M (Q1 2025: AED 10.85M, +0.8% only), expanding gross profit to AED 5.79M from AED 3.06M and lifting gross margin from 22.0% to 34.6%, a 12.6 percentage-point improvement that demonstrates tangible operational efficiency.

The Group recorded a net loss of AED 103.52M and a total comprehensive loss of AED 109.6M (Q1 2025: net loss AED 12.57M); LPS: AED 0.07 vs AED 0.04). Total shareholders' equity stands at AED 2,099.18M (31 December 2025: AED 77.75M), reflecting the AED 2,131M capital injection (share capital AED 1,200M and general reserve AED 931M) effected through the acquisition of Arabian Nights Village Tourist Camp.

The loss reflects a deliberate decision by management, with the Board's endorsement, to recognize in full all impairments, revaluations, finance costs and depreciation charges — a number of which relate, in whole or in part, to prior reporting periods — in order to fairly present the assets and liabilities of the Group prior to completion of the restructuring process. The principal components are:



- Revaluation loss of fixed assets of AED 81.3M (non-cash), covering property, plant and equipment, investment properties, and investments revaluation at fair value (AED 4.35 Mn) , brought to current market values per independent professional valuation.
- Finance cost on borrowings and lease liabilities of AED 13.14M, reflecting interest on the Group's outstanding borrowings of AED 181.5M, brought onto a current and systematic basis.
- Depreciation expense of AED 3.13M (Q1 2025: AED 0.43M), reflecting the depreciation charge of property, plant and equipment and additional charge for right-of-use assets.
- Provision for slow-moving and obsolete inventories of AED 6.42M (non-cash).
- Allowance for expected credit losses on trade and claim receivables and impairment of bank term deposit totaling AED 2.82M (non-cash).

Excluding all non-monetary charges (revaluation, impairment, and depreciation), the Group would have achieved a net income of approximately AED 1.6M for the period.

These charges are recognized in full during the current period to bring the carrying values of the Group's assets and liabilities into line with their recoverable amounts. Subject to shareholder and regulatory approvals, the Board has further resolved that the accumulated losses of AED 464.08M be offset against the general reserve of AED 931M, producing a clean equity structure for the Group going forward.

The Board of Directors also affirms that, to the best of its knowledge, the financial information presented in this report fairly represents, in all material respects, the Group's financial position, results of operations, and cash flows for the period covered by this report.



شركة أبوظبي الوطنية للمواد البناء
ABU DHABI NATIONAL CO. FOR BUILDING MATERIALS

The Board of Directors has authorized the following individuals to sign the financial statements:

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|---|----------------------------|
| 1- Mr. Rasheed Ali Rasheed Al-Omaira | Chairman of the Board |
| 2- Mr. Saeed Saif Darwish Ahmad Alketbi | Vice Chairman of the Board |
| 3- Ms. Shamsa Sulaiman Alfahim | Board Member |

Chairman of the Board



Date: 12 / 05 / 2026

شركة مساهمة وطنية عامة تأسست بالمرسوم الأميري رقم ٥ لسنة ١٩٧٤

