

**ABU DHABI NATIONAL COMPANY FOR  
BUILDING MATERIALS PJSC AND ITS  
SUBSIDIARIES**

**ABU DHABI – UNITED ARAB EMIRATES**

**SPECIAL PURPOSE CONSOLIDATED  
FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED 31 MARCH 2026**

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

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## SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

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**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**

**+20.2%**

AED 16.72M vs  
13.91M

**Gross Margin**

**34.6%**

up from 22.0% —  
+12.6pp

**Equity Ratio**

**87.2%**

up from 21.6%

**Debt-to-Equity**

**0.10x**

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:**

- |   |                            |
|---|----------------------------|
| 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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC AND ITS SUBSIDIARIES

### Report on the Audit of the Special Purpose Consolidated Financial Statements

#### Adverse Opinion

We have audited the special purpose consolidated financial statements of **Abu Dhabi National Company for Building Materials PJSC** (the “**Company**”) and its **Subsidiaries** (collectively, the “**Group**”), which comprise the special purpose consolidated statement of financial position as at 31 March 2026, and the special purpose consolidated statement of profit or loss and other comprehensive income, special purpose consolidated statement of changes in equity and special purpose consolidated statement of cash flows for the three months ended 31 March 2026, and notes to the special purpose consolidated financial statements, including material accounting policy information.

In our opinion, because of the significance of the matters discussed in the *Basis of Adverse Opinion* section of our report, the accompanying special purpose consolidated financial statements do not present fairly, in all material respects, the special purpose consolidated financial position of the Group as at 31 March 2026, and its special purpose consolidated financial performance and its special purpose consolidated cash flows for the three months ended 31 March 2026 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

#### Basis for Adverse Opinion

The matters giving rise to the adverse opinion are as follows:

- i) Property, plant and equipment were revalued by the management with the assistance of an expert. We were unable to reconcile the revaluation reports with the schedule of property, plant and equipment and related accounting records. Consequently, we were unable to verify the completeness, accuracy, and appropriateness of the revaluation adjustments and accuracy of depreciation expense recorded in the special purpose consolidated financial statements, including the related impact on the revaluation reserve, depreciation charge, and carrying values of property, plant and equipment.
- ii) During the financial year ending 31 December 2025, the Group disposed of property, plant and equipment of AED 38,900,000 (net book value) against sale proceeds of AED 22,035,000. We were unable to substantiate the underlying documentation pertaining to disposal. Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves whether any adjustments are required on the opening retained earnings related to this transaction.
- iii) We were unable to perform the physical inventories' count as at 31 March 2026. Further, we were unable to verify the cost of conversion of inventories - finished goods and the cost of production, as detailed calculations were not available from the Group's accounting system and unable to perform the reconciliation of inventories and cost of revenue. Furthermore, the Group has recognised a provision for slow-moving and obsolete inventories of AED 6,416,943, resulting in nil inventories as at 31 March 2026. We were unable to obtain sufficient appropriate audit evidence to assess the reasonableness of this provision, including the underlying assumptions and supporting documentation used in its determination. Further, we were unable to assess the completeness and accuracy of cost of revenue of AED 10,937,188. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the valuation and accuracy of inventories' balances and production costs, and accuracy and completeness of cost of revenue, and we were unable to determine the potential impact on the special purpose consolidated financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC AND ITS SUBSIDIARIES  
(CONTINUED)**

**Report on the Audit of the Special Purpose Consolidated Financial Statements (continued)**

**Basis for Adverse Opinion (continued)**

- iv) We have not received direct confirmation letters from the commercial banks, and the Group did not provide us with the supporting documents for bank facilities and loan repayment schedules as explained in note 16. Accordingly, we were unable to satisfy ourselves on the completeness of any special arrangements or restrictions arising from the relationship with these banks and on the completeness and accuracy of the balances, related finance costs and commitments held with these banks.
- v) The Group has recognised an expense of AED 12,647,945 for interest on borrowings from the commercial banks. This also includes interest expenses pertaining to the financial year 2025, which should have been recognised in the corresponding prior financial year. Consequently, the finance costs for the three months ended 31 March 2026 are overstated, while the accumulated losses are understated by AED 10,522,578 in the special purpose consolidated financial statements.
- vi) The Group has provided us the list of litigations as at 31 March 2026. We were unable to obtain the direct legal confirmations. Further, we were unable to ensure the completeness and accuracy of litigations as at 31 March 2026, as the information of lawsuits provided does not ascertain the quantification and current status of lawsuits, and expert opinion of lawyers on the litigations. Consequently, we were unable to assess whether any lawsuits filed by the Group or against the Group, and the corresponding impact on provisions, contingencies and related disclosures in the special purpose consolidated financial statements, have been appropriately accounted for and disclosed.
- vii) We were unable to obtain the signed financial statements of the subsidiaries and standalone signed financial statements of the Parent Company (including the tax position of the Group) as at 31 December 2025. Consequently, we were unable to satisfy ourselves, by alternative audit procedures or otherwise, regarding the completeness, accuracy and appropriateness of the financial information incorporated as comparatives in the special purpose consolidated financial statements of the Group as at 31 March 2026. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of the balances and disclosures included in the consolidated financial statements as at 31 December 2025, and the corresponding impact, if any, on the Group's special purpose consolidated financial statements as at 31 March 2026.

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 Special Purpose Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)*, as applicable to audit of special purpose consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to audit of the special purpose consolidated financial statements of public interest entities in United Arab Emirates. We have also 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 adverse opinion.

**INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF  
ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC AND ITS SUBSIDIARIES  
(CONTINUED)**

**Report on the Audit of the Special Purpose Consolidated Financial Statements (continued)**

**Material Uncertainty Related to Going Concern**

We draw attention to note 2.6 to the special purpose consolidated financial statements, which indicates that the Group incurred total comprehensive loss of AED 109,563,946 for the three months ended 31 March 2026, and as of that date, has accumulated losses of AED 464,078,167, negative operating cash flow of AED 2,766,913 and current liabilities of the Group exceeded its current assets by AED 207,020,423. As stated in note 2.6, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**Emphasis of Matter – Restriction on Distribution and Use**

These special purpose consolidated financial statements are prepared solely for internal use of the management of the Group and represents the activities of the Group for the three months ended 31 March 2026. As a result, the special purpose consolidated financial statements may not be suitable for another purpose. Our report is intended solely for the Group and should not be distributed to or used by parties other than the Group and its management. Our opinion is not modified in respect of this matter.

**Other Matters**

- The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by another auditor who expressed an adverse opinion on those consolidated financial statements on 22 February 2026.
- The condensed interim consolidated financial statements of the Group for the three months ended 31 March 2025 were unaudited and were reviewed by another auditor who expressed adverse conclusion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the special purpose consolidated financial statements of the three months ended 31 March 2026. These matters were addressed in the context of the audit of the special purpose consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>Valuation of investment properties</b> As disclosed in note 10 to the special purpose consolidated financial statements, the Group’s special purpose consolidated statement of financial position includes AED 17,500,000 of investment properties. Decrease of fair value investment properties of AED 27,700,000 was recognised in the special purpose consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2026.</p> <p>The Group’s investment properties are stated at fair value based on the valuation carried out by an independent qualified valuer (the “Valuer”). The valuation was dependent on certain key estimates which requires significant judgement.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>i) Evaluated the competence, capabilities and objectivity of the Valuer.</li> <li>ii) Made inquiries with management and challenged the key assumptions and estimates adopted in the valuations.</li> <li>iii) Assessed the appropriateness and reasonableness of the valuation methodology, key assumptions and estimates used in the valuations, based on evidence of comparable and recent market transactions.</li> <li>iv) We engaged our valuation specialist, as necessary, to assist us in reviewing the methodologies applied including estimates and judgment made.</li> </ul>

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC AND ITS SUBSIDIARIES  
(CONTINUED)**

**Report on the Audit of the Special Purpose Consolidated Financial Statements (continued)**

**Key Audit Matters (continued)**

Key audit matters	How our audit addressed the key audit matters
<p><b>Valuation of investment properties (continued)</b> We identified the valuation of investment properties as a key audit matter due to the significant judgment involved in determining the inputs used in the valuation.</p>	<p>v) Assessed the adequacy of the related disclosures in the special purpose consolidated financial statements.</p>
<p><b>Expected credit losses on trade and claim receivables</b> As disclosed in note 4 to the special purpose consolidated financial statements as at 31 March 2026, the Group's special purpose consolidated statement of financial position includes AED 6,343,088 of trade and claim receivables (gross receivables are AED 99,455,802 and expected credit losses are AED 93,112,714).</p> <p>The Group's trade and claim receivables are measured at amortised cost, and adjusted for expected credit losses, in accordance with under IFRS 9, financial instruments. Group performed an assessment of expected credit losses by reference to the lifetime expected credit losses of the trade and claim receivables adjusted by forward looking information in line with the requirements of, and guidance in, IFRS 9. Based on the assessment performed, Group has recognised an additional allowance for expected credit losses of AED 2,187,972 for the three months ended 31 March 2026.</p> <p>We considered this to be a key audit matter due to the significant judgement involved in determining the recoverability of trade and claim receivables the significant estimate involved in determination of expected credit losses.</p>	<p>We performed the following audit procedures:</p> <ul style="list-style-type: none"> <li>i) Agreed the detailed listing of the trade and claim receivables and allowance for expected credit losses recognized on trade and claim receivables to the Group's trial balances.</li> <li>ii) Tested how the expected credit losses model had calculated the allowance on a lifetime basis, and how this compared with the guidance contained in IFRS 9. We also tested the mathematical accuracy of the calculations.</li> <li>iii) Tested the historic payment experience used as the starting point for the re-calculation of the lifetime expected credit losses.</li> <li>iv) Evaluated the appropriateness of the adjustments for forward looking information to historical balances, loss rates and other information, including agreeing to supporting documents on the sample basis.</li> <li>v) Assessed the completeness and accuracy of data used in calculating the expected credit losses, including the appropriate exclusion of balances assessed individually.</li> <li>vi) Assessed whether time value of money was considered in the expected credit loss impairment model and checked the mathematical accuracy and calculations.</li> <li>vii) Evaluated the appropriateness of the assumptions and judgments used by the management to estimate how much of the balance is recoverable.</li> <li>viii) Evaluate the adequacy of the disclosures in note 4 to the special purpose consolidated financial statements in accordance with IFRS Accounting Standards.</li> </ul>

**Other Information**

Other information consists of the information included in the Report of the Board of Directors, other than the special purpose consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC AND ITS SUBSIDIARIES  
(CONTINUED)**

**Report on the Audit of the Special Purpose Consolidated Financial Statements (continued)**

**Other Information (continued)**

Our opinion on the special purpose consolidated 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 special purpose consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the special purpose consolidated 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.

**Responsibilities of Management and Those Charged with Governance for the Special Purpose Consolidated Financial Statements**

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

In preparing the special purpose consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the special purpose consolidated 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose consolidated 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 Group's internal control.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC AND ITS SUBSIDIARIES  
(CONTINUED)**

**Report on the Audit of the Special Purpose Consolidated Financial Statements (continued)**

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

- 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 Group'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 special purpose consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the special purpose consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the special purpose consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the special purpose financial statements of the current period 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.

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



**Mohammed Abu Hijleh  
Registered Auditor Number: 1010**


**12 May 2026  
Abu Dhabi, United Arab Emirates**

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries


## SPECIAL PURPOSE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

		31 March 2026 AED	Audited 31 December 2025 AED
<b>ASSETS</b>	<b>Notes</b>		
<b>Non-current assets</b>			
Property, plant and equipment	3	2,289,192,026	213,490,005
Investment properties	4	17,500,000	45,200,000
Right-of-use assets	5	33,000,236	23,763,774
Deferred tax assets	21	1,934,645	1,934,645
		<u>2,341,626,907</u>	<u>284,388,424</u>
<b>Current assets</b>			
Inventories	6	---	5,943,879
Trade and other receivables	7	13,669,871	12,812,423
Due from related parties	8	207,842	218,689
Bank term deposit		---	632,034
Prepayments and other debit balances	9	5,470,987	996,465
Investments at fair value through profit or loss	10	37,276,253	41,842,860
Cash and cash equivalents	11	9,996,834	13,335,563
		<u>66,621,787</u>	<u>75,781,913</u>
<b>TOTAL ASSETS</b>		<u>2,408,248,694</u>	<u>360,170,337</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	12	1,500,000,000	300,000,000
General reserve	12	931,000,000	---
Statutory reserve	13	43,424,314	43,424,314
Capital reserve	14	15,398,843	15,398,843
Revaluation reserve for property, plant and equipment		59,527,610	70,412,265
Accumulated losses		(464,078,167)	(361,109,013)
<b>Equity attributable to the equity holders of the Parent</b>		<u>2,085,272,600</u>	<u>68,126,409</u>
Non-controlling interest		13,912,224	9,622,361
<b>Total equity</b>		<u>2,099,184,824</u>	<u>77,748,770</u>
<b>Non-current liabilities</b>			
Provision for employees' end of service indemnity	15	1,731,463	1,976,087
Lease liabilities	5	33,690,197	25,777,308
		<u>35,421,660</u>	<u>27,753,395</u>
<b>Current liabilities</b>			
Trade and other payables	16	22,690,513	18,598,397
Due to a related party	8	58,363	68,295
Borrowings	17	173,967,820	173,967,820
Bank overdraft	17	26,136,005	26,136,005
Accrued interest	17	48,034,856	35,386,911
Lease liabilities	5	2,754,653	510,744
		<u>273,642,210</u>	<u>254,668,172</u>
<b>Total liabilities</b>		<u>309,063,870</u>	<u>282,421,567</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,408,248,694</u>	<u>360,170,337</u>

  
**Mr. Rasheed Ali Rasheed Al Omaira**  
 Chairman

  
**Mr. Saeed Said Darwaish Ahmed Alketbi**  
 Vice Chairman

  
**Mr. Shamsa Sulaiman Alfahim**  
 Board Member

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



# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## SPECIAL PURPOSE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2026

	<i>Notes</i>	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
Revenue	18	16,723,044	13,911,531
Cost of revenue		<u>(10,937,188)</u>	<u>(10,850,983)</u>
<b>GROSS PROFIT</b>		<b>5,785,856</b>	<b>3,060,548</b>
General and administrative expenses	19	(7,262,553)	(2,552,096)
Directors' remuneration		(270,000)	(37,500)
Loss on disposal of property, plant and equipment		---	(16,865,000)
Unrealised loss on revaluation of investments at fair value through profit or loss	10	(4,351,115)	(401,810)
Reversal of impairment of investments at fair value through profit or loss	10	---	1,017,500
Loss on sale of investments at fair value through profit or loss		---	(598,369)
Finance cost on borrowings		(12,647,946)	(12,163)
Finance cost on lease liabilities		(491,668)	(351,330)
Impairment loss on term deposits		(632,034)	---
Fair value changes of investment properties	4	(27,700,000)	---
Revaluation loss on property, plant and equipment	3	(47,622,410)	---
Provision for slow moving and obsolete inventories	6	(6,416,943)	---
Allowance for expected credit losses on trade and claim receivables	7	(2,187,972)	---
Other income	20	<u>274,230</u>	<u>4,383,014</u>
<b>LOSS FOR THE PERIOD BEFORE TAX</b>		<b>(103,522,555)</b>	<b>(12,357,206)</b>
Income tax credit	21	---	(209,334)
<b>LOSS FOR THE PERIOD AFTER TAX</b>		<b><u>(103,522,555)</u></b>	<b><u>(12,566,540)</u></b>
<b>Loss for the period attributable to:</b>			
Equity holders of the Parent		(102,969,154)	(12,824,479)
Non-controlling interest		<u>(553,401)</u>	<u>257,939</u>
		<b><u>(103,522,555)</u></b>	<b><u>(12,566,540)</u></b>
<b>Earnings per share:</b>			
Basic and diluted loss per share		<b><u>(0.072)</u></b>	<b><u>(0.042)</u></b>
<b>LOSS FOR THE PERIOD AFTER TAX</b>		<b>(103,522,555)</b>	<b>(12,566,540)</b>
<b>Other comprehensive income</b>			
Revaluation loss on property, plant and equipment	3	<u>(6,041,391)</u>	---
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b><u>(109,563,946)</u></b>	<b><u>(12,566,540)</u></b>
<b>Total comprehensive loss for the period attributable to:</b>			
Equity holders of the Parent		(109,010,545)	(12,566,540)
Non-controlling interest		<u>(553,401)</u>	---
		<b><u>(109,563,946)</u></b>	<b><u>(12,566,540)</u></b>

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2026

	<i>Share capital</i> AED	<i>General reserve</i> AED	<i>Statutory reserve</i> AED	<i>Capital reserve</i> AED	<i>Revaluation reserve for property, plant and equipment</i> AED	<i>Accumulated losses</i> AED	<i>Total equity attributable to the equity holders of the Parent</i> AED	<i>Non-controlling interest</i> AED	<i>Total equity</i> AED
As at 1 January 2025	300,000,000	---	43,424,314	15,398,843	40,554,425	(332,578,535)	66,799,047	9,066,316	75,865,363
Total comprehensive loss for the period	---	---	---	---	---	(12,824,479)	(12,824,479)	257,939	(12,566,540)
<b>As at 31 March 2025 (Un-audited)</b>	<b><u>300,000,000</u></b>	<b><u>---</u></b>	<b><u>43,424,314</u></b>	<b><u>15,398,843</u></b>	<b><u>40,554,425</u></b>	<b><u>(345,403,014)</u></b>	<b><u>53,974,568</u></b>	<b><u>9,324,255</u></b>	<b><u>63,298,823</u></b>
As at 1 January 2026	300,000,000	---	43,424,314	15,398,843	70,412,265	(361,109,013)	68,126,409	9,622,361	77,748,770
Issuance of share capital	1,200,000,000	931,000,000	---	---	---	---	2,131,000,000	---	2,131,000,000
Loss for the period	---	---	---	---	---	(102,969,154)	(102,969,154)	(553,401)	(103,522,555)
Other comprehensive loss for the period	---	---	---	---	(6,041,391)	---	(6,041,391)	---	(6,041,391)
<i>Total comprehensive loss for the period</i>	---	---	---	---	(6,041,391)	(102,969,154)	(109,010,545)	(553,401)	(109,563,946)
Transfers during the period	---	---	---	---	(4,843,264)	---	(4,843,264)	4,843,264	---
<b>As at 31 March 2026</b>	<b><u>1,500,000,000</u></b>	<b><u>931,000,000</u></b>	<b><u>43,424,314</u></b>	<b><u>15,398,843</u></b>	<b><u>59,527,610</u></b>	<b><u>(464,078,167)</u></b>	<b><u>2,085,272,600</u></b>	<b><u>13,912,224</u></b>	<b><u>2,099,184,824</u></b>

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## SPECIAL PURPOSE CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2026

	<i>Notes</i>	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
<b>Operating activities</b>			
Profit for the period before tax		(103,522,555)	(12,357,206)
<i>Adjustments for:</i>			
Depreciation on property, plant and equipment	3	2,451,745	174,628
Depreciation of right-of-use assets	5	674,502	250,691
Unrealised loss on revaluation of investments at fair value through profit or loss	10	4,351,115	401,810
Reversal of impairment of investments at fair value through profit or loss	10	---	(1,017,500)
Loss on sale of investments at fair value through profit or loss		---	598,369
Loss on disposal of property, plant and equipment		---	16,865,000
Provision for employees' end of service indemnity	15	80,557	21,885
Provision for slow moving and obsolete inventories	6	6,416,943	---
Impairment loss on term deposits		632,034	---
Fair value changes on investment properties	4	27,700,000	---
Allowance for expected credit losses on trade and claim receivables	7	2,187,972	---
Revaluation loss on property, plant and equipment		47,622,410	---
Finance cost on borrowings		12,647,946	12,163
Finance cost on lease liabilities		491,668	351,330
		<b>1,734,337</b>	<b>5,301,170</b>
<b>Working capital changes:</b>			
Inventories		(473,064)	(244,885)
Trade and other receivables		(3,221,242)	149,656
Due from related parties		10,847	150,193
Prepayments and other debit balances		(4,474,522)	(28,298)
Trade and other payables		4,092,111	519,605
Due to related parties		(9,932)	(68,001)
		<b>(2,341,465)</b>	<b>5,779,440</b>
<b>Cash flows (used in)/ generated from operations</b>			
Employees' end of service benefits paid		(425,448)	(14,045)
<b>Net cash flows (used in)/ generated from operating activities</b>			
		<b>(2,766,913)</b>	<b>5,765,395</b>
<b>Investing activities</b>			
Purchase of Investments at fair value through profit or loss	10	---	(8,383,793)
Proceeds from disposal of investments at fair value through profit or loss		---	3,270,049
Purchase of property, plant and equipment	3	(571,816)	---
Proceeds from disposal of property, plant and equipment		---	22,035,000
<b>Net cash flows (used in)/ generated from investing activities</b>			
		<b>(571,816)</b>	<b>16,921,256</b>
<b>Financing activities</b>			
Finance cost paid		---	(12,163)
Payment of lease liabilities		---	(476,592)
<b>Net cash flows used in financing activities</b>			
		<b>---</b>	<b>(488,755)</b>
<b>Net change in cash and cash equivalents</b>			
		<b>(3,338,729)</b>	<b>22,197,896</b>
Cash and cash equivalents at 1 January		13,335,563	3,453,146
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>			
		<b>9,996,834</b>	<b>25,651,042</b>

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 1 ACTIVITIES

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

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

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

The special purpose consolidated financial statements were authorised for issue and approved by the Board of Directors on 12 May 2026.

### 2 MATERIAL ACCOUNTING POLICY INFORMATION

#### 2.1 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

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

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

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

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

The special purpose consolidated financial statements are prepared to be submitted to the management for internal reporting purposes and should not be distributed to or used by parties other than the management.

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

##### New standards, interpretations and amendments effective from 1 January 2026

The following amendments and interpretations have been issued and are effective for the period but are either not relevant to the operations of the Group or do not have a significant impact on these special purpose consolidated financial statements:

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

##### Standards, amendments and interpretations that are not yet effective and have not been adopted early by the Group

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

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

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

#### 2.3 BASIS OF CONSOLIDATION

These special purpose consolidated financial statements reflect the operations of the Company and its subsidiaries as at 31 March 2026. The Company holds, directly or indirectly (through nominees), a controlling interest and has the power to govern the financial and operating policies in each of the subsidiaries listed below (collectively referred to as the “Group” and individually referred to as “Group Entities”):

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

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

	<b>AED</b>
Carrying amount of net assets acquired	2,131,869,509
In-kind consideration paid	<u>(2,131,000,000)</u>
<b>Gain on acquisition of a subsidiary</b>	<b><u>869,509</u></b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.3 BASIS OF CONSOLIDATION (CONTINUED)

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

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

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

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

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

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

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

#### 2.4 SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

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

##### **Entities under common control, business combinations, and goodwill**

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

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

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### Entities under common control, business combinations, and goodwill (continued)

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

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

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

##### Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when it is:

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

The Group classifies all other liabilities as non-current.

##### Property, plant and equipment

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

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

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### Property, plant and equipment (continued)

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

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

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

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

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

##### Leases

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

##### Group as a lessee

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

##### Right-of-use assets

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

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

##### Lease liabilities

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### Leases (continued)

###### *Group as a lessee (continued)*

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

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

###### *Short-term leases and leases of low-value assets*

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

##### Investment properties

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

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

##### Impairment of non-financial assets

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

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

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

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### **Impairment of non-financial assets (continued)**

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

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

##### **Inventories**

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

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

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

##### *Finished goods*

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

##### *Raw materials*

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

##### **Financial instruments – initial recognition and subsequent measurement**

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

##### **i) Financial assets**

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

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

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

##### *Cash and cash equivalents*

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

###### i) Financial assets (continued)

###### *Trade and other receivables*

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

###### *Financial assets at fair value through profit or loss*

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

###### *Effective interest rate method*

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

###### *Impairment of financial assets*

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

###### *De-recognition of financial assets*

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

###### ii) Financial liabilities

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

###### *Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the special purpose consolidated statement of profit or loss and other comprehensive income when the liabilities are derecognised, and through the amortisation process.

###### *De-recognition of financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the special purpose consolidated statement of profit or loss and other comprehensive income.

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

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

##### iii) Fair value of financial instruments

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

##### Share capital

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

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

##### Capital reserve

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

##### Borrowing costs

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

##### Provisions

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

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

##### Contingencies

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

##### Employees' end of service benefits

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### **Taxes**

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

##### **Current tax**

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

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

##### **Deferred tax**

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

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

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

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

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

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

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

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

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### Taxes (continued)

###### **Deferred tax (continued)**

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

###### **Value added tax (VAT)**

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

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

##### **Foreign currencies**

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

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

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

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

##### **Related parties**

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

##### **Revenue**

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

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

##### **Revenue (continued)**

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

##### ***i) Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

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

##### ***Variable consideration***

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

##### ***Rights of return***

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

##### ***Volume rebates***

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

##### ***ii) Rental income***

Rental income from investment properties is recognised in the special purpose consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

##### ***iii) Interest income***

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

##### ***iv) Dividend income***

Dividend income is recognised in the special purpose consolidated statement of profit or loss and other comprehensive income on the date that the Group's right to receive the payment is established.

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

##### **Judgments**

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

##### **Revenue**

###### *Variable consideration*

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

###### *Satisfaction of performance obligations*

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

##### **Classification of financial assets**

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

##### **Determining the lease term of contracts with renewal and termination options – Group as a lessee**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

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

##### **Estimates and assumptions**

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

##### **Impairment of financial assets**

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

##### **Impairment of inventories**

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

#### 2.5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

##### Estimates and assumptions (continued)

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

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

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

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

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

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

#### 2.6 MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Group incurred total comprehensive loss of AED 109,563,946 for the three months ended 31 March 2026, and as of that date, has accumulated losses of AED 464,078,167, negative operating cash flow of AED 2,766,913 and current liabilities of the Group exceeded its current assets by AED 207,020,423. The Group has devised a comprehensive plan, as mentioned below, to mitigate the risk of material uncertainty related to going concern:

- i. Share capital increase by issuance of share capital of AED 1.2 billion and creation of general reserve of AED 931 million, against the acquisition of the subsidiary.
- ii. Equity strengthening by absorption of accumulated losses, which is expected in FY-2026.
- iii. Material deleveraging i.e. debt to equity ratios has improved due to issuance of share capital.
- iv. Group is under negotiations with the commercial banks to arrive at the settlement amount for borrowings and bank overdraft.
- v. The Group is in finalising memorandum of understanding (MOUs) with multiple entities to drive a co-ordinated revenue, cost, and asset-value transformation.

On this basis, the special purpose consolidated financial statements for the three months ended 31 March 2026 are prepared under the going concern assumption.

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 3 PROPERTY AND EQUIPMENT

	<i>Land</i>	<i>Building and caravans</i>	<i>Furniture, fixtures, decoration and hardware</i>	<i>Machinery and equipment</i>	<i>Tools and equipment</i>	<i>Motor vehicles</i>	<i>Moulds</i>	<i>Capital work- in-progress</i>	<i>Total</i>
	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>	<i>AED</i>
<b>Cost:</b>									
As at 1 January 2025	---	132,077,085	5,663,063	185,893,957	1,430,935	3,172,075	9,248,388	122,524,757	460,010,260
Additions during the year	---	2,900	34,075	---	---	---	---	---	36,975
Disposals during the year	---	---	---	(615,250)	---	---	---	(122,524,757)	(123,140,007)
Revaluation gain/ (deficit)	---	5,078,651	(1,620,926)	(68,340,783)	---	22,224	---	---	(64,860,834)
<b>As at 31 December 2025</b>	<b>---</b>	<b>137,158,636</b>	<b>4,076,212</b>	<b>116,937,924</b>	<b>1,430,935</b>	<b>3,194,299</b>	<b>9,248,388</b>	<b>---</b>	<b>272,046,394</b>
Additions during the period	---	---	---	34,000	---	207,075	330,741	---	571,816
Additions on acquisition of subsidiary	2,131,000,000	---	---	---	---	245,749	---	---	2,131,245,749
Revaluation gain/ (deficit)	---	(44,109,899)	---	(9,486,178)	---	(67,724)	---	---	(53,663,801)
<b>As at 31 March 2026</b>	<b><u>2,131,000,000</u></b>	<b><u>93,048,737</u></b>	<b><u>4,076,212</u></b>	<b><u>107,485,746</u></b>	<b><u>1,430,935</u></b>	<b><u>3,579,399</u></b>	<b><u>9,579,129</u></b>	<b><u>---</u></b>	<b><u>2,350,200,158</u></b>
<b>Depreciation and impairment:</b>									
As at 1 January 2025	---	29,016,854	4,963,654	97,236,142	1,419,229	2,828,318	8,900,143	83,624,757	227,989,097
Elimination on revaluation	---	(19,483,049)	(1,446,899)	(71,296,157)	---	(2,492,569)	---	---	(94,718,674)
Charge for the year	---	5,037,778	111,040	3,991,361	5,743	251,762	128,289	---	9,525,973
Related to disposals	---	---	---	(615,250)	---	---	---	(83,624,757)	(84,240,007)
<b>As at 31 December 2025</b>	<b>---</b>	<b>14,571,583</b>	<b>3,627,795</b>	<b>30,546,596</b>	<b>1,424,972</b>	<b>587,511</b>	<b>9,028,432</b>	<b>---</b>	<b>58,556,389</b>
Charge for the period (note 19)	---	1,305,502	8,928	1,046,741	---	63,286	27,286	---	2,451,745
<b>As at 31 March 2026</b>	<b>---</b>	<b><u>15,877,085</u></b>	<b><u>3,636,723</u></b>	<b><u>31,593,337</u></b>	<b><u>1,425,529</u></b>	<b><u>650,797</u></b>	<b><u>9,055,718</u></b>	<b><u>---</u></b>	<b><u>61,008,134</u></b>
<b>Net carrying amount:</b>									
<b>As at 31 March 2026</b>	<b><u>2,131,000,000</u></b>	<b><u>77,171,652</u></b>	<b><u>439,489</u></b>	<b><u>77,122,909</u></b>	<b><u>5,963</u></b>	<b><u>2,928,602</u></b>	<b><u>523,411</u></b>	<b><u>---</u></b>	<b><u>2,289,192,026</u></b>
<b>As at 31 December 2025</b>	<b>---</b>	<b><u>122,587,053</u></b>	<b><u>448,417</u></b>	<b><u>87,621,828</u></b>	<b><u>5,963</u></b>	<b><u>2,606,788</u></b>	<b><u>219,956</u></b>	<b><u>---</u></b>	<b><u>213,490,005</u></b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 3 PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation of AED 2,424,458, and AED 27,285 has been allocated to general and administrative and general expenses, and cost of revenue, respectively (31 March 2025: AED 1,069,525, and AED 174,628 has been allocated to general and administrative and general expenses, and cost of revenue, respectively).

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

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

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

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

### 4 INVESTMENT PROPERTIES

Movement in the investment properties is as follows:

	<i><b>Building</b></i> <i><b>AED</b></i>
As at 1 January 2025	<u>45,200,000</u>
<b>As at 31 December 2025</b>	<b>45,200,000</b>
Fair value changes during the period	<u>(27,700,000)</u>
<b>As at 31 March 2026</b>	<b><u>17,500,000</u></b>

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

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

The Group has lease contracts for leasehold lands used for buildings. Leases of these assets generally have lease terms of 30 - 49 years. The Group’s obligations under its leases are secured by the lessor’s title to the leased assets.

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

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

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

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
<b>Cost</b>		
As at 1 January	31,415,078	31,493,828
Remeasurements during the period/ year	9,910,964	(78,750)
<b>As at 31 March/ December</b>	<b>41,010,057</b>	<b>31,415,078</b>
<b>Accumulated amortisation</b>		
As at 1 January	7,651,304	6,648,542
Charge for the period/ year	358,517	1,002,762
<b>As at 31 March/ December</b>	<b>8,009,821</b>	<b>7,651,304</b>
<b>Net book value</b>	<b>33,000,236</b>	<b>23,763,774</b>

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

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
As at 1 January	26,288,052	27,208,001
Finance cost on lease liabilities	491,668	1,356,922
Adjustments during the period/ year	(245,834)	---
Payments during the period/ year	---	(2,276,871)
Remeasurements during the period/ year	9,910,964	---
<b>As at 31 March/ December</b>	<b>36,444,850</b>	<b>26,288,052</b>

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

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Current	2,754,653	510,744
Non-current	33,690,197	25,777,308
	<b>36,444,850</b>	<b>26,288,052</b>

Maturity analysis of lease liabilities is as follows:

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Within a year	2,754,653	1,537,767
Year 2 to 5 years	9,319,801	5,881,068
Year 5 to 10 years	11,649,752	6,338,835
More than 10 years	46,599,007	30,593,381
Less: unearned interest	(33,878,363)	(18,062,999)
<b>Net lease liabilities</b>	<b>36,444,850</b>	<b>26,288,052</b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 6 INVENTORIES

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Raw materials	3,344,782	3,997,922
Finished goods	3,910,852	2,787,025
Consumables	1,163,148	601,855
Spare parts	<u>2,305,302</u>	<u>2,864,218</u>
	<b>10,724,084</b>	<b>10,251,020</b>
Provision for inventories	<u>(10,724,084)</u>	<u>(4,307,141)</u>
	<b>---</b>	<b>5,943,879</b>

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

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
As at 1 January	4,307,141	4,107,141
Charge during the period/ year	<u>6,416,943</u>	<u>200,000</u>
<b>As at 31 March</b>	<b><u>10,724,084</u></b>	<b><u>4,307,141</u></b>

### 7 TRADE AND OTHER RECEIVABLES

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Trade receivables	24,660,199	22,077,351
Claim receivables	75,132,226	75,132,226
Impairment of trade and claim receivables	<u>(93,112,714)</u>	<u>(90,924,742)</u>
Net trade and claim receivables	<b>6,679,711</b>	<b>6,284,835</b>
Margin on letters of guarantee	---	211,143
Refundable deposits	890,353	715,353
Net Staff advances	94,662	129,381
Post dated cheques received	5,570,916	3,893,458
Value added tax - receivables (net)	380,039	189,255
Advance payment to suppliers	---	1,388,998
Others	<u>54,190</u>	<u>---</u>
	<b><u>13,669,871</u></b>	<b><u>12,812,423</u></b>

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 7 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
As at 1 January	90,924,742	91,747,023
Charge during the period/ year, net	<u>2,187,972</u>	<u>(822,281)</u>
<b>As at 31 December</b>	<b><u>93,112,714</u></b>	<b><u>90,924,742</u></b>

At 31 March 2026, the ageing of trade and claim receivables is as follows:

	<b>Net trade and claim receivables AED</b>	<b>Trade receivables AED</b>	<b>Claim receivables AED</b>	<b>Expected credit losses AED</b>
1 to 90 days	6,679,711	7,111,509	---	(431,798)
91 to 180 days	---	341,302	---	(341,302)
181 to 365 days	---	125,512	---	(125,512)
More than 365 days	---	<u>17,081,876</u>	<u>75,132,226</u>	<u>(92,214,102)</u>
<b>Total</b>	<b><u>6,679,711</u></b>	<b><u>24,660,199</u></b>	<b><u>75,132,226</u></b>	<b><u>(93,112,714)</u></b>

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

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

### 8 RELATED PARTIES' BALANCES AND TRANSACTIONS

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

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 8 RELATED PARTIES' BALANCES AND TRANSACTIONS (CONTINUED)

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

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
<b>Due from related parties</b>		
M/s. Saif Bin Darwish L.L.C	39,604	39,604
M/s. Darwish Bin Ahmad & Sons	145,896	156,743
Mr. Rashid Ali Al Omeira	2,656	2,656
Mr. Ali Rashid Al Omeira	19,686	19,686
	<u><b>207,842</b></u>	<u><b>218,689</b></u>
<b>Due to a related party</b>		
M/s. Al Omeira Printing and Publishing Co. W.L.L	<u><b>58,363</b></u>	<u><b>68,295</b></u>

### 9 PREPAYMENTS AND OTHER DEBIT BALANCES

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Prepaid expenses	<u><b>5,470,987</b></u>	<u><b>996,465</b></u>

### 10 INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Quoted securities (local)	37,192,928	41,759,535
Unquoted securities*	<u>83,325</u>	<u>83,325</u>
	<u><b>37,276,253</b></u>	<u><b>41,842,860</b></u>

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

Movements in the investments at fair value through profit or loss are as follows:

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
As at 1 January	41,842,860	35,478,695
Purchase during the period/ year	---	37,136,629
Disposals during the period/ year	---	(26,529,120)
Adjustments during the period/ year	(215,492)	---
Unrealised loss in fair value through profit or loss	<u>(4,351,115)</u>	<u>(4,243,344)</u>
<b>As at 31 March/ 31 December</b>	<u><b>37,276,253</b></u>	<u><b>41,842,860</b></u>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

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

Breakdown of listed securities is as follows:

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Banks sector	7,454,545	7,549,417
Insurance sector	23,809,869	27,412,679
Real estate	779,000	870,000
Others	5,232,839	6,010,764
	<u><b>37,276,253</b></u>	<u><b>41,842,860</b></u>

### 11 CASH AND CASH EQUIVALENTS

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Bank balances	9,946,723	13,192,304
Cash on hand	50,111	143,259
	<u><b>9,996,834</b></u>	<u><b>13,335,563</b></u>

### 12 SHARE CAPITAL AND GENERAL RESERVE

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

During the period, the Company's issued share capital was increased by AED 1,200,000,000 (one billion two hundred million dirhams) through the issuance of 1,200,000,000 new ordinary shares, each with a nominal value and issue price of AED 1 per share. The new shares were fully subscribed by the Strategic Partner through an in-kind contribution consisting of land with a total area of approximately 36 million square meters, which was independently valued at AED 2,131,000,000 by an external professional consultant. The excess of the fair value of the contributed asset over the nominal value of the issued shares, amounting to AED 931,000,000, has been recorded as general reserve. The capital increase was approved pursuant to the resolution of the Extraordinary General Assembly held on 6 December 2025. During this period, the increase was also approved by the Capital Markets Authority (CMA, formerly the Securities and Commodities Authority) in January 2026.

### 13 STATUTORY RESERVE

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

### 14 CAPITAL RESERVE

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

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 15 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the special purpose consolidated statement of financial position are as follows:

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
As at 1 January	1,976,087	2,155,929
On acquisition of a subsidiary	100,267	---
Provided during the period/ year	80,557	239,552
End of service benefit paid	(425,448)	(419,394)
<b>As at 31 March/ December</b>	<b><u>1,731,463</u></b>	<b><u>1,976,087</u></b>

### 16 TRADE AND OTHER PAYABLES

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Trade payables	2,903,624	5,931,413
Post dated cheques issued	10,483,423	4,077,845
Accruals	234,231	21,922
Accrued salaries	386,442	275,000
Advances received from customers	1,986,247	5,182,845
Provision for leave salaries and air tickets	652,295	894,275
Deposit from others	---	66,720
Dividend payable	---	81,067
Income tax payable (note 21)	2,067,310	2,067,310
Security deposits received	3,828,654	---
Other payables	148,287	---
	<b><u>22,690,513</u></b>	<b><u>18,598,397</u></b>

### 17 BORROWINGS AND BANK OVERDRAFT

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Borrowings - current/jlw	<b><u>173,967,820</u></b>	<b><u>173,967,820</u></b>
Bank overdraft	<b><u>26,136,005</u></b>	<b><u>26,136,005</u></b>
Accrued interest	<b><u>48,034,856</u></b>	<b><u>35,386,911</u></b>

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

Bank facilities are granted against the following securities:

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

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### 17 BORROWINGS AND BANK OVERDRAFT (CONTINUED)

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

#### ENBD

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

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

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

#### First Abu Dhabi Bank

First Abu Dhabi Bank (FAB) filed a suit against the Group claiming an amount of AED 181,813,780 plus 12% per annum interest from the date of filing the case till the date of the order, plus other charges and advocate fees.

On September 9, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgment in relation to the case, ordering an amount of AED 200,792,150 to be paid by the Group to the bank, inclusive of interest at a rate of 5% per annum on the amount of AED 181,813,780 from September 30, 2018 (being the date of filing the case) until October 31, 2020. Interest continues to accrue until the amount is fully settled. The Group sold out the securities and sales proceeds of AED 34,931,585 were directly received by the court. The Group has accrued interest as per the ruling of the Court.

### 18 REVENUE

#### 18.1 DISAGGREGATED REVENUE INFORMATION

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

Segments	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
<b>Types of goods or services</b>		
Block	13,195,476	6,661,551
Interlocks	2,368,838	7,249,980
Service income	1,158,730	---
	<b>16,723,044</b>	<b>13,911,531</b>
<b>Geographical market</b>		
United Arab Emirates	16,723,044	13,911,531
	<b>16,723,044</b>	<b>13,911,531</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	15,564,314	13,911,531
Services transferred over time	1,158,730	---
	<b>16,723,044</b>	<b>13,911,531</b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 19 GENERAL AND ADMINISTRATIVE EXPENSES

	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
Salaries and related benefits	2,005,367	1,383,839
Rent	386,810	115,098
Depreciation on property, plant and equipment (note 3)	2,424,458	174,628
Depreciation on right-of-use assets	674,502	250,691
Repairs and maintenance expenses	81,885	77,369
Legal, visa, government and professional expenses	762,823	265,599
Utilities expenses	308,659	41,648
Communication expenses	29,946	19,759
Bank charges	193,102	15,546
Insurance expenses	46,760	47,880
Miscellaneous expenses	348,241	160,039
	<b><u>7,262,553</u></b>	<b><u>2,552,096</u></b>

### 20 OTHER INCOME

	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
Rental income	253,020	3,063,750
Miscellaneous income	21,210	1,319,264
	<b><u>274,230</u></b>	<b><u>4,383,014</u></b>

### 21 INCOME TAX AND DEFERRED TAX

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

Components of tax expense for the three months ended 31 March are as follows:

	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
Current income tax	---	---
Deferred tax credit	---	209,334
	<b><u>---</u></b>	<b><u>209,334</u></b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 21 INCOME TAX AND DEFERRED TAX (CONTINUED)

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

	<b>31 March 2026 AED</b>	<b>Un-audited 31 December 2025 AED</b>
As at 1 January	2,067,310	2,067,310
<b>As at 31 March/ December</b>	<b><u>2,067,310</u></b>	<b><u>2,067,310</u></b>

Reconciliation of income tax expense and the accounting profit for the three months ended 31 March:

	<b>31 March 2026 AED</b>	<b>Un-audited 31 March 2025 AED</b>
Accounting loss for the period before tax	(103,522,555)	(12,357,206)
Add : Non-deductible expenses for tax purposes	90,518,309	515,031
Less: Exempt income	<u>(93,750)</u>	<u>(1,351,811)</u>
<b>Net taxable loss</b>	<b>(13,097,996)</b>	<b>(13,193,986)</b>
Less: Non-taxable income	<u>(375,000)</u>	<u>(375,000)</u>
<b>Tax income eligible</b>	<b><u>(13,472,996)</u></b>	<b><u>(13,568,986)</u></b>
<b>Tax provision for the period: 9%</b>	<b>---</b>	<b>---</b>

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

	<b>31 March 2026 AED</b>	<b>Un-audited 31 December 2025 AED</b>
As at 1 January	1,934,645	1,934,645
<b>As at 31 March/ December</b>	<b><u>1,934,645</u></b>	<b><u>1,934,645</u></b>

### 22 COMMITMENTS AND CONTINGENT LIABILITIES

	<b>31 March 2026 AED</b>	<b>Audited 31 December 2025 AED</b>
Letter of guarantee	<u>211,143</u>	<u>211,143</u>
Security and guarantee cheques	<b><u>19,725,370</u></b>	<b><u>19,455,370</u></b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 23 RISK MANAGEMENT

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

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

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

#### **Credit risk**

Credit risk refers to the risk that a debtor will default on its contractual obligations resulting in financial loss to the Group. The Group maintains a credit policy that states dealing with only creditworthy parties as a means of mitigating the risk of financial loss from defaults. The Group monitors, regularly, the credit ratings of its major debtors and the volume of transactions with those debtors during the year using publicly available financial information and its own trading records. Ongoing credit evaluation is performed on the financial condition of debtors. The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk. Credit risk related to trade and claim receivables is mentioned in note 7.

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

#### **Foreign currency risk**

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

#### **Market price risk**

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

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

#### **Capital risk**

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

The capital structure of the Group consists of debt, which includes financing from banks as disclosed in note 12, and equity comprising issued capital, and reserves as disclosed in the consolidated statement of changes in equity.

#### **Interest rate risk**

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

#### **Liquidity risk**

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

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 23 RISK MANAGEMENT (CONTINUED)

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

<b>31 March 2026</b>	<b>Less than 1 year AED</b>	<b>1 to 5 years AED</b>	<b>Total AED</b>
<b>Financial assets</b>			
Trade and other receivables	13,669,871	---	13,669,871
Due from related parties	207,842	---	207,842
Cash and cash equivalents	9,996,834	---	9,996,834
Investments at fair value through profit and loss	37,276,253	---	37,276,253
	<b>61,150,800</b>	<b>---</b>	<b>61,150,800</b>
<b>Financial liabilities</b>			
Trade and other payables	70,725,369	---	70,725,369
Due to a related party	58,363	---	58,363
Borrowings	173,967,820	---	173,967,820
Bank overdraft	26,136,005	---	26,136,005
Lease liabilities	2,754,653	33,690,197	36,444,850
	<b>273,642,210</b>	<b>33,690,197</b>	<b>307,332,407</b>
<b>31 December 2025</b>			
<b>Financial assets</b>			
Trade and other receivables	12,812,423	---	12,812,423
Due from related parties	218,689	---	218,689
Bank term deposit	632,034	---	632,034
Cash and cash equivalents	13,335,563	---	13,335,563
Investments at fair value through profit and loss	41,842,860	---	41,842,860
	<b>68,841,569</b>	<b>---</b>	<b>68,841,569</b>
<b>Financial liabilities</b>			
Trade and other payables	53,985,308	---	53,985,308
Due to a related party	68,295	---	68,295
Borrowings	173,967,820	---	173,967,820
Bank overdraft	26,136,005	---	26,136,005
Lease liabilities	510,744	25,777,308	26,288,052
	<b>254,668,172</b>	<b>25,777,308</b>	<b>280,445,480</b>

# Abu Dhabi National Company for Building Materials PJSC and its Subsidiaries

## NOTES TO THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026

### 24 FAIR VALUES OF FINANCIAL INSTRUMENTS

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Quoted prices included within Level 1 adjusted using an observable input.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

<b>31 March 2026</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
<i>Investments at fair value through profit or loss</i>				
Quoted securities	37,192,928	37,192,928	---	---
Unquoted securities	83,325	---	---	83,325
	<b>37,276,253</b>	<b>37,192,928</b>	<b>---</b>	<b>83,325</b>
<b>31 December 2025</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
<i>Investments at fair value through profit or loss</i>				
Quoted securities	41,759,535	41,759,535	---	---
Unquoted securities	83,325	---	---	83,325
	<b>41,842,860</b>	<b>41,759,535</b>	<b>---</b>	<b>83,325</b>

### 25 SUBSEQUENT EVENTS

#### Geopolitical conditions

Subsequent to the reporting date, geopolitical tensions in the region escalated, including reported military activity and related disruption to travel and logistics in parts of the Gulf region. These developments arose after the reporting date and, accordingly, have been treated as a non-adjusting event.

At the date these special purpose consolidated financial statements were authorised for issue, management has not recognised any adjustments as a result of these events. Management is monitoring developments and assessing potential impacts on the Group's operations, supply chain, liquidity and key assumptions.

### 26 COMPARATIVE INFORMATION

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