

RAPCO INVESTMENT P.J.S.C
CONDENSED INTERIM FINANCIAL INFORMATION
AND REPORTS
FOR THE SIX MONTHS PERIOD ENDED
30 JUNE 2026

RAPCO INVESTMENT P.J.S.C
CONDENSED INTERIM FINANCIAL INFORMATION AND REPORTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

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RAPCO INVESTMENT P.J.S.C

DIRECTORS' REPORT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

The Directors have pleasure in presenting their report and the condensed interim financial information of RAPCO Investment P.J.S.C ('the Company') for the six months period ended 30 June 2026.

Principal activities

The principal activities of the Company are investment in commercial and institutional enterprises, and related management activities.

Financial review

The table below summarizes the financial results of the six months period ended 30 June 2026 and 30 June 2025:

	<u>30 June 2026</u>	<u>30 June 2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>
Profit for the period	<u>9,884,197</u>	<u>11,150,658</u>
Basic earnings per share	<u>0.104</u>	<u>0.117</u>

Directors

The Directors who served during the period are as follows :

Shaikh Mohammed Humaid Abdulla Mohammed Alqasimi

Aaesha Saif Ahmed Alkhanbouli Alshehhi (appointed as Vice Chairwoman from 2 March 2026)

Abdulla Khalfan Mohammed Alshraiqi Almehrzi

Raman Garg (appointed with effect from 2 March 2026)

Mohammed Hasan Mohammed Alshamsi Alawadhi

Mubarak Ali Mubarak Al Shamsi (resigned with effect from 2 March 2026)

Role of the Directors

The Directors are the Company's principal decision-making forum. The Directors have the overall responsibility for leading and supervising the Company to deliver sustainable shareholder value through their guidance and supervision of the Company's business. The Directors set the strategies and policies of the Company. They monitor performance of the Company's business, guide and supervise its management.

Events after the reporting period

In the opinion of the Directors, other than the ongoing geopolitical developments in the Middle East disclosed in the notes to the condensed interim financial information, no transaction or event of material and unusual nature, favourable or unfavourable has arisen in the period between the end of financial period and the date of this report that is likely to affect substantially the result of the operations or the financial position of the Company.

RAPCO INVESTMENT P.J.S.C

DIRECTORS' REPORT FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026 (Continued)

Projections and risk

The Company is continuously monitoring its liquid funds and investments in equity and fixed income securities to maximize the yield. The Company is exposed to and affected by the fluctuation in the financial market it operates. However, the Company has various in-house systems to evaluate these risks and accordingly take steps to mitigate the effect of such risks.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the condensed interim financial information for each financial reporting period which present fairly, in all material respects, the financial position of the Company and its financial performance for the period then ended.

The condensed interim financial information for the period under review have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose, with reasonable accuracy at any time, the financial position of the Company and enables them to ensure that the condensed interim financial information comply with the requirements of the applicable statute. The Directors confirm that the accounting policies and methods of measurement adopted in preparing these condensed interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2025, which are the latest audited financial statements available. The Directors further confirm that this condensed interim financial information reflects fairly the form and substance of the transactions carried out during the period under review, and reasonably presents the Company's financial condition and results of its operations.

These condensed interim financial information, which were prepared on a going concern basis, were approved by the Board of Directors on 21 July 2026 and signed on their behalf by:



Shaikh Mohammed Humaid Abdulla Mohammed Alqasimi
Chairman
21 July 2026



Raman Garg
Chief Executive Officer

AKC/2187/JUL/2026

**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL
INFORMATION TO THE BOARD OF DIRECTORS OF RAPCO INVESTMENT P.J.S.C**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of RAPCO Investment P.J.S.C, Ras Al Khaimah - U.A.E. ('the Company'), as at 30 June 2026, and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the six months period then ended, and the explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information are not prepared, in all material respects, in accordance with International Accounting Standard 34 - Interim Financial Reporting.

Other Matter

The financial statements of the Company for the year ended 31 December 2025 and condensed interim financial information for the six months period ended 30 June 2025 were audited and reviewed by another auditor who expressed an unmodified opinion on those statements and unmodified conclusion on that information on 2 March 2026 and 24 July 2025, respectively.

Dubai
21 July 2026



Raju Menon
Reg. No. 271
Kreston Menon Chartered Accountants



RAPCO INVESTMENT P.J.S.C
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	30.06.2026 (Unaudited) AED	31.12.2025 (Audited) AED
Assets			
Non-current assets			
Property and equipment	4	1,567	2,721
Investment properties	5	767,350	7,163,010
Digital asset	6	-	377,577
Investments at fair value through other comprehensive income (FVTOCI)	7	155,747,421	155,083,451
Financial investments at amortised cost	8	182,690,200	98,755,410
Deferred tax asset	27	188,418	275,696
Total non-current assets		339,394,956	261,657,865
Current assets			
Trade and other receivables	9	585,984	747,709
Due from a related party	10	28,104	-
Other current financial asset	11	-	1,000,000
Financial investments at amortised cost	8	3,700,030	-
Investments at fair value through profit or loss (FVTPL)	12	165,993,922	190,972,366
Cash and cash equivalents	13	7,757,144	607,252
Total current assets		178,065,184	193,327,327
Total assets		517,460,140	454,985,192
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	14	95,040,000	95,040,000
Special reserve	15	-	80,000,000
Statutory reserve	16	47,520,000	47,520,000
Fair value reserve	17	75,504,321	74,850,578
Retained earnings		214,060,771	124,165,226
Total shareholders' equity		432,125,092	421,575,804
Non-current liability			
Provision for employees' end of service benefits	18	260,138	241,086
Current liabilities			
Borrowings	19	69,488,363	30,000,000
Trade and other payables	20	15,051,034	2,810,797
Due to a related party	10	1,767	-
Provision for tax	27	533,746	357,505
Total current liabilities		85,074,910	33,168,302
Total liabilities		85,335,048	33,409,388
Total shareholders' equity and liabilities		517,460,140	454,985,192

The accompanying notes on pages 8 to 19 form an integral part of these condensed interim financial information.

The independent auditor's report on the review of condensed interim financial information is set forth on page 3.

The condensed interim financial information for the period ended 30 June 2026 were approved by the Board of Directors on 21 July 2026 and signed on their behalf by :

Shaikh Mohammed Humaid Abdulla Mohammed Alqasimi
Chairman

Raman Garg
Chief Executive Officer





RAPCO INVESTMENT P.J.S.C
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	Note	<u>Six months period ended</u>		<u>Three months period ended</u>	
		<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
		<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Income from investments in bonds and bond funds	21	4,472,748	2,122,207	3,251,359	1,016,869
Income from investments in securities	22	7,260,759	9,835,840	9,793,844	4,415,354
Rental income from investment properties		22,569	814,083	16,250	407,957
Other income	23	1,139,632	1,241,547	937,544	56,753
Total income		12,895,708	14,013,677	13,998,997	5,896,933
Administrative expenses	24	(1,858,370)	(1,788,158)	(1,065,357)	(868,046)
Profit from operating activities		11,037,338	12,225,519	12,933,640	5,028,887
Finance cost	25	(889,622)	(619,143)	(690,090)	(173,360)
Profit before tax		10,147,716	11,606,376	12,243,550	4,855,527
Tax expense	27	(263,519)	(455,718)	(263,519)	(260,744)
Profit for the period		9,884,197	11,150,658	11,980,031	4,594,783
Other comprehensive income					
<i>Items that will not be reclassified subsequently to profit or loss :</i>					
Gain in revaluation of digital asset		1,121	-	-	-
Change in fair value of investment at fair value through other comprehensive income (FVTOCI)		663,970	4,430,336	9,832,906	9,733,540
Total comprehensive income for the period		10,549,288	15,580,994	21,812,937	14,328,323
Basic earnings per share	28	0.104	0.117	0.126	0.048



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RAPCO INVESTMENT P.J.S.C
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	<u>Share capital</u> <u>AED</u>	<u>Statutory reserve</u> <u>AED</u>	<u>Special reserve</u> <u>AED</u>	<u>Fair value reserve</u> <u>AED</u>	<u>Retained earnings</u> <u>AED</u>	<u>Total</u> <u>AED</u>
Balance as at 1 January 2025 (Audited)	95,040,000	44,892,921	80,000,000	73,564,909	96,018,326	389,516,156
Profit for the period (Unaudited)	-	-	-	-	11,150,658	11,150,658
Other comprehensive income for the period (Unaudited)	-	-	-	4,430,336	-	4,430,336
Transfer to retained earnings on sale of financial assets at fair value through other comprehensive income	-	-	-	81,112	(81,112)	-
Balance as at 30 June 2025 (Unaudited)	95,040,000	44,892,921	80,000,000	78,076,357	107,087,872	405,097,150
Balance as at 1 January 2026 (Audited)	95,040,000	47,520,000	80,000,000	74,850,578	124,165,226	421,575,804
Profit for the period (Unaudited)	-	-	-	-	9,884,197	9,884,197
Other comprehensive income for the period (Unaudited)	-	-	-	665,091	-	665,091
Transfers (Note 15)	-	-	(80,000,000)	-	80,000,000	-
Transfer to retained earnings on sale of financial assets at fair value through other comprehensive income	-	-	-	(11,348)	11,348	-
Balance as at 30 June 2026 (Unaudited)	95,040,000	47,520,000	-	75,504,321	214,060,771	432,125,092



The accompanying notes on pages 8 to 19 form an integral part of these condensed interim financial information.

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RAPCO INVESTMENT P.J.S.C
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

	Six months period ended	
	30.06.2026	30.6.2025
	(Unaudited)	(Unaudited)
	AED	AED
Cash flows from operating activities		
Profit before tax	10,147,716	11,606,376
Adjustments for:		
Depreciation of property and equipment	1,154	2,183
Provision for employees' end of service benefits	19,052	22,287
Change in fair value of financial assets at FVTPL	(433,065)	(798,901)
Interest income on bonds	(3,453,614)	(2,122,207)
Interest income on bond funds	(1,443,041)	-
Loss/(gain) on disposal of securities at FVTPL	840,678	(1,826,109)
Loss on disposal of investments in bond and bond funds	125,340	-
Gain on disposal of property and equipment	(25,238)	-
Loss on disposal of digital asset	5,335	-
Gain on disposal of investment property	(882,490)	(1,139,821)
Operating cash flows before changes in working capital	4,901,827	5,743,808
Decrease in trade and other receivables	161,725	58,625
(Increase)/decrease in due from a related party	(28,104)	2,162,993
Increase/(decrease) in trade and other payables	12,240,237	(876,837)
Increase/Decrease in due to a related party	1,767	(230,663)
Cash generated from operations	17,277,452	6,857,926
Employees' end of service benefits paid	-	(49,948)
Net cash generated from operating activities	17,277,452	6,807,978
Cash flows from investing activities		
Proceeds from disposal of property and equipment	25,238	-
Proceeds from disposal of investment properties	7,278,150	10,313,469
Proceeds from disposal of digital asset	373,363	-
Decrease/(increase) in other current financial asset	1,000,000	(1,000,000)
Purchase of investments at FVTPL	(14,369,462)	(18,816,551)
Proceeds from disposal of investments at FVTPL	38,940,293	20,820,630
Purchase of investments at amortised cost	(127,492,937)	(19,752,700)
Proceeds from disposal of investments at amortised cost	20,441,954	-
Proceeds from redemption of financial assets through amortised cost	20,051,911	-
Proceeds from disposal of investments at FVTOCI	-	1,639,311
Interest received on bond funds	1,443,041	-
Interest received on investment at fair value through amortised cost	2,692,526	1,996,682
Net cash used in investing activities	(49,615,923)	(4,799,159)
Cash flows from financing activities		
Term loan repaid	(37,975,000)	-
Term loan availed	24,500,000	-
Net increase in overdraft	52,963,363	-
Net cash generated from financing activities	39,488,363	-
Net increase in cash and cash equivalents	7,149,892	2,008,819
Cash and cash equivalents at beginning of period	607,252	842,865
Cash and cash equivalents at end of period	7,757,144	2,851,684

The accompanying notes on pages 8 to 19 form an integral part of these condensed interim financial information.

The independent auditor's report on the review of condensed interim financial information is set forth on page 3.



RAPCO INVESTMENT P.J.S.C

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

1. GENERAL INFORMATION

RAPCO Investment P.J.S.C ('the Company'), is a Public Shareholding Company incorporated in the Emirate of Ras Al Khaimah, U.A.E. facilitated under Emiri Decree No. 76/8 of 1976 issued by His Highness, the Ruler of Ras Al Khaimah, and commenced its operations with effect from 11 March 1978 and operates under the Commercial License No. 302 issued by Department of Economic Development of Government of Ras Al Khaimah. The shares of the Company are traded on the Abu Dhabi Securities Exchange.

The address of the registered office of the Company is Unit No. 201, Al Jazirah Al Hamra, Ras Al Khaimah, United Arab Emirates.

The principal activities of the Company are investment in commercial and institutional enterprises, and related management activities.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The condensed interim financial information are for the six months period ended 30 June 2026 and are presented in Arab Emirates Dirhams (AED), which is also the functional currency of the Company. These condensed interim financial information have been prepared in accordance with IAS 34 - "Interim Financial Reporting" and do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 December 2025. In addition, results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026. The condensed interim financial information has been prepared under the historical cost convention, except for investment properties, investments at fair value through other comprehensive income, investments at fair value through profit or loss and digital asset which are recorded at fair value.

2.2 Statement of compliance

These condensed interim financial information has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. They do not include all the information required for a complete set of annual financial statements.

2.3 Adoption of new and revised IFRS Accounting Standards

In the current period, the Company has applied the following amendment to IFRS Accounting Standards issued by the IASB, which is mandatorily effective for an accounting period that begins on or after 1 January 2026. Its application has not had any material impact on the disclosures or on the amounts reported in these condensed interim financial information.

Amendments to IFRS 9 and IFRS 7: Disclosures Regarding the Classification and Measurement of Financial Instruments

Annual Improvements to IFRS Accounting Standards - Volume 11: Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7



RAPCO INVESTMENT P.J.S.C

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

The following Standards, amendments thereto and interpretations have been issued prior to 30 June 2026 but have not been applied in these condensed interim financial information as their effective dates of application are for future periods. It is anticipated that their application in the relevant accounting periods will have impact only on disclosures within these condensed interim financial information.

IFRS 18: Presentation and Disclosure in Financial Statements - 1 January 2027

IFRS 19: Subsidiaries without Public Accountability: Disclosures - 1 January 2027

Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency - 1 January 2027

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of condensed interim financial information requires management to make judgement, estimates, and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. In preparing the condensed interim financial information, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2025.



RAPCO INVESTMENT P.J.S.C

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

4. PROPERTY AND EQUIPMENT

	<u>Buildings</u>	<u>Furniture</u>	<u>Motor</u>	<u>Office</u>	<u>Total</u>
	<u>AED</u>	<u>& fixtures</u>	<u>vehicles</u>	<u>equipment</u>	<u>AED</u>
Cost		<u>AED</u>	<u>AED</u>	<u>AED</u>	
At 1 January 2025 (Audited)	1,864,651	1,308,451	350,300	34,289	3,557,691
Disposals	(1,864,651)	(1,308,451)	(172,800)	-	(3,345,902)
At 31 December 2025 (Audited)	-	-	177,500	34,289	211,789
Disposal	-	-	(108,000)	-	(108,000)
At 30 June 2026 (Unaudited)	-	-	69,500	34,289	103,789
Accumulated depreciation					
At 1 January 2025 (Audited)	1,864,651	1,308,451	350,300	26,942	3,550,344
Charge for the year	-	-	-	4,626	4,626
On disposals	(1,864,651)	(1,308,451)	(172,800)	-	(3,345,902)
At 31 December 2025 (Audited)	-	-	177,500	31,568	209,068
Charge for the period	-	-	-	1,154	1,154
On disposal	-	-	(108,000)	-	(108,000)
At 30 June 2026 (Unaudited)	-	-	69,500	32,722	102,222
Carrying amount					
At 30 June 2026 (Unaudited)	-	-	-	1,567	1,567
At 31 December 2025 (Audited)	-	-	-	2,721	2,721



RAPCO INVESTMENT P.J.S.C

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026**

5. INVESTMENT PROPERTIES

Valuation	<u>Land</u> <u>AED</u>	<u>Building</u> <u>AED</u>	<u>Total</u> <u>AED</u>
At 1 January 2025 (Audited)	35,101,800	24,315,000	59,416,800
Disposals	(28,926,800)	(23,570,000)	(52,496,800)
Revaluation gain	220,660	22,350	243,010
At 31 December 2025 (Audited)	6,395,660	767,350	7,163,010
Disposal	(6,395,660)	-	(6,395,660)
At 30 June 2026 (Unaudited)	-	767,350	767,350

Investment properties include the fair value of plot of land and building located in the U.A.E.

6. DIGITAL ASSET

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
Bitcoin		
Valuation		
Balance at the beginning of the period/year	377,577	-
Addition during the period/year	-	367,350
Change in fair value for the period/year (Note 17)	1,121	10,227
Disposal	(378,698)	-
Balance at the end of the period/year	-	377,577

The Company held a digital asset accounted as an intangible asset and initially measured at cost and subsequently measured under the revaluation method.

7. INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVTOCI)

		<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
a) Quoted shares			
Balance at the beginning of the period/year		106,566,431	104,397,192
Change in fair value during the period/year (Note 17)		663,970	4,932,734
Disposed during the period/year		-	(2,763,495)
Balance at the end of the period/year	(A)	107,230,401	106,566,431
b) Unquoted shares			
Balance at the beginning of the period/year		48,517,020	51,829,000
Change in fair value during the period/year (Note 17)		-	(3,311,980)
Balance at the end of the period/year	(B)	48,517,020	48,517,020
Total	(A) + (B)	155,747,421	155,083,451

- i) The quoted shares comprise equity holdings in Commercial Bank International, National Bank of Ras Al-Khaimah PJSC, and RAK Ceramics P.J.S.C, all listed in the United Arab Emirates.

Quoted shares with a total value of AED 39,303,476 have been pledged to the bank as at period end (Note 19).



RAPCO INVESTMENT P.J.S.C

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

- ii) The unquoted shares primarily comprises an equity holding in Majan Printing & Packaging Co LLC, incorporated in Ras Al-Khaimah, U.A.E.

8. FINANCIAL INVESTMENTS AT AMORTISED COST

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
<u>Investment in bonds</u>		
Balance at the beginning of the period/year	98,755,410	67,064,030
Interest accrued during the period/year	3,453,614	837,203
Redeemed during the period/year	(20,051,911)	-
Interest received during the period/year	(2,692,526)	-
Disposed during the period/year	(20,567,294)	-
Additions during the period/year	127,492,937	30,854,177
Balance at the end of the period/year	186,390,230	98,755,410
Less : Non-current portion	(182,690,200)	(98,755,410)
Current portion	3,700,030	-

9. TRADE AND OTHER RECEIVABLES

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
Trade receivables	707,467	1,049,370
Less : Allowance for impairment of trade receivables	(424,135)	(424,135)
	283,332	625,235
Refundable deposits	196,149	197,649
Less : Allowance for impairment of refundable deposits	(172,774)	(172,774)
	23,375	24,875
Prepayments	201,185	60,365
VAT receivable	66,064	27,301
Staff advances	4,001	1,000
Other receivables	8,027	8,933
	585,984	747,709

10. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties include the shareholders, key management personnel, fellow subsidiaries, associates, joint ventures, board of directors and entities which are controlled directly or indirectly by the shareholders or board of directors or over which they exercise significant management influence. Transactions and balances between the Company and its related parties are described below. Transactions with related parties were entered into on terms as agreed by the management.



RAPCO INVESTMENT P.J.S.C

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

During the period, the Company entered into the following transactions with related parties:

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.06.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
<i>Under common control</i>				
Management fee (Note 24)	200,000	200,000	100,000	100,000
Expenses paid to related parties	472,152	487,935	431,815	392,261
Expenses paid by related parties on behalf of the Company	153,454	209,730	143,388	181,168
Directors' remuneration (Note 24)	739,195	573,000	366,597	281,000

The following balances were outstanding at the end of the reporting period :

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Due from a related party		

Under common control

Al Hamra Real Estate Development LLC, U.A.E.	28,104	-
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	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Due to a related party		

Under common control

Falcon Investments Company LLC, U.A.E.	1,767	-
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Related party balances are unsecured and expected to be settled in cash.

11. OTHER CURRENT FINANCIAL ASSET

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Fixed deposit	-	1,000,000

12. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
a) Quoted		
Balance at the beginning of the period/year	75,700,617	21,960,021
Purchased during the period/year	14,369,462	87,114,189
Change in fair value during the period/year	433,065	713,857
Disposed during the period/year	(39,780,971)	(34,087,450)
Balance at the end of the period/year (A)	50,722,173	75,700,617



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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
b) Unquoted		
Balance at the beginning of the period/year	115,271,749	108,230,000
Change in fair value during the year	-	7,041,749
Balance at the end of the period/year (B)	115,271,749	115,271,749
Total (A) + (B)	165,993,922	190,972,366

The above quoted investments represent investments in shares and bond funds.

The above unquoted investments represent investments in AMI-Movenpick Hotel, U.A.E.

13. CASH AND CASH EQUIVALENTS

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Cash at bank :		
Current accounts	7,674,894	513,634
Call deposits	82,250	93,618
	7,757,144	607,252

14. SHARE CAPITAL

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Authorised, issued and fully paid;		
95,040,000 ordinary shares of AED 1 each	95,040,000	95,040,000

15. SPECIAL RESERVE

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Balance at the beginning of the period/year	80,000,000	80,000,000
Transferred to retained earnings	(80,000,000)	-
Balance at the end of the period/year	-	80,000,000

During the period, the Board of Directors approved the transfer of AED 80 million from special reserve to retained earnings.

16. STATUTORY RESERVE

	<u>30.06.2026</u>	<u>31.12.2025</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
	<u>AED</u>	<u>AED</u>
Balance at the beginning of the period/year	47,520,000	44,892,921
Transferred during the period/year	-	2,627,079
Balance at the end of the period/year	47,520,000	47,520,000



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In accordance with the U.A.E. Federal Decree Law No. (32) of 2021 (as amended), and the Company's Memorandum of Association, the Company has established a statutory reserve by transferring 10% of profit for each year until the reserve equals 50% of the issued share capital. This is discontinued as permitted by the Law since the reserve has accumulated to 50% of the paid up capital. This reserve is not available for distribution except as stipulated by the Law.

17. FAIR VALUE RESERVE

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
Balance at the beginning of the period/year	74,850,578	73,564,909
Fair value gain on financial assets at FVTOCI (Note 7)	663,970	1,620,754
Revaluation gain on digital asset (Note 6)	1,121	10,227
Transfer on sale of financial assets at FVTOCI	(11,348)	(345,312)
Balance at the end of the period/year	<u>75,504,321</u>	<u>74,850,578</u>

18. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
Balance at the beginning of the period/year	241,086	344,240
Provision made during the period/year	19,052	62,873
Paid during the period/year	-	(166,027)
Balance at the end of the period/year	<u>260,138</u>	<u>241,086</u>

19. BORROWINGS

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
Overdraft	52,963,363	-
Term loan	16,525,000	30,000,000
	<u>69,488,363</u>	<u>30,000,000</u>

The term loan carries interest rate which is based on 3-months (EIBOR) plus 1.25% per annum.

The Company has pledged shares of RAKBANK and RAK Ceramics to the bank as security for the facility which are listed on the Abu Dhabi Securities Exchange (Note 7).

20. TRADE AND OTHER PAYABLES

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
Trade payables	13,708,242	1,155,544
Accrued expenses	1,224,506	1,574,895
Other payables	118,286	80,358
	<u>15,051,034</u>	<u>2,810,797</u>



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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026**

21. INCOME FROM INVESTMENTS IN BONDS AND BOND FUNDS

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Interest income on bonds	3,453,614	2,122,207	1,376,766	1,016,869
Interest income on bond funds	1,443,041	-	1,443,041	-
Loss on sale of investments in bonds and bond funds	(125,340)	-	(564,841)	-
Change in fair value of bond funds carried at FVTPL	(298,567)	-	996,393	-
	<u>4,472,748</u>	<u>2,122,207</u>	<u>3,251,359</u>	<u>1,016,869</u>

22. INCOME FROM INVESTMENTS IN SECURITIES

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Dividend income	7,375,140	7,103,417	7,366,472	2,127,040
(Loss)/gain on sale of securities at FVTPL	(840,678)	1,826,109	243,141	946,702
Change in fair value of securities at FVTPL	731,632	798,901	2,189,565	1,341,612
Net loss on disposal of digital asset at FVTOCI	(5,335)	-	(5,334)	-
Net loss on disposal of securities carried at FVTOCI	-	107,413	-	-
	<u>7,260,759</u>	<u>9,835,840</u>	<u>9,793,844</u>	<u>4,415,354</u>

23. OTHER INCOME

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Gain/(loss) on disposal of investment property	882,490	1,139,821	882,490	(1,493)
Interest on fixed deposit	34,006	64,555	29,816	21,550
Gain on disposal of property and equipment	25,238	-	25,238	-
Miscellaneous income	197,898	37,171	-	36,696
	<u>1,139,632</u>	<u>1,241,547</u>	<u>937,544</u>	<u>56,753</u>



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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026

24. ADMINISTRATIVE EXPENSES

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Directors' remuneration (Note 10)	739,195	573,000	366,597	281,000
Employee costs (Note 26)	475,165	558,526	301,743	247,986
Legal and professional charges	207,223	265,473	108,452	129,393
Management fee (Note 10)	200,000	200,000	100,000	100,000
Bank charges	55,498	20,090	30,976	10,209
Utilities	4,291	43,966	2,363	22,256
Depreciation of property and equipment	1,154	2,183	373	975
Repairs and maintenance	625	77,847	-	39,174
Miscellaneous expenses	175,219	47,073	154,853	37,053
	<u>1,858,370</u>	<u>1,788,158</u>	<u>1,065,357</u>	<u>868,046</u>

25. FINANCE COST

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Interest on borrowings	889,622	619,143	690,090	173,360

26. EMPLOYEE COSTS

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Salaries and allowances	172,653	399,474	76,573	172,356
Employees' end of service benefits	19,052	22,287	5,697	9,379
Other benefits	283,460	136,765	219,473	66,251
	<u>475,165</u>	<u>558,526</u>	<u>301,743</u>	<u>247,986</u>

The entire employee costs have been allocated to administrative expenses (Note 24).

27. CORPORATE TAX

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u>	<u>30.6.2025</u>	<u>30.06.2026</u>	<u>30.6.2025</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>	<u>(Unaudited)</u>
	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
A. Amounts recognised in profit or loss :				
Current tax expense	176,241	-	176,241	-
Deferred tax expense	87,278	455,718	87,278	260,744
Total tax expense	<u>263,519</u>	<u>455,718</u>	<u>263,519</u>	<u>260,744</u>



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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2026**

	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>31.12.2025</u> <u>(Audited)</u> <u>AED</u>
B. Provision for tax		
Balance at the beginning of the period/year	357,505	-
Tax expense for the period/year	176,241	357,505
Balance at the end of the period/year	<u>533,746</u>	<u>357,505</u>
C. Movement of deferred tax asset		
Balance at the beginning of the period/year	275,696	1,449,461
Tax expense for the period/year	(87,278)	(1,173,765)
Balance at the end of the period/year	<u>188,418</u>	<u>275,696</u>

28. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the average number of ordinary shares in issue during the period:

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>30.6.2025</u> <u>(Unaudited)</u> <u>AED</u>	<u>30.06.2026</u> <u>(Unaudited)</u> <u>AED</u>	<u>30.6.2025</u> <u>(Unaudited)</u> <u>AED</u>
Profit for the period	9,884,197	11,150,658	11,980,031	4,594,783
Weighted average number of shares	<u>95,040,000</u>	<u>95,040,000</u>	<u>95,040,000</u>	<u>95,040,000</u>
Basic earnings per share for the period	<u>0.104</u>	<u>0.117</u>	<u>0.126</u>	<u>0.048</u>

As at period end, the Company has not issued any dilutive instruments that have an impact on earnings per share when exercised.

29. FAIR VALUE

The fair value of a particular asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of the financial assets and liabilities approximate their carrying amounts as reflected in these condensed interim financial information.

Information about the methods and assumptions used in determining fair value are given below :

Fair value estimation

The Company adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

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



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The following table analyses, within the fair value hierarchy, the Company's financial assets measured at fair value :

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
At 30 June 2026 (Unaudited)	<u>AED</u>	<u>AED</u>	<u>AED</u>	<u>AED</u>
Financial assets				
Financial assets at fair value through other comprehensive income	107,230,401	-	48,517,020	155,747,421
Investments at fair value through profit or loss	50,722,173	-	115,271,749	165,993,922
	<u>157,952,574</u>	<u>-</u>	<u>163,788,769</u>	<u>321,741,343</u>
Non-financial assets				
Investment properties at fair value	<u>-</u>	<u>-</u>	<u>767,350</u>	<u>767,350</u>
At 31 December 2025 (Audited)				
Financial assets				
Financial assets at fair value through other comprehensive income	106,566,431	-	48,517,020	155,083,451
Investments at fair value through profit or loss	75,700,617	-	115,271,749	190,972,366
	<u>182,267,048</u>	<u>-</u>	<u>163,788,769</u>	<u>346,055,817</u>
Non-financial assets				
Investment properties at fair value	<u>-</u>	<u>-</u>	<u>7,163,010</u>	<u>7,163,010</u>

30. IMPACT OF THE CURRENT GEOPOLITICAL SITUATION

Geopolitical tensions in the Middle East region have emerged and continued through the financial period end, contributing to increased regional and global economic uncertainty.

Management has assessed these developments in accordance with the requirements of IAS 10 - Events after the Reporting Period and as these conditions existed as at the year end, management has considered whether any adjustments to the amounts recognised in the condensed interim financial information were required. In performing this assessment, management has considered the potential impact on the Company's operations, financial position and cash flows, including possible effects on supply chains, commodity and energy price volatility, inflationary pressures, foreign exchange movements, and counterparty credit risk.

As at the date of approval of these condensed interim financial information, no material adverse impact has been identified on the Company's assets, liabilities, or operations. However, given the evolving nature of these developments, management is unable to reliably estimate the potential future financial effects, if any. Accordingly, no adjustments have been made to these condensed interim financial information in respect of these events. Management will continue to monitor the situation and take appropriate actions where necessary.

