To the Shareholders of Abu Dhabi National Company for Building Materials PJSC,

The Board of Directors is pleased to present its report on the financial and operating performance of Abu Dhabi National Company for Building Materials PJSC (the "Company") and its subsidiaries (the "Group") for the six months ended 30 June 2026 — a period marked by a substantial strengthening of the capital and equity base, the restructuring of accumulated losses, revenue growth of 37.4% and an improvement in the gross profit margin to 35%.

Key Financial Indicators

Operating performance — six months ended 30 June 2026 (AED Mn unless stated)

Revenue	Gross profit	Gross profit margin	Q2 revenue
34.15	**11.94**	**35%**	**17.43**
▲ 37.4%	▲ 114.5%	▲ 12.6 pts	▲ 59.3%
2025: 24.85	2025: 5.57	2025: 22.4%	2025: 10.94

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

Total assets	Total equity	Equity to total assets	Liabilities to equity
2,430.20	**2,107.05**	**86.7%**	**0.15x**
▲ 6.7x	▲ 27.1x	▲ 65.1 pts	▼ 3.48x
2025: 360.17	2025: 77.75	2025: 21.6%	2025: 3.63x

First: Financial Position and Shareholders' Equity

Total assets increased to AED 2,430.20 Mn as at 30 June 2026 (31 December 2025: AED 360.17 Mn) and total equity to AED 2,107.05 Mn (31 December 2025: AED 77.75 Mn), following the capital increase arising from the in-kind contribution associated with the Arabian Nights Village Tourist Camp – Sole Proprietorship L.L.C transaction. Pursuant to the resolution of the Extraordinary General Assembly held on 6 December 2025, 1.2 billion ordinary shares of AED 1 each were issued on 6 January 2026 to the strategic partner against land of approximately 36 million square metres, independently valued at AED 2,131 Mn — increasing share capital by AED 1,200 Mn and establishing a general reserve of AED 931 Mn.

Pursuant to the resolution of the General Assembly held on 6 June 2026, and following receipt of the necessary regulatory approvals, accumulated losses of AED 464.08 Mn as at 31 March 2026 were extinguished against the general reserve, leaving a general reserve of AED 466.92 Mn and retained earnings of AED 7.17 Mn as at 30 June 2026. Equity to total assets accordingly improved to 86.7% from 21.6%, and total liabilities to equity declined to 0.15 times from 3.63 times.

Second: Operating Performance

Revenue increased by 37.4% to AED 34.15 Mn while cost of sales increased by 15.1% to AED 22.21 Mn, lifting gross profit to AED 11.94 Mn from AED 5.57 Mn and the gross profit margin to 35% from 22.4%. Block sales rose by 31.2%, interlock sales by 83.8% and service income by 65.8%.

The Group recorded a profit before tax of AED 7.86 Mn during the second quarter, compared with a loss before tax of AED 103.52 Mn during the first quarter:

AED Mn	Q1 2026	Q2 2026	Change
Revenue	16.72	17.43	+4.2%
Gross profit	6.34	5.61	(11.5%)
Gross profit margin	37.9%	32.2%	(5.7) points
Profit / (loss) before tax	(103.52)	7.86	+111.38

The variance is principally attributable to the recognition during the first quarter of the greater part of the revaluation and impairment losses. The second quarter also included dividend income of AED 2.44 Mn and a credit of AED 8.69 Mn within finance cost on borrowings arising from the reassessment of accrued interest.

Third: Results for the Period

The Group recorded a net loss of AED 95.66 Mn (corresponding period of 2025: AED 12.51 Mn) and a total comprehensive loss of AED 101.7 Mn. The result was materially affected by accounting items relating to the revaluation and impairment of assets and to provisions, the greater part of which was recognised during the first quarter of 2026:

- Revaluation losses on property, plant and equipment of AED 53.66 Mn (AED 47.62 Mn within profit or loss and AED 6.04 Mn within other comprehensive income), and a reduction in the fair value of investment properties of AED 27.7 Mn;
- Provisions for slow-moving and obsolete inventories, expected credit losses and the impairment of a bank term deposit totalling AED 8.72 Mn, together with an unrealised loss on investments carried at fair value of AED 4.68 Mn;
- Depreciation of AED 4.51 Mn and finance costs on borrowings and lease liabilities of AED 4.89 Mn.

Fourth: Liquidity, Financing Obligations and Subsequent Events

Cash and cash equivalents amounted to AED 4.91 Mn as at 30 June 2026 (31 December 2025: AED 13.34 Mn), and net cash used in operating activities to AED 0.85 Mn. As the recapitalisation was effected principally in kind, it generated no corresponding cash inflow, and strengthening liquidity and working capital therefore remains a principal priority.

Bank borrowings amounted to AED 173.97 Mn, bank overdraft to AED 26.14 Mn and accrued interest to AED 39.35 Mn. The Group continues to address and reorganise these obligations through ongoing negotiations with the relevant banking institutions. In respect of case no. 425/2026 before the Abu Dhabi Commercial Court, the Court issued its judgment on 22 July 2026 dismissing the original claim of AED 33 Mn filed against the Group and holding the counterclaim of AED 20 Mn to be inadmissible.

Fifth: The Next Phase and Responsibility of the Board

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

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

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

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

Date: 12 August 2026

Rasheed Ali Rasheed Nasser Al Omaira
Chairman of the Board