

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

INDEPENDENT AUDITOR'S REPORT AND INTERIM
CONSOLIDATED FINANCIAL STATEMENTS FOR
1 JANUARY 2025 TO 30 JUNE 2025

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

I N D E X

	<u>Exhibit</u>	<u>Page</u>
Board of Director's Report	-	3
Independent Auditor's Report	-	4 - 5
Interim consolidated statement of financial position as at 30 June 2025	A	6 - 7
Interim consolidated statement of comprehensive income for the period from 1 January 2025 to 30 June 2025	B	8
Interim consolidated statement of changes in shareholders equity for period from 1 January 2025 to 30 June 2025	C	9
Interim consolidated statement of cash flows for the period from 1 January 2025 to 30 June 2025	D	10 - 11
	<u>Notes</u>	
Notes to consolidated interim financial statements	1 - 26	12 - 41



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

Board of Directors' Report for the Financial

Period Ended June 30, 2025

Greetings,

We hereby present our financial report for the period ended June 30, 2025, for our group of companies: Abu Dhabi National Building Materials Company - BLDCO (PJSC), BLDCO Reinforcement Steel Services, BLDCO Cement Products (Limited Liability Company), and BLDCO Aerated Concrete Production.

The company achieved net revenues amounting to AED 24,853,754 for the period ending June 30, 2025, compared to AED 30,621,291 in the previous year. The cost of sales amounted to AED (19,287,403), compared to AED (25,229,999) in the previous year. The company recorded a total profit of AED 5,566,351 during the period ending June 30, 2025, compared to a total profit of AED 5,391,292 in the previous year. The consolidated net loss for the company for the period ended June 30, 2025, was AED (12,511,016) compared to a consolidated net profit of AED 11,486,529 for the same period in the previous year. Earnings per share during the period amounted to AED (0.04), compared to a profit of AED 0.04 per share in the previous year. The total shareholders' equity amounted to AED 63,354,347 as of June 30, 2025, compared to AED 75,865,363 as of December 31, 2024.

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

- 1- Mr. Omran Sultan Matar Al-Hilami – Chairman of the Board
- 2- Mr. Rashid Ali Rashid Nasser Al-Omira – Vice Chairman of the Board
- 3- Mr. Saeed Saif Darwaish Ahmed Alketbi – Board Member

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 company's financial position, results of operations, and cash flows for the financial period covered by this report.

Date: August 14, 2025

Chairman of the Board



شركة مساهمة وطنية عامة تأسست بالرسوم الأميري رقم ٥ لسنة ١٩٧٤



ص.ب: ٢٤٤٣، أبوظبي - الإمارات العربية المتحدة | تليفون: ٦٤٥٥٥٠٠ - فاكس: ٦٤٥٥٥٤٤، تليكس: ٢٢٢٩٩ بلدكو - س.ت: ١٥٩٠٤
P.O. Box: 2443, ABU DHABI - United Arab Emirates | Tel.: 6455500, Fax: 6455544, Telex: 22299 BILDCO EM - T.R: 15904
E-mail: bildeo@emirates.net.ae

Report on Review and Interim Financial Information

The Shareholders

Abu Dhabi National Company for Building Materials PJSC

Abu Dhabi - United Arab Emirates

Report on the Audit of the Interim Consolidated Financial Statements

Introduction

We have reviewed the accompanying consolidated interim financial information of **Abu Dhabi National Company for Building Materials PJSC** (the "Company") and its subsidiaries (together referred to as the "Group") - Abu Dhabi as at 30 June 2025, which comprise the interim consolidated statement of financial position as at 30 June 2025, and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion of these consolidated interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the group". A review of 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.

Basis for Adverse Conclusion

- We have not received supporting document for disposal of an asset amounting to AED 38,900,000 (net) in capital work in progress (Note 12 (a)) and we were unable to satisfy ourselves as to completeness and accuracy of the transaction.

Report on review of interim financial information to the shareholders of
Abu Dhabi National Company for Building Materials PJSC for the
period from 1 January 2025 to 30 June 2025 (continued)

- We have not received direct confirmation letters from First Abu Dhabi Bank and Emirates National Bank of Dubai, and the Group did not provide us with the supporting documents for bank facilities and loan repayment schedules as explained in Note (23). 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 and commitments held with these banks.

Material uncertainty related to going concern

We draw attention to Note 3 in the interim consolidated financial statements, which indicates that the Group incurred loss of AED 12,511,016 as of 30 June 2025, accumulated losses of AED 345,730,233 (31 December 2024 : AED 332,578,535), Group current liabilities exceed its current assets by AED 171,771,226 (31 December 2024 : 197,302,420) as of that date. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern.

Material uncertainty related to going concern (continued)

However, the interim consolidated financial statements are prepared on the assumption that the group is a going concern and will continue in operation for the foreseeable future with the financial support of shareholders. We have not been able to obtain sufficient and corroborative evidences about the Group's management plans and new strategies. Accordingly, we are unable to comment on the appropriateness of the going concern assumption of the interim consolidated financial statements and their consequential impact on the financial results of the group.

Adverse Conclusion

Our review indicates that, because of the significant of matter described in the basis for adverse conclusion paragraph, these interim condensed interim consolidated financial statements does not presents fairly, in all material respects, the financial position of the group as at 30 June 2025, and of its financial performance and its cash flows for three months period then ended in accordance with the International Accounting Standards 34 - International Financial Reports.

For Talal Abu Ghazaleh & Co. International

Salah Al Aried

Licensed Auditor No. 1274

Abu Dhabi

14 Augsut 2025



ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT A

INTERIM CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 30 JUNE 2025

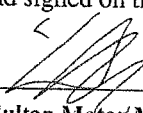
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

<u>ASSETS</u>	<u>NOTE</u>	<u>30 June 2025</u>	<u>31 December 2024</u>
<u>CURRENT ASSETS</u>		<u>(Unaudited)</u>	<u>(Audited)</u>
Cash and cash equivalents	5	17,356,235	3,453,146
Bank term deposit	13 (f)	632,034	632,034
Trade and other receivables	6 (a)	18,879,171	15,484,615
Other asset	7	957,614	1,258,625
Inventories	8	8,134,116	5,290,455
Investments at fair value through profit or loss (FVTPL)	9 (a)	38,362,687	34,461,195
Total current assets		<u>84,321,857</u>	<u>60,580,070</u>
<u>NON-CURRENT ASSETS</u>			
Trade and other receivables	6 (b)	3,313,906	----
Investments properties	10	45,200,000	45,200,000
Right-of-use assets	11	24,343,904	24,845,286
Property, plant and equipment	12	190,667,336	232,021,163
Total non-current assets		<u>263,525,146</u>	<u>302,066,449</u>
TOTAL ASSETS		<u>347,847,003</u>	<u>362,646,519</u>

***THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE INTERIM CONSOLIDATED FINANCIAL STATEMENTS***

To the best of our knowledge, the financial information include in these interim consolidated financial statements fairly presents in all material respects the financial condition, result of operation and cash flows of the Group as of, and for, the periods presented therein.

These interim consolidated financial statements were approved for issue by the Board of Directors on 14 August 2025 and signed on their behalf by:


Mr. Omran Sultan Matar Matar Alhallami
Chairman


Mr. Rasheed Ali Rasheed Naser Al Omaira
Vice Chairman


Mr. Saeed Saif Darwaish Alketbi
Board Member



ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

CONT. EXHIBIT A

**INTERIM CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 30 JUNE 2025**

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

<u>EQUITY AND LIABILITIES</u>	<u>NOTE</u>	<u>30 June 2025</u>	<u>31 December 2024</u>
<u>CURRENT LIABILITIES</u>		<u>(Unaudited)</u>	<u>(Audited)</u>
Bank overdraft	13 (f)	26,136,005	26,136,005
Borrowings	13	173,967,820	173,967,820
Trade and other payables	14	55,487,419	57,313,401
Lease liabilities	15	501,839	465,264
Total current liabilities		<u>256,093,083</u>	<u>257,882,490</u>
<u>NON-CURRENT LIABILITIES</u>			
Lease liabilities	15	26,427,514	26,742,737
End of service benefits obligation	16	1,972,059	2,155,929
Total non-current liabilities		<u>28,399,573</u>	<u>28,898,666</u>
Total liabilities		<u>284,492,656</u>	<u>286,781,156</u>
<u>EQUITY</u>			
Share capital	17	300,000,000	300,000,000
Statutory reserve		43,424,314	43,424,314
Capital reserve		15,398,843	15,398,843
Accumulated (losses)		(345,730,233)	(332,578,535)
Revaluation reserve for property and equipment		40,554,425	40,554,425
Net equity attributable to the shareholders of the Company		<u>53,647,349</u>	<u>66,799,047</u>
Non controlling interest		9,706,998	9,066,316
Total equity - Exhibit C		<u>63,354,347</u>	<u>75,865,363</u>
TOTAL LIABILITIES AND EQUITY		<u><u>347,847,003</u></u>	<u><u>362,646,519</u></u>

**THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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Mr. Omran Sultan Matar Matar Alhallami
Chairman

Mr. Rasheed Ali Rasheed Naser Al Omaira
Vice Chairman

Mr. Saeed Saif Darwaish Alketbi
Board Member



ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT B

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	NOTE	3 Months ended 30 June		6 Months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	2025 (Unaudited)	2024 (Unaudited)
Revenues		10,942,223	13,101,079	24,853,754	30,621,291
Direct costs		(8,428,808)	(11,369,734)	(19,287,403)	(25,229,999)
Gross profit		2,513,415	1,731,345	5,566,351	5,391,292
General and administrative expenses	18	(2,541,125)	(2,934,237)	(5,093,221)	(5,659,722)
Directors remunerations		(37,500)	(37,500)	(75,000)	(75,000)
(Loss) on disposal of property, plant and equipment		----	----	(16,865,000)	----
Finance cost		(18,798)	(650,466)	(30,961)	(1,363,731)
Finance cost on lease liabilities		(350,199)	----	(701,529)	----
Impairment for trade receivables - written back		537,919	----	537,919	----
Unrealized gain on revaluation of investments in financial assets designated at fair value through profit or loss (FVTPL)	9 (c)	(2,212,239)	(1,667,818)	(2,614,049)	5,730,071
Impairment for investments in financial assets (FVTPL) - written back	9 (b)	----	----	1,017,500	----
Gain / (loss) from sale of investments in financial assets designated at fair value through profit or loss (FVTPL)		227,476	82,107	(370,893)	82,107
Dividend income		1,831,694	433,425	1,831,694	1,508,917
Other income	20	106,423	5,773,515	4,489,437	5,872,595
Profit / (loss) for the period before corporate tax		57,066	2,730,371	(12,307,752)	11,486,529
Corporate tax	24	6,070	----	(203,264)	----
Profit / (loss) for the period after corporate tax		63,136	2,730,371	(12,511,016)	11,486,529
Total comprehensive income / (loss) for the period - Exhibit C		63,136	2,730,371	(12,511,016)	11,486,529
(Loss) / Profit for the period attributable to:					
Owners of the Company		(319,607)	2,487,247	(13,151,698)	10,971,594
Non controlling interest		382,743	243,124	640,682	514,935
Total		63,136	2,730,371	(12,511,016)	11,486,529
Basic and diluted profit / (loss) per share		0.01	0.01	(0.04)	0.04

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT C

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR

THE PERIOD FROM 1 JANUARY 2025 TO 30 JUNE 2025

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	<u>Share Capital</u>	<u>Statutory reserve</u>	<u>Capital reserve</u>	<u>Accumulated (losses)</u>	<u>Revaluation reserve for property, plant and equipment</u>	<u>Net</u>	<u>Non controlling interest</u>	<u>Total</u>
Shareholders' equity at 1 January 2024 (Audited)	300,000,000	43,424,314	15,398,843	(344,625,270)	6,482,325	20,680,212	8,249,409	28,929,621
Total comprehensive income for the period - Exhibit B	----	----	----	10,971,594	----	10,971,594	514,935	11,486,529
Shareholders' equity at 30 June 2024 (Unaudited)	300,000,000	43,424,314	15,398,843	(333,653,676)	6,482,325	31,651,806	8,764,344	40,416,150
Shareholders' equity at 1 January 2025 - Exhibit A (Audited)	300,000,000	43,424,314	15,398,843	(332,578,535)	40,554,425	66,799,047	9,066,316	75,865,363
Total comprehensive (loss) for the period - Exhibit B	----	----	----	(13,151,698)	----	(13,151,698)	640,682	(12,511,016)
Shareholders' equity at 30 June 2025 - Exhibit A (Unaudited)	300,000,000	43,424,314	15,398,843	(345,730,233)	40,554,425	53,647,349	9,706,998	63,354,347

THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

EXHIBIT D

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR

FROM 1 JANUARY 2025 TO 31 JUNE 2025

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

	<u>NOTE</u>	<u>6 Months ended</u>	
		<u>30 June 2025</u>	<u>30 June 2024</u>
		<u>(Unaudited)</u>	<u>(Unaudited)</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES :</u>			
(Loss) / profit for the period - Exhibit B		(13,151,698)	10,971,594
Profit for non-controlling interest		640,682	514,935
<u>Adjustments for</u>			
Amortization of intangible assets	12	----	20,753
Depreciation on property, plant and equipment	13	2,453,827	2,503,327
Depreciation of right-of-use assets	11	501,382	501,381
Impairment for trade receivables - written back		(537,919)	----
Impairment for investments in financial assets (FVTPL) - written back	9	(1,017,500)	----
Unrealized (gain) / loss on investment designated at fair value through profit or loss (FVTPL)	9	2,614,049	(5,730,071)
Loss / (gain) from sale of investments designated at fair value through profit or loss (FVTPL)		370,893	(82,107)
Loss on selling of property, plant and equipment	12	16,865,000	----
End of service benefits obligation	16	119,270	70,561
Finance cost on lease liability	15	701,529	715,617
Finance cost		30,961	648,114
Operating profit before working capital changes		<u>9,590,476</u>	<u>10,134,104</u>
<u>Changes in the components of working capital :</u>			
(Increase) / decrease in trade and other receivables	6	(6,497,075)	5,765,199
Decrease in other assets	7	301,011	89,940
(Increase) in inventories	8	(2,843,661)	(1,902,972)
(Decrease) in trade and other payables	14	(1,758,331)	(22,079,116)
(Loss) cash from operations		<u>(1,207,580)</u>	<u>(7,992,845)</u>
End of service benefits obligation paid	16	(303,140)	(20,100)
Net cash flows (used in) operating activities		<u>(1,510,720)</u>	<u>(8,012,945)</u>

**THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

CONT.EXHIBIT D

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR
FROM 1 JANUARY 2025 TO 30 JUNE 2025

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

		6 Months ended	
	NOTE	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Purchase of property, plant and equipment	12	----	(346,046)
Purchase of intangible asset		----	(415,474)
Purchase of investments designated at fair value through profit or loss (FVTPL)	9 (b)	(9,323,694)	----
Proceeds from disposal of investments designated at fair value through profit or loss (FVTPL)	9	3,454,760	16,310,379
Proceeds from disposal of property, plant and equipment		22,035,000	----
<i>Net cash flows from investing activities</i>		<u>16,166,066</u>	<u>15,548,859</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
Decrease in related parties - receivables	21	326,532	149,301
(Decrease) in related parties - payables	21	(67,651)	(73,452)
Lease liabilities paid	15	(980,177)	(845,182)
Finance cost		(30,961)	(648,114)
<i>Net cash flows (used in) financing activities</i>		<u>(752,257)</u>	<u>(1,417,447)</u>
NET CASH FLOWS GENERATED DURING THE PERIOD		13,903,089	6,118,467
Cash and cash equivalents at beginning of the period		3,453,146	3,513,390
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	<u>17,356,235</u>	<u>9,631,857</u>

**THE ACCOMPANYING NOTES ARE AN
INTEGRAL PART OF THESE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

1. STATUS AND ACTIVITIES

- a) **Abu Dhabi National Company for Building Materials PJSC ("BILDCO"** 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.

<u>Legal Name</u>	<u>License Number</u>	<u>Date of Incorporation</u>	<u>Location</u>	<u>Activities</u>
i) Abu Dhabi National Company for Building Materials	1005372	19 September 2006	Al Ain	Commercial agencies, Companies Representation and General trading.
ii) Abu Dhabi National Company for Building Materials - Buildco - Branch	546792	6 July 2003	Dubai	General trading and Oilfield and natural gas equipment and spare parts trading.
iii) Bildco Aerated Concrete Products L.L.C	608886	5 November 2008	Dubai	Bricks manufacturing.

- b) The Company holds investment in subsidiaries (referred together with Company as "Group"). The Activities of subsidiaries as listed below and consolidated financial information include the performance and financial position as at a 30 June 2025 as follows:

<u>Trade Name</u>	<u>Legal status</u>	<u>License Number</u>	<u>Date of Incorporation</u>	<u>Percentage of ownership</u>	<u>Location</u>	<u>Activities</u>
i) Bildco Cement Products L.L.C	Limited Liability Company	1000463	14 June 1997	80%	Abu Dhabi	Construction precast concrete, cement or artificial stones articles manufacturing.
ii) Bildco Reinforcing Steel Services Local Establishment		1000606	31 March 1998	100%	Abu Dhabi	Steel bars preparation.
iii) Bildco Steel Industries	Local Establishment	1001347	5 August 2006	100%	Abu Dhabi	Hot-Rolled steel bars and rods manufacturing.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

2. STANDARDS AND INTERPRETATIONS ISSUED THAT BECAME EFFECTIVE:

The following amended IFRSs, that became effective, were adopted for the financial periods starting on or after 1 January 2025 in the preparation of the Company's interim consolidated financial statements. The adoption of the mentioned amendments did not materially affect the amounts and disclosures included in the interim consolidated financial statements of the current year. The following table summarizes the details of the amendments.

<u>2.1 Standard or Interpretation Number</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IAS (21)	Lack of Exchangeability of foreign currencies as usual.	1 January 2025

2.2 Standards and Interpretations Issued but not Yet Effective:

The Company did not adopt any of the following new amended standards that were issued but not yet effective :

<u>Standard or Interpretation Number</u>	<u>Description</u>	<u>Effective date</u>
Amendments to IFRS (7) and (9)	Amendments to the Classification and Measurement of Financial Instruments.	1 January 2026
IFRS (18) Issued	Presentation and disclosure in financial statements that will replace IAS 1 (Presentation of Financial Statements).	1 January 2027
IFRS (19) Issued	Disclosure requirements for subsidiaries without Public Accountability.	1 January 2027
Amendments to IFRS 10 and IAS 28	Sales or contributions of assets between an investor and its associate or joint venture.	Postponing the effective date indefinitely
IFRS (S1) - General requirements for the disclosure of sustainability related financial information, and IFRS (S2) - Climate-related disclosures		January 1, 2024 (The application depends on the regulatory authorities adopting the two standards)

BILDCO REINFORCING STEEL SERVICES
LOCAL ESTABLISHMENT
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO INTERIM FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

If applicable, the Company intends to adopt these new and amended standards and interpretations when they become effective. The management anticipates that the adoption of the above standards and interpretations in future periods will have no material impact on the interim consolidated financial statements of the Company.

3. GOING CONCERN

The Group incurred loss of AED 12,511,016 as of 30 June 2025, accumulated losses of AED 345,730,233 (31 December 2024 : AED 332,578,535), Group current liabilities exceed its current assets by AED 171,771,226 (31 December 2024 : 197,302,420) as of that date. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. However, the interim consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future with the financial support of shareholders.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Group is consistent with those applied in prior periods except for the new and amended IFRS's effective as of 1 January 2025 as detailed in Note 2 which did not have material impact on the interim consolidated financial statements of the Group. The significant accounting policies adopted by the Group in the preparation of the consolidated financial statements are as follows:-

a. *Interim Consolidated Financial Statements Preparation Framework*

The interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS's) and comply with the relevant Article of the Group and the UAE Federal Law No. (32) of 2021.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

b. *Basis of preparation*

- The consolidated financial statements for the public joint stock Group are prepared under the historical cost convention, except for the measurement / revaluation of certain assets and financial instruments at a basis other than the historical cost. The significant accounting policies are set out below.

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.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c. *Basis of consolidation*

The consolidated financial statements incorporate the financial statements of the parent Group and its subsidiaries mentioned Note 1. Control is achieved when the parent Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee.
- has the ability to use its power to affect its returns.

The parent 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 listed above.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

Consolidation of a subsidiary begins when the parent Group obtains control over the subsidiary and ceases when the parent Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim consolidated statement of comprehensive income and other comprehensive income from the date the parent Group gains control until the date when it ceases to control the subsidiary. 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.

d. *Financial instruments*

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.

Effective interest method

The effective interest method is a method of calculating the amortized 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.

e. *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 favorable 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.

Initial measurement

Financial assets are recognized 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.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

i) *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.

ii) *Trade and other receivables*

Trade and other receivables do not bear interest. Trade receivables are measured at amortized cost using the effective interest 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 recognized immediately in profit or loss.

Impairment

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

Derecognition

A financial asset is derecognized 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 recognized in other comprehensive income for debt instruments is recognized in profit or loss.

iv) *Financial assets at fair value through profit or loss (FVTPL)*

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 recognized 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 recognized in profit or loss.

f. *Taxes*

i) *Value added tax*

Expenses and assets are recognized net of the amount of VAT, except :

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

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

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

ii) Current income tax expenses

Current income tax assets and liabilities are measured at the amount of income taxes payable (recoverable) in respect of the taxable income (tax loss) to the Federal Tax Authority for the year at the interim consolidated statement of financial position date.

The tax rate used to compute the income tax is that enacted at the reporting date in the United Arab Emirates.

iii) Deferred tax

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the full tax consequences of all temporary differences between the carrying amounts of existing assets and liabilities in the interim consolidated financial statements of the Group and their respective tax bases.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

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

Deferred tax assets are recognized up to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilized. The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available. Also, at the end of each reporting period, the Company reassesses unrecognized deferred tax assets and recognises a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

g. *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 interim consolidated statement of financial position date, the related parties receivables and payables are stated at the net realizable value.

h. *Inventories*

Raw materials inventories are stated at the lower of cost and net realizable value. Inventory costs include:

- a) costs of purchase (including transport, and handling) net of trade discounts received, and
- b) 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 realizable 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.

i. *Investments properties*

Investment property (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 property is measured initially at its cost, including transaction costs.

Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the interim consolidated statement of comprehensive income in the year in which they arise.

j. *Right of use asset*

The Group assess whether a contract is or contains a lease, at inception of the contract. The Group recognize a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is a lessee, except for short-term leases and leases of low-value assets for which lease payments are recognized as an expense in the interim consolidated statement of comprehensive income on straight line basis over the lease term.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is presented as a separate line item in the interim consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using effective interest method, by reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification or to reflect revised in-substance fixed lease payments.

The right of use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any accumulated impairment. Right-of-use assets are depreciated over the lease term or useful life of the underlying asset which ever is shorter.

The carrying values of right-of-use assets are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 4 (l).

Whenever the Group incurs an obligation for costs to dismantle and remove the leased assets or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with Note 4 (o).

k. *Property, plant and equipment*

Property, plant and equipment held for use in the supply of goods or services, or for administrative purposes, are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

After initial recognition, the property, plant and equipment are carried in the interim consolidated statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. The depreciation charge for each period is recognized in the interim consolidated statement of comprehensive income. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Group over the estimated useful lives of the assets. The useful lives of the assets are estimated as follows:

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

<u>Category</u>	<u>Useful life</u>
Building and caravans	10 - 45 years
Furniture, fixtures, decoration and hardwares	4 years
Machinery and equipment	4 - 45 years
Tools and equipment	4 years
Motor vehicles	3 - 4 years
Moulds	2 years

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.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with Note 4 (I).

On the subsequent derecognition (sale or retirement) of the property, plant and equipment, the resultant gain or loss, being the difference between the net disposal proceeds, if any, and the carrying amount, is included in the interim consolidated statement of comprehensive income.

1. *Impairment of tangible assets*

At each interim consolidated statement of financial position date, the public joint stock Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset. An impairment loss is recognized immediately in the of interim consolidated statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately in the interim consolidated statement of comprehensive income unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

m. *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognized 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 recognized 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 amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

n. *Borrowing costs*

Finance cost comprises interest expense on bank borrowings, profit expense on bank financing and bank charges. All finance costs are recognized in profit or loss using the effective interest rate method. However, borrowing costs which are directly attributable to the acquisition or construction of a qualifying asset are capitalized 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. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are

o. *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 recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date, that is, the amount that the Group would rationally pay to settle the obligation at the interim consolidated statement of financial position date or to transfer it to a third party.

Provisions reviewed and adjusted at each interim 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 recognized.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

p. *End of service benefits obligation*

- Provision for employees' end-of-service benefits is calculated in accordance with the Federal Labour Laws of United Arab Emirates. The Group measures its obligations under employees' benefits as described in IAS 19 using actuarial valuation method unless the differences between actuarial valuation and actual liability and service cost is immaterial.
- Pension funds for UAE nationals has been computed as per rates approved by the concerned government department.

q. *Statutory reserve*

In accordance with the Article of Association of the Group and the requirements of the U.A.E. Commercial Companies Law, an amount equal to 10% of the annual net profit should be transferred to statutory reserve account till such reserve equal 50% of the Group's paid up capital. This reserve is not available for distribution.

r. *Capital reserve*

The Group articles provide for setting aside 10 % of the Group net profit 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 reserves during the year.

s. *Revenue recognition*

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.

Revenue is recognized 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 recognized is the amount allocated to the satisfied performance obligations.

i) *Sale of goods*

Revenue from sale of goods is recognized 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 equipment, 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).

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

- *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 recognized 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*

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 recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized 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 recognizes a refund liability for the expected future rebates.

ii) *Rental income*

Rental income from property, plant and equipment is recognized in the consolidated statement of comprehensive income on a straight line basis over the term of the lease.

iii) *Interest income*

Interest revenue is recognized 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 recognized in profit or loss on the date that the Group's right to receive the payment is established.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

t. *Contingent liabilities*

Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably. Contingent liabilities are not recognized in the interim consolidated financial statements.

u. *Critical accounting judgments and key sources of estimation uncertainty*

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

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which has the most significant impact on the amounts recognized in the interim consolidated financial statements.

i. *Impairment of slow moving inventories*

Provisions for slow moving inventories are based on assumptions about risk of decrease in selling price due to changes in customer preference, availability of new technology and/or competition from substitute goods, etc., in an arms length transaction between a knowledgeable buyer and a seller. The Group uses judgment in making these assumptions and selecting the inputs to the calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting year.

ii. *Impairment of non-current assets*

IFRS requires management to undertake an annual test for impairment of indefinite lived assets and, for finite lived assets, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgment, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth in earnings, timing and quantum of future, long term growth rates and the selection of discounts.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**ABU DHABI - UNITED ARAB EMIRATES****NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)**iii Useful lives of property, plant and equipment

The cost of property and equipment is depreciated over the estimated useful life, which is based on expected usage of the assets, expected physical wear and tear, which depends on operational factors such as repair and maintenance program and physical obsolescence. The Management has not considered any residual value as it is deemed immaterial.

iv. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

v. Impairment of slow moving inventories

Provisions for slow moving inventories are based on assumptions about risk of decrease in selling price due to changes in customer preference, availability of new technology and/or competition from substitute goods, etc., in an arms length transaction between a knowledgeable buyer and a seller. The Group uses judgment in making these assumptions and selecting the inputs to the calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

5. CASH AND CASH EQUIVALENTS

This item consists of the following:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Cash in hand	408,003	340,651
Cash at banks - current accounts	16,948,232	3,112,495
Total - Exhibit A & D	17,356,235	3,453,146

6. TRADE AND OTHER RECEIVABLESa) Trade and other receivables - current

This item consists of the following:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Trade receivables	26,430,445	21,192,777
Claim receivables	75,132,226	75,132,226
Impairment of trade and claim receivables - Note 6 (d)	(91,209,104)	(91,747,023)
Net trade and claim receivables - Note 6 (c)	10,353,567	4,577,980
Dividend receivables	55,924	132,204
Related parties -receivables - Note 21 (a)	212,211	538,743
Post dated cheques received - Note 6 (e & f)	723,500	3,226,809
Margin on letters of guarantee	5,454,073	4,456,745
Refundable deposits	715,352	715,353
Staff advances	124,060	81,076
Value added tax - receivables (net)	163,302	167,627
Advance payment to suppliers	1,077,182	1,588,078
Net - Exhibit A	18,879,171	15,484,615

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

b) *Trade and other receivables - non-current*

This item consists of the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Post dated cheques received - Note 6 (d & f)	3,313,906	---
Total - Exhibit A	<u>3,313,906</u>	<u>---</u>

c) The aging for the trade and claim receivables is as the following:

	30 June 2025				31 December 2024			
	<u>Trade receivables</u>	<u>Claim receivables</u>	<u>Expected credit loss</u>	<u>Net trade and claim receivables</u>	<u>Trade receivables</u>	<u>Claim receivables</u>	<u>Expected credit loss</u>	<u>Net trade and claim receivables</u>
1 - 90 days	6,543,649	---	---	6,543,649	1,370,485	---	---	1,370,485
91 - 180 days	1,095,609	---	---	1,095,609	789,690	---	---	789,690
181 - 365 days	615,710	---	---	615,710	828,132	---	---	828,132
More than 365 days	18,175,477	75,132,226	(91,209,104)	2,098,599	18,204,470	75,132,226	(91,747,023)	1,589,673
Total - Note 6 (a)	<u>26,430,445</u>	<u>75,132,226</u>	<u>(91,209,104)</u>	<u>10,353,567</u>	<u>21,192,777</u>	<u>75,132,226</u>	<u>(91,747,023)</u>	<u>4,577,980</u>

The Group sells its products to various customers in UAE. The Group's largest nine customers amounting to AED 3,346,978 accounted for 12.66% of outstanding trade receivables as of 30 June 2025 (2024 : AED 4,795,585, 22.62%, Fifteen customers).

d) *Movement of impairment of trade and claim receivables:*

	2025	2024
This item consists of the following:		
As at 1 January	(91,747,023)	(92,050,257)
Written back	537,919	303,234
As at 30 June / 31 December - Note 6 (a)	<u>(91,209,104)</u>	<u>(91,747,023)</u>

e) Post dated cheques received amounting to AED 4,037,406 (Note 6 (a)) mature during the period from July 2025 to November 2029.

f) Post dated cheques received which are due before 30 June 2026 are classified as current assets and cheques that are due after that date are classified as non-current assets.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

7. OTHER ASSET	30 June 2025	31 December 2024
This item consists of the following:	(Unaudited)	(Audited)
Prepaid expenses	957,614	1,258,625
Total - Exhibit A	957,614	1,258,625
8. INVENTORIES	30 June 2025	31 December 2024
a) This item consists of the following :	(Unaudited)	(Audited)
Steel	1,472,928	1,505,658
Raw materials	2,573,566	2,248,075
Finished goods	5,003,445	2,644,042
Consumables	532,169	443,404
Spare parts	2,659,148	2,556,416
Total	12,241,256	9,397,595
Impairment slow moving inventories - Note 8 (b)	(4,107,140)	(4,107,140)
Net - Exhibit A	8,134,116	5,290,455
b) <i>Movement of impairment of slow moving inventories:</i>	30 June 2025	31 December 2024
This item consists of the following :	(Unaudited)	(Audited)
As at 1 January	(4,107,140)	(4,107,140)
As at 30 June / December - Note 8 (a)	(4,107,140)	(4,107,140)
9. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)		
a) This item consists of the following:	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Quoted securities (local)	38,279,362	34,377,864
Unquoted securities (local)	83,325	1,100,831
Total	38,362,687	35,478,695
Impairment for investments in financial assets (FVTPL) - Note 9 (b)	----	(1,017,500)
Net - Exhibit A	38,362,687	34,461,195
b) <i>Movement on impairment of investments in financial assets (FVTPL)</i>	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Opening balance	(1,017,500)	(1,017,500)
Written back - Exhibit B	1,017,500	----
Net - Note 9 (a)	----	(1,017,500)

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

c) Changes in investment in financial assets for the period / current year as follows:

i) ***INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS***

Changes in investment designated at fair value through profit or loss statement (FVTPL) for the period / year as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Fair value as at 1 January	35,478,695	73,391,701
Purchase	9,323,694	5,986,930
Disposals	(3,825,653)	(40,875,084)
Impairment for investments in financial assets	----	(1,017,500)
Unrealized (loss) in fair value through profit or loss - Exhibit B	(2,614,049)	(3,024,852)
Fair value as at 30 June / 31 December - Note 9 (a)	<u><u>38,362,687</u></u>	<u><u>34,461,195</u></u>

d) This item represents investments in listed securities in the market which are distributed as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Banks sector	3,652,017	14
Insurance sector	28,195,898	31,015,488
Oil and gas	3,046,780	----
Others	3,467,992	4,463,193
Total	<u>38,362,687</u>	<u>35,478,695</u>
Impairment for investments in financial assets (FVTPL)	----	(1,017,500)
Net - Note 9 (a)	<u><u>38,362,687</u></u>	<u><u>34,461,195</u></u>

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

10. INVESTMENT PROPERTIES

This item consists of the following :

	<u>Buildings</u>	<u>Total</u>
<u>COST</u>		
At 1 January 2024 (Audited)	29,000,000	29,000,000
Unrealized gain on revaluation of investment property	16,200,000	16,200,000
At 31 December 2024 (Audited)	<u>45,200,000</u>	<u>45,200,000</u>
At 30 June 2025 (Unaudited)	<u>45,200,000</u>	<u>45,200,000</u>
<u>NET BOOK VALUE</u>		
At 30 June 2025 - Exhibit A (Unaudited)	<u>45,200,000</u>	<u>45,200,000</u>
At 31 December 2024 - Exhibit A (Audited)	<u>45,200,000</u>	<u>45,200,000</u>

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

11. RIGHT-OF-USE ASSETS

- a) The details of the cost, accumulated depreciation and the respective carrying amounts of various categories of right-of-use assets are as follows:

<u>COST</u>	<u>Land</u>
At 1 January 2024 (Audited)	31,493,828
At 31 December 2024 (Audited)	31,493,828
At 30 June 2025 (Unaudited)	<u>31,493,828</u>

ACCUMULATED AMORTISATION

At 1 January 2024 (Audited)	(5,645,780)
Charge for the year	(1,002,762)
At 31 December 2024 (Audited)	(6,648,542)
Charge for the period - Note 18	(501,382)
At 30 June 2025 (Unaudited)	<u>(7,149,924)</u>

NET BOOK VALUE

At 30 June 2025 - Exhibit A (Unaudited)	<u><u>24,343,904</u></u>
At 31 December 2024 - Exhibit A (Audited)	<u><u>24,845,286</u></u>

- b) During the period, the Group has recognized following amounts related to leases in the consolidated statement of comprehensive income.

	<u>6 Months ended</u>	
	<u>30 June 2025</u>	<u>30 June 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Depreciation expense on right of use assets	501,382	501,381
Interest expense on lease liabilities	701,529	715,617
Total cash outflow for leases	980,177	845,182

- c) Right of use assets mentioned above represents lease lands for a period of 6 and 50 years.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

12. PROPERTY, PLANT AND EQUIPMENT

a) The details of cost, accumulated depreciation and the respective carrying amounts of various categories of property, plant and equipment are as follows:

	Building and caravans	Furniture, fixtures, decoration and hardware	Machinery and equipment	Tools and equipment	Motor vehicles	Moulds	Capital work in progress	Total
COST								
At 1 January 2024 (Audited)	114,450,974	4,949,304	169,860,870	1,430,053	3,055,909	8,739,353	122,524,757	425,011,220
Additions	---	417,023	---	882	---	509,035	---	926,940
Revaluation	17,626,111	296,736	16,033,087	---	116,166	---	---	34,072,100
At 31 December 2024 (Audited)	132,077,085	5,663,063	185,893,957	1,430,935	3,172,075	9,248,388	122,524,757	460,010,260
Disposals	---	---	---	---	---	---	(122,524,757)	(122,524,757)
At 30 June 2025 (Unaudited)	132,077,085	5,663,063	185,893,957	1,430,935	3,172,075	9,248,388	---	337,485,503
ACCUMULATED DEPRECIATION								
At 1 January 2024 (Audited)	(26,428,341)	(4,904,392)	(94,755,190)	(1,393,282)	(2,772,961)	(8,675,351)	(83,624,757)	(222,554,274)
Charge for the year	(2,588,513)	(59,262)	(2,480,952)	(25,947)	(55,357)	(224,792)	---	(5,434,823)
At 31 December 2024 (Audited)	(29,016,854)	(4,963,654)	(97,236,142)	(1,419,229)	(2,828,318)	(8,900,143)	(83,624,757)	(227,989,097)
Charge for the period	(1,224,471)	(21,261)	(1,113,444)	(4,630)	(7,054)	(82,967)	---	(2,453,827)
Related to disposals	---	---	---	---	---	---	83,624,757	83,624,757
At 30 June 2025 (Unaudited)	(30,241,325)	(4,984,915)	(98,349,586)	(1,423,859)	(2,835,372)	(8,983,110)	---	(146,818,167)
NET BOOK VALUE								
At 30 June 2025 - Exhibit A (Unaudited)	101,835,760	678,148	87,544,371	7,076	336,703	265,278	---	190,667,336
At 31 December 2024 - Exhibit A (Audited)	103,060,231	699,409	88,657,815	11,706	343,757	348,245	38,900,000	232,021,163

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

- b) Depreciation of property, plant and equipment was charged in consolidated statement of comprehensive income for the period as follows:

	6 Months ended	
	30 June 2025	30 June 2024
	(Unaudited)	(Unaudited)
Direct cost	2,101,109	2,230,029
General and administrative expenses - Note 18	352,718	273,298
Total	2,453,827	2,503,327

13. BORROWINGS

- a) This item consists of the following :

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Borrowings - current	173,967,820	173,967,820
Total - Exhibit A	173,967,820	173,967,820

- b) The details of movement in the carrying amount of long term borrowings are as follows:

	30 June 2025	31 December 2024
	(Unaudited)	(Audited)
Balance at 1 January	173,967,820	179,745,223
Interest charge during the period / year - Exhibit B	----	10,691,660
Repayment during the period / year	----	(16,469,063)
Balance at 30 June / December -		
Exhibit A & Note 13 (a)	173,967,820	173,967,820

- c) 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 30 June 2025 was AED 173,967,820 (2024 : AED 173,967,820).
- d) Loans installments which are due for less than twelve months are classified as current liabilities, and the remaining installments which are due after that date are classified as non - current liabilities.
- e) The Group has defaulted in the repayment of the term loans and bank borrowings obtained from various banks. The details of the legal proceedings and settlements in relation to these facilities have been disclosed under Note 23 of these consolidated financial statements.
- f) Fund and non-fund bank facilities are granted against the following securities :
- Assignment of insurance policy over factory located on plot # 41003, Dubai Industrial City Dubai amounting AED 40,000,000/- assigned to bank.
 - Cash margin / fixed deposit under lien.
 - Post dated cheques drawn on any other bank covering the loan installments.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

14. TRADE AND OTHER PAYABLES

a) This item consists of the following:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Trade payables	7,668,127	7,119,316
Post dated cheques issued - Note 14 (b)	6,600,691	9,183,750
Related parties - payables - Note 21 (b)	29,499	97,150
Accrued expenses	35,275,107	35,426,620
Accrued salaries	275,000	525,000
Advance payment received from customers	3,269,696	2,890,276
Provision for leave salaries and air tickets	862,012	771,120
Pension payable	3,854	----
Deposit from others	66,720	66,720
Dividend payables	81,067	81,067
Corporate tax liability	1,355,646	1,152,382
Total - Exhibit A	<u><u>55,487,419</u></u>	<u><u>57,313,401</u></u>

b) Post dated cheques issued amounting to AED 6,600,691 (Note 14 (a)) mature during the period from July 2025 to June 2026.

15. LEASE LIABILITIES

a) This item consists of the following:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Lease liabilities - current - Exhibit A	501,839	465,264
Lease liabilities - non-current - Exhibit A	26,427,514	26,742,737
Total - Note 15 (b & c)	<u><u>26,929,353</u></u>	<u><u>27,208,001</u></u>

b) The details of movement in lease liabilities during the period / year as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at 1 January	27,208,001	27,612,858
Finance cost on lease liabilities	701,529	1,345,506
Repayments	(980,177)	(1,750,363)
Balance at 30 June / December - Note 15 (a)	<u><u>26,929,353</u></u>	<u><u>27,208,001</u></u>

c) Maturity analysis of lease liabilities are as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Within a year	1,537,767	1,537,767
Year 2 - 5 years	5,881,068	5,881,068
Year 5 - 10 years	6,338,835	6,338,835
More than 10 years	29,232,836	30,156,408
Less: unearned interest	(16,061,153)	(16,706,077)
Net lease liability - Note 15 (a)	<u><u>26,929,353</u></u>	<u><u>27,208,001</u></u>

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**ABU DHABI - UNITED ARAB EMIRATES****NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)**

- d) Lease liabilities that are due within twelve months from the financial position date are classified as current liability and the remaining balances are classified as non-current liability.

16. END OF SERVICE BENEFIT OBLIGATION

The details of movement in this item during the period / year are as follows:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Balance at 1 January	2,155,929	1,951,559
Current period / year service cost	119,270	204,370
Settlements	(303,140)	----
Balance at 30 June / December - Exhibit A	1,972,059	2,155,929

17. SHARE CAPITAL

As per the Authorized Organization Structure incorporated in Abu Dhabi by Amiri Decree No. 5 for the year 1974 the capital amounting to AED 300,000,000 is divided into 300,000,000 shares of AED 1 each.

18. GENERAL AND ADMINISTRATIVE EXPENSES

This item consists of the following:

	<u>6 Months ended</u>	
	<u>30 June 2025</u>	<u>30 June 2024</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Salaries and related benefits	2,762,466	2,591,092
Rent	231,841	182,189
Depreciation on property and equipment - Note 12 (b)	352,718	273,298
Depreciation on right-of-use asset - Note 11	501,382	501,381
Amortization of intangible asset - Note 12	----	20,753
Commission expenses	----	215,847
Repairs and maintenance expenses	99,073	338,492
Legal, visa, government and professional expenses	578,938	741,705
Utilities expenses	127,252	82,619
Bank charges	24,836	36,134
Insurance expenses	104,134	137,647
Miscellaneous expenses	310,581	538,565
Total - Exhibit B	5,093,221	5,659,722

19. OTHER INCOME

This item consists of the following :

	<u>6 Months ended</u>	
	<u>30 June 2025</u>	<u>30 June 2024</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
Rental income	3,127,500	461,214
Gain on transportation (net)	----	1,050
(Loss) on foreign exchange transactions	----	(2,830)
Others	1,361,937	5,413,161
Net - Exhibit B	4,489,437	5,872,595

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

20. 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.

a) *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 13 and Note 20, and equity comprising issued capital, and reserves as disclosed in the interim consolidated statement of changes in equity - Exhibit C.

b) *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 interim consolidated financial statements represents the Group's maximum exposure to credit risk. Credit risk related to contract receivables are mentioned Note 6 (b).

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 U.A.E.

c) *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 year. The Group maintains policies and procedures to manage the exchange rate risk exposure.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

d) *Market price risk*

Market prices 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 investment properties and investments at fair value through profit or loss (FVTPL) and investment properties.

e) *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 year.

f) *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.

The following table shows the maturity dates of Group's financial assets and liabilities as at 30 June 2025 (Unaudited).

	<u>Less than</u> <u>1 year</u>	<u>More than</u> <u>1 year</u>	<u>Total</u>
<i><u>Financial assets</u></i>			
Cash and cash equivalents	17,356,235	----	17,356,235
Bank term deposit	632,034	----	632,034
Trade and other receivables	18,879,171	3,313,906	22,193,077
Investments designated at fair value through profit and loss	38,362,687	----	38,362,687
Total	<u>75,230,127</u>	<u>3,313,906</u>	<u>78,544,033</u>
	<u>Less than</u> <u>1 year</u>	<u>More than</u> <u>1 year</u>	<u>Total</u>
<i><u>Financial liabilities</u></i>			
Bank over draft	26,136,005	----	26,136,005
Borrowings	173,967,820	----	173,967,820
Trade and other payables	55,487,419	----	55,487,419
Lease liabilities	501,839	26,427,514	26,929,353
End of service benefits obligation	----	1,972,059	1,972,059
Total	<u>256,093,083</u>	<u>28,399,573</u>	<u>284,492,656</u>

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**ABU DHABI - UNITED ARAB EMIRATES****NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS****(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)**

The following table shows the maturity dates of Group's financial assets and liabilities as at 31 December 2024 (Audited).

<u>Financial assets</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
Cash and cash equivalents	3,453,146	----	3,453,146
Bank term deposit	632,034	----	632,034
Trade and other receivables	15,484,615	----	15,484,615
Investments designated at fair value through profit and loss	34,461,195	----	34,461,195
Total	54,030,990	----	54,030,990

<u>Financial liabilities</u>	<u>Less than 1 year</u>	<u>More than 1 year</u>	<u>Total</u>
Bank over draft	26,136,005	----	26,136,005
Borrowings	173,967,820	----	173,967,820
Trade and other payables	57,313,401	----	57,313,401
Lease liabilities	465,264	26,742,737	27,208,001
End of service benefits obligation	----	2,155,929	2,155,929
Total	257,882,490	28,898,666	286,781,156

21. RELATED PARTIES

The Group's, in the normal course of business conducts transactions with enterprises which fall within the definition of related party as per International Financial Reporting Standards as they are under common ownership and management, the transactions with this related party are primarily financing in nature. As at the interim consolidated statement of financial position date the outstanding amounts with related parties were as follows:

a) RELATED PARTIES - RECEIVABLES

This item consists of the following :

	<u>30 June 2025 (Unaudited)</u>	<u>31 December 2024 (Audited)</u>
M/s. Saif Bin Darwish L.L.C	39,604	39,604
M/s. Darwish Bin Ahmad & Sons	152,921	319,927
M/s. Al Falaki General Contracting L.L.C	----	159,526
Mr. Ali Rasheed Al Omaira	19,686	19,686
Total - Note 6 (a)	212,211	538,743

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

b) **RELATED PARTIES - PAYABLES**

This item consists of the following :

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
M/s. Al Omeira Printing and Publishing Co. W.L.L	29,149	97,150
M/s. Darwish Bin Ahmed Tours and Travels	350	----
Total - Note 14 (a)	29,499	97,150

c) The significant transaction with related parties as follows :

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Sales	17,451	546,460
Purchase	263	9,016
Finance cost	----	10,000

22. **CONTINGENT LIABILITIES**

This item consists of the following:

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Letter of guarantee	5,454,073	195,000
Security and guarantee cheques	19,455,370	19,455,370

23. **LITIGATION**

a) **Emirates National Bank of Dubai**

Emirates National Bank of Dubai (Emirates NBD) 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 judgement in relation to the case, ordering an amount of AED 41,759,471 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 accrued until the amount is fully settled.

On November 8, 2020, the Group has filed an appeal to the Court of First Instance's judgement and requested for to review further the case. On March 31, 2020, the appeal has been rejected and the decision made on August 4, 2020 remained unchanged.

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

b) 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 judgement in relation to the case, ordering an amount of AED 200,792,150 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 accrued until the amount is fully settled. During the period, the Group sold out the securities and sales proceeds of AED 34,931,585 were directly received by the court.

24. CORPORATE TAX

a) Corporate Tax Law

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.

As the Group's accounting year ends on 31 December, accordingly the effective implementation date for the Group will start from 1 January 2024 to 31 December 2024.

Current Income Tax

The main components of income tax expenses in the consolidated income statement for the period / year are as follows :

	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Accounting profit for the period / year before tax	(12,307,752)	14,016,024
Add : Non-deductible expense for tax purpose	14,941,241	3,644,582
Less : Fair value accounting and assets adjustments (net)	----	(3,129,551)
Less : Exempt income	----	(1,351,811)
Net taxable (loss)	<u>2,633,489</u>	<u>13,179,244</u>
Tax due:		
Net taxable income not exceeding AED 375,000	375,000	----
Net taxable income exceeding AED 375,000	<u>2,258,489</u>	<u>12,804,244</u>
Income tax expenses- Exhibit B	<u>203,264</u>	<u>1,152,382</u>
Income tax provision – Exhibit A	<u>203,264</u>	<u>1,152,382</u>

ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC
ABU DHABI - UNITED ARAB EMIRATES

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

As per the United Arab Emirates Corporate Tax law, maximum standard deduction applicable for each tax entity is AED 375,000. The standard deduction applicable for the four tax entities considered by the Group amounts to AED 1,500,000 on which tax rate at 0%.

Tax expense for the period ended 30 June 2025 amounting to AED 203,264 (30 June 2024 : AED. Nil) and the effective current income tax rate (1.65)%.

<i>Deferred Tax</i>	<u>30 June 2025</u>	<u>31 December 2024</u>
	<u>(Unaudited)</u>	<u>(Audited)</u>
Corporate tax – Exhibit B	<u>203,264</u>	<u>1,152,382</u>
Provision for corporate tax – Exhibit A	<u>1,355,646</u>	<u>1,152,382</u>

The provision for corporate tax mentioned above of AED 203,264 (2024: AED 1,152,382), as determined by the Group's management assessment, arising from temporary differences of AED Nil (2024: AED 28,421,680) related to the fair value changes in assets measured at fair value as of the interim consolidated statement of financial position date.

For the purpose of determining income tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, Regulations and practices. The Group has not identified any material risks or uncertainties in the structure from a corporate tax perspective and will continuously monitor further development that could impact the tax profile of the Group.

25. GENERAL

The figures in the consolidated financial statements are rounded to the nearest U.A.E. Dirham.

26. APPROVAL OF FINANCIAL STATEMENTS

The interim consolidated financial statements were approved by the Board of Directors and authorized for issue. On their board meeting dated 14 August 2025.