Fujairah Cement Industries PJSC and its subsidiary
Fujairah, United Arab Emirates
Independent auditor's review report and condensed consolidated interim financial statements
For the nine months period ended September 30, 2025 (Unaudited)

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Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

General information

Principal office address	:	M 202, Umm Al Quwain National Bank Building P.O. Box: 600 Fujairah, United Arab Emirates T: +971 9 222 3111 website: www.fujairahcement.com	
Other office address	:	P.O. Box: 11477 Dibba, Fujairah, United Arab Emirates T: +971 9 244 4011 F: +971 9 244 4016	
The Manager	:	Name	Nationality
		Mr. Saeed Ahmed Ghareib Howaishil Alsereidi	Emirati
The Directors	:	Name	Nationality
		H.E. Mohamed Bin Hamad Saif Al Sharqi (Representative of Govt. Fujairah)	Emirati
		Mr. Abdul Ghafour Hashem Abdul Ghafour Behroozian Alawadhi (Representative of Govt. Fujairah)	Emirati
		Mr. Mohamed Sharief Habib Mohamed Alawadhi	Emirati
		Mr. Dhari Selfeeq Alshammary (Representative of ISDB-KSA)	Saudi
		Mr. Saad Abdullah Hussain Al Hanyan	Kuwaiti
		Mr. Yagoub Musaad Yagoub Albuaijan	Kuwaiti
		Mr. Abdul Latif Saad Abdul Latif Al Dosary	Kuwaiti
		Mrs. Maryam Abdulla Mohamed Obaid Al Matrooshi	Emirati
		Mr. Salem Mohamed Abdulla Mohamed Al Zahmi	Emirati
The Auditor	:	Crowe Mak P.O. Box: 6747 Dubai, United Arab Emirates	
The Banks	:	National Bank of Fujairah Dubai Islamic Bank Emirates NBD Abu Dhabi Commercial Bank Commercial Bank of Dubai First Abu Dhabi Bank	

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Directors' report

The Directors have pleasure in presenting their report and the reviewed condensed consolidated interim financial statements for the period ended September 30, 2025.

Principal activities of the Group

The principal activities of Fujairah Cement Industries PJSC (the "Parent Entity") and its subsidiary (collectively referred to as the "Group") are clinkers and hydraulic cement manufacturing, ready-mix and dry-mix concrete and mortars manufacturing, exporting and sand and pebble mines operation - crushers.

It was decided to cease the operations of the subsidiary by the Board of Directors at the meeting held on January 09, 2024, and the operations of the subsidiary has been discontinued completely from February 01, 2024. Accordingly, the results of the subsidiary has been shown as discontinued operations in this condensed consolidated interim financial statements.

Financial review

The table below summarizes the results of nine months period ended September 30, 2025 and September 30, 2024 denoted in Arab Emirates Dirham (AED).

	Nine months period ended September 30,		Three months period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations				
Revenue	**18,645,444**	1,636,214	**17,208,511**	853,434
Cost of sales	**(20,537,814)**	(1,746,455)	**(19,104,484)**	(826,151)
Gross loss	**(1,892,370)**	(110,241)	**(1,895,973)**	27,283
Gross loss %	**-10.15%**	-6.74%	**-11.02%**	3.20%
Net loss	**(84,520,546)**	(145,332,950)	**(16,203,650)**	(57,836,070)
Discontinued operations				
Revenue	**-**	519,047	**-**	-
Cost of sales	**-**	(878,428)	**-**	-
Gross loss	**-**	(359,381)	**-**	-
Gross loss %	**0.00%**	-69.24%	**0.00%**	0.00%
Net (loss) / profit	**(1,015,040)**	(1,153,856)	**48,002**	(27,870)
Basic and diluted loss per share from continuing operations	**(0.238)**	(0.408)	**(0.046)**	(0.163)
Basic and diluted loss per share from discontinued operations	**(0.003)**	(0.003)	**0.000**	(0.000)

Role of the Directors

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

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Directors' report (continued)

Going concern

These condensed consolidated interim financial statements have been prepared under the going concern basis for the nine months period ended September 30, 2025, despite the fact that the Group has incurred a loss of AED 85,535,586, accumulated losses of AED 237,557,607 and the current liabilities exceeded the current assets by AED 646,716,781 as at 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 a going concern.

The Group had earlier declared the temporary suspension of sales and production until further notice effective from May 1, 2024, declared by the Board of Directors at the Annual General Meeting held on April 25, 2024 due to the Parent Entity's ongoing financial liquidity challenges. However, the Board of Directors, in their meeting held on June 17, 2025, announced that the Parent Entity had resumed production activities on June 14, 2025, and commenced cement dispatches on June 23, 2025. Hence, the accompanying condensed consolidated interim financial statements have been prepared on a going concern basis.

Events after period end

In the opinion of the Directors, no transactions or event of a material and unusual nature, favourable or unfavourable has arisen in the interval between the end of the financial period and the date of the report, that is likely to affect, substantially the result of the operations or the financial position of the Group.

Statement of Directors' responsibilities

The applicable requirements require the Directors to prepare the condensed consolidated interim financial statements for each financial period which presents fairly in all material respects, the consolidated financial position of the Group and its consolidated financial performance for the period then ended.

The condensed consolidated interim financial statements for the period under review, have been prepared in conformity and in compliance with the relevant statutory requirements and other governing laws. The Directors confirm that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the consolidated financial position of the Group and enables them to ensure that the condensed consolidated interim financial statements comply with the requirements of applicable statute. The Directors also confirm that the accounting policies and methods of computation adopted in preparing these condensed consolidated interim financial information are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2024, which are the latest audited consolidated financial statements available, that reflect fairly the form and substance of the transactions carried out during the period under review and reasonably present the Group's financial conditions and results of its operations.

These condensed consolidated interim financial statements were approved by the Board and signed on behalf by the authorized representative of the Group.

H.E. Mohammed Bin Hamad Saif Al Sharqi
Chairman
November 13, 2025

Board Member

Crowe

Crowe Mak
كـرو مـاك

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Ref: BN/A2983/November 2025

Independent auditor's review report on condensed consolidated interim financial statements

To,
The Shareholders
Fujairah Cement Industries PJSC
P.O. Box: 600
Fujairah, United Arab Emirates

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of **Fujairah Cement Industries PJSC** (the “Parent Entity”) **and its subsidiary** (together referred to as the "Group") which comprise the condensed consolidated interim statement of financial position as at **September 30, 2025**, and the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity, condensed consolidated interim statement of cash flows for the nine months period then ended and the explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with the IAS 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards of 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 refer to Note 2 to the condensed consolidated interim financial statements which states that the Group incurred a loss of AED 85,535,586 for the nine months period ended September 30, 2025 (September 30, 2024: AED 146,486,806 and December 31, 2024: AED 183,251,710), accumulated losses aggregated AED 237,557,607 (December 31, 2024: AED 152,022,021) and the current liabilities continue to exceed the current assets and were in excess by AED 646,716,781 (December 31, 2024: AED 539,262,130) as at that date and the Parent Entity's inability to meet certain financial covenants as per bank facility letters continued in the nine months period ended September 30, 2025. This situation indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Further, we have not been provided with the management's business plan that supports the viability of the Group's going concern and address its loss position.

These events or conditions indicate that the use of going concern assumption in the preparation of these condensed consolidated interim financial statements continues to be not appropriate.

Subsequent to the resumption of production after the 2024 shutdown, the Group incurred certain costs that were not appropriately assessed to determine whether they relate to production costs, inventory, or idle production costs. Consequently, all such costs were capitalized as part of inventory. In the absence of an adequate assessment, we were unable to determine the extent of any potential overstatement of inventory values and the resulting impact on the loss reported for the period.

Additionally, the Group has not performed impairment assessment on its plant, despite the presence of indicators of impairment, as the plant has become idle for most part of the period with a minimal revenue generating activity. These factors trigger an impairment assessment under IAS 36 – Impairment of Assets and indicates that the recoverable amount of Property, Plant and Equipment and Right of Use assets might be lower than the carrying amount as stated in the condensed consolidated interim financial statements. Absence of formal impairment assessment represents a departure from the requirements of IAS 36 - Impairment of Assets and the effect of the departure on the condensed consolidated interim financial statements have not been determined.

Crowe

<u>**Independent auditor's review report on condensed consolidated interim financial statements (continued)**</u>

To the Shareholders of Fujairah Cement Industries PJSC and its subsidiary
Report on the review of condensed consolidated interim financial statements (continued)

Adverse Conclusion

Our review indicates that, because of the significance of matters described in the 'Basis for Adverse Conclusion' paragraph above, these condensed consolidated interim financial statements do not presents fairly, in all material respects, the financial position of the Group as on September 30, 2025, and its financial performance and its cash flows for nine months period then ended in accordance with IAS 34 'Interim Financial Reporting'.

For, Crowe Mak

Basil Naser
Partner
Registration Auditor Number: 5507
Dubai, United Arab Emirates
13 November 2025

كـرو مـاك
P.O.Box : 6747
DUBAI - UAE
CROWE MAK

Fujairah Cement Industries PJSC and its subsidiary
Fujairah - United Arab Emirates

Condensed consolidated interim statement of financial position as at September 30, 2025 (Unaudited)
In Arab Emirates Dirham

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	**946,074,116**	985,158,189
Right-of-use assets	6	**68,352,241**	75,469,017
Total non-current assets		**1,014,426,357**	1,060,627,206
Current assets			
Inventories	7	**168,195,924**	95,989,551
Trade receivables	8	**634,835**	4,613,012
Advances, deposits and other receivables	9	**5,231,408**	5,616,659
Cash and cash equivalents	10	**5,585,097**	792,807
Net assets relating to discontinued operations	19	**-**	4,855,922
Total current assets		**179,647,264**	111,867,951
Total assets		**1,194,073,621**	1,172,495,157
Equity and liabilities			
Equity			
Share capital	11	**355,865,320**	355,865,320
Revaluation reserve	13	**34,747,500**	34,747,500
Accumulated losses	14	**(237,557,607)**	(152,022,021)
Total equity		**153,055,213**	238,590,799
Non-current liabilities			
Lease liabilities	6	**85,258,657**	85,258,657
Bank borrowings	15	**127,308,809**	192,894,526
Employees' end-of-service benefits	16	**290,395**	129,830
Trade and other payables	17	**1,796,502**	4,491,264
Total non-current liabilities		**214,654,363**	282,774,277
Current liabilities			
Lease liabilities	6	**53,907,004**	51,558,670
Bank borrowings	15	**406,643,358**	340,190,398
Trade and other payables	17	**363,235,576**	259,381,013
Net liabilities relating to discontinued operations	19	**2,578,107**	-
Total current liabilities		**826,364,045**	651,130,081
Total liabilities		**1,041,018,408**	933,904,358
Total equity and liabilities		**1,194,073,621**	1,172,495,157

The condensed consolidated interim financial statements on pages 6 to 20 were approved on November 13, 2025 and signed on behalf of the Group, by:

H.E. Mohammed Bin Hamad Saif Al Sharqi
Chairman

Board Member

The accompanying notes and policies form an integral part of these condensed consolidated interim financial statements.
The review report of the auditor is set out on page 4 to 5.

Condensed consolidated interim statement of profit or loss and other comprehensive income for the nine months period ended September 30, 2025 (Unaudited)
In Arab Emirates Dirham

	Notes	Nine months period ended September 30,		Three months period ended September 30,	
		2025	2024	**2025**	2024
		(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations					
Revenue	18	**18,645,444**	1,636,214	**17,208,511**	853,434
Cost of sales		**(20,537,814)**	(1,746,455)	**(19,104,484)**	(826,151)
Gross (loss) / profit		**(1,892,370)**	(110,241)	**(1,895,973)**	27,283
Other income		**850,687**	2,001,133	**337,388**	698,777
Selling and distribution expenses		**(786,240)**	(1,033,295)	**(474,067)**	(269,286)
General and administrative expenses		**(5,572,109)**	(8,565,116)	**(2,059,179)**	(2,324,063)
Production idle cost		**(42,020,192)**	(72,652,455)	**-**	(24,112,136)
Provision for slow moving inventories		**-**	(30,064,704)	**-**	(20,043,136)
Finance costs - bank borrowings		**(32,751,988)**	(32,338,170)	**(11,357,435)**	(10,983,493)
Finance costs - lease liabilities		**(2,348,334)**	(2,570,102)	**(754,384)**	(830,016)
Loss for the period from continuing operations		**(84,520,546)**	(145,332,950)	**(16,203,650)**	(57,836,070)
Discontinued operations					
(Loss) / profit for the period from discontinued operations	19	**(1,015,040)**	(1,153,856)	**48,002**	(27,870)
(Loss) / profit for the period from discontinued operations		**(1,015,040)**	(1,153,856)	**48,002**	(27,870)
Net loss for the period		**(85,535,586)**	(146,486,806)	**(16,155,648)**	(57,863,940)
Other comprehensive loss		**-**	-	**-**	-
Total comprehensive loss for the period		**(85,535,586)**	(146,486,806)	**(16,155,648)**	(57,863,940)
Total comprehensive loss for the period attributable to:					
Owners of the Group		**(85,535,586)**	(146,486,806)	**(16,155,648)**	(57,863,940)
Total comprehensive loss for the period		**(85,535,586)**	(146,486,806)	**(16,155,648)**	(57,863,940)
Basic and diluted loss per share from continuing operations	20	**(0.238)**	(0.408)	**(0.046)**	(0.163)
Basic and diluted loss per share from discontinued operations	20	**(0.003)**	(0.003)	**0.000**	(0.000)

The accompanying notes and policies form an integral part of these condensed consolidated interim financial statements.
The review report of the auditor is set out on page 4 to 5.

Condensed consolidated interim statement of changes in equity for the nine months period ended September 30, 2025 (Unaudited)

In Arab Emirates Dirham

	Share capital	Statutory reserve	Revaluation reserve	Accumulated losses	Attributable to owners of the Group	Total equity
Balance as at December 31, 2023 (Audited)	355,865,320	161,750,412	34,747,500	(130,520,723)	421,842,509	421,842,509
Net loss for the period from continuing operations	-	-	-	(145,332,950)	(145,332,950)	(145,332,950)
Net loss for the period from discontinued operations	-	-	-	(1,153,856)	(1,153,856)	(1,153,856)
Offsetting of loss for the period against voluntary reserve	-	(161,750,412)	-	161,750,412	-	-
Balance as at September 30, 2024 (Unaudited)	355,865,320	-	34,747,500	(115,257,117)	275,355,703	275,355,703
Balance as at December 31, 2024 (Audited)	355,865,320	-	34,747,500	(152,022,021)	238,590,799	238,590,799
Net loss for the period from continuing operations	-	-	-	(84,520,546)	(84,520,546)	(84,520,546)
Net loss for the period from discontinued operations	-	-	-	(1,015,040)	(1,015,040)	(1,015,040)
Balance as at September 30, 2025 (Unaudited)	**355,865,320**	**-**	**34,747,500**	**(237,557,607)**	**153,055,213**	**153,055,213**

The accompanying notes and policies form an integral part of these condensed consolidated interim financial statements.

The review report of the auditor is set out on page 4 to 5.

Condensed consolidated interim statement of cash flows for the nine months period ended September 30, 2025 (Unaudited)

In Arab Emirates Dirham

	Nine months period ended September 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net loss for the period from continuing operations	**(84,520,546)**	(145,332,950)
Net loss for the period from discontinued operations	**(1,015,040)**	(1,153,856)
Adjustments for:		
Loss on sale of property, plant and equipment from discontinued operations	**617,641**	-
Impairment on property, plant and equipment from discontinued operations	**510,917**	-
Provision for impairment of trade receivables	**(259,057)**	-
Loss on sale of property, plant and equipment	**-**	891,644
Loss on termination of lease liability	**-**	4,254
Depreciation on property, plant and equipment	**39,181,460**	40,086,901
Depreciation on right-of-use assets	**7,116,776**	7,162,953
Allowance for slow moving/obsolete inventories	**-**	30,064,704
Finance costs - bank borrowings	**32,751,988**	32,350,802
Finance costs - lease liabilities	**2,348,334**	2,689,027
Provision for employees' end-of-service benefits	**283,572**	715,248
Operating cash flows before changes in operating assets and liabilities	**(2,983,955)**	(32,521,273)
(Increase) / decrease in current assets		
Inventories	**(72,066,086)**	1,403,396
Trade receivables	**5,509,288**	37,379,271
Advances, deposits and other receivables	**(683,174)**	1,701,883
Increase / (decrease) in current liabilities		
Trade and other payables	**68,160,107**	(5,891,363)
Cash (used in) / generated from operations	**(2,063,820)**	2,071,914
Employees' end-of-services benefits paid	**(123,007)**	(5,185,102)
Net cash used in operating activities	**(2,186,827)**	(3,113,188)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(379,866)**	(17,393)
Proceeds from disposal of property, plant and equipment from discontinued operations	**2,026,000**	-
Proceeds from disposal of property, plant and equipment	**282,479**	8,659,575
Net cash generated from investing activities	**1,928,613**	8,642,182
Cash flows from financing activities		
Proceeds from term loans	**-**	33,348
Repayment of term loans	**-**	(160,359)
Proceeds from bank borrowings	**1,349,660**	1,500,740
Finance cost paid on bank borrowings	**(482,417)**	(3,158,228)
Repayment of lease liabilities	**-**	(945,186)
Net cash generated from / (used) in financing activities	**867,243**	(2,729,685)
Net increase in cash and cash equivalents	**609,029**	2,799,309
Cash and cash equivalents, beginning of the period	**792,807**	7,041,775
Cash and cash equivalents, beginning of the period from discontinued operations	**4,184,848**	-
Cash and cash equivalents, end of the period	**5,586,684**	9,841,084
Cash and cash equivalents included in discontinued operations	**(1,587)**	(9,198,492)
Cash and cash equivalents for continuing operations	**5,585,097**	642,592
Cash and cash equivalents		
Bank balances	**4,998,010**	232,058
Cash in hand	**587,087**	410,534
	5,585,097	642,592

The accompanying notes and policies form an integral part of these condensed consolidated interim financial statements.

The review report of the auditor is set out on page 4 to 5.

1 Legal status and business activities

1.1 Fujairah Cement Industries PJSC (the "Parent Entity") is a public joint stock company incorporated in the Emirate of Fujairah, United Arab Emirates by an Amiri Decree issued by His Highness the Ruler of Fujairah on February 13, 1980. The Parent Entity's ordinary shares are listed in the Abu Dhabi Securities Exchange.

1.2 The principal activities of Parent Entity and its subsidiary (collectively referred to as the "Group") are clinkers and hydraulic cement manufacturing, ready - mix and dry - mix concrete and mortars manufacturing, exporting and sand and pebble mines operation - crushers.

1.3 The Parent Entity is domiciled in Fujairah and its registered address is P.O. Box: 600, Fujairah - United Arab Emirates.

1.4 The management is vested with Mr. Saeed Ahmed Ghareib Howaishil Alsereidi, General Manager, Emirati National and controls are vested with the Board of Directors.

1.5 These condensed consolidated interim financial statements incorporate the operating results of the industrial license no. 80001.

1.6 These condensed consolidated interim financial statements of the Parent Entity as at and for the period ended September 30, 2025 comprise the Parent Entity and its subsidiary. The details of the subsidiary is as follows.

Name of subsidiary	Country of incorporation	Principal activities	Commercial license no.	Legal and effective interests	
				September 2025	December 2024
Fujairah Cement Industries P.J.S.C FZE	United Arab Emirates	Ready mixed concrete manufacturing	4203	**100%**	100%

2 Going concern

These condensed consolidated interim financial statements have been prepared under the going concern basis for the nine months period ended September 30, 2025, despite the fact that the Group has incurred a loss of AED 85,535,586, accumulated losses of AED 237,557,607 and the current liabilities exceeded the current assets by AED 646,716,781.

Additionally, the Board of Directors, at the meeting held on January 09, 2024, had resolved to terminate the operations of the subsidiary with effect from February 01, 2025. The results for the period and balances as of September 30, 2025 related to the subsidiary are disclosed as discontinued operations.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

Management, together with newly appointed financial consultant, is engaged in conducting a strategic review of options and related working capital requirements to evaluate the resumption of the Group's operations. The management of the Group had decided to cease the operations of the subsidiary and the results of the operations of the subsidiary have been disclosed as discontinued operations. Further, the Board of Directors, in their meeting held on June 17, 2025, announced that the Parent Entity had resumed production activities on June 14, 2025, and commenced cement dispatches on June 23, 2025. Hence, the accompanying condensed consolidated interim financial statements have been prepared on a going concern basis.

3 Material accounting policy information

3.1 Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Group.

These condensed consolidated interim financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computation adopted in preparing these condensed consolidated interim financial statements are consistent with those used in the audited consolidated financial statements for the year ended December 31, 2024 which are the latest audited consolidated financial statements available.

3 Material accounting policy information (continued)

3.1 Basis of preparation (continued)

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended December 31, 2024.

These condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024.

The condensed result for the nine months period ended September 30, 2025 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2025.

The preparation of these condensed consolidated interim financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited consolidated financial statements as at and for the year ended December 31, 2024.

Except as described below, the accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2024. Certain amendments to accounting standards and annual improvements, as disclosed in the Group's most recent annual consolidated financial statements for the year ended December 31, 2024, are applicable to the Group but do not have any material impact on these condensed consolidated interim financial statements.

Assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, investment property, which continue to be measured in accordance with the Group’s other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognized in profit or loss.

Once classified as held-for-sale, property, plant and equipment are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

Corporate Tax

The income tax expense for the period is the tax payable on the estimated average annual tax rate applied on current period’s taxable profits. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Deferred tax is accounted for using the asset and liability method. Deferred tax assets and liabilities are recognised for the full tax consequences of all temporary differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Recognition of deferred tax assets are, however, restricted to the extent that it is probable that sufficient taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using tax rates that are expected to apply to the period in which the asset is expected to be realised or the liability is expected to be settled.

As per the Group’s assessment, there is no deferred tax impact on account of the CT Law in the condensed interim financial statements for the period ended September 30, 2025. However, the Group will continue to monitor the publication of subsequent decisions and related guidelines, as well as continuing its more detailed review of its financial matters, to consider any changes to this position at subsequent reporting dates.

3 Material accounting policy information (continued)

3.2 Basis of consolidation

The condensed consolidated interim financial statements consolidate the unaudited interim financial statements of the subsidiary referred to in Note 1.5, on line by line basis, with the unaudited interim financial statements of the Parent Entity for the period. All significant inter group investments, receivables, payables and other such transactions are eliminated on consolidation.

4 Property, plant and equipment

	Land	Factory buildings and leasehold improvements	Plant and machinery	Furniture and fixtures	Vehicles and mobile plant	Tools and equipment	Quarry assets	Factory civil structures	Capital work-in-progress	Total
Cost										
As at December 31, 2023 (Audited)	34,997,500	30,712,750	2,040,704,517	4,436,778	36,429,897	13,632,309	31,949,125	130,362,068	13,286,787	2,336,511,731
Additions during the year	-	-	-	4,680	-	12,713	-	-	-	17,393
Disposals during the year	-	-	(15,910,749)	-	(210,500)	-	-	-	-	(16,121,249)
Transfers related to discontinued operations	-	-	(4,430,595)	(18,026)	(11,905,129)	(129,108)	-	(1,075,382)	(12,189,888)	(29,748,128)
As at December 31, 2024 (Audited)	34,997,500	30,712,750	2,020,363,173	4,423,432	24,314,268	13,515,914	31,949,125	129,286,686	1,096,899	2,290,659,747
Additions during the period	-	-	-	-	350,000	-	-	-	29,866	379,866
Disposal during the period	-	-	-	-	(365,426)	-	-	-	-	(365,426)
As at September 30, 2025 (Unaudited)	**34,997,500**	**30,712,750**	**2,020,363,173**	**4,423,432**	**24,298,842**	**13,515,914**	**31,949,125**	**129,286,686**	**1,126,765**	**2,290,674,187**
Accumulated depreciation										
As at December 31, 2023 (Audited)	-	15,711,833	1,132,756,395	4,151,473	29,742,039	13,404,536	27,677,364	48,581,411	9,230,880	1,281,255,931
Charge for the year	-	746,323	46,581,642	215,924	577,086	89,101	926,081	4,113,691	-	53,249,848
Disposal during the year	-	-	(10,808,045)	-	(210,500)	-	-	-	-	(11,018,545)
Transfers related to discontinued operations	-	-	(1,841,811)	(18,026)	(5,989,689)	(129,106)	-	(776,164)	(9,230,880)	(17,985,676)
As at December 31, 2024 (Audited)	-	16,458,156	1,166,688,181	4,349,371	24,118,936	13,364,531	28,603,445	51,918,938	-	1,305,501,558
Charge for the period	-	559,746	34,727,760	54,945	8,152	53,173	694,560	3,083,124	-	39,181,460
Disposal during the period	-	-	-	-	(82,947)	-	-	-	-	(82,947)
As at September 30, 2025 (Unaudited)	**-**	**17,017,902**	**1,201,415,941**	**4,404,316**	**24,044,141**	**13,417,704**	**29,298,005**	**55,002,062**	**-**	**1,344,600,071**
Carrying value as at September 30, 2025 (Unaudited)	**34,997,500**	**13,694,848**	**818,947,232**	**19,116**	**254,701**	**98,210**	**2,651,120**	**74,284,624**	**1,126,765**	**946,074,116**
Carrying value as at December 31, 2024 (Audited)	34,997,500	14,254,594	853,674,992	74,061	195,332	151,383	3,345,680	77,367,748	1,096,899	985,158,189

4 Properties, plant and equipment (continued)

Notes:

a) Land amounting to AED 34,997,500 is stated at fair value based on valuation by Land and Property Management, Dibba Municipality, Government of Fujairah, and the difference amounting to AED 34,747,500 was credited to revaluation reserve.

b) Part of the factory buildings and improvements, factory civil structures and plant and machinery are constructed/erected on leased land obtained from the Dibba Municipality, Government of Fujairah.

c) There is a registered chattel mortgage (being executed) over the Waste Heat Recovery based captive power plant expansion project included in plant and machinery mentioned above and an assignment of insurance policy covering the project in favour of the bank against bank borrowings (Note 15).

d) Insurance policy covering movable assets is assigned in favor of a bank against bank borrowings (Note 15).

e) Commercial mortgage over thermal power plant included in plant and machinery mentioned above, assignment of insurance policies covering the cement factory and thermal power plant and assignment of leasehold rights over the land on which the thermal power plant is located are provided as securities against bank borrowings (Note 15).

f) There is a registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 15) included in plant and machinery mentioned above.

g) Depreciation is fully charged to cost of sales.

h) Cost of fully depreciated property, plant and equipment that was still in use, at the end of the reporting period amounted to AED 374,445,733 (2024 : AED 374,335,299).

i) Leasehold rights (between the Group & Dibba Municipality) over the land on which the thermal power plant is located are assigned against bank borrowings (Note 15).

5 Related party transactions

The Group enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24 'Related party disclosures'. Such transactions are in the normal course of business and at terms that correspond to those on normal arms-length transactions (except revenue related transactions) with third parties. Related parties comprise entities under common ownership and/or common management and control, their partners and key management personnel.

The management decides on the terms and conditions of the transactions and services received/rendered from/to related parties as well as other charges, if applicable.

		September 30, 2025	December 31, 2024
a)	**Due from related parties**	**(Unaudited)**	(Audited)
	Balances due from related parties (included in trade receivables)	**8,203**	-
		8,203	-
b)	**Due to related parties**		
	Balances due to related parties (included in trade and other payables)	**14,568**	14,568
		14,568	14,568

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	Nine months period ended September 30,		**Three months period ended September 30,**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Sales	**-**	109,785	**-**	-

d) Key management personnel compensations

The compensation of key management personnel is as follows:

Salaries and other benefits of key management staff	**1,724,550**	1,500,125	**607,460**	492,000

6 Leases

a) Right-of-use assets

The carrying value of the right-of-use assets is as follows:

	Plots of land
Cost	
As at December 31, 2023 (Audited)	139,281,274
Transfer of assets related to discontinued operations	(6,878,051)
As at December 31, 2024 (Audited)	132,403,223
As at September 30, 2025 (Unaudited)	**132,403,223**
Accumulated depreciation	
As at December 31, 2023 (Audited)	49,685,779
Charge for the year	9,489,034
Transfer of assets related to discontinued operations	(2,240,607)
As at December 31, 2024 (Audited)	56,934,206
Charge for the period	7,116,776
As at September 30, 2025 (Unaudited)	**64,050,982**
Carrying value as at September 30, 2025 (Unaudited)	**68,352,241**
Carrying value as at December 31, 2024 (Audited)	75,469,017

b) Lease liabilities	**September 30, 2025 (Unaudited)**	December 31, 2024 (Audited)
Balance at the beginning of the period / year	**136,817,327**	139,203,612
Add: Interest charge during the period / year	**2,348,334**	3,400,118
Less: Payments during the period / year	**-**	(379,204)
Less: Transfers related to discontinued operations	**-**	(5,407,199)
Balance at the end of the period / year	**139,165,661**	136,817,327
Comprising:		
Current portion	**53,907,004**	51,558,670
Non-current portion	**85,258,657**	85,258,657
	139,165,661	136,817,327

7 Inventories

Spare parts	**126,936,265**	130,400,046
Semi-finished products	**89,183,673**	31,333,113
Burning media	**56,290,956**	60,904,562
Raw materials	**8,714,907**	10,129,392
Finished goods	**6,052,829**	803,127
Bags and packing materials	**1,795,686**	397,626
	288,974,316	233,967,866
Less: Allowance for slow moving/obsolete inventories	**(140,581,233)**	(140,581,233)
	148,393,083	93,386,633
Goods in transit	**19,802,841**	2,602,918
	168,195,924	95,989,551

Movement in allowance for slow moving inventories as at reporting date is as follows:

Balance at the beginning of the period / year	**140,581,233**	110,516,529
Charge during the period / year	**-**	30,064,704
Balance at the end of the period / year	**140,581,233**	140,581,233

Insurance policy against the inventories is assigned against bank borrowings (Note 15).

8 Trade receivables	**September 30, 2025**	December 31, 2024
	(Unaudited)	(Audited)
Trade receivables	**56,846,359**	60,824,536
Less: Allowance for expected credit losses	**(56,211,524)**	(56,211,524)
	634,835	4,613,012

Trade receivables are assigned against bank borrowings (Note 15).

9 Advances, deposits and other receivables

Advances to suppliers	**178,180**	1,155,777
VAT receivable-net	**3,004,648**	2,562,316
Prepayments	**750,086**	316,101
Deposits	**333,614**	337,575
Staff loans and advances	**64,252**	23,069
Other receivables	**900,628**	1,221,821
	5,231,408	5,616,659

10 Cash and cash equivalents

Bank balances	**4,998,010**	489,642
Cash in hand	**587,087**	303,165
	5,585,097	792,807

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default.

11 Share capital

Authorised, issued and paid up share capital: 355,865,320 shares of AED 1.00 each	**355,865,320**	355,865,320

12 Statutory reserve

Balance at the beginning of the period / year	**-**	161,750,412
Offsetting of loss for the period / year against statutory reserve	**-**	(161,750,412)
Balance at the end of the period / year	**-**	-

According to the Articles of Association of the Parent Entity and U.A.E. Federal Law No. 32 of 2021, 10% of annual net profits is allocated to the statutory reserve. The transfer to statutory reserve may be suspended, when the reserve reaches 50% of the paid-up capital. This reserve is not available for distribution.

13 Revaluation reserve

Balance at the beginning of the period / year	**34,747,500**	34,747,500
Balance at the end of the period / year	**34,747,500**	34,747,500

The Land mentioned in Note 4 of AED 34,997,500 is stated at valuation by Land and Property Management - Dibba Municipality - Government of Fujairah and the difference amounting to AED 34,747,500 was credited to the revaluation reserve.

		September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
14	**Accumulated losses**		
	Balance at the beginning of the period / year	**(152,022,021)**	(130,520,723)
	Net loss for the period / year	**(85,535,586)**	(183,251,710)
	Offsetting of loss for the period / year against voluntary reserve	**-**	161,750,412
	Balance at the end of the period / year	**(237,557,607)**	(152,022,021)
15	**Bank borrowings**		
a)	***Long - term borrowings:***		
	Balance at the beginning of the period / year	**376,803,260**	376,948,178
	Transfer from short term borrowings / received during the period / year	**-**	59,383
	Repaid during the period / year	**-**	(204,301)
	Total	**376,803,260**	376,803,260
	Current portion of long - term borrowings	**249,494,451**	183,908,734
	Non-current portion of long - term borrowings	**127,308,809**	192,894,526
b)	***Other bank borrowings:***		
	Trust receipts	**82,357,603**	82,357,603
	Short term loans	**40,000,000**	40,000,000
	Bank overdrafts	**34,791,304**	33,924,061
		157,148,907	156,281,664
c)	***Details of bank borrowings are as follows :***		
	i) Non-current portion		
	In the second year	**51,986,679**	85,150,337
	In the third to fifth year	**75,322,130**	106,483,699
	After five years	**-**	1,260,490
	Total	**127,308,809**	192,894,526
	ii) Current portion		
	Bank borrowings	**249,494,451**	183,908,734
	Other bank borrowings	**157,148,907**	156,281,664
		406,643,358	340,190,398
	Bank borrowings are presented in condensed consolidated interim statement of financial position as:		
	Current portion	**406,643,358**	340,190,398
	Non-current portion	**127,308,809**	192,894,526
		533,952,167	533,084,924

Securities:

a). Registered charge over thermal power plant (including machinery) (Note 4).
b). Registered chattel mortgage (to be executed) over the waste heat recovery based captive power plant expansion project (Note 4).
c). Assignment of insurance policy for AED 437,363,133 covering factory on a pari passu basis (Note 4).
d). Assignment of insurance policy for AED 236,891,000 covering the thermal power plant on a pari passu basis
e). Assignment of insurance policy for AED 124,400,000 covering the waste heat recovery based captive power plant expansion project (Note 4).
f). Assignment of insurance policies covering moveable assets on pari passu basis (Note 4).
g). Assignment of leasehold rights (between the Group & Dibba Municipality) over the land on which the thermal power plant is located (Note 4).
h). Assignment of insurance policy over inventories on pari passu basis (Note 7).
i). General assignments of trade receivables in favor of the bank (Note 8).
j). Registered mortgage and assignment of insurance policy over specific machinery upgraded (Note 4).
k). Promissory note.

15 Bank borrowings (continued)

As at September 30, 2025, the Group failed to meet the below financial covenants as per bank facility letters.

Securities:

Dubai Islamic Bank

a). To maintain minimum tangible net worth of not less than AED 780 million.
b). To maintain leverage ratio not exceeding 1.5:1 at all times.

Emirates NBD PJSC

a). The ratio of EBITDA to debt services in respect of any relevant testing period shall not be less than 1.1 :1.

National Bank of Fujairah

a). To maintain leverage ratio not exceeding 1.5:1 or below.

Abu Dhabi Commercial Bank

a). Tangible net worth must not be less than AED 830 million.
b). Total liabilities to tangible net worth ratio must not be more than 1.20:1.
c). Total debt to EBITDA ratio must not be more than 8:1.

16 Employees' end-of-service benefits

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	**129,830**	10,073,845
Add: Charge for the period / year	**283,572**	822,480
Less: Paid during the period / year	**(123,007)**	(10,766,495)
Balance at the end of the period / year	**290,395**	129,830

Amounts required to cover end of service indemnity at the condensed consolidated interim statement of financial position date are computed pursuant to the applicable labour law based on the employees' accumulated period of service and current basic remuneration at the end of reporting period.

17 Trade and other payables

Trade payables	**229,779,504**	206,591,419
Interest payable	**77,071,183**	45,416,655
Accrued expenses	**44,560,597**	7,541,838
Advances from customers	**10,406,457**	1,116,270
Dividends payable	**3,158,634**	3,158,634
Other payables	**55,703**	47,461
	365,032,078	263,872,277

Trade and other payables are presented in condensed consolidated interim statement of financial position as:

Current portion	**363,235,576**	259,381,013
Non-current portion	**1,796,502**	4,491,264
	365,032,078	263,872,277

18 Revenue

	Nine months period ended September 30,		Three months period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue recognized at a point in time				
Sales:				
Within U.A.E.	**18,576,524**	1,380,568	**17,208,511**	812,418
Other GCC countries	**68,920**	255,646	**-**	41,016
	18,645,444	1,636,214	**17,208,511**	853,434

19 Discontinued operations

The Board of Directors has decided to terminate the operations of its 100% subsidiary Fujairah Cement Industries PJSC FZE which provides ready mixed concrete manufacturing services with effective from February 01, 2024, at the meeting held on January 09, 2024 and having registered office at Umm Al Qwain Bank Building, Mezzanine Floor-2 (M2), Office No-203, Hamad Bin Abdulla Road, Fujairah, United Arab Emirates. Revenue and expenses, gains and losses relating to the discontinuation of this subsidiary have been eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the condensed consolidated interim statement of profit or loss and other comprehensive income..

	Nine months period ended September 30,		**Three months period ended September 30,**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Revenue	**-**	519,047	**-**	-
Cost of sales	**-**	(878,428)	**-**	-
Gross loss	**-**	(359,381)	**-**	-
Other income	**73,260**	329,746	**-**	261,438
General and administrative expenses	**(836,440)**	(688,539)	**-**	(241,404)
Production idle cost during stoppage	**-**	(304,124)	**-**	(1,700)
Provision for impairment of trade receivables	**259,057**	-	**48,002**	-
Provision for impairment of property, plant and equipment	**(510,917)**	-	**-**	-
Finance costs - bank borrowings	**-**	(12,632)	**-**	(3,173)
Finance costs - lease liabilities	**-**	(118,926)	**-**	(43,031)
Net (loss) / profit for the period from discontinued operations	**(1,015,040)**	(1,153,856)	**48,002**	(27,870)
Cash flows from discontinued operations				
Net cash outflows from operating activities	**162,784**	275,851	**-**	238,745
Net cash outflows from investing activities	**2,026,000**	4,690,000	**-**	4,690,000
Net cash inflows from financing activities	**(6,372,045)**	3,642,023	**-**	3,348,630
Net cash (outflows) / inflows	**(4,183,261)**	8,607,874	**-**	8,277,375

The carrying amounts of assets and liabilities in the discontinued operations are summarized as follows:

	September 30, 2025	December 31, 2024
Assets	**(Unaudited)**	(Audited)
Property, plant and equipment	**-**	3,154,558
Right-of-use assets	**4,406,064**	4,406,064
Inventories	**-**	140,287
Trade receivables	**-**	1,272,054
Other receivables	**1,068,425**	-
Cash and cash equivalents	**1,587**	4,184,848
Liabilities		
Lease liabilities	**(4,652,893)**	(4,652,893)
Trade and other payables	**(3,401,290)**	(3,648,996)
Net (liabilities) / assets relating to discontinued operations	**(2,578,107)**	4,855,922

20 Basic and diluted loss per share

	Nine months period ended September 30,		Three months period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
Continuing operations				
Net loss for the period (AED)	**(84,520,546)**	(145,332,950)	**(16,203,650)**	(57,836,070)
Weighted average number of shares	**355,865,320**	355,865,320	**355,865,320**	355,865,320
Basic and diluted loss per share (AED)	**(0.238)**	(0.408)	**(0.046)**	(0.163)
Discontinued operations				
Net (loss) / profit for the period (AED)	**(1,015,040)**	(1,153,856)	**48,002**	(27,870)
Weighted average number of shares	**355,865,320**	355,865,320	**355,865,320**	355,865,320
Basic and diluted loss per share (AED)	**(0.003)**	(0.003)	**0.000**	(0.000)

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of shares outstanding at the end of the reporting period. The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

21 Contingencies and commitments

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Claims from vendors	**5,552,677**	5,552,677

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liabilities and commitments on Group's condensed consolidated interim financial statements as of reporting date.

22 Lease commitments

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Not later than one year	**12,309,993**	22,957,438
Later than one year but not later than five years	**51,751,704**	51,301,929
Later than five years	**30,907,033**	36,813,123
	94,968,730	111,072,490

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known lease commitments on Group's condensed consolidated interim financial statements as of reporting date.

23 Corporate Tax

As per the Group’s assessment, there is no current tax and deferred tax impact on account of the CT Law in the condensed consolidated interim financial statements for the period ended September 30, 2025. Amounts accrued for tax expense in an interim period may have to be adjusted in subsequent interim period if the estimate of the annual income tax rate changes. Based on the assessment, the Group has noted no deferred tax impact for the quarter ended September 30, 2025. Further, the Group had not recognized deferred tax asset on carry forward losses due to absence of virtual certainty of future taxable income.