

Agthia Group PJSC

**CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED 31 DECEMBER 2025

AGTHIA GROUP PJSC

**Report and consolidated financial statements
for the year ended 31 December 2025**

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AGTHIA GROUP PJSC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Agthia Group PJSC (the “Company”) and its subsidiaries (together referred to as the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statements of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) as applicable to the audit of financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

AGTHIA GROUP PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
<p>1. Impairment of goodwill <i>Refer to notes 3 and 8 to the consolidated financial statements.</i></p> <p>As of 31 December 2025, the carrying value of goodwill amounted to AED 1,913 million, or 30% of total assets, as disclosed in Note 8.</p> <p>In accordance with IAS 36 Impairment of Assets, an entity is required to test goodwill acquired in a business combination for impairment at least annually irrespective of whether there is any indication of impairment.</p> <p>Goodwill is monitored by management at the level of cash-generating units ("CGUs"). Management carried out an impairment exercise as at 31 December 2025 in respect of goodwill allocated to each CGU by determining a recoverable amount based on value-in-use (VIU) derived from a discounted cash flow model, which was based on the most recent formal business plan prepared by the Group's management.</p> <p>An impairment loss is recognized on the consolidated statement of profit or loss when the recoverable amount is less than the net carrying amount in accordance with IAS 36, as described in Note 3 to the consolidated financial statements.</p> <p>We considered the impairment of goodwill to be a key audit matter, given the method for determining the recoverable amount and the significance of the account in the Group's consolidated financial statements. In addition, the recoverable amounts are based on the use of significant assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.</p>	<p>We have familiarized ourselves with the process implemented by the Group to determine the recoverable amounts of goodwill allocated to Cash-Generating Units (CGU). Our work consisted of:</p> <ul style="list-style-type: none"> (i) evaluating the controls over the Group's testing of goodwill for impairment to determine if they had been appropriately designed and implemented; (ii) assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill is allocated and assessing that the methods used are in accordance with the requirements of IAS 36; (iii) reconciling the net carrying amount of the goodwill allocated to the CGU tested with the Group's accounting records; (iv) involving our valuation specialists to review management's determination of the VIU, including review of discounted cash flow models and to assess the discount rate, terminal growth rate; (v) substantiating the results of sensitivity analyses carried out by management by comparing them to those realized by us; (vi) tested the arithmetical accuracy of the valuations used by the Group. <p>We have also assessed the disclosures in the consolidated financial statements relating to this matter are adequately made in accordance with IFRS Accounting Standards</p>



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**INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF
AGTHIA GROUP PJSC (continued)**

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matter
<p>2. Revenue recognition</p> <p>Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralised operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group’s performance. During the year ended 31 December 2025, total revenue of the Group amounted to AED 4,845,621 thousand. The Group’s revenue recognition policy is disclosed in Note 3 to the consolidated financial statements.</p>	<p>We reviewed the revenue recognition policies applied by the Group to assess its compliance with IFRS requirements. For each material operational location with significant revenue streams, we obtained or involved component auditors to obtain an understanding of the design of the controls relating to the revenue recognition process, and to perform substantive audit procedures which included overall analytical procedures, at the Group and subsidiary level, and testing of transactions throughout the year to assess whether revenues were properly recognised.</p>

Other information

Other information consists of the information included in the Group’s annual report and its Management Discussion & Analysis Report, other than the consolidated financial statements and our auditor’s report thereon. We expect to obtain the other information after the date of our auditor’s report. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AGTHIA GROUP PJSC (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF

AGTHIA GROUP PJSC (continued)

Report on Other Legal and Regulatory Requirements

As required by the UAE Decree Federal Law No. (32) of 2021, as amended, we report for the year ended 31 December 2025 that:

- i) the Company has maintained proper books of account;
- ii) we have obtained all the information we considered necessary for the purposes of our audit;
- iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended;
- iv) investments in shares and stocks during the year ended 31 December 2025 are disclosed in Note 1 to the consolidated financial statements;
- v) note 12 reflects material related party transactions and the terms under which they were conducted;
- vi) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended or of its Articles of Association which would materially affect its activities or its consolidated financial position as at 31 December 2025; and
- vii) note 1 reflects the social contributions made during the year.

Further, as required by the Abu Dhabi Accountability Authority Chairman Resolution No. 88 of 2021 regarding financial statements of Subject Entities, we report, in connection with our audit of the consolidated financial statements for the year ended 31 December 2025, that nothing has come to our attention that causes us to believe that the Group has not complied, in all material respects, with any of the provisions of the following laws, regulations and circulars as applicable, which would materially affect its activities or the consolidated financial statements as at 31 December 2025:

- (i) its Article of Association; and
- (ii) relevant provisions of the applicable laws, resolutions and circulars that have an impact on the Subject Entity's consolidated financial statements.

For Ernst & Young

Ahmad Al Dali
Registration No. 5548

3 March 2026
Abu Dhabi, United Arab Emirates

**Consolidated statement of financial position
as at 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Right-of-use assets	5	112,684	108,915
Property, plant and equipment	6	1,437,052	1,428,985
Investment in associates	7	29,460	29,239
Goodwill	8	1,913,428	1,858,593
Deferred tax assets	29	12,611	9,764
Intangible assets	9	575,810	536,222
Total non-current assets		4,081,045	3,971,718
Current assets			
Inventories	10	839,122	925,505
Trade and other receivables	11	844,890	1,003,593
Due from related parties	12	17,402	30,172
Cash and bank balances	13	530,719	672,691
Total current assets		2,232,133	2,631,961
Total assets		6,313,178	6,603,679

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of financial position
as at 31 December 2025 (continued)**

	Notes	2025 AED'000	2024 AED'000
EQUITY AND LIABILITIES			
Equity			
Share capital	19	831,156	831,156
Share premium	19	612,518	612,518
Legal reserve	20	315,722	307,170
Translation reserve		(262,054)	(272,253)
Retained earnings		1,131,444	1,346,033
Equity attributable to the owners of the Company		2,628,786	2,824,624
Non-controlling interests	32	158,799	168,604
Total equity		2,787,585	2,993,228
Non-current liabilities			
Provision for employees' end of service benefits	14	124,521	117,310
Bank borrowings	15	1,644,417	1,507,602
Lease liabilities	16	79,225	76,002
Deferred government grant	17	8,187	7,403
Deferred tax liabilities	29	46,272	47,601
Total non-current liabilities		1,902,622	1,755,918
Current liabilities			
Bank borrowings	15	222,051	181,849
Lease liabilities	16	37,139	33,188
Deferred government grant	17	5,918	10,141
Trade and other payables	18	1,316,473	1,541,982
Income tax and zakat payable		41,390	64,766
Contingent consideration	35	-	22,607
Total current liabilities		1,622,971	1,854,533
Total liabilities		3,525,593	3,610,451
Total equity and liabilities		6,313,178	6,603,679



Khalifa Sultan Al Suwaidi
Chairman



Salmeen Alameri
Managing Director & Chief Executive
Officer



Jeroen Nijs
Chief Financial Officer

**Consolidated statement of profit or loss
for the year ended 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
Revenue from contracts with customers		4,845,621	4,914,644
Cost of sales	22	(3,437,219)	(3,448,429)
Gross profit		1,408,402	1,466,215
Selling and distribution expenses	23	(669,645)	(611,930)
General and administrative expenses	24	(518,438)	(449,223)
Research and development costs	25	(7,909)	(7,620)
Other income, net	26	15,064	46,771
Operating profit		227,474	444,213
Finance income	27	11,808	17,026
Finance expense, net	28	(106,954)	(81,293)
Share of profit from associates	7	2,190	3,734
Profit before tax and zakat		134,518	383,680
Income tax and zakat expenses	29	(33,920)	(61,846)
Profit for the year		100,598	321,834
Attributable to:			
Equity holders of the parent		85,516	291,274
Non-controlling interests	32	15,082	30,560
		100,598	321,834
Basic and diluted earnings per share (AED)	30	0.103	0.356

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of comprehensive income
for the year ended 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
Profit for the year		100,598	321,834
Other comprehensive income / (loss):			
Item that may be subsequently reclassified to profit or loss			
Foreign currency translation difference on foreign operations		11,683	(108,490)
Item that will not be subsequently reclassified to profit or loss			
Re-measurement of employees' end of service benefits	14	(8,253)	(751)
Other comprehensive income / (loss)		3,430	(109,241)
Total comprehensive income for the year		104,028	212,593
Attributable to:			
Equity holders of the parent		87,516	204,763
Non-controlling interests		16,512	7,830
		104,028	212,593

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of changes in equity
for the year ended 31 December 2025**

	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	Translation reserve AED'000	Retained earnings AED'000	Attributable to equity holders of the parent AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2024	791,577	652,097	278,043	(186,549)	1,374,609	2,909,777	283,770	3,193,547
Profit for the year	-	-	-	-	291,274	291,274	30,560	321,834
<i>Other comprehensive (loss)/ income:</i>								
Foreign currency translation difference on foreign operations	-	-	-	(85,704)	-	(85,704)	(22,786)	(108,490)
Re-measurement of employees' end of service benefits (note 14)	-	-	-	-	(807)	(807)	56	(751)
<i>Total comprehensive (loss)/ income for the year</i>	-	-	-	(85,704)	290,467	204,763	7,830	212,593
Dividends (note 21)	-	-	-	-	(166,829)	(166,829)	-	(166,829)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(2,754)	(2,754)
Acquisition of non-controlling interests (note 35)	-	-	-	-	(123,087)	(123,087)	(120,242)	(243,329)
Bonus shares issued (note 21)	39,579	(39,579)	-	-	-	-	-	-
Transfer to legal reserve	-	-	29,127	-	(29,127)	-	-	-
Balance at 31 December 2024	831,156	612,518	307,170	(272,253)	1,346,033	2,824,624	168,604	2,993,228

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
for the year ended 31 December 2025 (continued)

	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	Translation reserve AED'000	Retained earnings AED'000	Attributable to equity holders of the parent AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2025	831,156	612,518	307,170	(272,253)	1,346,033	2,824,624	168,604	2,993,228
Profit for the year	-	-	-	-	85,516	85,516	15,082	100,598
<i>Other comprehensive (loss)/ income:</i>								
Foreign currency translation difference on foreign operations	-	-	-	10,199	-	10,199	1,484	11,683
Re-measurement of employees' end of service benefits (note 14)	-	-	-	-	(8,199)	(8,199)	(54)	(8,253)
<i>Total comprehensive income for the year</i>	-	-	-	10,199	77,317	87,516	16,512	104,028
Dividends (note 21)	-	-	-	-	(174,830)	(174,830)	-	(173,830)
Dividends paid to non-controlling interests	-	-	-	-	-	-	(5,665)	(5,665)
Acquisition of non-controlling interests (note 35)	-	-	-	-	(108,524)	(108,524)	(20,652)	(129,176)
Transfer to legal reserve	-	-	8,552	-	(8,552)	-	-	-
Balance at 31 December 2025	831,156	612,518	315,722	(262,054)	1,131,444	2,628,786	158,799	2,787,585

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of cash flows
for the year ended 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
Operating activities			
Profit before tax and zakat		134,518	383,680
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment *	6	171,815	166,076
Amortisation of right-of-use assets	5	47,426	43,995
Amortisation of intangible assets	9	14,096	13,080
Interest income	27	(11,808)	(17,026)
Interest expense	28	96,950	81,703
Provision for employees' end of service benefits	14	19,690	16,939
Allowance for impairment losses of trade receivables, net	11	77,037	64,710
Allowance for impairment losses of other receivables, net	11	47,033	32,625
Gain on disposal of property, plant and equipment	26	(1,442)	(1,861)
Movement in allowance for slow moving inventory, net	10	49,364	61,675
Interest expense on lease liabilities	16	10,373	7,592
Gain of derivative instruments, net		-	(2,128)
Property, plant and equipment written-off	6	6,349	-
Share of profit from associates	7	(2,190)	(3,734)
		<hr/>	<hr/>
		659,211	847,326
Movements in working capital:			
Inventories		38,918	(60,346)
Trade and other receivables		37,049	(43,352)
Due from related parties		12,770	(15,030)
Deferred government grant **		(3,439)	(7,769)
Trade and other payables		(224,571)	(27,416)
		<hr/>	<hr/>
Cash generated from operations		519,938	693,413
Payment of employees' end of service benefits	14	(23,224)	(11,557)
Income tax and zakat paid	29	(63,453)	(25,838)
		<hr/>	<hr/>
Net cash flows from operating activities		433,261	656,018
		<hr/>	<hr/>
Investing activities			
Payment for purchase of property, plant and equipment ***	6	(152,477)	(193,706)
Investment in fixed deposits, net		165,544	130,192
Investment in an associate	7	-	(5,806)
Interest received		13,279	19,487
Proceeds from sale of property, plant and equipment	6	10,421	6,482
Acquisition of a subsidiary, net of cash acquired	36	(126,018)	-
Dividends received	7	1,969	1,818
Payment of contingent consideration		(22,607)	-
Acquisition of non-controlling interests	35	(129,176)	(220,722)
		<hr/>	<hr/>
Net cash flows used in investing activities		(239,065)	(262,255)
		<hr/>	<hr/>

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of cash flows
for the year ended 31 December 2025 (continued)**

	Notes	2025 AED'000	2024 AED'000
Financing activities			
Dividends paid to equity holders of the parent	21	(174,830)	(166,829)
Dividends paid to non-controlling interests		(5,665)	(2,754)
Proceeds from long term borrowings		231,851	1,459,057
Interest paid		(114,417)	(85,476)
Repayments of long term borrowings		(95,036)	(1,181,058)
Movement in short term borrowings, net		37,919	(221,911)
Repayments of principal amount of lease liabilities	16	(54,318)	(64,467)
		<u> </u>	<u> </u>
Net cash flows used in financing activities		(174,496)	(263,438)
		<u> </u>	<u> </u>
Net increase in cash and cash equivalents		19,700	130,325
Effect of foreign exchange rate changes		11,067	(40,664)
Cash and cash equivalents as at 1 January		367,369	277,708
		<u> </u>	<u> </u>
Cash and cash equivalents as at 31 December	13	398,136	367,369
		<u> </u>	<u> </u>

(*) Depreciation of property, plant and equipment includes depreciation charge of assets funded by the Government of Abu Dhabi amounting to AED 5,918 thousand (2024: AED 10,141 thousand) (Notes 6 and 17).

(**) Deferred government grant movement includes the net of depreciation charge and purchase for assets funded by the Government of Abu Dhabi amounting to AED 5,917 thousand (2024: AED 10,141 thousand) and AED 2,478 thousand (2024: AED 2,372 thousand) respectively (Note 17)

(***) Payment for purchase for PPE include assets purchased with the Government of Abu Dhabi fund amounting to AED 2,478 thousand (2024: AED 2,372 thousand) (Notes 6 and 17).

**Notes to the consolidated financial statements
for the year ended 31 December 2025**

1 Corporate information

Agthia Group PJSC (“the Company”) was incorporated as a Public Joint Stock Company pursuant to the Ministerial Resolution No. 324 for 2004 in the Emirate of Abu Dhabi. General Holding Corporation PJSC (SENAAT) owns 62.9% of the Company’s shares. Pursuant to Law No (02) of 2018 and Executive Council Resolution No. (33) of 2020, SENAAT became wholly owned by Abu Dhabi Development Holding Company “Public Joint Stock Company” (ADQ) which is wholly owned by the Government of Abu Dhabi as at 31 December 2025.

Principal activities of the Company and its subsidiaries (together referred to as the “Group”) are to establish, invest, trade and operate companies and businesses that are involved in the food and beverage sector.

The registered office of the Company is at Al Reem Island, Sky Towers, 17th Floor, P.O. Box 37725, Abu Dhabi, United Arab Emirates.

The Group made social contributions amounting to AED 1,714 thousand during the year ended 31 December 2025 (2024: AED 1,436 thousand).

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved and authorized for issue by the Board of Directors on 3 March 2026.

Principal activities, country of incorporation and operation, and ownership interest of the Company in its sizable subsidiaries are set out below:

Name of the subsidiary	Place of incorporation and operation	Legal & Beneficial ownership interest (%)		Principal activities
		31 Dec 2025	31 Dec 2024	
Grand Mills Company PJSC	UAE	100	100	Production and sale of flour and animal feed.
Al Ain Food and Beverages PJSC	UAE	100	100	Production and sale of bottled water, flavored water, tomato paste, frozen vegetables, and trading products.
Agthia Group Egypt LLC	Egypt	100	100	Processing and sale of tomato paste, chilli paste, fruit concentrate and frozen vegetables.
Al Bayan Purification and Potable Water LLC	UAE	100	100	Production, bottling and sale of bottled and 5-gallon water.
Delta Alagthia for Manufacturing Company Limited	KSA	100	100	Production, bottling and sale of bottled water.
Al Rammah National for General Trading and Contracting Company WLL	Kuwait	50	50	Production, bottling and sale of bottled water.
Al Foah Company LLC	UAE	100	100	Sourcing, processing and trading of dates related products
Al Faysal Bakery and Sweets Company WLL	Kuwait	100	100	Manufacturing and trading in bakery and foodstuff
Al Nabil Food Industries LLC	Jordan	80	80	Manufacturing and trading in processed protein food products
Ismailia Agricultural and Industrial Investment (Furat)	Egypt	100	100	Manufacturing and trading in processed protein food products
Mediterranean Confectionery Company Limited	KSA	100	100	Trading of sweets and snacking products.
Baklawa Made Better Investments LLC	UAE	100	100	Manufacturing and trading of sweets and snacking products.
A.U.F. Egypt for Manufacturing and Distribution of Nuts S.A.E. *	Egypt	80	70	Manufacturing and trading of healthy snacks, nuts and coffee.
Riviere Mineral Water Desalination & Filling Factory LLC **	UAE	100	-	Production, bottling and sale of bottled 5-gallon water.

* Refer Note 35 to these consolidated financial statements for additional legal ownership and economic interests acquired during the year in Abu Auf Holding Netherlands B.V. (the parent company of A.U.F Egypt for Manufacturing and Distribution of Nuts S.A.E.

** Refer note 36 to these consolidated financial statements for the Group acquisition during the year.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****2 Adoption of new and revised IFRS Accounting Standards (“IFRSs”)****2.1 New and amended IFRS Accounting Standards that are effective for the current year**

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2025 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group’s consolidated financial statements.

2.2 New and amended IFRS Accounting Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group’s consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes. In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Group is currently working to identify all impacts the amendments will have on the primary consolidated financial statements and notes to the consolidated financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group’s equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

3 Material accounting policy information**Statement of compliance**

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) (IFRS) and comply with the Articles of Association of the Company, as amended, and wherever applicable, with the UAE Decree Federal Law No. (32) of 2021, as amended.

Basis of preparation

These consolidated financial statements are presented in UAE Dirhams (AED), rounded to the nearest thousand (AED 000) which is the functional currency of the Group. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern

These consolidated financial statements have been prepared on the historical cost basis, unless otherwise stated.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Basis of consolidation**

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

IFRS 10 governs the basis for consolidation where it establishes a single control model that applies to all entities including special purpose entities or structured entities.

The definition of control under IFRS 10 is that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all the following three criteria must be met, including:

- (a) the investor has power over an investee;
- (b) the investor has exposure to, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

Subsidiaries

Subsidiaries are investees that are controlled by the Group. The Group controls the investee if it meets the control criteria. The Group reassesses whether it has control if, there are changes to one or more of the elements of control. This includes circumstances in which protective rights held become substantive and lead to the Group having power over an investee. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in the consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Business combination

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets acquired, equity instruments issued and liabilities incurred or assumed at the date of exchange, together with the fair value of any contingent consideration.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. Gains or losses on disposals of non-controlling interests are also recorded in the consolidated statement of changes in equity.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's executive management.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's executive management to make decisions about resources to be allocated to the segment and assess its performance, and for which financial information is available (note 34).

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

3 Material accounting policy information (continued)

Foreign currency

(a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss within “finance expense”.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within “finance expense”.

(b) Group companies

The results and financial position of all the Group subsidiaries (except for operations in Turkey, none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the Group’s functional and presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the date of the consolidated statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at the rate prevailing on the date of the transaction; and
- (iii) all resulting exchange differences are recognised in the consolidated statement of other comprehensive income.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition or construction of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated though it is subject to impairment testing. Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Buildings	20-40 years
Plant and equipment	2-20 years
Motor vehicles	4-8 years
Furniture and fixtures	4-8 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount (see note 3 “impairment of non-financial assets”). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within ‘other income’ in the consolidated statement of profit or loss.

Capital work in progress

The Group capitalises all costs relating to the construction of property, plant and equipment as capital work in progress, up to the date of completion and commissioning of the assets.

These costs are then transferred from capital work in progress to the appropriate asset class upon completion and commissioning and are depreciated over their useful economic lives from the date of such completion and commissioning.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

3 Material accounting policy information (continued)

Goodwill and Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Calculations of the recoverable amounts are based on determination of the value in use which represents the expected cash flows of the relevant cash generating units and discounting them at an appropriate discount rate, the determination of which requires the exercise of judgement. Moreover, the Group also determines recoverable amounts for certain components based on the fair value less costs of disposal approach where recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These valuation model performed by the Group is corroborated by comparable EBITDA multiples for similar companies within the industry in which the components operate.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

Acquired intangible assets

Intangible assets acquired separately are measured initially at fair value which reflects market expectations of the probability that future economic benefits embodied in the asset will flow to the Group.

Intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Based on an analysis of all the relevant factors for premium brand names, there is no foreseeable limit to the period over which it is expected to generate net cash inflows for the Group and is therefore considered to have an indefinite useful life. Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level.

The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of profit or loss when the asset is derecognised. Useful lives of intangible assets are stated below.

Brand names	25 years - Indefinite useful life
Licenses and spring water rights	Indefinite useful life
Customer relationships	6-12 years

Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets– are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to disposal and value in use (further disclosures relating to recoverable amount are provided in Note 4). For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

3 Material accounting policy information (continued)

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the weighted average method. Cost of inventories includes expenditures incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their existing location and condition. In case of manufactured inventories cost includes an appropriate share of production overheads based on normal operating capacity. It excludes borrowing costs. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and allowance for impairment applied according to the inventory type and the degree of ageing or obsolescence, based on Group's policy for inventory provisioning.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Cash and bank balances

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand, cash at banks, and deposits held at call with banks with original maturities of not more than three months adjusted for bank overdrafts and restricted cash, if any.

In the consolidated statement of financial position, cash and bank balances include cash on hand, cash at banks, deposits held at call with banks, and restricted cash, if any.

Bank overdrafts are shown within current bank borrowings.

Share capital and share premium

Ordinary shares are classified as equity. Share premium related to ordinary shares is classified as equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is recognised in the consolidated statement of profit or loss over the period of loan.

Employees' end of service benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Bonus and long-term incentive plans

The Group recognises the liability for bonuses and long-term incentives in the consolidated statement of profit and loss on an accrued basis. The benefits for the management are subject to board's approval and are linked to business performance.

Defined contribution plan

Monthly pension contributions are made in respect of UAE national employees, who are covered by the Law No. 2 of 2000. The pension fund is administered by the Government of Abu Dhabi, Department of Finance, represented by the Abu Dhabi Retirement Pensions and Benefits Fund. Pension is accounted for in accordance with the local and regulatory requirements for non-UAE GCC national employees.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Employees' end of service benefits (continued)***Defined benefit plan*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group currently operates an unfunded scheme for defined benefits in accordance with the applicable provisions of the UAE Federal Labour Law and is based on periods of cumulative service and levels of employees' final basic salaries. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods discounted to determine its present value. Any unrecognised past service costs are deducted. The discount rate is the yield at the valuation date on US AA-rated corporate bonds, which in the absence of a deep market in corporate bonds within the UAE is the relevant proxy market as determined by the Group.

The calculation of the defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When benefits of the plan are improved, the portion of the increased benefit related to past service by employees is recognised in the profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the consolidated statement of profit or loss. The Group recognises all actuarial gains and losses arising from defined benefit plans in the consolidated statement of other comprehensive income and all expenses related to defined benefit plans within the consolidated statement of the profit or loss.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required and settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Finance income and finance expenses

Finance income comprises interest income on call deposits and gains on derivative financial instruments, if any. Interest income is recognised as it accrues, using the effective interest method.

Finance expense comprises interest expenses on borrowings, interest expenses on lease liabilities, and foreign exchange results. All borrowing costs are recognised in the consolidated statement of profit or loss using the effective interest method.

Dividends

Dividends are recognised as a liability in the Group's consolidated financial statements in the period in which the dividend is approved by the Group's shareholders.

Income tax and Zakat*Current income tax*

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

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

Zakat and foreign income tax

The Group's operations in the Kingdom of Saudi Arabia is subject to Zakat. Zakat is provided for in accordance with General Authority of Zakat and Tax ("GAZT") regulations.

3 Material accounting policy information (continued)

Income tax and Zakat (continued)

Income tax for overseas subsidiaries operating within taxable jurisdiction is provided for in accordance with the relevant income tax regulations of the countries of incorporation. Adjustments arising from final Zakat and Foreign income tax assessments are recorded in the period in which such assessments are made.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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 in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets / liabilities

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and unused tax losses can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference and unused tax losses arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Earnings per share

The Group presents earnings per share data for its shares. Earnings per share is calculated by dividing the profit or loss attributable to shareholders of the Company by the weighted average number of shares outstanding during the year.

Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with customers and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is measured at an amount that reflects the considerations to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of 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.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation. For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Revenue recognition (continued)***Sale of goods*

The Group's contracts with customers for the sale of goods generally include one performance obligation. The Group accounts for that revenue at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Some contracts for the sale of goods provide customers with several considerations including a right of return and volume rebates. Rights of return and volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

Right of return

When a contract provides a customer with a right to return the goods within a specified period, the consideration received from the customer is variable because the contract allows the customer to return the products, if any. The Group uses the expected value method to estimate the goods that will be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The Group applies the requirements in IFRS 15 on constraining estimates of variable consideration to determine the amount of variable consideration that can be included in the transaction price.

Volume rebates

The Group provides retrospective volume rebates to selected customers and products as per the terms specified in the contract. Rebates are offset against amounts payable by the customer on subsequent purchases. Retrospective volume rebates give rise to variable consideration. To estimate the variable consideration to which it will be entitled, the Group applied the method to each customer as per the agreed upon rebate scheme that best predicts the amount of variable consideration. The Group then applies the requirements on constraining estimates of variable consideration. Accordingly, the Group recognised contract liabilities for the expected future rebates.

Considerations paid or payable to customers

The Group pays exclusivity fees, display fees, remodeling fees, opening fees, and listing and other fees to certain customers for the provision of various services. The Group assesses whether these services are distinct when compared to the goods sold to the customers. The distinct or non-distinct services are then recognised as selling and distribution expenses or netted against revenue, respectively.

Leases*The Group as lessee*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

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.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Leases (continued)**

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group as lessee (continued)

The Group did not make any such adjustments during the period presented.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'impairment of non-financial assets' policy.

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Financial instruments

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss (FVTPL). Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in the consolidated profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group's financial assets comprise of trade and other receivables, due from related parties and cash and bank balances.

*Classification and measurement - Financial assets*Financial assets at amortised cost

Financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest (SPPI) are measured at amortised cost. A gain or loss on a debt investment subsequently measured at amortised cost and not part of a hedging relationship is recognised in the consolidated statement of profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

3 Material accounting policy information (continued)

Financial instruments (continued)

Classification and measurement - Financial assets

Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in consolidated statement of profit or loss.

Impairment

Loss allowance for financial investments measured at amortised costs are deducted from gross carrying amount of assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating Expected Credit Loss (ECL), the Group considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis, based on Group's historical experience and informed credit assessment and including forward-looking information. Forward-looking information considered includes the future prospects of the industries in which the Group's receivables operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.

A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default;
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Financial instruments (continued)**

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due. For certain categories of financial assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Measurement of ECL

The Group employs statistical models for ECL calculations for its trade and other receivables, due from related parties and cash and bank balances. ECLs are a probability-weighted estimate of credit losses. The parameters used in calculation are derived from the Group's internally developed statistical models and other historical data and adjusted to reflect forward-looking information. The Group assess impairment loss on its trade and other receivables portfolio using an expected loss measurement basis using the simplified approach.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instrumentsClassification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade payables, borrowings and lease liabilities, classified as 'financial liabilities', are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, except for short term liabilities when the recognition of interest is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Investments in associates (continued)**

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate is disposed of.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a Group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

Government grants

Grants from Abu Dhabi Government are provided to the Group to finance some of the operational and capital expenditures of the Group and are recognised at their nominal value where there is reasonable assurance that grants will be received. The nominal value is deemed to be the cost to the donor. There are no explicit conditions attached to the government grants received except that these should be utilised by the Group for the purpose these are provided for.

Any surplus of government grants which is not utilised in the year it is received by the Group, is deferred to the subsequent period. This deferred government grant is included in non-current and current liabilities. Any excess expenditure over government grants received is recorded as balance receivable from government in the consolidated statement of financial position.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Government grants (Continued)***Grants related to assets*

Non-monetary government grants related to assets are recognised at the carrying amount of the assets and presented as deferred government grant in the consolidated statement of financial position. The grant is amortised over the life of the depreciable assets and is offset with the relevant depreciation expense of the assets.

Grants related to operations

Other government grants, which relate to operational expenditures, are recognised in consolidated statement of profit or loss over the periods necessary to match them with the costs that they are intended to compensate, on a systematic basis. Grants related to income are shown net of the related expenses when reporting these in profit or loss.

Value added tax ("VAT")

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

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

Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Fair value measurement

The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****3 Material accounting policy information (continued)****Fair value measurement (continued)**

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, except for leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Contingencies

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

4 Accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the process of applying the Group's accounting policies (see note 3); management has made the following judgements and estimates which have a significant effect on the amounts of the Group assets and liabilities recognised in these consolidated financial statements.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer channels that have similar loss patterns (i.e. customer type and rating, and coverage by letters of guarantees).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the market, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is within these consolidated financial statements (see note 3, note 11 and note 33 "Financial Instruments"). Provision for ECL of trade receivables amounted to AED 183,607 thousand as at 31 December 2025 (31 December 2024: AED 199,040 thousand).

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****4 Accounting estimates and judgements (continued)***Useful lives of property, plant and equipment*

Management assigns useful lives and residual values to items of property, plant and equipment based on the intended use of the assets and the expected economic lives of those assets. Subsequent changes in circumstances such as technological advances or prospective utilisation of the assets concerned could result in the actual useful lives or residual values differing from the initial estimates.

Useful lives of intangible assets

Useful life of those brand names is estimated based on the period over which these brand names are expected to generate the cash inflows to the Group. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar internal assets. The useful life of each asset is reviewed annually and updated if expectations differ from previous estimates due to technical or commercial obsolescence and legal or other limits on the use of the intangible asset.

Allowance for slow moving and obsolete inventories

Management assesses loss (if any) on items of inventory on account of slow moving and obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in profit or loss, the Group makes judgements as to whether there is any observable data indicating that there is a future consumption of the item. Based on the factors, management has identified inventory items as slow moving and obsolete to calculate the allowance for slow moving and obsolete inventories. Provision for slow moving inventories amounted to AED 129,281 thousand as at 31 December 2025 (31 December 2024: AED 94,486 thousand).

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill, property, plant and equipment and other intangibles with indefinite useful lives recognised by the Group. The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained within these consolidated financial statements (Notes 8 and 9). For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

Determination of acquisition date in a business combination

One of the critical steps in a business combination is to identify the acquisition date. As per IFRS 3 "Business Combinations", the acquisition date is defined as the date on which the acquirer obtains control of the acquiree. The acquisition date is critical because it determines when the acquirer recognizes and measures the consideration transferred, the assets acquired, and liabilities assumed. The acquiree's results are consolidated from this date. In a business combination affected by a sale and purchase agreement, the acquisition date is generally the specified closing or completion date. It is often readily apparent from the structure of the business combination and the terms of the sale and purchase agreement (if applicable) but this is not always the case.

IFRS 3 explains that the date on which the acquirer obtains control of the acquiree is generally the date on which the acquirer legally transfers the consideration, acquires the assets, and assumes the liabilities of the acquiree - the closing date. However, the acquirer should consider all pertinent facts and circumstances in identifying the acquisition date, including the possibility that control is achieved on a date that is either earlier or later than the closing date.

During the year, the Group entered into a new business combination transaction related to the acquisition of Rivere Mineral Water Desalination & Filling Factory LLC refer to note (36). Management has considered all legal aspects of the sale and purchase agreements and the pertinent facts and circumstances around each transaction in order to determine the acquisition dates of this transaction in accordance with IFRS 3.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

4 Accounting estimates and judgements (continued)

Fair value measurement of contingent considerations

Contingent considerations from business combinations, are valued at fair value at the acquisition date as part of the business combination. When the contingent liabilities meet the definition of a financial liability, they are subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on detailed assessment of performance targets. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Volume rebates

Sales rebates represent a significant aspect of revenue recognition process and involve estimating the amount of rebates that may be claimed by customers. These estimates are inherently subjective and are subject to change based on various factors, including customer behavior, market conditions, and historical rebate redemption patterns. Sales rebates are recognized as a reduction of revenue when the related sales occur. The estimation of sales rebates is based on historical experience, current contractual terms, and market conditions. Any changes in estimates related to sales rebates are recognized in the period in which the change occurs. Such changes are disclosed in the financial statements in accordance with the applicable accounting standards. Estimates related to sales rebates are subject to periodic review by management, involving a collaborative process between cross functional departments. The approval of such estimates involves key stakeholders to ensure alignment with business objectives.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

5 Right-of-use assets

	Land and buildings AED'000	Plant and equipment AED'000	Motor Vehicles AED'000	Total AED'000
Cost				
At 1 January 2024	122,890	5,724	132,256	260,870
Additions	28,182	-	29,725	57,907
Terminations	(687)	-	-	(687)
Exchange differences	(21,286)	(2,241)	(825)	(24,352)
At 31 December 2024	129,099	3,483	161,156	293,738
Acquisition (note 36)	4,998	-	-	4,998
Additions	43,200	-	7,234	50,434
Terminations	(5,883)	-	(185)	(6,068)
Transfers to property, plant, and equipment (note 6)	-	(4,696)	(2,735)	(7,431)
Exchange differences	2,613	1,213	17	3,843
At 31 December 2025	174,027	-	165,487	339,514
Accumulated depreciation				
At 1 January 2024	63,713	2,535	86,489	152,737
Charge for the year	23,767	644	19,584	43,995
Terminations	(393)	-	-	(393)
Exchange differences	(9,706)	(1,075)	(735)	(11,516)
At 31 December 2024	77,381	2,104	105,338	184,823
Charge for the year	26,340	503	20,583	47,426
Terminations	(1,748)	-	(66)	(1,814)
Transfers to property, plant, and equipment (note 6)	-	(3,772)	(2,735)	(6,507)
Exchange differences	1,724	1,165	13	2,902
At 31 December 2025	103,697	-	123,133	226,830
Carrying amount				
At 31 December 2025	70,330	-	42,354	112,684
At 31 December 2024	51,718	1,379	55,818	108,915

Leases of land and buildings and plant and machinery generally have lease terms between 3 and 15 years, while motor vehicles have lease terms between 3 and 5 years. The Group also has certain leases of point-of-sale outlets and sale branches with lease terms of 12 months or less with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Right of use assets depreciation expenses during the year is charged to the consolidated statement of profit or loss as set out below:

	2025 AED'000	2024 AED'000
Cost of sales (Note 22)	10,029	9,243
Selling and distribution expenses (Note 23)	36,804	33,958
General and administrative expenses (Note 24)	593	794
	47,426	43,995

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

6 Property, plant and equipment

	Land and buildings AED'000	Plant and equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
Cost						
At 1 January 2024	1,091,368	1,482,421	109,452	83,255	175,402	2,941,898
Additions	4,650	12,815	13,462	2,306	160,473	193,706
Disposals	(2,745)	(9,924)	(1,440)	(2,086)	(1,361)	(17,556)
Transfers	80,970	148,089	12,924	425	(242,408)	-
Exchange differences	(19,167)	(32,463)	(11,586)	(3,276)	(3,961)	(70,453)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	1,155,076	1,600,938	122,812	80,624	88,145	3,047,595
Acquisitions (note 36)	19,276	21,801	1,514	25,541	-	68,132
Additions	1,329	19,633	9,732	8,488	113,295	152,477
Disposals	(2,244)	(50,371)	(10,627)	(5,769)	(594)	(69,605)
Transfers	20,290	90,599	22,094	5,446	(138,429)	-
Transfers from right of use assets (note 5)	-	4,696	-	2,735	-	7,431
Exchange differences	1,839	1,343	1,671	434	(1,630)	3,657
Write-off	-	-	-	-	(6,349)	(6,349)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	1,195,566	1,688,639	147,196	117,499	54,438	3,203,338

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

6 Property, plant and equipment (continued)

	Land and Buildings AED'000	Plant and equipment AED'000	Furniture and fixtures AED'000	Motor vehicles AED'000	Capital work in progress AED'000	Total AED'000
Accumulated depreciation						
At 1 January 2024	423,514	920,754	70,878	65,931	-	1,481,077
Charge for the year	43,154	102,833	14,256	5,833	-	166,076
Disposals	(33)	(9,421)	(1,430)	(2,051)	-	(12,935)
Exchange differences	(2,109)	(7,545)	(4,310)	(1,644)	-	(15,608)
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At 31 December 2024	464,526	1,006,621	79,394	68,069	-	1,618,610
Acquisitions (note 36)	7,408	5,926	1,221	13,142	-	27,697
Charge for the year	38,780	108,871	16,506	7,658	-	171,815
Disposals	(1,507)	(43,085)	(10,581)	(5,453)	-	(60,626)
Transfers from right of use assets (note 5)	-	3,772	-	2,735	-	6,507
Exchange differences	268	1,572	134	309	-	2,283
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	509,475	1,083,677	86,674	86,460	-	1,766,286
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Carrying amount						
At 31 December 2025	686,091	604,962	60,522	31,039	54,438	1,437,052
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2024	690,550	594,317	43,418	12,555	88,145	1,428,985
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Capital work in progress represents the buildings, plant and equipment under construction.

Assets with a net carrying amount of AED 14,105 thousand (2024: AED 17,544 thousand) are funded by the Government of Abu Dhabi for the purpose of managing and operating dates receiving centres. A contra amount is recorded in these consolidated financial statements as deferred government grant (Note 17).

Total additions to property, plant and equipment are funded by the Government of Abu Dhabi during the year amounted to AED 2,478 thousand (2024: AED 2,372 thousand) (Note 17).

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

6 Property, plant and equipment (continued)

Depreciation charge for the year related to assets funded by the Government of Abu Dhabi amounted to AED 5,918 thousand (2024: AED 10,141 thousand) (note 17).

During the year, the Group sold equipment with a total net carrying amount of AED 8,979 thousand for a cash consideration of AED 10,421 thousand. (2024: the Group sold equipment with a net carrying amount of AED 4,621 thousand for a cash consideration of AED 6,482 thousand). The net gains and losses on these disposals were recognised as part of other income in the consolidated statement of profit or loss in Note 26.

Property, plant and equipment depreciation expenses during the year is charged as set out below:

	2025	2024
	AED'000	AED'000
Cost of sales (note 22)	131,216	124,550
Selling and distribution expenses (note 23)	19,316	17,323
General and administrative expenses (note 24)	15,165	13,801
Research and development costs (note 25)	201	261
	<hr/>	<hr/>
Depreciation expense charged to the consolidated statement of profit and loss	165,898	155,935
Depreciation of government grants (note 17)	5,917	10,141
	<hr/>	<hr/>
Aggregate depreciation as per property, plant and equipment schedule	171,815	166,076
	<hr/> <hr/>	<hr/> <hr/>

7 Investment in associates

	2025	2024
	AED'000	AED'000
Investment in associates	29,460	29,239
	<hr/> <hr/>	<hr/> <hr/>

Investments in associates are accounted for using the equity method in these consolidated financial statements are as follows:

- 31% ownership interest in Kottouf & Hala Trading Co., a limited liability Company registered in the Kingdom of Saudi Arabia. The principal activity of the associate is trading in foodstuff and snacking products.
- 25% ownership interest in Agthia Ventures Restricted Limited, a Restricted Scope Company registered in Abu Dhabi Global Market (ADGM). The associate is an investment fund for business start-ups with the aim of expanding the Group's innovation capacity and opening new markets.

During the year, the Group had entered into an exit agreement to sell its 50% legal and beneficial ownership interests in Timarat Limited, a private company limited by shares registered in Abu Dhabi Global Market (ADGM) for a consideration of USD 100 (AED 367).

Movement in investment in associates during the year is set out below:

	2025	2024
	AED'000	AED'000
At 1 January	29,239	21,517
Contributions made during the year	-	5,806
Share of profit for the year	2,190	3,734
Dividends received	(1,969)	(1,818)
	<hr/>	<hr/>
At 31 December	29,460	29,239
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

7 Investment in associates (continued)

Summary of the latest available financial information of investment in associates is set out below:

Kottouf & Hala Trading Co.

	2025 AED'000	2024 AED'000
Current assets	72,582	84,800
Non-current assets	30,881	21,653
Current liabilities	(38,328)	(38,853)
Non-current liabilities	(3,458)	(11,529)
Net assets	<u>61,677</u>	<u>56,071</u>
Revenue	<u>149,843</u>	<u>172,443</u>
Profit before zakat	<u>12,873</u>	<u>19,788</u>
Profit for the year	<u>11,955</u>	<u>17,531</u>

Agthia Ventures Restricted Limited

	2025 AED'000	2024 AED'000
Current assets	4,519	23,092
Non-current assets	20,921	9,089
Current liabilities	(2,124)	(1,907)
Net assets	<u>23,316</u>	<u>30,274</u>
Revenue	<u>-</u>	<u>-</u>
Loss before tax	<u>(6,065)</u>	<u>(5,568)</u>
Loss for the year	<u>(6,065)</u>	<u>(5,568)</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

8 Goodwill

For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the Group's Cash Generating Units ("CGUs") where the goodwill is monitored for internal management purposes. The aggregate carrying amount of goodwill allocated to each unit is as set out below:

	Country	2025 AED'000	2024 AED'000
Consumer business division (Atyab)	Egypt	425,401	425,401
Consumer business division (BMB)	UAE	359,338	359,338
Consumer business division (Abu Auf)	Egypt	334,204	334,204
Consumer business division (Al Nabil)	Jordan	264,092	264,092
Consumer business division (Foah)	UAE	102,465	102,465
Consumer business division (Al Faysal)	Kuwait	97,160	97,160
Consumer business division (Al Bayan)	UAE	92,864	92,864
Consumer business division (Delta)	KSA	87,597	87,597
Agri business division	UAE	61,855	61,855
Consumer business division (Riviere Water) *	UAE	54,835	-
Consumer business division (Al Ain Water)	UAE	31,131	31,131
Consumer business division (Agthia Turkey)	Turkey	2,486	2,486
		1,913,428	1,858,593

* During the year, the Group recognised a goodwill through business acquisition amounted to AED 54,835 thousand recognised through the acquisition of Riviere Water Desalination & Filling Factory LLC (note 36).

The recoverable amounts of Agri Business Division and Consumer Business Divisions CGUs were based on their values in use determined by management (2024: value in use except for the CGUs of Atyab and Abu Auf whose recoverable amounts were measured based on the fair value less costs of disposal "FVLCD"). The recoverable amounts of the Group's CGUs were determined to be higher than their carrying amounts.

Values in use were determined by discounting the future cash flows generated from the continuing use of the units using cash flow projections from financial budgets approved by senior management covering a eight-year period and cash flows beyond the eight-year period are extrapolated using a terminal growth rate. Cash flows were projected based on past experience and the five-year business plan and terminal value approved by the management.

Key assumptions used for the Group's CGUs impairment testing are the annual revenue growth rate, discount rate and terminal growth rate as set out below:

Anticipated annual revenue growth and discount rate (%) were as follows:

	Discount rate (%)		Anticipated annual revenue growth (%)	
	2025	2024	2025	2024
Agri business division	13.0%	8.76%	9%-31.3%	1.5% - 6.6%
Consumer business division (Al Ain Water)	13.0%	9.24%	3.3%-9.6%	0.1% - 7.2%
Consumer business division (Agthia Turkey)	16.5%	12.33%	11.5%-19.8%	10.0% - 29.6%
Consumer business division (Al Bayan)	13.0%	9.09%	3.8%-9%	2.1% - 38.8%
Consumer business division (Delta)	13.2%	9.41%	9.0%-31.3%	10.1% - 39.1%
Consumer business division (Foah)	16.5%	9.05%	5.4%- 8.9%	10.0% - 22.8%
Consumer business division (Al Faysal)	9.7%	8.83%	6.7%-10.6%	2.0% - 9.2%
Consumer business division (Al Nabil)	13.4%	11.0%	7%-20.8%	5.2% - 11.5%
Consumer business division (BMB)	16.6%	8.96%	7.1%-13.2%	10.1% - 14.5%
Consumer business division (Abu Auf)	16.5%	**	5%- 32.6%	**
Consumer business division (Atyab)	17.0%	**	11.3%-20.9%	**

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

8 Goodwill (continued)

The average terminal growth rate used to extrapolate the cash flows of the all the CGUs beyond the five-year period is 5.6% (2024: 5.8%) which management considered justified and is comparable with the industry average. The values assigned to the key assumptions represent the management's assessment of future trends in the food and beverage industry and are based on both external and internal sources.

** In determining fair value less costs of disposal (FVLCD) in respect of Atyab and Abu Auf in 2024, the Group took onto consideration recent market transactions. The key assumptions used for estimating the recoverable amount for these CGUs represent the selected EBITDA multiples and costs of disposal. The FVLCD for each of these CGUs was derived using a comparable EBITDA multiple method, which involved applying an appropriate multiple to the projected EBITDA for the respective CGU. Management considered this method for selection due to the availability of relevant market data within the same industry and the nature of the CGU being evaluated. The applied weighted average multiple ranges for Atyab and Abu Auf were 13.3x and 13.1x, respectively, which in management's consideration reflect the market conditions and risks associated with the CGUs. The EBITDA of these CGUs was calculated based on the most recent financial year and ongoing sustainable earnings. In performing these calculations, management had drawn inputs from publicly available information for peer companies. The costs of disposals directly attributable to the sale of the CGUs was estimated at 5% of the equity value.

Sensitivity analysis

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used by 50 basis points to determine the recoverable amount for each of the group of CGUs to which goodwill is allocated. Management anticipates that no reasonably possible change in any of the key assumptions above would cause the carrying value of any of the CGU including goodwill to materially exceed its recoverable amount.

9 Intangible assets

	Brand names AED'000	Licenses AED'000	Customer relationships AED'000	Spring water rights AED'000	Others AED'000	Total AED'000
At 1 January 2024	411,602	50,114	81,091	800	5,906	549,513
Amortisation charge	(2,444)	-	(8,524)	-	(2,112)	(13,080)
Exchange differences	-	(73)	-	(131)	(7)	(211)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2024	409,158	50,041	72,567	669	3,787	536,222
Acquisition (note 36)	42,950	-	10,830	-	-	53,780
Amortisation charge	(2,444)	-	(9,728)	-	(1,924)	(14,096)
Exchange differences	-	23	-	(119)	-	(96)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2025	449,664	50,064	73,669	550	1,863	575,810
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

For impairment testing intangible assets with indefinite useful lives are allocated to the concerned CGUs which are also operating and reportable segments. The majority of the Group's brand names are considered to have an indefinite life. The Group is not aware of any material legal, regulatory, contractual, competitive, economic or other factor which could limit its useful life. Spring water rights is considered to have an indefinite life as per agreement terms, while licenses have been acquired with the option to renew at the end of the period at little or no cost allowing the Group to determine that these licenses have an indefinite useful life. Accordingly, spring water rights, brands with indefinite useful lives and licenses are not amortised.

Brand names with indefinite useful life are subject to impairment test annually and whenever there is an indication that the brand names may be impaired.

The Group estimated that based on the timeframe each of the above brands has been in the market, the strength and establishment of each brand name and considering the useful life of brands in the identified comparable business combinations, the Group believes that these brand names have an indefinite useful life.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

9 Intangible assets (continued)

Anticipated annual revenue growth and discount rate (%) were as follows:

	Discount rate (%)		Anticipated annual revenue growth (%)	
	2025	2024	2025	2024
Consumer business division (Agthia Turkey)	11.2%	12.33%	5.6%	10.0% - 29.6%
Consumer business division (Foah)	16.5%	9.05%	4.2%	10.0% - 22.8%
Consumer business division (Rammah)	9.6%	9.92%	8.5%	4.0% - 30.8%
Consumer business division (Al Faysal)	9.6%	8.83%	5.6%	2.0% - 9.2%
Consumer business division (Al Nabil)	13.4%	11.0%	6.1%	5.2% - 11.5%
Consumer business division (BMB)	16.6%	8.96%	6.7%	10.1% - 14.5%
Consumer business division (Abu Auf)	16.5%	*	5.7%	*
Consumer business division (Atyab)	17%	*	9%	*

* For the purpose of impairment testing, values in use (VIU) were determined by discounting the future cash flows generated from the continuing use of these units except for brand names related to Atyab and Abu Auf which were determined using the fair value less costs of disposal which represents market multiple approach using the EBITDA multiple. In assessing VIU, cash flows were projected based on experience to build a eight-year business plan for spring water rights, licenses and brand names with indefinite useful lives using the following key assumptions:

The values assigned to the key assumptions represent management's assessment of future trends in the food and beverage industry and are based on both external and internal sources.

The key assumptions relating to estimate of the FVLCD have been disclosed and further explained in Note 8.

Sensitivity analysis

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used by 50 basis points to determine the recoverable amount for intangible assets. Management anticipates that no reasonably possible change in any of the key assumptions above would cause the carrying value of any of the above intangible assets to materially exceed its recoverable amount.

10 Inventories

	2025 AED'000	2024 AED'000
Raw and packing materials	509,559	612,137
Work in progress	31,669	34,701
Finished goods	285,442	245,084
Spare parts and consumable materials	128,757	118,933
Goods in transit	12,976	9,136
	968,403	1,019,991
Provision for slow moving inventory	(129,281)	(94,486)
	839,122	925,505

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

10 Inventories (continued)

Movement in the provision for slow moving inventory during the year is set out below:

	2025	2024
	AED'000	AED'000
Opening balance	94,486	34,852
Charge for the year, net (note 22)	49,364	61,675
Written off	(14,569)	(2,041)
	<hr/>	<hr/>
Closing balance	129,281	94,486
	<hr/> <hr/>	<hr/> <hr/>

11 Trade and other receivables

	2025	2024
	AED'000	AED'000
Trade receivables	826,074	963,292
Provision for impairment losses	(183,607)	(199,040)
	<hr/>	<hr/>
Other receivables	642,467	764,252
Prepayments	72,496	54,455
Advances	40,006	37,599
	89,921	147,287
	<hr/>	<hr/>
	844,890	1,003,593
	<hr/> <hr/>	<hr/> <hr/>

Advances include a provision for impairment loss, provision movement during the year is set out below:

	2025	2024
	AED'000	AED'000
Opening balance	32,625	-
Charge for the year, net (note 24)	47,033	32,625
	<hr/>	<hr/>
Closing balance	79,658	32,625
	<hr/> <hr/>	<hr/> <hr/>

Movement in the allowance for impairment losses of trade receivables during the year is set out below:

	2025	2024
	AED'000	AED'000
Opening balance	199,040	136,199
Acquisition	6	-
Charge for the year, net (note 24)	77,037	64,710
Written off	(92,476)	(1,869)
	<hr/>	<hr/>
Closing balance	183,607	199,040
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

11 Trade and other receivables (continued)

The following table details the risk profile of trade receivables based on the Group's provision matrix. The Group's historical credit loss experience is analysed based on different customer channels.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025:

	Gross receivables AED'000	ECL %	ECL provision AED'000
Not due	473,404	2.5%	11,931
0 – 90 Days	122,731	10.6%	12,993
91 – 180 Days	16,107	27.4%	4,406
181 – 270 Days	17,369	28.5%	4,952
271 – 360 Days	10,870	37.9%	4,120
361 Days and above	185,593	78.2%	145,205
	<u>826,074</u>	<u>22.2%</u>	<u>183,607</u>

As at 31 December 2024:

	Gross receivables AED'000	ECL %	ECL provision AED'000
Not due	503,764	3.4%	17,227
0 – 90 Days	129,061	9.9%	12,740
91 – 180 Days	28,950	30.3%	8,758
181 – 270 Days	41,464	32.2%	13,349
271 – 360 Days	51,842	42.1%	21,845
361 Days and above	208,211	60.1%	125,121
	<u>963,292</u>	<u>20.7%</u>	<u>199,040</u>

The Group recognises lifetime expected credit losses (ECL) for trade receivables using the simplified approach. To determine the expected credit losses all debtors were classified into five categories and ECL rate for each category was determined using a provision matrix:

- Category I – Government
- Category II – Municipalities
- Category III – Reprocessing / food service
- Category IV – Retail / distributors
- Category V – Others

These were adjusted for factors that are specific to the debtors and general economic conditions and an assessment of both the current as well as the forecast direction of the conditions at the reporting date, including time value of money, where appropriate.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

12 Balances and transactions with related parties

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of a related party as defined in IAS 24 Related Party Disclosures.

Parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial or operational decisions.

Related parties comprise major shareholders, key management personnel, Board of Directors and their related companies.

a) Key management personnel compensation

Key management personnel compensation for the year is set out below:

	2025	2024
	AED'000	AED'000
Short term benefits	30,009	29,337
Long term benefits	6,853	7,467
	<hr/>	<hr/>
	36,862	36,804
	<hr/> <hr/>	<hr/> <hr/>

b) Amounts due from related parties

	2025	2024
	AED'000	AED'000
Kottouf & Hala Trading Co. – associate company	16,477	19,887
Abu Dhabi Development Holding Company (ADQ) – ultimate parent company	578	2,723
Emirates Iron & Steel Company LLC – affiliated company	301	454
Dubai Cable Company (Private) Limited - affiliated company	46	41
Timarat Limited – joint venture *	-	7,067
	<hr/>	<hr/>
	17,402	30,172
	<hr/> <hr/>	<hr/> <hr/>

* During the year, the group has entered onto exit agreement to sell its stake in Timarat Limited (note 7), accordingly, Timarat Limited is no longer a related party.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

12 Balances and transactions with related parties (continued)

c) Transactions with related parties

Transactions with related parties during the year were as follows:

	2025	2024
	AED'000	AED'000
Sales	30,728	68,699
Expenses recharged	8,808	351
Dividends received (note 7)	1,969	1,818

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the Group had not recognised any provision for expected credit losses relating to amounts owed by related parties (2024: AED Nil).

13 Cash and bank balances

	2025	2024
	AED'000	AED'000
Cash on hand	3,110	3,676
Current and savings accounts	502,268	478,130
Cash and bank balances	505,378	481,806
Bank overdrafts (note 15)	(107,242)	(114,437)
Cash and cash equivalents in the consolidated statement of cash flows	398,136	367,369
Cash and bank balances	505,378	481,806
Fixed deposits	25,341	190,885
Cash and bank balances in the consolidated statement of financial position	530,719	672,691

Fixed deposits are for a period not more than one year and not less than three months (2024: not more than one year and not less than three months). Interest is earned on these deposits at prevailing market rates, the carrying amounts of these assets approximate to their fair value.

Balances with banks are assessed to have low credit risk of default. Accordingly, management estimates the loss allowance on balances with banks at the end of the reporting period to an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and considering the historical default experience and the current credit ratings of the bank, management anticipates that there is no impairment and hence have not recorded any loss allowances on these balances.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

14 Provision for employees' end of service benefits

	2025 AED'000	2024 AED'000
<u>Changes in the present value for end of service benefits</u>		
Opening balance	117,310	111,243
Acquisition during the year (note 36)	2,606	-
Service cost (including interest costs)	19,690	16,939
Benefit payments	(23,224)	(11,557)
Exchange differences	(114)	(66)
Gain on remeasurement	8,253	751
	<u>124,521</u>	<u>117,310</u>
<u>Amounts recognised in the consolidated statement of profit or loss</u>		
	2025 AED'000	2024 AED'000
Current service cost	14,291	11,993
Interest cost	5,399	4,946
	<u>19,690</u>	<u>16,939</u>
<u>Amounts recognised in consolidated statement of other comprehensive income</u>		
	2025 AED'000	2024 AED'000
Effect of changes in demographic assumptions	472	(258)
Effect of changes in financial assumptions	1,995	(4,108)
Effect of experience adjustments	5,786	5,117
	<u>8,253</u>	<u>751</u>
Significant actuarial assumptions		
<u>Discount rate</u>	5.28%	5.50%
Rate of salary increase	3% for all entities per annum	3% for all entities per annum
Sensitivity analysis		
<u>Discount rate</u>		
- 50 basis points	4,963	6,040
+ 50 basis points	4,613	5,614
<u>Salary increase rate</u>		
- 50 basis points	4,733	5,610
+ 50 basis points	5,051	6,043

The Group expects total benefit payments of AED 15,887 thousand in 2026 (2024: AED 15,075 thousand in 2025).

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

15 Bank borrowings

Contractual terms of the Group's interest-bearing loans and borrowings is set out below:

	2025 AED'000	2024 AED'000
Current liabilities:		
Credit facilities	104,851	54,420
Bank overdrafts (note 13)	107,242	114,437
Term loans	9,958	12,992
	<u>222,051</u>	<u>181,849</u>
Non-current liabilities		
Term loans	1,644,417	1,507,602
	<u>1,644,417</u>	<u>1,507,602</u>

Terms and repayment schedule (Amounts in AED'000)

Notes	Interest Rate	Year of maturity	2025		2024	
			Face value /limit	Carrying amount	Face value /limit	Carrying amount
Short term loans / bank overdrafts	Margin + Reference rate*	2026	501,380	161,651	481,743	157,732
Credit facilities	Margin + Reference rate*	2026	1,065,182	50,442	1,090,971	11,125
Term loan 1	(a) SAIBOR + margin*	2025	-	-	4,887	4,887
Term loan 2	(b) Mid Corridor + margin*	2026	737	737	1,381	1,381
Term loan 3	(c) SAIBOR + margin*	2030	-	-	87,965	87,865
Term loan 4	(d) SOFR + margin*	2029	1,101,900	1,101,900	1,101,900	1,101,900
Term loan 5	(e) EIBOR + margin*	2029	300,000	300,000	300,000	300,000
Term loan 6	(f) Fixed	2028	16,202	16,202	22,654	22,654
Term loan 7	(g) EURIBOR + margin*	2027	3,665	3,665	1,907	1,907
Term loan 8	(h) SOFR + margin*	2029	110,190	103,265	-	-
Term loan 9	(i) SOFR + margin*	2030	128,606	128,606	-	-
Total			<u>3,227,862</u>	<u>1,866,468</u>	<u>3,093,408</u>	<u>1,689,451</u>

* Reference rates include SOFR, EIBOR, EURIBOR, SAIBOR, CBK, Mid corridor and Jordan PLR. Margin on the above loans and facilities varies from 0.40 % - 0.95 % (2024: 0.40 % - 0.95 %) for UAE and 0.50 % - 3.25 % (2024: 0.50 % - 2.85 %) for overseas.

- (a) One of the Group's subsidiaries availed a long-term loan of SAR 50,000 thousand in 2020 for a tenure of five years repayable in semi-annual instalments until 2025. The facility is secured by corporate guarantee. The Group has settled the loan during 2025.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

15 Bank borrowings (continued)

Terms and repayment schedule (Amounts in AED'000) (continued)

- (b) One of the Group's subsidiaries has a consolidated liability of bank term loan equivalent to AED 737 thousand as of 31 December 2025 and repayable in quarterly instalments till 2026.
- (c) One of the Group's subsidiaries availed a long-term loan of AED 87,865 thousand (SAR 89,896 thousand) in 2023 for a tenure of seven years repayable in annual instalments from 2026 till 2030 (the loan has two years grace period of principal repayment). The facility is secured by corporate guarantee. The Group has pre-settled the loan during 2025.
- (d) The Group has availed a long-term loan of AED 1,101,900 thousand in USD original currency for a tenure of five years repayable in 2029. The loan payment term is a bullet repayment at maturity. The loan is secured by corporate guarantee.
- (e) The Group has availed a long-term loan of AED 300,000 thousand for a tenure of five years repayable in 2029. The loan payment term is a bullet repayment at maturity. The loan is secured by corporate guarantee.
- (f) One of the Group's subsidiaries availed a long-term loan of AED 25,885 thousand in JOD original currency in 2024 for a tenure of four years repayable in monthly instalments till 2028. The current carrying value of the loan is AED 16,202 thousand (JOD 3,128 thousand).
- (g) One of the Group's subsidiaries has a consolidated liability of bank term loan equivalent to AED 3,665 thousand in EUR original currency as of 31 December 2025 and repayable in semi-annual instalments till 2027.
- (h) One of the Group's subsidiaries availed a long-term loan of AED 103,265 thousand in USD original currency in 2025 for a tenure of four years repayable in half yearly instalments till 2029 (the loan has one year grace period of principal repayment). The facility is secured by corporate guarantee.
- (i) One of the Group's subsidiaries availed a long-term loan of AED 128,606 thousand in USD original currency for a tenure of five years repayable in 2030. The loan payment term is a bullet repayment at maturity. The loan is secured by corporate guarantee.

16 Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025 AED'000	2024 AED'000
Opening balance	109,190	108,452
Acquisition during the year (note 36)	4,939	-
Additions during the year	50,434	57,907
Lease liabilities terminated	(4,254)	(294)
Payments made during the year	(54,318)	(64,467)
Interest cost (note 28)	10,373	7,592
	<hr/>	<hr/>
Closing balance	116,364	109,190
	<hr/> <hr/>	<hr/> <hr/>

Lease liabilities as at 31 December is set out below:

	2025 AED'000	2024 AED'000
Current	37,139	33,188
Non-current	79,225	76,002
	<hr/>	<hr/>
	116,364	109,190
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

16 Lease liabilities (continued)

The Group does not have a significant liquidity risk regarding its lease liabilities and does not have any significant variable component in lease payments. Information relating to amounts recognised on consolidated profit or loss in respect of right-of-use assets is provided in Note 5. Interest expense on lease liabilities for the year ended 31 December 2025 amounted to AED 10,373 thousand (31 December 2024: AED 7,592 thousand).

Maturity analysis for the Group lease liabilities is set out below:

	2025 AED'000	2024 AED'000
Not later than 1 year	37,139	33,188
Later than 1 year and not later than 5 years	67,945	61,909
Later than 5 years	11,280	14,093
	<u>116,364</u>	<u>109,190</u>

17 Deferred government grant

The Government of Abu Dhabi provides an annual budget for capital expenditure in accordance with an approved budget. The capital grants are recorded as deferred government grants in the consolidated statement of financial position and classified as current and non-current liabilities.

	2025 AED'000	2024 AED'000
<i>Current portion</i>		
Unamortised government grants related to property, plant and equipment	5,918	10,141
<i>Non-current portion</i>		
Unamortised government grants related to property, plant and equipment	8,187	7,403
	<u>14,105</u>	<u>17,544</u>

Deferred government grants represent the net carrying amounts of total property, plant and equipment funded by the Government of Abu Dhabi for the purpose of managing and operating dates receiving centres. Movement in the deferred government grant during the year is set out below:

	2025 AED'000	2024 AED'000
Opening balance	17,544	25,313
Purchase of property, plant and equipment (note 6)	2,478	2,372
Depreciation of the grant (note 6)	(5,917)	(10,141)
	<u>14,105</u>	<u>17,544</u>

18 Trade and other payables

	2025 AED'000	2024 AED'000
Trade payables	728,144	928,610
Accrued expenses	432,118	454,638
Advances and deposits	36,677	24,448
Taxes payable	7,806	10,170
Other payables	111,728	124,116
	<u>1,316,473</u>	<u>1,541,982</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

19 Share capital and share premium

Share capital includes issued and fully paid AED 831,156 thousand shares (31 December 2024: AED 831,156 thousand shares) at a par value of AED 1 each.

Share premium pertains to the additional shares issued in prior years with an aggregate principal amount of AED 843,674 thousand which resulted in share premium of AED 652,097 prior to below utilisation.

During the year, the Group has not utilised any amount (2024: the Group has utilised an amount of AED 39,579 thousand) from the share premium against the issuance of bonus shares (note 21).

	2025	2024
	AED'000	AED'000
Authorised share capital (Ordinary shares of AED 1 each)	1,200,000	1,200,000
Issued and fully paid share capital	831,156	831,156
Share premium	612,518	612,518

20 Legal reserve

In accordance with the UAE Federal Decree Law No. (32) of 2021, as amended, and the Company's Articles of Association, 10% of the profit for each year attributable to the owners of the Company is transferred to the legal reserve until this reserve equals 50% of the paid-up share capital. The legal reserve is restricted and not available for distribution.

21 Dividends

At the Annual General Meeting held on 22 April 2025 the shareholders' approved interim cash dividends of AED 89,138 thousand for the year ended 31 December 2024 which represents 10.72% of the issued share capital at the time of declaration (30 September 2024). At the Annual General Meeting held on 23 April 2024 the shareholders' approved interim cash dividends of AED 81,137 thousand for the year ended 31 December 2023 which represents 10.25% of the issued share capital at the time of declaration and stock dividends of AED 39,579 thousand for the year ended 31 December 2023 which represents 5% of the issued share capital at the time of declaration).

In addition, at the Annual General Meeting held on 12 September 2025 the shareholders' approved interim cash dividends of AED 85,692 thousand for the six month period ended 30 June 2025 which represents 10.31% of the issued share capital at the time of declaration (30 September 2024: at the Annual General Meeting held on 12 September 2024 the shareholders' approved interim cash dividends of AED 85,692 thousand for the six - month period ended 30 June 2024 which represents 10.31% of the issued share capital at the time of declaration).

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

22 Cost of sales

	2025 AED'000	2024 AED'000
Raw materials	2,756,431	2,746,853
Salaries and benefits	302,098	280,627
Depreciation of property, plant and equipment (Note 6)	131,216	124,550
Utilities	84,188	79,371
Provision for slow moving inventory, net (Note 10)	49,364	61,675
Maintenance	44,291	44,016
Transportation	21,680	28,083
Rent expenses	19,928	13,666
Depreciation of right-of-use assets (Note 5)	10,029	9,243
Insurance	6,397	5,915
Others	11,597	54,430
	<hr/>	<hr/>
	3,437,219	3,448,429
	<hr/> <hr/>	<hr/> <hr/>

23 Selling and distribution expenses

	2025 AED'000	2024 AED'000
Salaries and benefits	328,688	282,370
Marketing expenses	94,283	90,980
Transportation	89,918	90,696
Depreciation of right-of-use assets (Note 5)	36,804	33,958
Rent expense	28,025	23,725
Depreciation of property, plant and equipment (Note 6)	19,316	17,323
Maintenance	14,280	13,627
Utilities	7,249	6,159
Training and consulting	796	604
Others	50,286	52,488
	<hr/>	<hr/>
	669,645	611,930
	<hr/> <hr/>	<hr/> <hr/>

24 General and administrative expenses

	2025 AED'000	2024 AED'000
Salaries and benefits	232,040	213,694
Allowance for impairment loss of trade receivables (Note 11)	77,037	64,710
Allowance for impairment loss of other receivables (Note 11)	47,033	32,625
Legal and professional fees	37,453	13,705
Maintenance	26,253	24,903
Depreciation of property, plant and equipment (Note 6)	15,165	13,801
Amortisation of intangible assets (Note 9)	14,096	13,080
Rent expense	6,549	5,846
Depreciation of right-of-use assets (Note 5)	593	794
Others	62,219	66,065
	<hr/>	<hr/>
	518,438	449,223
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**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

25 Research and development costs

	2025	2024
	AED'000	AED'000
Salaries and benefits	7,062	6,725
Depreciation on property, plant and equipment (Note 6)	201	261
Others	646	634
	<hr/>	<hr/>
	7,909	7,620
	<hr/> <hr/>	<hr/> <hr/>

26 Other income, net

	2025	2024
	AED'000	AED'000
Grant income from receiving centres relating to grants	8,400	8,400
Income on sale of scrap raw materials	4,531	7,405
Income from filling / storage	4,601	3,365
Management fee	1,164	1,344
Gain on sale of property, plant and equipment	1,442	1,861
Property, plant and equipment write-off (note 5)	(6,349)	-
Others	1,275	24,396
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	15,064	46,771
	<hr/> <hr/>	<hr/> <hr/>

27 Finance income

	2025	2024
	AED'000	AED'000
Interest income	11,808	17,026
	<hr/>	<hr/>

28 Finance expense, net

	2025	2024
	AED'000	AED'000
Interest expense on borrowings	96,950	81,703
Interest expense on lease liabilities (note 16)	10,373	7,592
Foreign exchange gain, net	(369)	(8,002)
	<hr/>	<hr/>
	106,954	81,293
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

29 Income tax and zakat expenses

The Group's operation in UAE, Qatar, Egypt, Turkey, Jordan and Oman are subject to corporate taxation. Provision is made for taxes at rates enacted or substantively enacted at the consolidated statement of financial position date on taxable profits of overseas subsidiaries in accordance with the fiscal regulations of the countries in which they operate.

Further, the Group's operation in the Kingdom of Saudi Arabia is subject to Zakat. Zakat is provided in accordance with the Regulations of the General Authority of Zakat and Tax (GAZT) in the Kingdom of Saudi Arabia on accrual basis. The provision is charged to the consolidated statement of profit or loss.

Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years. The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate for the year ended 31 December. Tax rates differ between jurisdictions in which the Group operates. The tax rate applicable in the UAE is 9% (2024: 9%) for taxable profits exceeding AED 375,000. The overall effective tax rate for the Group, including all applicable jurisdictions, is 25.2% (2024: 16.1%). The difference between the applicable tax rate and the Group's effective tax rate arises due to higher corporate tax rates applicable in sub jurisdictions where the group operates and to various adjustments being made in accordance with the corporate tax law which are stated below:

	2025 AED'000	2024 AED'000
The major components of income tax expense for the years ended 31 December 2025 and 2024 are:		
Consolidated profit or loss		
Current income tax		
Current income tax charge	<u>38,013</u>	<u>67,874</u>
Deferred tax		
Relating to origination and reversal of temporary differences	<u>(4,093)</u>	<u>(6,028)</u>
Income tax expense reported in the income statement	<u>33,920</u>	<u>61,846</u>
Reconciliation of tax expense and the accounting profit multiplied by UAE domestic tax rate for 2024 and 2025		
Accounting profit before tax	134,518	383,680
At United Arab Emirates' statutory income tax rate of 9%	12,107	34,531
Effect of standard exemption	(270)	(68)
Non-deductible expenses	6,609	8,447
Impact of tax rates on other jurisdictions	15,836	19,297
Amortization of goodwill	<u>(362)</u>	<u>(362)</u>
Income tax expense reported in the income statement	<u>33,920</u>	<u>61,846</u>
ETR	25.2%	16.1%
Net DTL		
At 1 January	37,837	43,865
Charge for the year through P&L	(4,093)	(6,028)
Foreign exchange differences (net)	<u>83</u>	<u>-</u>
At 31 December	<u>33,661</u>	<u>37,837</u>
Tax and zakat payable during the year		
At 1 January	64,766	21,129
Charge during the year	38,013	67,874
Payment during the year	(63,453)	(25,838)
Foreign exchange impact	<u>2,064</u>	<u>1,601</u>
At 31 December	<u>41,390</u>	<u>64,766</u>
Deferred tax recognized in the statement of financial positions comprises of:		
Goodwill temporary difference related to business combinations	(41,917)	(42,279)
Temporary differences due to government incentives	10,541	7,699
Other temporary differences	<u>(2,285)</u>	<u>(3,257)</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

29 Income tax and zakat expenses (continued)

	2025	2024
	AED'000	AED'000
Deferred tax recognized in the consolidated statement of profit or loss comprises of:		
Goodwill temporary amortization	362	362
Temporary differences due to government incentives	2,842	4,758
Other temporary differences	889	908

On 15 March 2024, the United Arab Emirates (UAE) Ministry of Finance released a Consultation document on implementation of the OECD Base Erosion and Profit Shifting Pillar Two (Minimum tax), which sets out a top-up tax liability calculated based on the principles in the Pillar Two model rules. The Consultation was closed for comments on 10 April 2024 and is awaiting further announcements. The Group is headquartered in the UAE and is within the scope of the OECD BEPS Pillar Two model rules. The Group has operations in countries where Pillar Two legislation was in effect during 2025 (e.g., Kuwait, Netherlands, Turkey).

The deferred income tax expense for the year ended 31 December 2025 of AED 362 thousand (31 December 2024: AED 362 thousand) relates to the initial recognition of a deferred tax liability in respect of Purchase Price Allocation (PPA) adjustments carried on the Group's consolidated statement of financial position and attributable to certain UAE-based Group entities. While the PPA adjustments relate to a corporate transaction completed in prior accounting periods, the deferred tax liability arises due to the introduction of the UAE CT Law in the UAE, and on the basis that the UAE-based entities to which those PPA adjustments are attributed should be subject to UAE CT in the future.

30 Basic and diluted earnings per share

	2025	2024
Profit for the year attributable to the Owners of the Company AED ('000)	85,516	291,274
Weighted average number of ordinary shares in issue throughout the year ('000)	831,156	818,869
Basic and diluted earnings per share (AED)	0.103	0.356

Basic and diluted earnings per share are calculated by dividing the Group profit for the year attributable to the owners of the Company by the weighted average number of shares in issue throughout the year.

As of 31 December 2025 and 2024, the Company has not issued any instruments that have an impact on diluted earnings per share when exercised and accordingly diluted earnings per share are the same as basic earnings per share.

31 Contingent liabilities and capital commitments

	2025	2024
	AED'000	AED'000
Bank guarantees	103,815	87,228
Contingencies	132,998	103,516
Capital commitments	21,174	29,059

Bank guarantees were issued in the normal course of business. These include deferred payment credit, performance bonds, tender bonds, deferred payment bills, inward bill and margin deposit guarantees.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

32 Partly-owned subsidiaries

Financial information of sizeable subsidiaries that have material non-controlling interests is set out below:

Proportion of equity interest percentage held by non-controlling interests

	Country of incorporation and operation	2025	2024
Al Nabil Food Industries LLC	Jordan	20%	20%
Al Rammah National for General Trading and Contracting Company WLL	Kuwait	50%	50%
A.U.F. Egypt for Manufacturing and Distribution of Nuts S.A.E. *	Egypt	20%	30%

* Refer (note 35) for additional information on legal ownership and economic interests acquired during the year.

Accumulated balances of individual non-controlling interests as at the reporting date

	2025 AED'000	2024 AED'000
Al Nabil Food Industries LLC	70,138	70,124
Ripplette Corp. and Mediterranean Confectionary Company Limited	707	(59)
Al Rammah National for General Trading and Contracting Company WLL	41,230	41,234
A.U.F. Egypt for Manufacturing and Distribution of Nuts S.A.E.	46,724	57,305
	158,799	168,604

Profit for the year allocated to individual non-controlling interests are set out below:

	2025 AED'000	2024 AED'000
Al Nabil Food Industries LLC	1,982	4,149
Ismailia Agricultural and Industrial Investment (Furat)	-	2,517
Al Rammah National for General Trading and Contracting Company WLL	13	1,381
Ripplette Corp. and Mediterranean Confectionary Company Limited	766	1,236
A.U.F. Egypt for Manufacturing and Distribution of Nuts S.A.E.	12,321	21,277
	15,082	30,560

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

33 Financial instruments

Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date is set out below:

	Notes	2025 AED'000	2024 AED'000
Trade receivables, net	11	642,467	764,252
Other receivables	11	72,496	54,455
Due from related parties	12	17,402	30,172
Cash at banks	13	527,609	669,015
		<u>1,259,974</u>	<u>1,517,894</u>

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated statement of financial position are net of allowances for expected credit losses as calculated using Expected Credit Loss approach based on lifetime expected credit losses using the Group's management prior experience and the current economic environment adjusted for forward looking factors. The Group has no significant concentration of credit risk, with overall exposure being spread over many customers.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

The Group ensures that it has sufficient cash on demand to meet expected operational and capital expenditures in accordance with the Group's working capital requirements, including servicing financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Contractual maturities of the Group's financial liabilities as at the reporting date are set out below:

Amounts in AED'000	Carrying value	Contractual cash flows	Up to 1 year	1-2 years	2-5 years	More than 5 years
As at 31 December 2025						
Trade and other payables	839,872	839,872	839,872	-	-	-
Bank borrowings	1,866,468	2,116,131	289,607	77,284	1,749,240	-
Lease liabilities	116,364	139,623	45,421	52,212	26,854	15,135
	<u>2,822,704</u>	<u>3,095,626</u>	<u>1,174,900</u>	<u>129,496</u>	<u>1,776,094</u>	<u>15,135</u>
As at 31 December 2024						
Trade and other payables	1,052,726	1,052,726	1,052,726	-	-	-
Bank borrowings	1,689,451	1,929,969	257,325	76,873	1,480,190	115,581
Lease liabilities	109,190	114,873	40,275	41,974	21,181	11,443
	<u>2,851,367</u>	<u>3,097,568</u>	<u>1,350,326</u>	<u>118,847</u>	<u>1,501,371</u>	<u>127,024</u>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

33 Financial instruments (continued)

Market risk

Foreign currency risk

Currency risk is the risk that the value of the Group financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in currency that's not the Group's currency. The Group exposure to foreign currency risk is primarily limited to transactions in Turkish Lira ("TRY"), Kuwaiti Dinar ("KWD"), Egyptian Pounds ("EGP"), Euro ("EUR"), United State Dollars ("USD"), Omani Riyals ("OMR"), Jordanian Dinars ("JOD") and Saudi Riyals ("SAR").

Management anticipates that the Group's exposure to currency risk is limited as the Group's currency, JOD and SAR are pegged to USD. The fluctuation in exchange rates against TRY, KWD, EGP, Euro, and OMR are monitored on a continuous basis.

The following tables demonstrate the sensitivity to a reasonably possible change in significant foreign currency exchange rates exposure mainly denominated in EGP, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Change in EGP rate	Effect on profit before tax AED'000
2025	- / + 5%	- / + 5,606
2024	- / + 5%	- / + 7,520

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing obligations with floating interest rates.

The Group manages its interest rate risk by entering into interest rate swaps arrangements when needed, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase / (decrease) in basis points	Effect on profit before tax AED'000
2025	- / + 0.5%	- / + 8,963
2024	- / + 0.5%	- / + 5,903

Capital management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to optimise the cost of capital. In maintaining an appropriate capital structure and providing returns for shareholders in 2025, the Group provided returns to shareholders in the form of cash dividends for the year 2024 results, current details of which are included in the consolidated statement of changes in equity.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)****33 Financial instruments (continued)*****Fair value hierarchy***

The Group measures financial instruments such as contingent considerations at fair value at each consolidated statement of financial position date and classified as level 3.

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 as at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value hierarchy levels have been defined as follows:

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

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

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

During the year, there were no transfers between fair value levels.

The Group's management considers that the fair values of its financial assets and financial liabilities that are not measured at fair value approximates to their carrying amounts as stated in the consolidated statement of financial position.

34 Segmental analysis

The Group has two reportable segments, as described below. Reportable segments offer different products and services and are managed separately because they require different technology and operational marketing strategies. For each of the strategic business units, the Group's executive management reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segment:

Agri Business Division ("ABD")

- Flour and Animal Feed includes manufacturing and distribution of flour and animal feed.

Consumer Business Division ("CBD")

- Water and Food segment includes manufacturing, bottling, and distribution of drinking water, beverages, juices, dairy and trading products.
- Protein and Frozen Vegetables segment includes manufacturing, packaging, distribution and trading of tomato and chili paste, fruit concentrate, frozen vegetables and processed protein products.
- Snacks segment includes manufacturing, packaging, distribution of dates, sweets, baklava, chocolates, coffee, nuts and bakery products.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports data reviewed by the Group's executive management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

34 Segmental analysis (continued)

	Agri Business Division ("ABD")		Consumer Business Division ("CBD")								Total	
			Water and Food		Protein and FV		Snacks		Total CBD			
	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Revenues Intra-group	1,251,559 (28,395)	1,367,447 (35,222)	1,307,367 (67,092)	1,174,016 (91,863)	1,011,154 (15,508)	1,015,166 (6,692)	1,395,148 (8,612)	1,519,574 (27,782)	3,713,669 (91,212)	3,708,756 (126,337)	4,965,228 (119,607)	5,076,203 (161,559)
External revenues	1,223,164	1,332,225	1,240,275	1,082,153	995,646	1,008,474	1,386,536	1,491,792	3,622,457	3,582,419	4,845,621	4,914,644
Gross profit	349,689	330,563	532,793	454,634	223,330	251,264	325,847	448,755	1,081,970	1,154,653	1,431,659	1,485,216
Reportable segment profit	187,352	188,952	55,356	73,338	12,707	53,726	(82,911)	62,483	(14,848)	189,547	172,504	378,499
<i>Material non- cash item</i> Impairment loss on trade receivables, net	4,559	3,243	45,184	8,285	1,792	4,714	25,502	48,468	72,478	61,467	77,037	64,710

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

34 Segmental analysis (continued)

	Agri Business Division (ABD)		Consumer Business Division (CBD)		Total Segments	
	31 December 2025 AED'000	31 December 2024 AED'000	31 December 2025 AED'000	31 December 2024 AED'000	31 December 2025 AED'000	31 December 2024 AED'000
<i>Others:</i>						
Segment assets	740,829	522,141	2,978,368	3,149,717	3,719,197	3,671,858
Segment liabilities	425,097	493,147	1,574,327	1,552,591	1,999,424	2,045,738
Capital expenditure	9,478	16,027	129,534	162,066	139,012	178,093

Reconciliations of reportable segments' gross profit / (loss), finance income and expense, depreciation, and capital expenditure are set out below:

	2025			2024		
	Reportable segment totals AED'000	Unallocated AED'000	Consolidated totals AED'000	Reportable segment totals AED'000	Unallocated AED'000	Consolidated totals AED'000
Gross profit / (loss)	1,431,659	(23,257)	1,408,402	1,485,216	(19,001)	1,466,215
Finance income	9,094	2,714	11,808	5,849	11,177	17,026
Finance expense	(40,070)	(66,884)	(106,954)	(12,691)	(68,602)	(81,293)
Depreciation of property, plant and equipment	159,247	6,651	165,898	151,612	4,323	155,935
Capital expenditure	139,012	13,465	152,477	178,093	15,613	193,706

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

34 Segmental analysis (continued)

Reconciliation of reportable segments' profit or loss for the year is set out below:

	2025 AED'000	2024 AED'000
Total profit for reportable segments	172,504	378,499
<i>Unallocated amounts</i>		
Other operating income / (expenses)	(5,552)	2,951
Net finance income, net	(66,354)	(59,616)
	<hr/>	<hr/>
Profit for the year	100,598	321,834
Non-controlling interests	(15,082)	(30,560)
	<hr/>	<hr/>
Profit for the year attributable to the owners of the Company	85,516	291,274
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Reconciliation of reportable segments' assets and liabilities are set out below:

	2025 AED'000	2024 AED'000
Segment Assets		
Agri Business Division	740,829	522,141
Consumer Business Division	2,978,368	3,149,717
	<hr/>	<hr/>
Total assets for reportable segments	3,719,197	3,671,858
Other unallocated amounts	2,593,981	2,931,821
	<hr/>	<hr/>
Total assets	6,313,178	6,603,679
	<hr/> <hr/>	<hr/> <hr/>
Segment Liabilities		
Agri Business Division	425,097	493,147
Consumer Business Division	1,574,327	1,552,591
	<hr/>	<hr/>
Total liabilities for reportable segments	1,999,424	2,045,738
Other unallocated amounts	1,526,169	1,564,713
	<hr/>	<hr/>
Total liabilities	3,525,593	3,610,451
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

35 Acquisition of non-controlling interests

Abu Auf Holding Netherlands B.V.

On 20 February 2025, the Group acquired an additional 10% ownership interest in Abu Auf Holding Netherlands B.V. increasing its ownership interest from 70% to 80%. Cash consideration of AED 129,176 thousand was paid to the non-controlling shareholders.

The carrying value of the net assets of Abu Auf Netherlands B.V. (excluding goodwill on the original acquisition) was AED 20,652 thousand.

Following is a schedule of additional interest acquired in Abu Auf Netherlands B.V.:

	20 February 2025 AED'000
Cash consideration paid to non-controlling shareholders	129,176
Carrying value of the additional interest in Abu Auf Netherlands B.V.	(20,652)
	<hr/>
Difference recognised in current year retained earnings	108,524
	<hr/> <hr/>

On 29 February 2024, the Group acquired an additional 10% ownership interest in Abu Auf Holding Netherlands B.V., increasing its ownership interest from 60% to 70%. Cash consideration of AED 82,117 thousand was paid to the non-controlling shareholders.

The carrying value of the net assets of Abu Auf Netherlands B.V. (excluding goodwill on the original acquisition) was AED 18,479 thousand.

Abu Auf Holding Netherlands B.V. (continued)

Following is a schedule of additional interest acquired in Abu Auf Netherlands B.V.:

	29 February 2024 AED'000
Cash consideration paid to non-controlling shareholders	82,117
Carrying value of the additional interest in Abu Auf Netherlands B.V.	(18,479)
	<hr/>
Difference recognised in comparative period retained earnings	63,638
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Baklawa Made Better Investments LLC “BMB”

On 4 April 2024, the Group increased its economic interest in BMB from 80% to 100% in return of AED 47,101 thousand to be paid on 2 tranches to the non-controlling interests. Cash consideration of AED 24,494 thousand representing tranche 1 was paid to the non-controlling shareholders. Second tranche payment amounting to AED 22,607 thousand to be paid after 12 months. During the year, the Group settled tranche 2 in cash.

The carrying value of the net assets of BMB (excluding goodwill on the original acquisition) was AED 52,939 thousand.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

35 Acquisition of non-controlling interests (continued)

Baklawa Made Better Investments LLC “BMB” (continued)

Following is a schedule of additional interest acquired in BMB:

	4 April 2024 AED'000
Cash consideration paid to non-controlling shareholders (Tranche 1)	24,494
Contingent considerations (Tranche 2)	22,607
	<hr/>
Total considerations	47,101
Carrying value of the additional interest in BMB	(52,939)
	<hr/>
Difference recognised in comparative period retained earnings	(5,838)
	<hr/> <hr/>

Ismailia Agricultural and Industrial Investment “Atyab”

On 30 May 2024, the Group acquired an additional 24.98% ownership interest in Atyab, increasing its ownership interest from 75.02% to 100%. Cash consideration of AED 114,111 thousand was paid to the non-controlling shareholders. The carrying value of the net assets of Atyab (excluding goodwill on the original acquisition) was AED 48,824 thousand.

Following is a schedule of additional interest acquired in Atyab:

	30 May 2024 AED'000
Cash consideration paid to non-controlling shareholders	114,111
Carrying value of the additional interest in Atyab	(48,824)
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Difference recognised in comparative period retained earnings	65,287
	<hr/> <hr/>

36 Business combination

On 28 March 2025, the Company entered onto a binding agreement to acquire 100% of the shares of Riviere Mineral Water Desalination & Filling Factory LLC (“Riviere”), a limited liability company based in the UAE that specialises in 5 gallon bulk water business. The Group took over management control on 6 May 2025.

The Group has acquired Riviere because it is expanding both its existing market share and customer base, as well as, resolving capacity constraints within the UAE. The acquisition has been accounted for using the acquisition method.

The consolidated financial statements include the amounts of Riviere as at the acquisition date.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

36 Business combination (continued)

Fair values of the identifiable assets and liabilities of Riviere as at the date of acquisition were as follows:

	Fair value on acquisition (unaudited) AED'000
Assets	
Property, plant and equipment (note 6)	40,435
Intangible assets – brand names (note 9)	42,950
Intangible assets – customer relationship (note 9)	10,830
Right of use assets (note 5)	4,998
Inventories	1,899
Trade and other receivables	3,887
Cash and bank balances	1,945
	<hr/>
Total assets	106,944
	<hr/> <hr/>
Liabilities	
Employees' end of service benefits	(2,606)
Borrowings	(9,478)
Trade and other payables	(16,793)
Lease liabilities (note 16)	(4,939)
	<hr/>
Total liabilities	(33,816)
	<hr/> <hr/>
Net assets at fair value	73,128
	<hr/> <hr/>
Goodwill arising on acquisition (note 8)	54,835
	<hr/> <hr/>
Purchase considerations	127,963
	<hr/> <hr/>
<i>Analysis of cash flow on acquisition were:</i>	
Net cash acquired with the subsidiary	1,945
Consideration paid	(127,963)
	<hr/> <hr/>
Net cash acquired with the subsidiary (included in cash flows from investing activities)	(126,018)
	<hr/> <hr/>

From the date of acquisition to 31 December 2025, Riviere contributed AED 64,242 thousand of revenue and AED 6,396 thousand of profit before tax to the Group. If the acquisition had taken place at the beginning of the year, Riviere would have contributed revenue amounting to AED 90,211 thousand and profit before tax of AED 9,353 thousand.

**Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)**

37 Contingent consideration

Movement in the contingent considerations during the year is as follows:

	31 December 2025 AED'000	31 December 2024 AED'000
Beginning balance	22,607	-
BMB non-controlling interests acquisition – Tranche 2 (note 35)	-	22,607
Payment of BMB non-controlling interests acquisition – Tranche 2 (note 35)	(22,607)	-
	<hr/>	<hr/>
Closing balance	-	22,607
	<hr/> <hr/>	<hr/> <hr/>

38 Reclassification of comparative figures

Certain comparative figures for the year ended 31 December 2024 have been reclassified for consistency with the current year presentation. This reclassification had no effect on the reported results of the Group nor its cash flows.

To achieve better presentation, the Group's management presented deferred tax assets, deferred tax liabilities and income tax and zakat payable provisions separately in the consolidated statement of financial position. Accordingly, the comparative figures of trade and other payables and trade and other receivables for the year ended 31 December 2024 have been reclassified for consistency with the current year presentation.

The above reclassification incorporated in these consolidated financial statements is as required IAS 1 Presentation of financial statements.

	As previously reported AED ('000)	Reclassification AED ('000)	As reclassified AED ('000)
31 December 2024			
<i>Consolidated statement of financial position</i>			
Current assets			
Trade and other receivables	1,013,357	(9,764)	1,003,593
Deferred tax assets	-	9,764	9,764
	<hr/>	<hr/>	<hr/>
Total assets	1,013,357	-	1,013,357
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Trade and other payables			
Trade and other payables	1,612,070	(70,088)	1,541,982
Deferred tax liabilities	42,279	5,322	47,601
Income tax and zakat payable	-	64,766	64,766
	<hr/>	<hr/>	<hr/>
Total liabilities	1,654,349	-	1,654,349
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Consolidated statement of cash flow</i>			
Operating activities			
Trade and other receivables	(8,266)	(2,461)	(10,727)
Trade and other payables	4,819	(32,235)	(27,416)
Other provisions	(34,696)	34,696	-
	<hr/>	<hr/>	<hr/>
Net cash flows from operating activities	(38,143)	-	(38,143)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>