

# Abu Dhabi National Building Materials Company (BILDICO)

Integrated report

About the Fiscal Year 2025

Financial Performance Report – Q1/Q2/Q3/Q4 of 2025.

Data-driven insights for sustainable growth

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## The Company's Mission

To be the driving force behind the advancement of the construction sector through innovation, industrial integration, and responsible investment, creating a lasting developmental impact and shaping the future of urban growth with confidence and leadership.



## Vision

To evolve into a leading asset-based industrial and investment group that drives an integrated ecosystem for the construction sector across the UAE and the Arab region. Through an operating model built on innovation, industrial integration, and long-term investment, we aim to achieve sustainable portfolio diversification, enhance value creation, and support urban development in line with the highest international standards.



# Goals

THE STRATEGIC ROADMAP TO ACHIEVING SUSTAINABLE GROWTH AND LONG-TERM VALUE.

## ➤ INDUSTRIAL TRANSFORMATION

Transitioning from a traditional commercial model to an asset-based industrial group.

## ➤ INVESTMENT ARM

Establishing an investment arm that supports expansion in the industrial and real estate sectors.

## ➤ QUALITY AND RELIABILITY

Reinforcing BILDCO's position as a benchmark for quality and reliability in the region.

## ➤ PRODUCTION OPTIMIZATION

Increasing production capacity and strengthening industrial integration through targeted investments.

## ➤ SUSTAINABLE GROWTH

Achieving sustained growth in revenues and profitability through diversified income streams.

## ➤ DIGITAL TRANSFORMATION

Adopting digital transformation to enhance operational efficiency and optimize supply chains.

## ➤ HUMAN CAPITAL

Developing human capital to serve as a primary driver of growth and innovation.



# Strategy

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Our Strategic Direction Toward  
Shaping the Future of Industry

01

**Investing in our assets today to  
build tomorrow's leadership.**

02

**Thinking today... delivering  
the building solutions of  
tomorrow.**

03

**We continuously evolve to provide  
our clients with ever-renewing  
expertise and increasing value.**

04

**We expand our resources to  
enhance the value we deliver  
to our clients.**

# Introduction

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Abu Dhabi National Company for Building Materials – BILDCO (PJSC) is embarking on a new phase of growth and strategic transformation, guided by an ambitious industrial and investment vision aligned with the objectives of UAE Vision 2030 and the nation’s initiatives to strengthen domestic manufacturing and economic sustainability.

The Company has adopted an integrated approach centered on forging high-value strategic partnerships, expanding its industrial asset base, enhancing operational activities, and introducing new lines of business that reinforce diversification and long-term sustainability. It places strong emphasis on innovation, industrial transformation, and operational excellence, solidifying its position as a resilient industrial and investment entity capable of keeping pace with the rapid evolution of the construction sector.

Through this strategic direction, BILDCO seeks to maximize shareholder value, strengthen local supply chains, and play a meaningful role in advancing the UAE’s industrial and urban development journey.

An Integrated Vision for Building  
Long-Term Industrial Value



**In 2025, the Company witnessed a significant advancement in its governance and institutional compliance framework, implementing a comprehensive program to modernize its regulatory and oversight structures, enhance transparency, and reinforce the principles of compliance and institutional sustainability.**

Within this context, the Company updated its governance framework and manual to fully align with the requirements of the Securities and Commodities Authority and the relevant resolutions, including Board Resolution No. (3/R.M) of 2020 concerning the adoption of the Corporate Governance Guide for Public Joint Stock Companies. This ensured alignment of local practices with international standards of corporate governance.

The development program also included:

- Updating financial and administrative regulations to enhance performance efficiency and clarify roles and responsibilities.
  - Upgrading technical systems and digital infrastructure in line with global best practices, supporting digital transformation and accelerating operational processes.
  - Restructuring and enhancing the internal control system to ensure the highest levels of oversight, risk management, and regulatory compliance.
  - Developing and adopting a Code of Conduct to institutionalize a culture of integrity, transparency, and accountability across the organization.

This institutional development reflects the Company’s commitment to building a robust governance framework and effective risk management practices, strengthening the confidence of shareholders and stakeholders, supporting sustainable growth, and reinforcing its position as a leading industrial and investment entity distinguished by the highest standards of corporate discipline.



**52**  
Years of Industrial  
Leadership and  
Institutional Trust.



**The Company's Board of Directors and Executive Management are also diligently working to restore the Company to its rightful position in the building materials trading and manufacturing sector. This includes implementing a medium-term operational plan for the period (2025–2026) aimed at addressing accumulated losses and achieving sustainable profitability, paving the way toward consistent cash distributions and long-term value for shareholders.**

Finally, we present to your esteemed shareholders, the Corporate Governance Report for the financial year 2025, covering the principal components in accordance with the requirements of the Securities and Commodities Authority, along with the updates introduced to the Company's vision and strategic direction in alignment with the objectives of the aforementioned action plan.



## Implementation of the Company's Institutional Compliance Standards (Governance)

### ➤ First Item:

The foundations upon which the Company's governance principles were established and applied.

### ➤ Second Item:

The procedures undertaken to complete the Governance Manual for the year 2025 and the mechanism for its implementation.

↶ First Item: The Foundations Upon Which the Company's Corporate Governance Principles Were Established

**Abu Dhabi National Company for Building Materials – BILDCO has adhered, in implementing governance practices, to the provisions of the following sources:**

The governance provisions set forth in Federal Law No. (32) of 2021 concerning Commercial Companies.

The governance provisions contained in the Board of Directors Resolution No. (7/R.M) of 2016 regarding Institutional Compliance Standards and the Governance of Public Joint Stock Companies.

The governance provisions included in the Company's Articles of Association, as amended in accordance with Federal Law No. (32) of 2021 concerning Commercial Companies.

The governance standards set out in the principles of the Organisation for Economic Co-operation and Development (OECD).

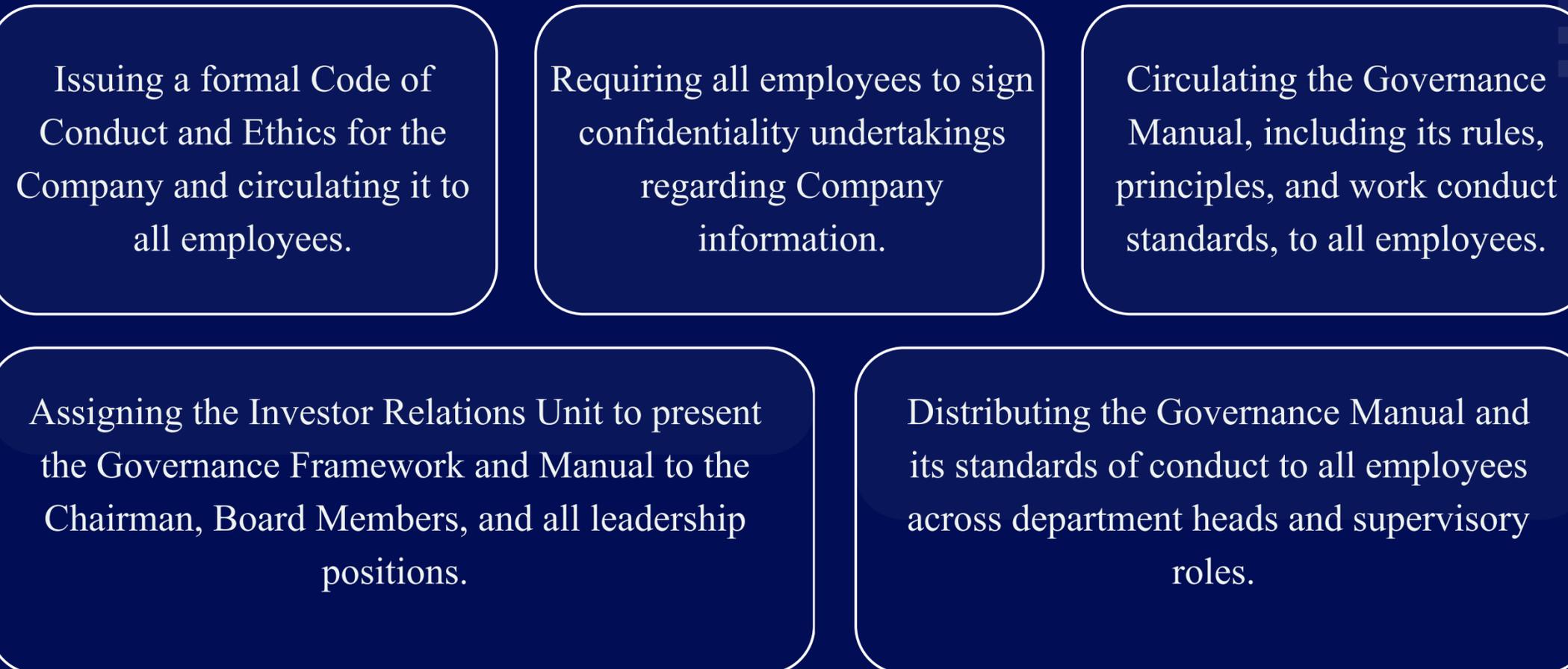
It is worth noting that the Company adopted its Corporate Governance Manual in line with international and local best practices and fully in accordance with the governance sources referenced above, upon which this report has been prepared. The Manual is subject to periodic review by the Board of Directors, and any amendments or updates—whether at the Board or Executive Management level, or in the Company's administrative, financial, or internal policy frameworks—are duly incorporated as part of its governance system.

The background of the slide is a blurred office scene. On the left, there is a stack of colorful folders (purple, green, red, blue, green). On the right, a black pen lies on a light-colored surface, possibly a desk or folder. The overall lighting is soft and professional.

BILDCO considers the Corporate Governance Manual a cornerstone document, establishing the non-negotiable standards of institutional discipline required across the organization. It defines the rigorous policies and procedures governing Executive Management operations, ensuring absolute transparency, comprehensive disclosure, and multi-level oversight across all internal functions and control bodies.

## ↶ Second Item: The Procedures Undertaken to Complete the Corporate Governance Manual for 2025 and How It Was Implemented

The Board of Directors conducted a comprehensive review and evaluation of the approved Corporate Governance Manual, promptly incorporating the amendments mandated by the Securities and Commodities Authority (SCA) and the Abu Dhabi Securities Exchange (ADX), as the official regulatory bodies overseeing the Company from both legal and compliance perspectives. The most significant updates included the following:



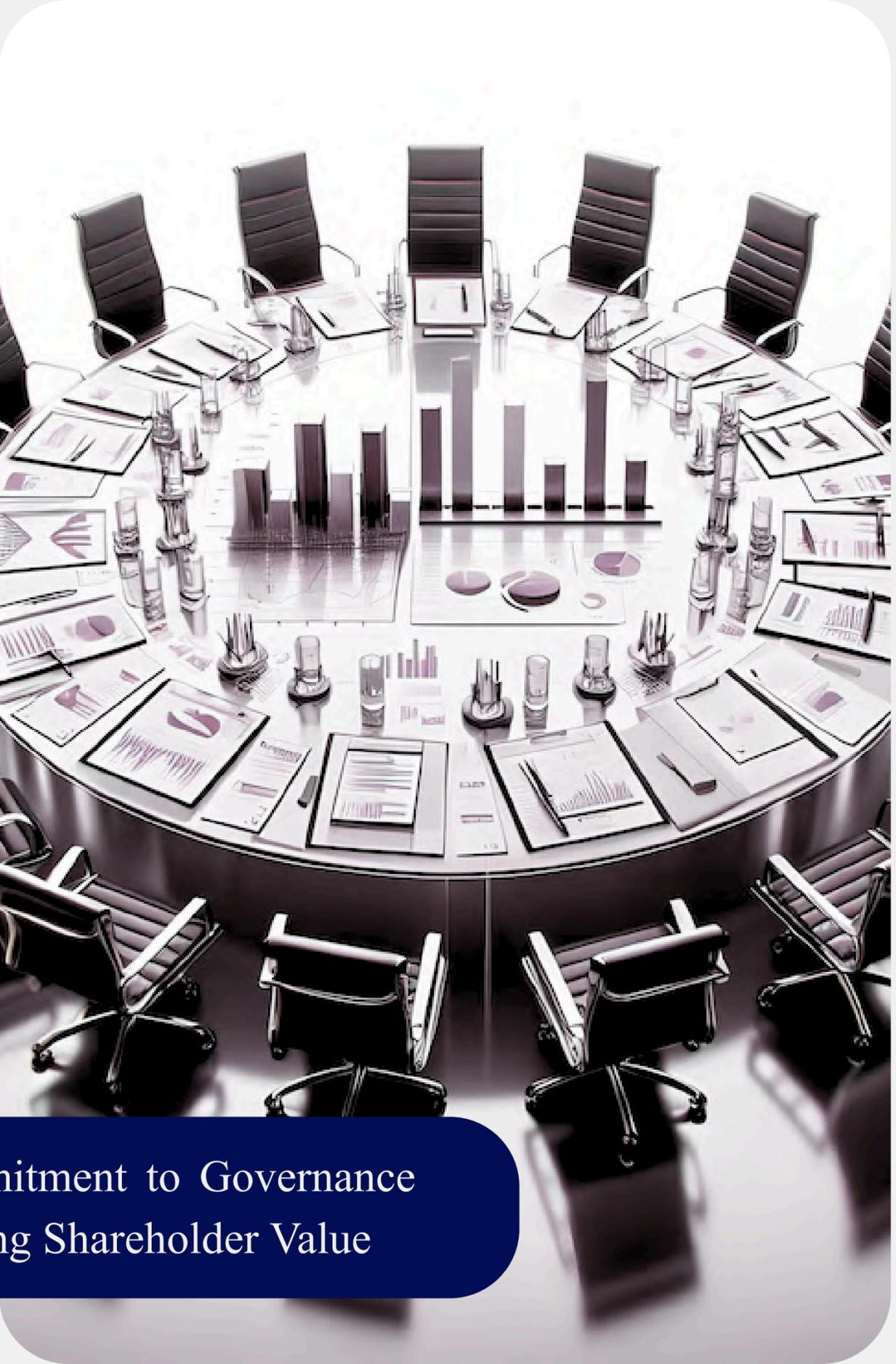
# The Company's Board of Directors

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The Board of Directors reaffirms its firm commitment to exercising the highest standards of care and diligence to ensure the Company's sustainable and balanced growth, while strengthening its competitiveness in both the short and long term. The Board systematically oversees the implementation of the objectives and strategic pillars set out in the Company's strategic plan, conducting periodic reviews and updates as needed to remain aligned with evolving economic, legislative, and regulatory developments, and in full compliance with all applicable laws, regulations, and directives issued by the relevant authorities in the State.

The Board also places great emphasis on attracting and developing distinguished professional talent, recognizing human capital as the cornerstone of long-term success and sustainability. It is committed to fostering a supportive and motivating work environment that encourages innovation and upholds the principles of governance, transparency, and accountability. The Board firmly believes that investing in human capital is a fundamental driver in achieving strategic objectives and maximizing value for shareholders and stakeholders alike.

The Board further renews its commitment to fulfilling its responsibilities in a manner that safeguards shareholders' interests and protects their rights, while actively contributing to the nation's economic and social development, in line with its role as a responsible partner in building a sustainable national economy.



A Firm Commitment to Governance  
and Maximizing Shareholder Value

## **This chapter includes the following main items:**



- ← Statement of the ownership and transactions of Board members, their spouses, and children in the Company's securities during 2025.
- ← Composition of the Company's Board of Directors.
- ← Female representation on the Company's Board of Directors for the financial year 2025.
- ← Total remuneration of Board members.
- ← Details of allowances, salaries, or any additional compensation received by a Board member, excluding committee attendance fees, along with the reasons thereof.
- ← Number of Board of Directors meetings held during the financial year 2025.
- ← Duties and responsibilities of the Board of Directors and those performed by Executive Management under delegation from the Board.
- ← Statement of related-party transactions conducted during the financial year 2025.
- ← The Company's organizational structure for the financial year 2025.
- ← Detailed disclosure of the senior executive management (first and second tiers) as reflected in the Company's organizational structure (as per Item 3), including their positions, dates of appointment, and the total salaries and remuneration paid to them.

# Statement of the Ownership and Transactions of the Members of the Board of Directors, and Their Spouses and Children, in the Company's Securities for the Fiscal Year 2025.

The transactions of the Members of the Board of Directors, and their spouses and children, in the Company's securities during the year 2025 were as set out in the table below:

The transactions of the Members of the Board of Directors, and their spouses and children, in the Company's securities during 2025 were limited to the following transactions:

No	Name	Position	Shares owned as of 31/12/2025	Total sale	Total purchase
1	Mr. Rasheed Ali Rasheed Al Omaira	Chairman of the Board of Directors	1000	0	0
2	Eng. Saeed Saif Darwish Al Ketbi	Vice Chairman of the Board of Directors	846,965	0	0
3	H.E. Ali Rasheed Nasser Al Omaira	Managing Director	62,813,806	0	0
4	Mr. Suhail Saeed Abdullah Al Falasi	Member of the Board of Directors	1000	0	0
5	Mr. Humaid Jumaa Humaid Al Rumaithi	Member of the Board of Directors	0	0	0
6	Ms. Shamsa Sulaiman Alfahim	Member of the Board of Directors	5652	0	0
7	Mrs. Dina Ali Saif Khalfan BelJafrah	Member of the Board of Directors	1000	0	0
8	Mr. Omran Sultan Matar Al Halami	Former Chairman of the Board of Directors	1000	0	0
9	Mr. Humaid Musabah Khalfan Al Kaabi	Former Member of the Board of Directors	0	0	0
10	Mrs. Arwa Ahmed Abdullah Al Kendi	Former Member of the Board of Directors	0	0	0

# Company Board of Directors

No	Name	Category: Executive, Non-Executive, and Independent	Experience	Qualifications	Tenure on the Company's Board of Directors	Their Memberships and Positions in Other Joint-Stock Companies
1	Mr. Rasheed Ali Rasheed Al Omaira	Non-Executive Non-Independent	Chairman of the Board of Directors of Bildco Member of the Board of Directors of Al Waha Capital Member of the Board of Directors of Emirates Insurance		2015 - Present	Member of the Board of Directors Al Wathba National Insurance Co Waha Capital Co
2	Eng. Saeed Saif Darwish Al Ketbi	Non-Executive	Vice Chairman of the Board of Directors of Bildco	Bachelor of Engineering	2017 - Present	
		Independent	Director of the Emergency Department at Abu Dhabi Distribution			
3	H.E. Ali Rasheed Nasser Al Omaira	Executive Non-Independent	Term as Vice Chairman of the Board of Directors: 2013–2018 Term as Managing Director of the Board of Directors: 1999 – Present Term as Board Member: 1993–1999		1993 - Present	
4	Mr. Suhail Saeed Abdullah Al Falasi	Non-Executive	Member of the Board of Directors of Bildco	Bachelor of Business Administration	2017 - Present	
		Independent	Director of Talent Management at Abu Dhabi Quality and Conformity Council			
5	Mr. Humaid Jumaa Humaid Al Rumaithi	Non-Executive	Member of the Board of Directors of Bildco		6/9/2025 - Present	
		Independent	Head of Health and Safety Department, Government Enablement Division			
6	Ms. Shamsa Sulaiman Alfahim	Executive / Independent	Acting CEO – Bildco	Master's in International Relations and Sustainability	6/9/2025 - Present	
7	Mrs. Dina Ali Saif Khalfan BelJafrah	Non-Executive / Independent	Member of the Board of Directors of Bildco	MS in Environmental studies	6/9/2025 - Present	
8	Mr. Omran Sultan Matar Al Halami	Non-Executive / Independent	Chairman of the Board of Directors of Al-Halami Group Chairman of the Board of Advisors of the College of Aviation Technology	Former fighter pilot	2024 to 9/2025	
9	Mr. Humaid Musabah Khalfan Al Kaabi	Non-Executive / Independent	Director of Special Support Development at the Presidential Court	Ph.D. in Philosophy	2024 to 9/2025	
10	Mrs. Arwa Ahmed Abdullah Al Kendi	Non-Executive / Independent	Member of the Board of Directors of Abu Dhabi Ship Building Company	Master's in Communication Sciences, University of Sharjah	2024 to 9/2025	

# Formation of the Company's Board of Directors



## Mr. Rasheed Ali Rasheed Al Omaira

Mr. Rasheed Ali Rasheed Al Omaira serves as the Chairman of Abu Dhabi National Company for Building Materials (BILDSCO) along with being a Board Member in Al Waha Capital and Al Wathba National Insurance Company (AWNIC). He is regarded as one of the UAE's prominent executive leaders in the investment and asset management sector, bringing extensive strategic experience in structuring diversified investment portfolios and enhancing corporate governance frameworks.

Through his leadership roles, he has contributed to strengthening sound management practices, optimizing capital efficiency, and building sustainable business models capable of adapting to economic changes—thereby reinforcing institutional confidence and delivering long-term value to shareholders and stakeholders.



## Eng. Saeed Saif Darwish Al Ketbi

VP of Substation Maintenance Abu Dhabi - Taqa Distribution

Since 2017, Eng. Saeed has been honored to serve as a Board Member and Vice Chairman of BILDSCO, continuing the legacy established by his late father, one of the Company's founding members of BILDSCO, and carrying forward the responsibility of preserving and strengthening that legacy.

Throughout his tenure, he has served on various Board committees, gaining integrated strategic and executive expertise that has contributed to reinforcing the Company's institutional framework. This has supported the steady progress achieved under the Board's guidance, enabling him to play a pivotal role in shaping strategic direction and actively contributing to charting the path of sustainable growth and strengthening the Company's leadership position.

# Formation of the Company's Board of Directors

## Mr. Suhail Saeed Abdullah Al Falasi



Mr. Suhail Saeed Abdullah Al Falasi serves as Director of Talent Management at Abu Dhabi Quality and Conformity Council. He brings advanced strategic expertise in designing and implementing human capital development frameworks and building institutional performance systems founded on efficiency, sustainability, and alignment with national and international standards.

Through his membership on the Board of Abu Dhabi National Company for Building Materials – BILDICO, he plays a pivotal role in aligning human capital strategy with the Company's operational and financial objectives, strengthening a culture of institutional excellence, and reinforcing governance and transparency principles. His contributions support sustainable growth, enhance the Company's readiness for expansion in an evolving business environment, and provide analytical insight into talent management and leadership development—thereby promoting institutional stability and ensuring long-term value for shareholders and stakeholders.

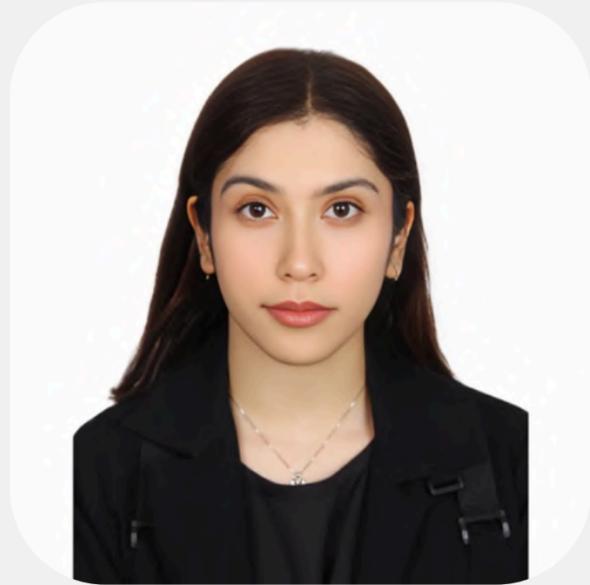
## Mr. Humaid Sabah Khalfan Al Kaabi



Mr. Humaid Sabah Khalfan Al Kaabi serves as Director of Special Support Development at the Presidential Court. He possesses distinguished institutional expertise in managing strategic initiatives, strengthening institutional support systems, and enhancing performance efficiency within advanced governance frameworks aligned with national best practices.

As a member of the Board of Abu Dhabi National Company for Building Materials – BILDICO, he plays an active role in supporting the Company's strategic direction, fostering integration between governance and operational execution, and reinforcing standards of administrative discipline and transparency. He is known for his analytical approach and effective risk management practices, contributing to business stability, sustainable growth, and the creation of long-term value for shareholders and stakeholders.

# Formation of the Company's Board of Directors



## Ms. Shamsa Sulaiman Al Fahim

Ms. Shamsa Al Fahim is recognized as one of the youngest executive leaders with the most significant impact in the construction and building materials sector in the United Arab Emirates. As the Acting CEO and a Board Member of BILDSCO, she plays a central role in shaping the Company's new phase through a comprehensive program focused on restructuring, strengthening operational efficiency, and embedding a culture of sustainable growth.

With a forward-looking vision centered on institutional innovation, governance standards, and sustainability principles, Ms. Shamsa is leading the Company through a strategic transformation phase aimed at modernizing operational systems, enhancing performance and productivity, and strengthening institutional integration, alongside building strategic partnerships at the national level. She represents a new generation of national leaders who combine ambition with clarity of vision and the ability to deliver tangible impact in the journey of development and progress.



## Mrs. Dina Ali Saif Khalfan Beljaflah

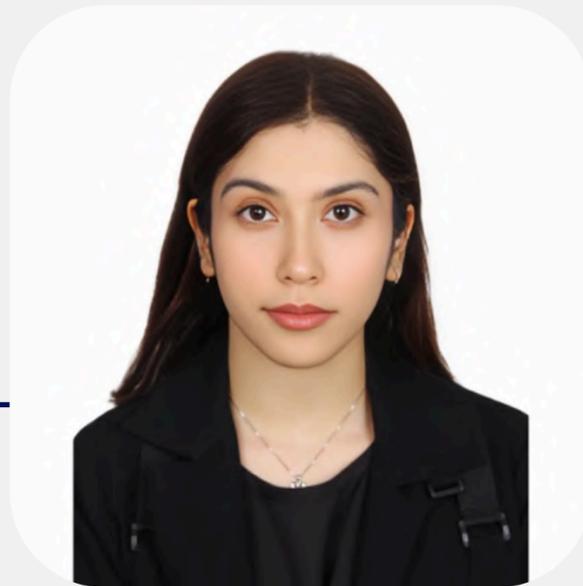
Mrs. Dina Beljaflah is a distinguished leader and an active member of the Board of Directors, bringing over 22 years of leadership experience across diverse sectors. She has held key roles at DP World and served as General Manager at Nakheel, overseeing major projects. She also held the position of Chief Operations Officer at the International Humanitarian City.

She has represented the UAE diplomatically at the International Civil Aviation Organization (ICAO) and served as Vice President of the General Civil Aviation Authority, in addition to her role as a Board Member and Partner at Accenture Investments, where she contributed to leading strategic initiatives and major institutional transformations.

Alongside her executive career, she continues to actively support the private sector through her membership on several boards and committees, including serving for over 18 years on the Emirates Businesswomen Council, as well as Women in Aviation and the UAE Aviation and Space Federation. She also plays a prominent role in managing and developing family businesses in the real estate and investment sectors.

# Representing the Female Element in the Company's Board of Directors for the fiscal year 2025

"The Company's General Assembly convened on September 16, 2025, to elect female representatives to the Board of Directors.



Board Member

**Ms. Shamsa Sulaiman Al Fahim**

Membership Term: 2025–2028

Board Member

**Mrs. Dina Ali Saif Khalfan BelJafrah**

Membership Term: 2025–2028

## Board Members' Fees and Remuneration

The Company's Articles of Association, in accordance with the provisions of Federal Decree-Law No. (32) of 2021 concerning Commercial Companies, stipulate that Board members' remuneration shall be a percentage of the Company's net profits. This percentage is determined annually by the General Assembly upon the recommendation of the Board of Directors.

A Board member may receive a fixed monthly fee or salary if he or she undertakes executive duties within the Company or performs additional services beyond ordinary Board responsibilities. In all cases, the total remuneration and benefits of Board members may not exceed 10% of the Company's net profits, after deducting depreciation and reserves, as required by law.

1. Total remuneration paid to Board members in 2025.

- An amount of AED 1,204,673 was paid to the Board of Directors for the year 2024.

2. Details of attendance allowances for committee meetings emanating from the Board, received by Board members for 2025.

- No attendance allowances for Board or committee meetings were received for the year 2025.

3. Details of any allowances, salaries, or additional fees received by a Board member during 2025, other than committee attendance allowances.

- No allowances, salaries, or additional fees were paid during 2025



Transparent Practices in  
Determining Remuneration

## Statement of the Details of Attendance Allowances for Meetings of the Committees Formed by the Board of Directors Received by Board Members for the Fiscal Year 2025.

Details of the allowances, salaries, or additional fees and the reasons thereof received by a Member of the Board of Directors, other than committee attendance allowances.

The table below sets out the attendance allowances for meetings of the committees formed by the Board of Directors for the fiscal year 2025, and each member's share of such allowances, for approval by the General Assembly.

No	Name	Attendance Allowances for Committees Subordinate to the Board of Directors		
		Committee Name	Allowance value (AED)	Number of Meetings
1	Eng. Saeed Saif Darwish Al Ketbi	Audit Committee	20,000	4
		Nomination and Remuneration Committee	35,000	7
		Risk Committee	10,000	2
2	Mr. Suhail Saeed Abdullah Al Falasi	Audit Committee	35,000	7
		Nomination and Remuneration Committee	35,000	7
3	Mr. Humaid Jumaa Humaid Al Rumaithi	Audit Committee	15,000	3
		Nomination and Remuneration Committee	15,000	3
4	Mrs. Dina Ali Saif Khalfan BelJaflah	Audit Committee	15,000	3
		Risk Committee	10,000	2
6	Ms. Shamsa Sulaiman Alfahim	Risk Committee	10,000	2
7	Mr. Humaid Musabah Khalfan Al Kaabi	Nomination and Remuneration Committee	20,000	4
		Audit Committee	20,000	4
8	Mrs. Arwa Ahmed Abdullah Al Kendi	Nomination and Remuneration Committee	20,000	4
		Audit Committee	20,000	4
	<b>Total</b>		<b>280,000</b>	

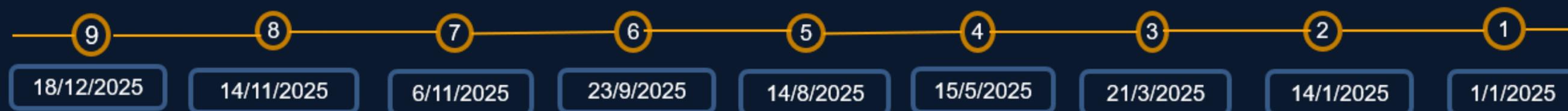
## Board of Directors meetings held during the fiscal year 2025

In accordance with and pursuant to the provisions of Article (29) of the Company's Articles of Association, which stipulates that the Board of Directors shall convene its meetings at least four (4) times per year, provided that at least one meeting is held every three months.

**9**   
Meetings Held in 2025

**100%**   
Personal Attendance  
(%)

No	Meeting Date	Number of Attendees	Number of Proxy Attendees	Names of Absent Members
1	1/1/2025	7	None	None
2	14/01/2025	7	None	None
3	21/03/2025	7	None	None
4	15/05/2025	7	None	None
5	14/08/2025	7	None	None
6	23/09/2025	7	None	None
7	6/11/2025	7	None	None
8	14/11/2025	7	None	None
9	18/12/2025	7	None	None



# Board Resolutions Issued During the Financial Year 2025

Number of Board resolutions issued during the financial year 2025, including their dates:

- Two.



**The tasks and responsibilities of the Board of Directors that were carried out by one of the Board members or the executive management based on a delegation from the Board.**



A statement of the tasks and responsibilities of the Board of Directors carried out by the Executive Management during the year 2025 based on a delegation from the Board to the Management, specifying the duration and validity of the delegation.

The board of directors commenced its work but did not authorize the executive management to complete specific tasks.



## Details of Transactions with Related Parties (Stakeholders)

Statement of transactions conducted with related parties (stakeholders), clarifying the nature of the relationship, type of transaction, and transaction value during 2025.

.No	Statement of Related Party	Clarification of the Nature of the Relationship	Transaction type	Transaction Value
1	AL OMIRA PRINTING	Managing Director	Suppliers	8003.14
2	LEGACY LIFESTYLE PROJECT DEVELOPMENT CONSULTANT L.L.C	Member of the Board of Directors & Acting CEO	Consultations	220,000

### Clarification Regarding Transactions with LEGACY LifeStyle Project Development Consultant L.L.C

With reference to the transactions mentioned above with LEGACY LifeStyle Project Development Consultant L.L.C the Company confirms that the aforementioned entity is a family-owned company affiliated with one of the Board members. The contractual relationship with the Company was established prior to the member's appointment to the Board.

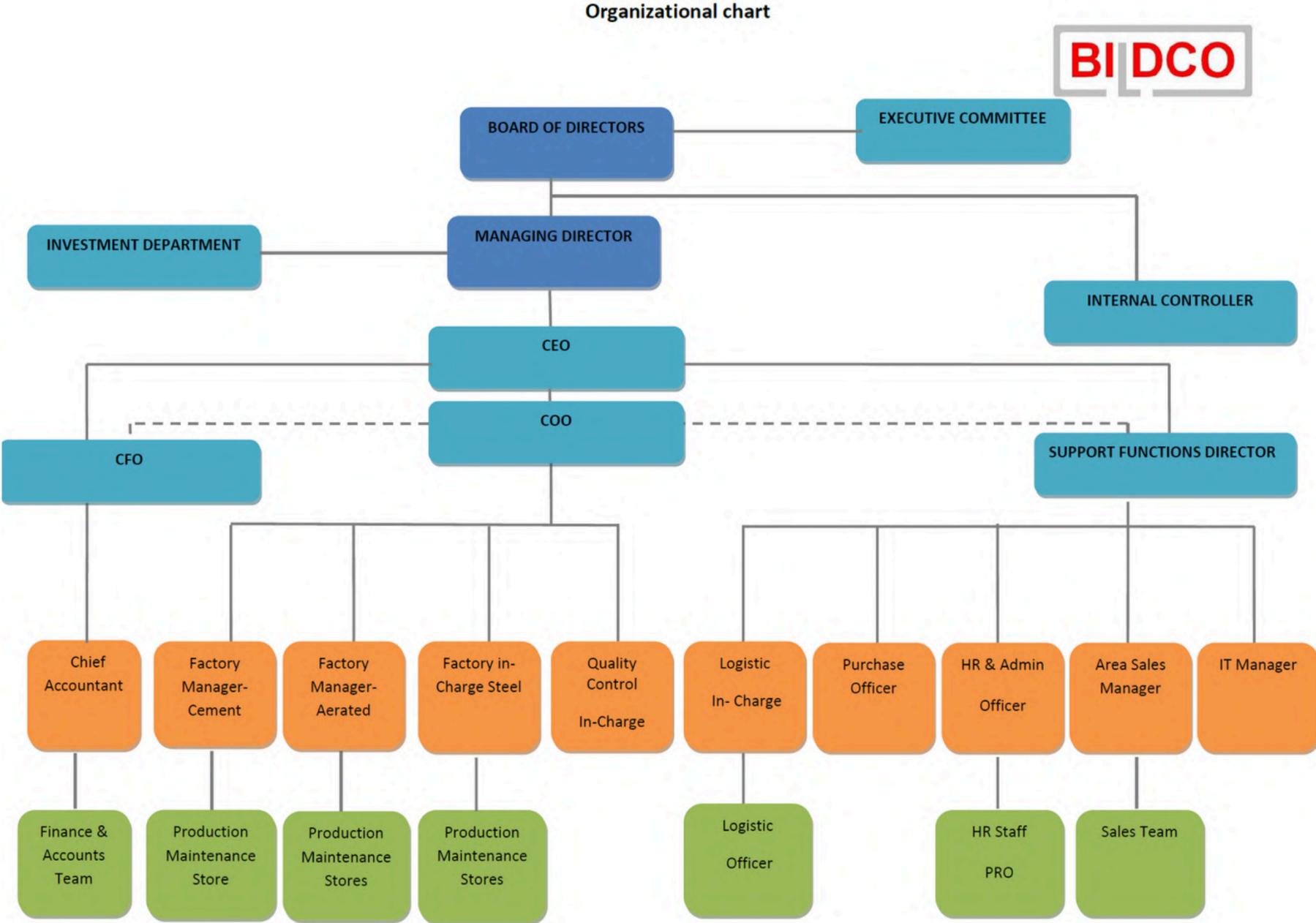
The nature of the relationship was explicitly disclosed during the first Board meeting following the member's appointment, and the disclosure was duly recorded in the meeting minutes in accordance with the applicable regulatory procedures.

The Company further affirms that the transactions executed during 2025 were conducted within the ordinary course of business, under fair and commercially reasonable terms consistent with prevailing market conditions, without granting any preferential advantages or benefits to the Board member concerned. In full transparency, the relevant member disclosed the relationship in writing immediately upon joining the Board, and abstained from participating in any discussions or decisions related to these transactions. All internal approvals were obtained in accordance with the Company's adopted policies.

This disclosure is in compliance with the provisions of Board Resolution No. (3) of 2020 concerning the adoption of the Corporate Governance Guide for Public Joint Stock Companies, including the regulations governing related-party transactions, thereby reinforcing transparency and safeguarding shareholders' rights.

# The Company's Organizational Structure for the Financial Year 2025

It is worth noting that the Company has undertaken comprehensive updates, enhancements, and restructuring across several departments. Accordingly, the Company's organizational structure has been developed to reflect and align with these changes, encompassing at a minimum the first and second tiers of management. This revised structure includes the Chief Executive Officer (CEO), the Chief Operating Officer (COO), the Chief Financial Officer (CFO), and other key executive leaders.



## The Company's Executive Management

The Executive Management is responsible for carrying out all duties, tasks, and responsibilities delegated to it by the Board of Directors, in addition to overseeing the Company's day-to-day operations.

The table below provides a detailed overview of the senior executive officers within the first and second management tiers, as reflected in the Company's organizational structure, including their respective positions, dates of appointment, and the total salaries and remuneration paid to them.

NO	Position	Date of Appointment	Total Salaries and Allowances Paid for the Year 2025 (AED)	Total Bonuses Paid for the Year 2025 (AED)	Other monetary/in-kind rewards for the year 2024 or due in the future
1	Managing Director	1999	600,000	None	None
2	Chief Executive Officer	2021-9/2025	450,000	None	None
3	Acting CEO	Sep-25	99,031	None	None
4	Chief Operating Officer	2025	341,333	None	None
5	Chief Accountant / Financial Manager	2018	192,000	None	None
6	Aerated Concrete Products Plant Manager	2016	-	None	None
7	Shearing and Bending Plant Manager	2016	-	None	None
8	Cement Products Plant Manager	2016	85,161	None	None
9	Sales Manager	1998	300,000	None	None
10	IT Manager	2018	240,000	None	None
11	HR Manager	2025	32,193	None	None

# External Auditor

In accordance with the Federal Law, the Company's Articles of Association, the Corporate Governance Guide, and the relevant legal governance provisions set out in Federal Decree-Law No. (32) of 2021 concerning Commercial Companies, the Company has adopted a policy for the appointment of the External Auditor. This policy defines the scope of work and responsibilities of the External Auditor, ensuring full independence in the performance of the assigned duties.

The policy also sets out the criteria required for the selection of the External Auditor, whereby the Board of Directors nominates one or more auditing firms to the General Assembly for appointment, based on the recommendations of the Audit Committee. The Audit Committee oversees the tender process conducted for the appointment of an external auditor and holds meetings with the shortlisted audit firms to assess their expertise and capabilities in performing the required services, in addition to ensuring their registration with the Securities and Commodities Authority and the Abu Dhabi Securities Exchange as approved external auditors.

Following the review of the Audit Committee's recommendations by the Board of Directors, a proposal was submitted to appoint Talal Abu Ghazaleh International & Co. as the Company's External Auditor for the financial year 2025. The proposal was subsequently approved by the General Assembly based on the Audit Committee's recommendation.



# Overview of Talal Abu-Ghazaleh International & Co., External Auditor

**Talal Abu-Ghazaleh International & Co. is recognized as one of the leading international firms in the fields of audit, tax, and advisory services.**

**The firm was established in the Hashemite Kingdom of Jordan in 1972 and has since experienced accelerated growth to become a globally integrated partnership comprising more than 40,000 professionals worldwide , 24,400 within the core integrated partnership and 16,000 across its global network , with an active presence in over 90 countries and territories.**



Statement of audit fees and costs paid to the External Auditor. This must include details of the nature and type of services provided, along with a comparison of the audit fees and other service fees paid to the Company's External Auditor during 2025, in addition to the number of years the External Auditor has served the Company, as set out in the table below:

Audit Office Name	Talal Abu-Ghazaleh & Co.International
Number of Years the External Auditor Has Served the Company	Five Years
Number of Years the Audit Partner Has Served in Auditing the Company's Accounts	Two Years
Total Audit and Review Fees for Financial Statements (Interim and Annual) for the Year 2025 (AED)	One Hundred Ninety-Three Thousand Two Hundred AED
Fees and Costs for Other Specialized Services Excluding Audit for the Financial Statements for the Year 2025 (AED)	None
Details and Nature of Other Services Provided	None
Statement of Other Services Provided by an External Auditor Other Than the Company's Auditor During 2025 (if applicable), and If No Other External Auditor Was Involved, This Should Be Clearly Stated	None

Statement of remarks made by the External Auditor in the quarterly and annual financial statements for 2025:

1. Non-receipt of bank confirmations from First Abu Dhabi Bank and Emirates Dubai National Bank.

# Board Committees

Pursuant to Article (24) of the Company's Articles of Association, the Board of Directors established and approved the formation of the following committees:

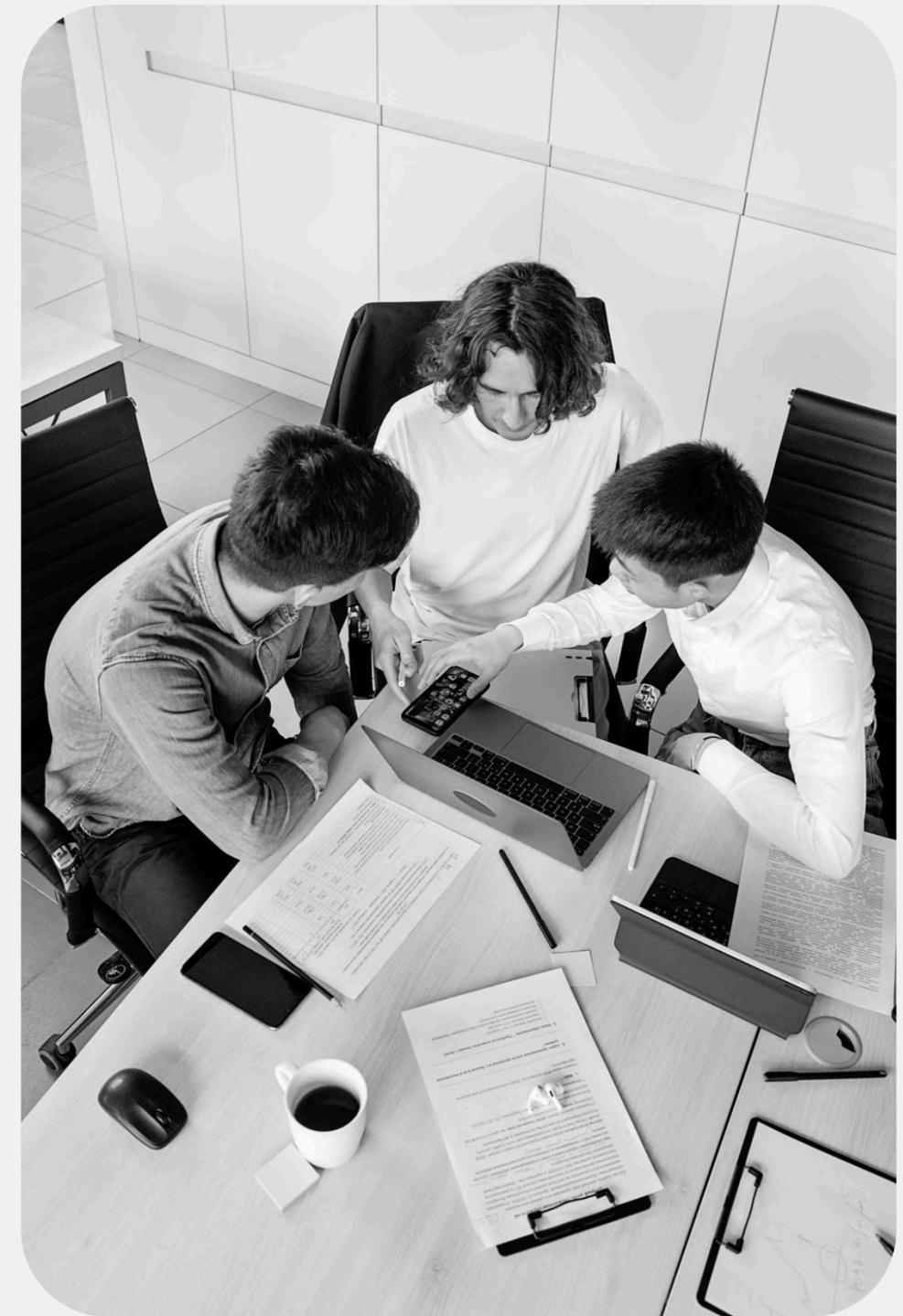
- Audit Committee
- Nomination and Remuneration Committee
- Committee for Monitoring and Overseeing Related-Party Transactions
- Audit Committee

The Board of Directors has delegated certain powers and responsibilities to these committees, commensurate with the nature of their functions. The committees exercise their duties without prejudice to the Board's overarching authority, and they address specific matters of importance to the Company. They assist the Board in fulfilling its responsibilities and mandates by providing recommendations and relevant insights. Each committee comprises three Board members, and the Chairman of the Board may not serve as Chair of any of these committees, in accordance with the internal regulations approved by the Board of Directors. The following outlines the Board committees and their mandates:

## Audit Committee

Acknowledgment by the Chairman of the Audit Committee of his responsibility for overseeing the Company's internal control framework and for reviewing and ensuring the effectiveness of its implementation.

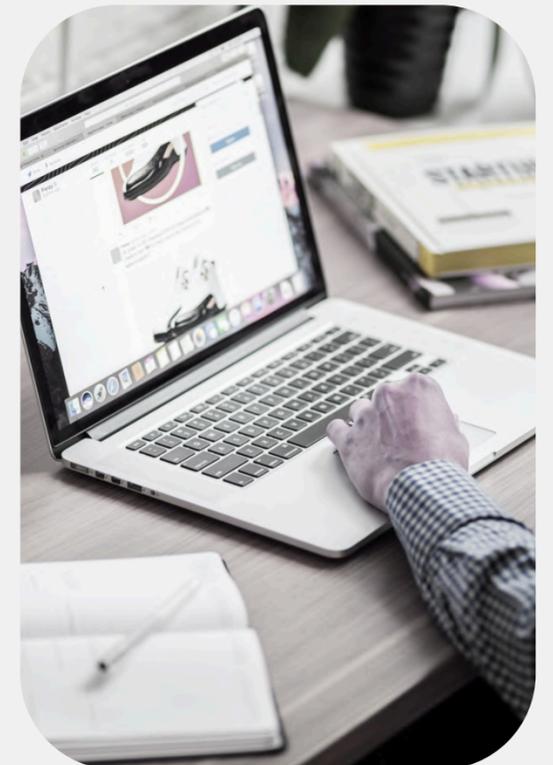
Acknowledgment by Mr. Suhail Saeed Abdullah Al Falasi, Chairman of the Audit Committee, of his responsibility for the Committee's framework and for reviewing and ensuring the effectiveness of its performance.



# Key Duties and Responsibilities of the Audit Committee

The Audit Committee carries out its responsibilities in full compliance with the Company's Articles of Association and the resolutions of the Chairman of the Securities and Commodities Authority. The Committee's annual report confirms that it has undertaken the following key duties:

- Establishing and implementing the policy for engaging the External Auditor, and submitting recommendations to the Board of Directors on matters it deems appropriate for decision, along with providing recommendations regarding fees and engagement terms.
- Reviewing the integrity and accuracy of the Company's financial statements and its annual, semi-annual, and quarterly reports, as well as examining a portion of the approved annual audit plan during the year.
- Coordinating with the Board of Directors, Executive Management, and the Chief Financial Officer regarding financial policies and the roles and responsibilities of all members of the Company's finance team.
- Ensuring the Company's compliance with all legal and regulatory requirements and overseeing the monitoring of the Company's accounts and adherence to corporate governance and institutional compliance standards.
- Reviewing financial control systems, internal control frameworks, and risk management processes within the Company.
- Ensuring proper coordination between the Internal Auditor and the External Auditor.
- Conducting ongoing reviews of financial and accounting policies and procedures, and working toward continuous improvement.
- Monitoring the Company's adherence to the Code of Professional Conduct.



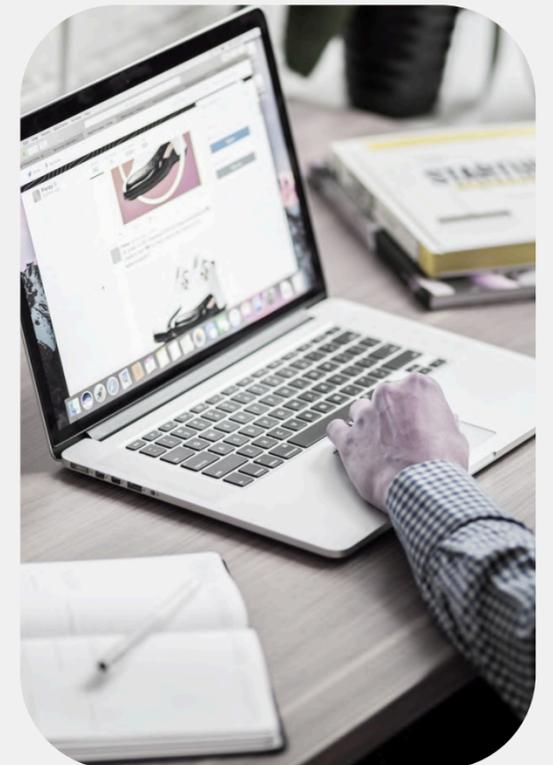
# Key Authorities and Powers of the Audit Committee

The following outlines the principal authorities and powers granted to the Audit Committee by the Board of Directors

- The authority to review any matter falling within the scope of its oversight responsibilities. The Committee has unrestricted access to the External Auditor and may obtain professional advice on any matter relating to the Company's accounts.
- The authority to request any information it deems necessary from any employee or Board member. All Board members, management, and employees are directed to cooperate fully with any requests submitted by the Committee.

## The Audit Committee comprises the following members:

- Mr. Suhail Saeed Abdullah Al Falasi
- Mr. Humaid Jumaa Humaid Al Rumaithi
- Mrs. Dina Ali Saif Khalfan Bel Jaflah



# Meetings of the Audit Committee Affiliated with the Board of Directors

Number of meetings held by the Audit Committee during the year, including their dates, to discuss matters related to financial statements and any other issues, along with a record of each member's attendance at the meetings.

## Audit Committee Meetings

Meeting Number	Date	Eng. Saeed Saif Darwish Al Ketbi	Mr. Suhail Saeed Abdullah Al Falasi	Mr. Humaid Jumaa Humaid Al Rumaithi	Mrs. Dina Ali Saif Khalfan Bel Jaflah	Mr. Humaid Musabah Khalfan Al Kaabi	Mrs. Arwa Ahmed Abdullah Al Kendi	Total Attendance
1	20/03/2025	1	1			1	1	4
2	13/05/2025	1	1			1	1	4
3	12/8/2025	1	1			1	1	4
4	11/9/2025	1	1			1	1	4
5	15/10/2025		1	1	1			3
6	12/11/2025		1	1	1			3
7	16/12/2025		1	1	1			3
<b>Total</b>		<b>4</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	

# Nomination and Remuneration Committee

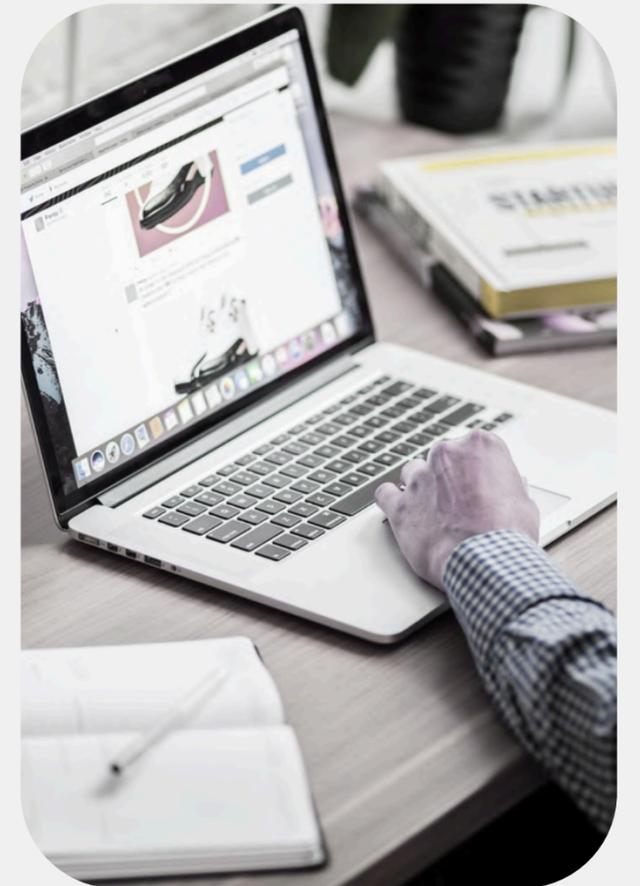
**Acknowledgment by the Chairman of the Nomination and Remuneration Committee of his responsibility for the Committee's charter within the Company, and for reviewing its work framework and ensuring its effectiveness.**

Mr. Eng. Saeed Saif Darwish Al Ketbi, Chairman of the Nomination and Remuneration Committee, affirms his responsibility for the Committee's charter and for reviewing its work framework and ensuring its effectiveness.

## **Key Duties and Responsibilities of the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee was established to carry out the duties and responsibilities set out in the Company's Articles of Association and in the resolutions of the Chairman of the Securities and Commodities Authority. The Committee's activities include determining the individual and aggregate remuneration of Board members within the framework approved by the shareholders, as well as establishing the remuneration policy for Executive Management linked to the Company's performance. This includes defining salary structures, bonuses, and incentive programs.

The Committee is also responsible for preparing and reviewing human resources policies in compliance with applicable laws and regulations, and for overseeing the nomination procedures for Board membership. The Company ensures that Board members undergo appropriate orientation programs as part of their commitment to sound governance practices.



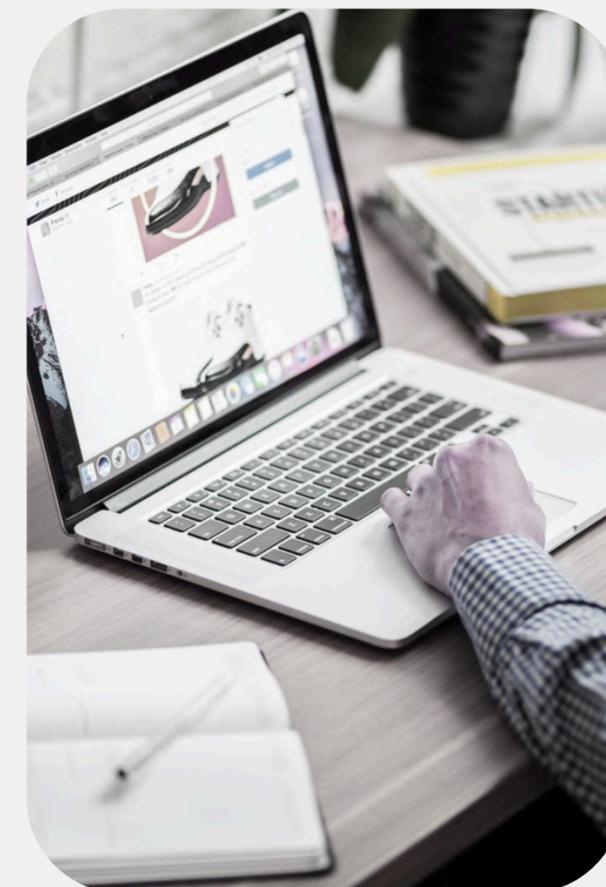
## The Principal Responsibilities of the Nomination and Remuneration Committee Include the Following:

- Reviewing and ensuring the independence of Board members in the performance of their duties and responsibilities.
- Preparing and reviewing the policy governing the granting of remuneration and compensation to the Board of Directors and Executive Management.
- Identifying the Company's needs for competencies at the Executive Management level.
- Organizing and reviewing the procedures related to nomination for Board membership.
- Preparing and reviewing the Human Resources policy.

If the Committee determines that a member has lost the conditions of independence, the matter must be submitted to the Board of Directors for review. The Board shall notify the Authority of such loss of independence within five business days from the date it becomes aware of it, and shall take appropriate action, including filling the vacant position if necessary.

If the loss of independence results in a deficiency in the minimum required number of independent Board members, the Company must appoint a replacement in accordance with the provisions of Federal Decree-Law No. (32) of 2021 concerning Commercial Companies.

If the loss of independence arises from a decision of the Board of Directors or from practices that affect the member's independence, the Company must provide the Authority with the necessary documentation substantiating the reasons for such decision or practices. The member in question shall not be nominated for Board membership following the adoption of the Board's resolution.



## Powers of the Nomination and Remuneration Committee

The Committee is vested with the authority, as delegated by the Board of Directors, to review any matter that falls within its scope of oversight. It has unrestricted access and may obtain professional advice on any matter relating to the Company.

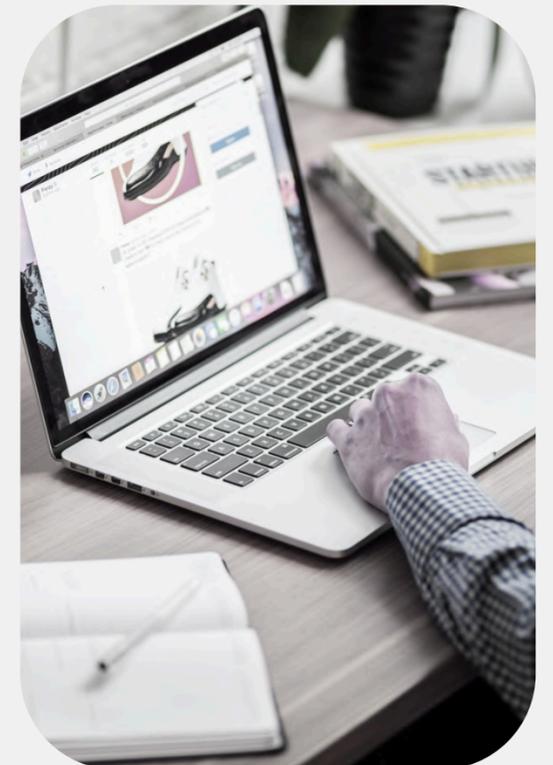
The Committee is also entitled to request any information it deems necessary from any employee or Board member. All Board members, management, and employees are directed to cooperate fully with any request submitted by the Committee.

## Names of the Members of the Nomination and Remuneration Committee, Their Mandates, and Assigned Responsibilities

Eng. Saeed Saif Darwish Al Ketbi

Mr. Humaid Jumaa Humaid Al Rumaithi

Mr. Suhail Saeed Abdullah Al Falasi



## Meetings of the Nomination and Remuneration Committee Affiliated with the Board of Directors

Statement of the number of meetings held by the Committee during the financial year 2025, including their dates, along with the number of meetings personally attended by each Committee member.

### Nomination and Remuneration Committee Meetings

Meeting Number	Date	Eng. Saeed Saif Darwish Al Ketbi	Mr. Humaid Jumaa Humaid Al Rumaithi	Mr. Suhail Saeed Abdullah Al Falasi	Mr. Humaid Musabah Khalfan Al Kaabi	Mrs. Arwa Ahmed Abdullah Al Kendi	Total Attendance
1	18/04/2025	1		1	1	1	4
2		1		1	1	1	4
3		1		1	1	1	4
4		1		1	1	1	4
5	15/10/2025	1	1	1			3
6	20/11/2025	1	1	1			3
7	12/12/2025	1	1	1			3
Total		7	3	7	4	4	

## Committee for Monitoring and Overseeing Related-Party Transactions

Acknowledgment by the Committee Chair or the authorized person of responsibility for the Committee's charter within the Company, including reviewing its work framework and ensuring its effectiveness.

Mr. Mohammed Hassan Hamatou affirms his responsibility for the framework governing the monitoring and oversight of related-party transactions within the Company, as well as for reviewing its mechanisms and ensuring its effectiveness.

## Names of the Members of the Committee for Monitoring and Overseeing Related-Party Transactions, and a Statement of Their Mandates and Assigned Responsibilities

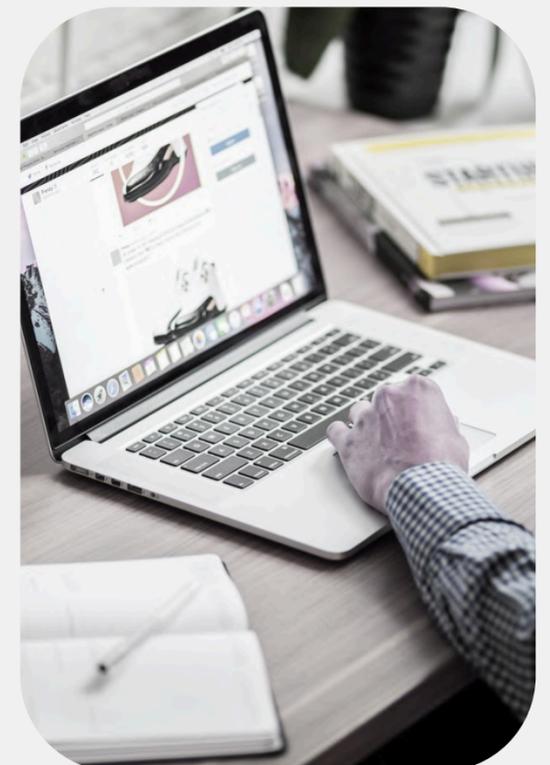
Mr. Mohammed Hassan Hamouta

Mrs. Ichraf Toumi

## Summary of the Committee's Activities During 2025

Preparing the insider trading register.

Monitoring trading activities of insiders in the Company's shares.



# Risk Committee

Acknowledgment by the Chairman of the Audit Committee of his responsibility for the Committee's charter within the Company, including reviewing its work framework and ensuring its effectiveness.

Ms. Dina Ali Saif Khalfan Beljafrah affirms, in his capacity as Chairman of the Audit Committee, his responsibility for the Committee's charter within the Company and for reviewing its work framework and ensuring its effectiveness.

## Duties of the Risk Committee:

- 
- Establishing comprehensive strategies and policies for risk management that align with the nature of the Company's activities, including identifying, assessing, monitoring, and updating risks based on internal and external variables affecting the Company.
  - Determining the Company's acceptable level of risk exposure and ensuring that it does not exceed this threshold.
  - Overseeing the Company's risk management framework and assessing the effectiveness of mechanisms for identifying and monitoring risks that may threaten the Company, to ensure their adequacy and effectiveness.
  - Enhancing practices for managing and mitigating identified risks, including providing guidance to management, as necessary, to support effective risk management activities.
  - Ensuring that Executive Management and the Internal Audit function provide effective assurances that risk management systems are operating properly, with appropriate controls and compliance with approved policies.
  - Preparing detailed reports on the Company's risk exposure levels and recommended risk management actions, and submitting them to the Board of Directors.
  - Providing recommendations to the Board of Directors on matters related to risk management.
  - Ensuring the availability of adequate resources and systems for effective risk management.
  - Submitting regular reports to the Board on the Company's overall risk exposure and immediately informing the Board of any material changes in risk levels.
  - Verifying the independence of risk management personnel from activities that may expose the Company to risks.
  - Reviewing any matters referred by the Audit Committee that may impact the Company's risk management.
  - Reviewing the appointment, performance evaluation, and replacement of the Chief Risk Officer, and monitoring the effectiveness of the Risk Management Unit overall.

## The Risk Committee is composed of the following members:



Mrs. Dina Ali Saif Khalfan BelJafrah



Ms. Shamsa Sulaiman Alfahim



Eng. Saeed Saif Darwish Al Ketbi

## Meetings of the Risk Committee Affiliated with the Board of Directors

Statement of the number of meetings held by the Committee during the financial year 2025, including their dates, along with the number of meetings personally attended by all Committee members.

### Risk Committee Meetings

Meeting Number	Date	Mrs. Dina Ali Saif Khalfan Bel Jafrah	Ms. Shamsa Sulaiman Alfahim	Eng. Saeed Saif Darwish Al Ketbi	Total Attendance
1	1/10/2025	1	1	1	3
2	12/12/2025	1	1	1	3
Total		2	2	2	

# Internal Control System

The Board of Directors of Abu Dhabi National Company for Building Materials – BILDICO bears responsibility for overseeing and reviewing the effectiveness of the internal control system. This includes safeguarding assets, maintaining accurate financial records, and detecting errors and irregularities. The Board reviews the Audit Committee's reports on the outcomes of internal control activities and the periodic reports related to such oversight functions.

Internal control activities are carried out within a clearly defined organizational framework, supported by documented policies and procedures, well-defined authorities and delegations, and established performance monitoring mechanisms. These controls are designed to ensure the effectiveness and integrity of the Company's operations and compliance with applicable governance laws and regulations.

## Role of the Board of Directors in Internal Control

- The Board affirms its full responsibility for the internal control system and for reviewing and ensuring its effectiveness.
- The Board holds senior management accountable for establishing and implementing an effective internal control framework that provides reasonable assurance regarding operational efficiency and effectiveness, and the reliability of financial reporting, in compliance with the provisions of Federal Decree-Law No. (32) of 2021 concerning Commercial Companies and Chairman of the Authority Board Resolution No. (3/R.M) of 2020 regarding the adoption of the Corporate Governance Guide for Public Joint Stock Companies.



## The Board of Directors Delegated the Audit Committee to Undertake the Following:

- To ensure the effectiveness of the Internal Control System, the Board has delegated the following oversight tasks to the Audit Committee:
- Annual System Review: Conducting at least one annual review of risk management and internal control frameworks to ensure all risks affecting business objectives are mitigated, including financial reporting and operational processes.
- Management Assessment Oversight: Reviewing evaluations conducted by Executive Management to identify and address significant organizational risks. \*
- Whistleblowing Policy: Periodically reviewing the effectiveness of the Company's whistleblowing procedures.

### Whistleblowing Policy and Compliance Confirmation

\* Board Responsibility: The Board of Directors is responsible for establishing the Company's whistleblowing policy in accordance with Federal Commercial Companies Law and SCA Resolution No. (3/R.M) of 2020.

\* Audit Committee Mandate: The Board has formally delegated the periodic review of the effectiveness of this policy and its implementation procedures to the Audit Committee.

\* System Effectiveness: The Company confirms that its internal control system has been appropriately designed and is effectively implemented to achieve its operational and regulatory objectives.

# Procedures and Implementation of the Internal Control System

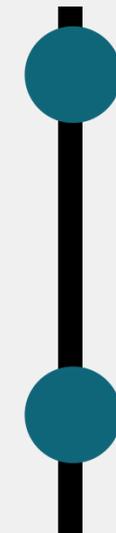
The internal control system at BILDCO consists of a set of procedures implemented by the Board of Directors, Executive Management, and all Company employees. Its objective is to provide reasonable assurance—not absolute certainty—that the following goals are achieved:

- Effective risk management through identifying risks and establishing the necessary controls to achieve the Company's objectives.
- Enhancing the efficiency of operations and ensuring the achievement of key objectives, including adherence to performance standards and the protection of resources.
- Ensuring the reliability of financial reporting by providing accurate financial statements and other trusted financial information to the Board of Directors, management, and shareholders.
- Compliance with applicable laws and regulations governing the Company, thereby avoiding reputational damage or financial penalties.

Ultimately, the purpose of the internal control system is to ensure the establishment, documentation, and maintenance of appropriate control procedures and adherence to them across all Company departments and functions. The Company is committed to integrating its internal control system with best practices in corporate governance and risk management.

## Mechanism for Operating the Internal Control System

- The Internal Control Department is responsible for ensuring that the procedures established to monitor operations within the Company are properly designed and effectively implemented in accordance with the annual plan approved by the Audit Committee and authorized by the Board of Directors.
- The Internal Control Department is also responsible for preparing periodic reports on the effectiveness of internal control systems and submitting them to the Board of Directors through the Audit Committee. These reports include observations and recommendations for improving such systems. During the financial year 2025, the Internal Control Department prepared and submitted four quarterly reports. The Department is accountable for establishing and maintaining the internal control systems, and these responsibilities rest with the relevant management levels.



The Internal Control Department appoints a Compliance Officer with clearly defined and independent responsibilities to oversee adherence to applicable laws, regulations, and directives issued by regulatory authorities. The Compliance Monitoring Unit supervises compliance with the Company's operational activities, ensuring alignment with relevant laws, regulations, and external requirements in accordance with the annual compliance plan. It also updates and enhances compliance procedures as needed to ensure continuity and alignment with the highest adopted standards.

The Internal Control Department provides appropriate assurance to the Audit Committee—authorized by the Board of Directors—regarding the effectiveness of operations in achieving the Company's objectives.

Within this framework, the Risk Management function conducts ongoing identification and assessment of relevant risks facing the Company and discusses them with the Chief Executive Officer and the Executive Management team to determine the most effective mitigation strategies. This ensures that risk management is closely aligned with the Company's strategic and commercial objectives.

The Company has also implemented various procedures and practices aimed at enhancing operational processes and increasing efficiency in risk management activities. The Chief Executive Officer regularly reviews the effectiveness of risk management practices, and related reports are presented to the Audit Committee on a quarterly basis.

## Head of Internal Control and Compliance Officer of the Company and His Qualifications

### Internal Control Department

Name	Job Title	Qualifications and Experience	From / To
Mahmoud Ahmed Abd Elnabi	Compliance Officer	Master of International Law and Management – Adam Mickiewicz University – Poland	8/12/2025
Mrs. Samah Mamoun Al-Khatib	Former Compliance Officer	Bachelor of Business Administration	20/09/2025 - 30/11/2025
Mrs. Neriman Awad El-Sayed	Former Compliance Officer	Bachelor of Arts	29/11/2024 - 15/07/2025

## How the Internal Control Department Handles Any Significant Issues within the Company

How the Internal Control Department addresses any significant issues within the Company, including those disclosed in the annual reports and financial statements:

- Monitoring the implementation of resolutions issued by the Company's General Assembly and ensuring the integrity of related execution procedures.
- Verifying the proper classification of the Company's portfolio in accordance with applicable accounting standards.

## Details of Violations Committed During the Financial Year, Their Causes, How They Were Addressed, and Measures Taken to Prevent Recurrence

The Company confirms its full compliance with all applicable laws, regulations, and directives in the United Arab Emirates. No violations were recorded during the financial year 2025. The Company, through its Board of Directors and Executive Management, adheres to a strict institutional compliance framework that does not permit any regulatory breaches.

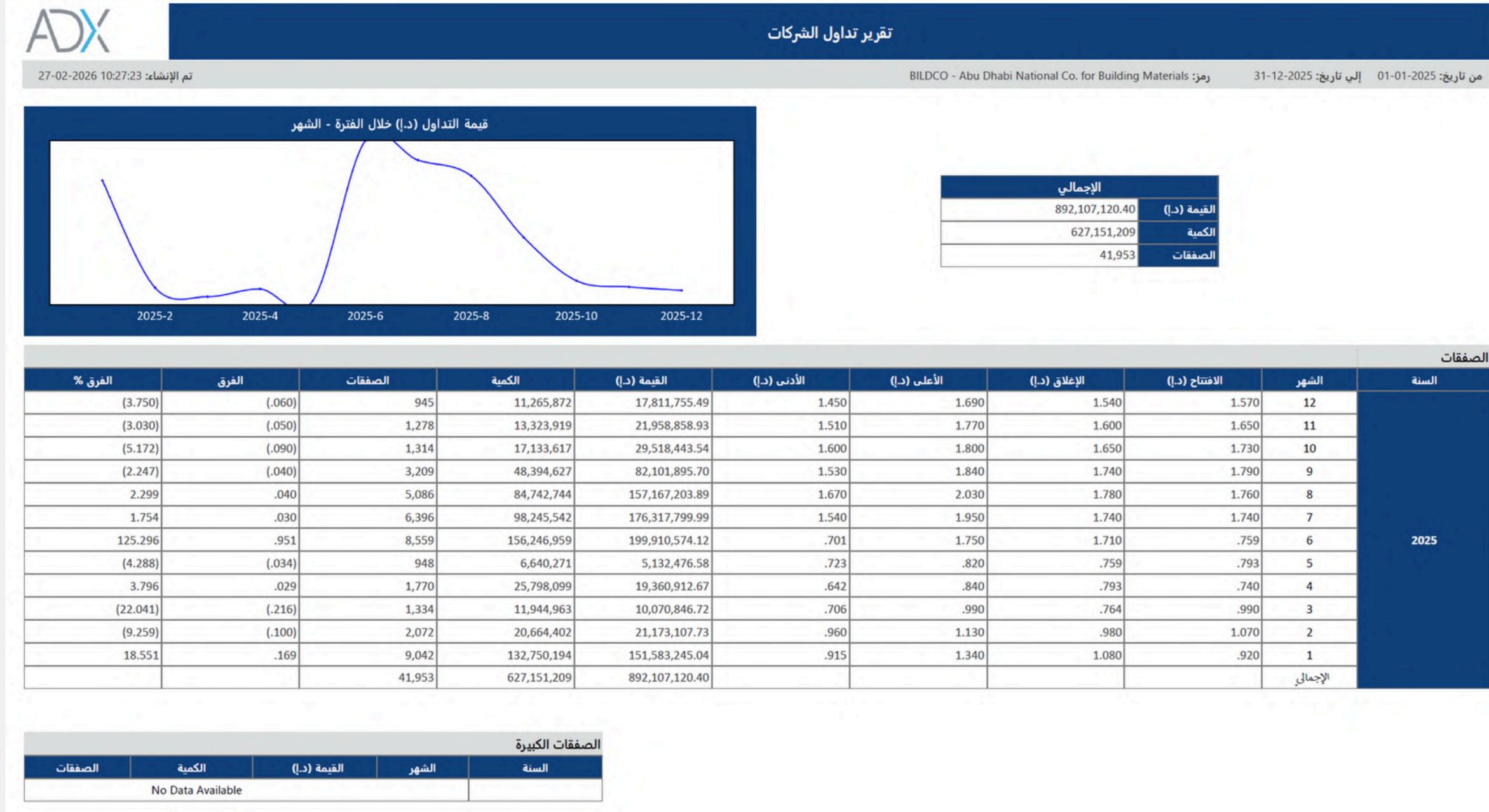
## Cash and In-Kind Contributions

Statement of the cash and in-kind contributions made by the Company during 2025 in support of community development and environmental preservation:

- No cash or in-kind contributions were made during 2025.

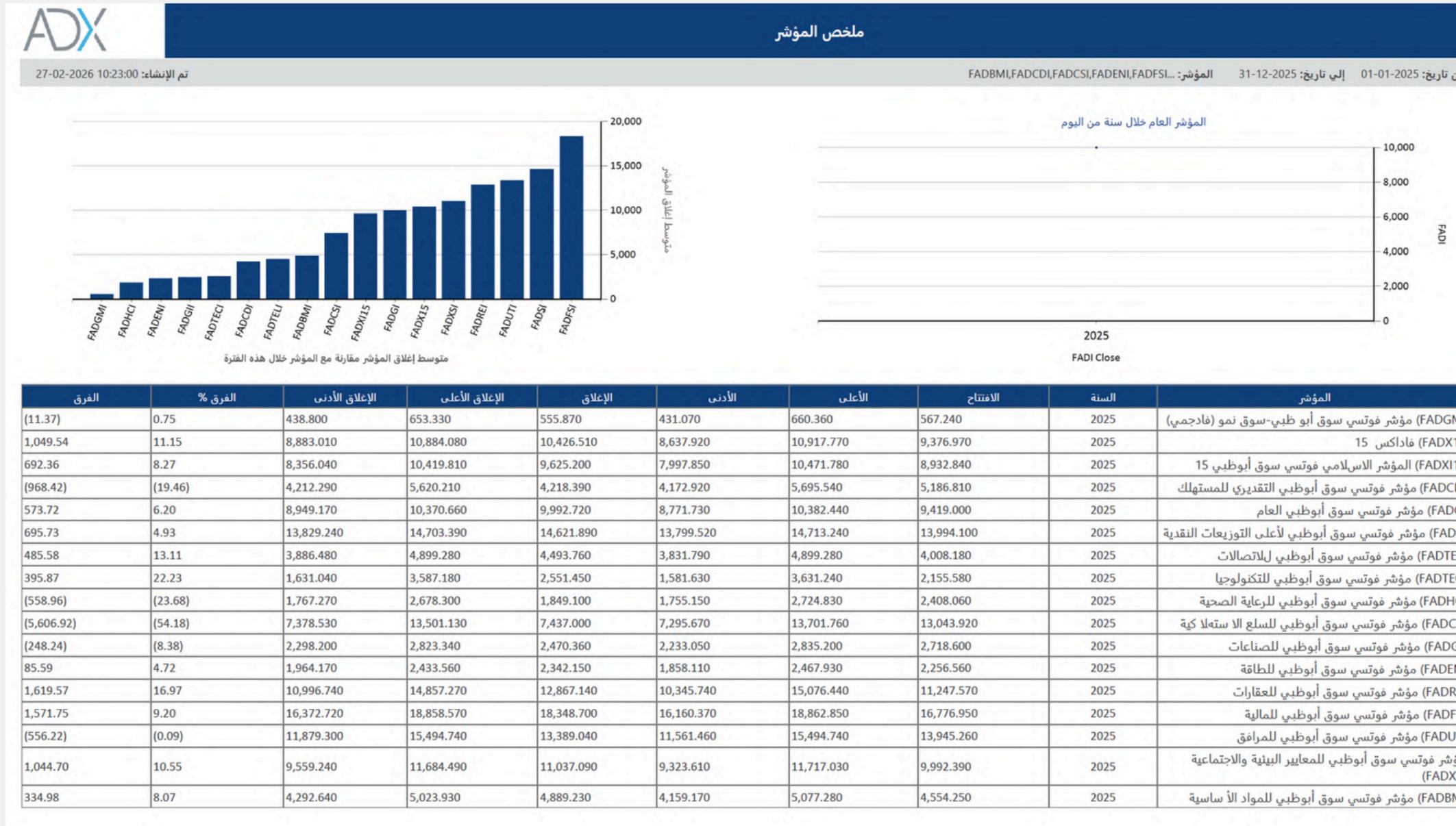
# General Information

## Statement of the Company's Share Price in the Market: Closing Price, Highest Price, and Lowest Price at the End of Each Month During the Financial Year 2025



# Continued – General Information

## Statement of the Comparative Performance of the Company's Share Against the Market Index and the Sector Index to Which the Company Belongs During 2025



**Statement of Shareholding Distribution as of 31/12/2025, categorized by Individuals, Corporations, and Governments, and classified as follows: Local, GCC, Arab, and Foreign.**

No	classification of shareholder	Percentage of Shares Owned			
		Individuals	companies	Government	Total
1	Local	273,146,562	17,541,484	---	290,688,046
2	Arab	1,435,542	7,830,838	---	9,266,380
3	Foreign	45,574	---	---	45,574
Total		274,627,678	25,372,322	---	300,000,000

# Statement of Shareholders Holding 5% or More of the Company's Share Capital as of 31/12/2025

No	Name	Number of Shares Owned	Percentage of Shares Owned of the Company's Capital
1	Mr. Khaled Ali Rasheed Al Omaira	30,615,808	10,20%
2	H.E. Ali Rasheed Nasser Al Omaira	62,813,806	20,93%

# Statement of the Distribution of Shareholders by Ownership Size as of 31/12/2025

No	Share Ownership (Share)	Number of Shareholders	Number of Shares Owned	Percentage of Shares Owned of Capital
1	Less than 50,000	1289	9,924,446	3.31%
2	From 50,000 to less than 500,000	266	42,079,484	14.03%
3	From 500,000 to less than 5,000,000	59	82,412,953	27.47%
4	More than 5,000,000	15	165,583,117	55.19%

# Statement of the Actions Taken Regarding Investor Relations Controls

The statement of the procedures that have been taken regarding investor relations controls, with a statement of the following:

- Determine the name of the investor relations officer and his contact details
- Updating the investor website.

1	Name of Investor Relations Officer	Mr. Mohamed Hussien Hamtou
2	Tel	26455500
3	Mobile	971564339261
4	E-Mail	<a href="mailto:m.hamtou@bildco.ae">m.hamtou@bildco.ae</a>
5	Website Link for the Investor Relations Page	<a href="http://www.bildco.ae">www.bildco.ae</a>

# Statement of Special Resolutions Presented at the General Assembly Held on 25/04/2025 and the Actions Taken Thereon



Consideration of the Company's continuity in carrying out its activities and addressing its accumulated losses in accordance with the requirements of Article (309) of Federal Decree-Law No. (32) of 2021 concerning Commercial Companies.

Approval of contracts for new factory equipment for BILDICO Industrial Products and approval of all capital expenditures related to the establishment of the factory.

Approval of the Company's purchase of up to 5% of its share capital as treasury shares.

# Board Secretary

MR. MUCHI LYU

Date of Appointment: 18 December 2025

Qualifications: Bachelor's Degree in Economics – Michigan State University

## Statement of Duties Performed During the Year

- Recording and preparing the minutes of Board meetings, including discussions, information presented, meeting venue, dates, times of commencement and conclusion, resolutions adopted, voting results, attendance lists, and any reservations expressed (if any). The minutes are signed by all members present.
- Maintaining the records of reports submitted to the Board of Directors and the resolutions issued by the Board.
- Informing Board members of meeting dates and ensuring the distribution of agendas, supporting documents, and relevant information.
- Ensuring compliance by Board members with the procedures adopted by the Board.
- Notifying Board members of meeting dates well in advance of the scheduled meeting date.
- Ensuring that Board members receive complete and prompt copies of meeting minutes, as well as Company-related documents and information.
- Communicating Board resolutions and committee recommendations to Executive Management and following up on implementation and reporting.
- Supporting the Board evaluation process.
- Coordinating between Board members, Executive Management, and Board committees.
- Maintaining the disclosure register of the Board and Executive Management in accordance with applicable regulations, and providing necessary support to Board members.
- Verifying that any Board member has abstained from voting on matters in which he or she has a direct or indirect interest, and ensuring that such abstention is recorded in the minutes.

## Statement of the Significant Events that Occurred During 2025

The financial year 2025 witnessed a historic transformation in the institutional path of BILDICO, as a comprehensive strategic partnership agreement was signed with Abu Dhabi Integrated Holding Company for Future Investment. This partnership aims to address accumulated financial challenges and reshape the Company's operational identity to become a leading platform in industrial and innovative investment development, in alignment with the national economic directions of the United Arab Emirates.

The cornerstone of this event was the implementation of an ambitious capital restructuring plan, under which substantial investments were injected, resulting in a fundamental change in the Company's overall financial structure.

The strategic partner's contribution included an in-kind share valued at AED 1.2 billion, comprising a diversified portfolio of industrial and logistics lands, in addition to operating factories and warehouses, thereby strengthening the Company's ability to generate immediate and sustainable cash flows.

Pursuant to this agreement, the Company transitioned from its traditional business model based on trading building materials to an integrated industrial developer model. This new direction focuses on six strategic pillars, including the development of green building materials, expansion of 3D concrete printing technologies, and management of industrial and logistics zones. In addition, an advanced B2B digital platform supported by artificial intelligence was launched to enhance procurement efficiency and logistics services, contributing to income diversification and maximizing value for shareholders.

To ensure the effective implementation of the transformation plan, a new Board of Directors was formed, comprising an elite group of strategic competencies, alongside the adoption of advanced institutional governance and risk management frameworks. Through these fundamental changes, the Company targets revenue growth exceeding 30% by 2026 and aims to achieve an estimated net profit of AED 200 million by 2028, while fully committing to environmental, social, and governance (ESG) standards.

## Statement of the Significant Events that Occurred During 2025

2. The development of the production plan for BILDICO's rebar services factory was approved in agreement with C.A.E. Serts Company, which includes increasing the production capacity to **700** tons per day, with actual production expected to commence in March **2026**.

This development aims to:

- Improve production efficiency and raise the factory's operational capacity to meet growing demand.
- Strengthen the Company's competitiveness in the steel rebar sector by ensuring the provision of high-quality products in accordance with approved technical and industrial standards.

## Statement of Transactions Carried Out by the Company During 2025 Equal to or Exceeding 5% of the Company's Capital

Sale of production lines and equipment of the steel and rebar factory at a value of AED **22,020,000**.

# Statement of Emiratisation Percentage in the Company as at the End of 2025

The Company's Emiratisation percentage during 2025 was as follows:

Year	Total Employees	Number of UAE Nationals	Emiratisation Percentage
2025	53	3	5.7%

## Statement of Innovative Projects and Initiatives Undertaken or Under Development During 2025

- None.

# Sustainable Development and Social Responsibility

Through its Board of Directors, committees, and executive management, the Company continues to exert diligent efforts aimed at firmly committing to the sustainability of its operations and enhancing its contribution to supporting and strengthening economic and social development in the United Arab Emirates, by adopting smarter and more effective approaches.

Among the key priorities of the Company's Board of Directors, its various committees, and executive management staff is to deliver meaningful contributions to the surrounding community.

The Company acknowledges and appreciates the great care extended by the country's wise leadership and all governmental and community entities with which the Company has collaborated, and it strives to support community development, particularly in the following sectors:

- Education sector.
- Healthcare sector.
- Environment and waste management sector.

It is worth noting that the executive management will present an integrated plan for community development in the coming years and allocate the necessary financial resources within the Company's indicative budget. Continuous efforts were also made to communicate with UAE nationals who have obtained housing loans approved by the Abu Dhabi Housing Authority, by offering building materials products at cost price as a contribution from the Company to ease the financial burden on UAE citizens.

# Company Customers

The Company's management at all levels, starting from the Board of Directors and its committees through to the executive management, places utmost importance on delivering the highest levels of service to customers and enhancing their satisfaction, which remains at the core of our priorities.

To achieve this, we have introduced a range of products and services that have strengthened our competitive advantage and reinforced our position as the preferred choice for most of our customers, whether individuals or corporate entities.

Chairman of the Board's Signature	Chair of the Audit Committee's Signature	Chair of the Nomination and Remuneration Committee's Signature	Chair of the Audit Committee's Signature	Director of the Internal Control Department Signature
02/03/2026	02/03/2026	02/03/2026	02/03/2026	02/03/2026



# Sustainability Report 2025

Abu Dhabi National Company for Building Materials  
PJSC (BILDCO)

1 January – 31 December 2025

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## Key Highlights:

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[↶ OSHMS, Sustainability Strategy and Governance](#)

[↶ Environmental Stewardship](#)

[↶ Social Responsibility and Workforce](#)

[↶ Corporate Governance and Business Ethics](#)

[↶ Looking Ahead — 2026 Priorities](#)

[↶ Annex \(I\): Applicable Regulatory Framework](#)

# Section 1: Company Profile

## 1.1: About BILDCO

Abu Dhabi National Company for Building Materials PJSC (BILDCO) operates as an integrated building materials and industrial services platform serving the UAE market.

Our operations span four primary verticals:

**01**  
**Trading and distribution of core construction materials**

**02**  
**Manufacturing of aerated concrete, rebar services, and cement products**

**03**  
**Industrial expansion projects, including steel manufacturing initiatives**

**02**  
**Strategic investments aligned with national development objectives**

Over the past four decades, BILDCO has established a strong distribution network and manufacturing presence across the UAE. In 2025, the company transitioned toward a more structured industrial model, emphasizing efficiency, sustainability, and long-term asset value creation.

# Section 1: Company Profile

## 1.2 ESG Vision, Mission and Values

In 2025, BILDSCO formalized its ESG governance framework to ensure structured oversight and accountability.

**Sustainability oversight is integrated at Board and executive management levels, with sustainability considerations embedded into:**

- Investment evaluation
- Risk management processes
- Capital expenditure planning
- Operational efficiency programs



The company strengthened internal control systems and reinforced ethical conduct standards to ensure full compliance with UAE corporate governance regulations and market disclosure requirements. 2025 marks the baseline year for structured ESG data monitoring across environmental, workforce, and operational performance metrics.



## Section 2: OSHMS, Sustainability Strategy and Governance

### 2.1 OSHMS Overview and October 2025 Revision

BILDSCO's Occupational Safety and Health Management System (OSHMS) is the central framework through which all workplace safety and environmental management obligations are identified, implemented, monitored, and continually improved. In October 2025, BILDSCO completed a comprehensive revision of the OSHMS Manual (Document No. BCP-OSHMS-MAN, Revision 01, Issue Date 30/10/2025), upgrading from the previous OHSAS 18001:2007 standard to ISO 45001:2018 and aligning all elements with ADOSH-SF Version 4.0.

#### The 2025 revision scope included:



- Development of revised OSH Policy, Environmental Policy, and a new Drug and Alcohol Policy.
- Review and approval of all 16 OSHMS Element Procedures (BCP-OSHMS-MAN-PR-01 through PR-16).
- Development and approval of 33 Safe Operating Procedures covering all significant workplace hazards identified through risk assessment
- Introduction of updated document numbering conventions, retention schedules, and AL-ADAA reporting obligations.
- Full alignment with applicable UAE Federal laws, Abu Dhabi Emirate regulations, and ISO 45001:2018 requirements.



## Section 2: OSHMS, Sustainability Strategy and Governance

### 2.2 The documentary structure of the occupational health and safety management system

#### Level I — Policies and Manual

The OSHMS Manual (BCP-OSHMS-MAN), OSH Policy (BCP-OSHMS-OSH-POL), Environmental Policy (BCP-OSHMS-ENV-POL), and Drug and Alcohol Policy (BCP-OSHMS-DRUG&ALC-POL).

#### Level II — OSHMS Procedures

16 documented procedures aligned to ADOSH-SF Elements, covering roles and responsibilities, risk management, contractor management, communication and consultation, training and competency, emergency management, OSH targets and objectives, performance monitoring and reporting, incident notification and investigation, audit and inspection, legal compliance, management of change, document control and record retention, management review, standard operating procedures, and corrective and preventive action.

#### Level III — Safe Operating Procedures (SOPs):

33 task-specific and hazard-specific procedures, including hazardous materials, PPE, occupational noise and vibration, first aid, heat safety, electrical safety, confined spaces, working at heights, powered lift trucks, hot work, waste management, traffic management, permit-to-work systems, lock-out/tag-out, lone working, and spray finishing.

## Section 2: OSHMS, Sustainability Strategy and Governance

### 2.3 Key Policies

#### OSH Policy:

commits BILDSCO to prevention of injury and illness, enhancement of employee health and wellbeing, identification and management of OSH risks, legal compliance, setting and reviewing measurable OSH targets and objectives, provision of adequate resources, and continual improvement. The policy is authorized by top management, displayed at all operational locations, and communicated at induction and through regular toolbox talks.

#### Environmental Policy:

commits BILDSCO to protecting the environment and the communities in which it operates, conserving energy, water, and natural resources, reducing waste generation, recycling, reducing the use of toxic materials, and meeting or exceeding all applicable environmental regulatory requirements.

#### Drug and Alcohol Policy:

acknowledges that being under the influence of alcohol or drugs can seriously affect cognitive function and reaction time, increasing the risk of unsafe acts, incidents, mental health deterioration, and anti-social behaviour. The policy establishes clear rules for all employees, contractors, and visitors on company premises and vehicles, and provides a support framework for employees with dependence concerns.

## Section 2: OSHMS, Sustainability Strategy and Governance

### 2.4 Alignment with National and International Frameworks

ADOSH-SF v4.0

All OSHMS elements, mechanisms, and codes of practice are aligned to ADOSH-SF v4.0 requirements. OSH performance is reported to ADPHC through the AL-ADAA electronic platform on a quarterly basis, per regulatory requirements under Decree No. 42 of 2009.

UAE Net Zero by 2050

Supported through hybrid generator deployment, energy-efficiency investment, and the environmental management objectives embedded in the revised OSHMS.

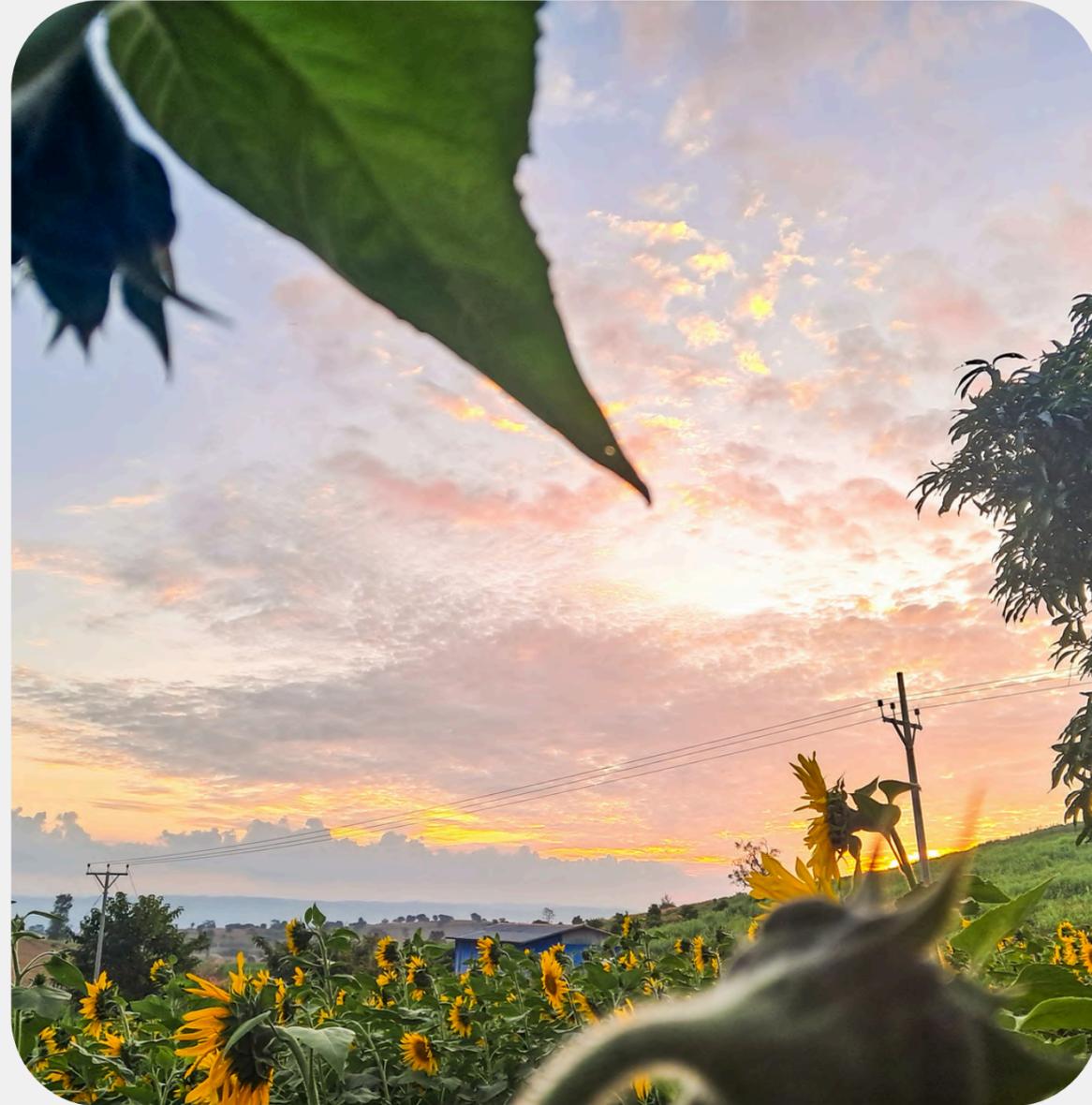
UAE National Agenda  
2031–2021

Supported through the Emiratisation programme

UN Sustainable  
Development Goals

BILDCO's activities are most directly aligned to SDG 3, 4, 5, 8, 9, 12, and 13.

## Section 2: OSHMS, Sustainability Strategy and Governance



### 2.5 Materiality Assessment

Material ESG topics for 2025 include: air quality and dust emissions management, energy consumption and GHG emissions, heat stress management, occupational health and safety, workforce development and Emiratisation, gender equality and inclusion, corporate governance, waste management, water consumption, emergency preparedness, contractor management, and community engagement. A formal documented materiality matrix exercise with stakeholder engagement is planned for the 2026 reporting cycle.



## Section 3: Environmental Stewardship

### 3.1 Environmental Management Framework

BILDCO's environmental management obligations are governed by UAE Federal Law No. 24 of 1999, Cabinet Decree No. 12 of 2006, Dubai Local Order No. 61 of 1991, and applicable Dubai Municipality and Abu Dhabi environmental regulations. All environmental monitoring is conducted by EIAC-accredited third-party laboratories. The company's environmental management system is aligned to ISO 14001:2015 and embedded within the OSHMS framework updated in October 2025.

### 3.2 Air Quality and Stack Emissions Management

Air quality management is one of BILDCO's most significant environmental obligations at the Dubai Industrial City facility. Primary emission sources include the facility boiler stack, fugitive dust from aggregate and cementitious material handling, and exhaust from diesel-powered mobile equipment.

Independent stack emission monitoring was conducted at the DIC boiler by Jansal Calibration Services (EIAC-accredited, Test Report No. JE12/2500021). Monitoring comprised three one-hour sampling runs using equipment calibrated to ISO/IEC 17025:2017, in accordance with US EPA EMC Methods 1, 2, 6C, 7E, and 17. All results were within the limits prescribed by UAE Cabinet Decree No. 12 of 2006.



## Section 3: Environmental Stewardship

### 3.3 Energy Consumption and Carbon Emissions

Energy consumption arises primarily from electricity at manufacturing facilities and diesel consumption by mobile equipment and on-site generators. BILDSCO continued the transition to hybrid generators in 2025, with five of eight operational sites now operating on hybrid technology. This programme delivers an estimated 40% reduction in diesel consumption at those five sites relative to conventional diesel-only arrangements.

### 3.4 Water Management

Water is consumed in AAC block production, equipment and vehicle washing, and facility maintenance activities. The proposed Readymix Concrete Plant incorporates a slurry recovery system that collects, separates, and recirculates process wash water, reducing freshwater demand. Estimated wastewater generation from the RMC plant is less than 5 tonnes per day, to be substantially recovered and reused. No discharge to groundwater or surface water is proposed at either facility.

### 3.5 Waste Management

Approximately 50% of materials used in BILDSCO's production processes incorporate recycled content. Cement dust collected through cartridge dust collectors at the DIC facility is recovered and reintroduced to production processes. Aggregate residues are separated through sand and gravel separators and reused, minimising landfill disposal. Hazardous waste streams — primarily used lubricants, oils, and contaminated maintenance materials — are segregated, labelled, and disposed of exclusively through licensed waste contractors in compliance with Dubai Municipality requirements and UAE Federal Law No. 12 of 2018 (Integrated Waste Management).

## Section 4: Social Responsibility and Workforce

### 4.1 Our People

BILDCO's workforce is its most important operational asset. The company employs a diverse team at facilities in Abu Dhabi and Dubai. As of 2025, 159 people are directly employed at Abu Dhabi National Company for Building Materials. BILDCO is an equal opportunity employer, prohibiting discrimination on the basis of age, gender, race, religion, or nationality in all aspects of recruitment, employment, training, and advancement.

### 4.2 Emiratisation and National Talent Development

BILDCO is committed to the UAE Government's Emiratisation programme and to building a sustainable pipeline of Emirati professionals in the building materials and industrial manufacturing sector.

### 4.4 Occupational Health and Safety

BILDCO regards occupational health and safety as a non-negotiable operational commitment. The OSHMS revised in October 2025 upgraded all HSE procedures to ISO 45001:2018 and ADOSH-SF v4.0 standards. The hierarchy of control measures applied at BILDCO follows the mandated sequence: elimination, substitution, engineering or isolation controls, administrative controls, and personal protective equipment (PPE).

All 33 Safe Operating Procedures were reviewed and approved during 2025, providing task-specific guidance for every significant hazard at Musaffah and Dubai Industrial City. Key SOP categories include working at heights, confined spaces, electrical safety, lock-out/tag-out, hot work, powered lift trucks, manual handling, permit-to-work, heat safety, hazardous materials, and waste management.

### 4.3 Gender Equality and Inclusion

BILDCO remains committed to fostering a workplace culture that promotes equal opportunity, fairness, and inclusion across all levels of the organization. Gender inclusivity principles are integrated into our hiring practices, leadership development approach, and internal policies.

In 2025, management reinforced its commitment to non-discriminatory recruitment, merit-based promotion, and equal access to professional development opportunities. Representation of women at Board level was maintained during the reporting period, reflecting the company's continued support for balanced governance and leadership diversity.

BILDCO is committed to strengthening gender inclusion frameworks progressively and will continue evaluating structured initiatives that further enhance equal participation across operational and administrative functions.

## Section 4: Social Responsibility and Workforce

### 4.5 Heat Safety

Given UAE summer temperatures regularly exceeding 49°C, heat stress management is a critical occupational health priority. The Safe Operating Procedure for Safety in the Heat was reviewed in 2025. Controls include mandatory rest periods, hydration stations, shaded rest areas, heat stress awareness training, and heat acclimatisation protocols for new workers during the summer period.

### 4.6 Training, Competency and Awareness

The Training, Awareness and Competency Procedure governs all OSHMS, subject-specific, and task-specific training. Training formats used in 2025 included HSE site inductions, weekly toolbox talks, emergency drill participation, and specialist equipment and process safety training.

### 4.7 Community Engagement

Community engagement activities in 2025 included participation in UAE national celebrations and workforce welfare initiatives. The company's primary community contribution remains the provision of high-quality, locally manufactured building materials that directly support the UAE's construction and infrastructure development agenda.

## Section 5: Corporate Governance and Business Ethics

### 5.1 Governance Framework

As an ADX-listed public joint stock company, BILDCO is subject to ADX Corporate Governance requirements, Securities and Commodities Authority (SCA) regulations, and UAE Federal Commercial Companies Law. The Board of Directors sets strategic direction, oversees management performance, approves material transactions, and ensures the integrity of financial reporting and ESG disclosures.

### 5.2 Internal Audit, Oversight & Compliance

BILDCO maintains a structured internal oversight framework to ensure operational integrity, regulatory compliance, and accountability across all business activities, not limited to manufacturing operations.

Internal audits are conducted periodically across operational, financial, compliance, and safety functions to assess adherence to company policies, legal requirements, and risk management standards. Where necessary, independent external reviews are engaged to provide objective assurance and reinforce transparency.

Routine site inspections and compliance checks are implemented across BILDCO facilities to monitor workplace conditions, operational standards, and adherence to internal procedures. Findings are reviewed by management and addressed through structured corrective action processes to ensure continuous improvement.

This multi-layered oversight structure supports responsible decision-making, regulatory compliance, and sustainable long-term operations.

# Section 5: Corporate Governance and Business Ethics

## 5.3 Management Review & Accountability

Senior management conducts periodic reviews of company performance, governance systems, and risk exposure to ensure the continued adequacy and effectiveness of internal controls.

These reviews evaluate:

- Operational performance and strategic alignment
- Compliance with legal and regulatory requirements
- Risk management effectiveness
- Workplace safety and incident trends
- Audit findings and corrective action progress
- Recommendations for improvement

Management review sessions form part of BILDICO's commitment to institutional discipline, transparency, and continuous enhancement of governance standards.

## 5.4 Business Ethics, Integrity & Anti-Corruption

BILDICO is committed to conducting business with integrity, fairness, and full compliance with applicable UAE laws and regulatory standards.

The company adheres to:

- Anti-corruption and anti-bribery regulations
- Anti-money laundering (AML) obligations
- Fair competition principles
- Transparent procurement practices
- Conflict-of-interest disclosure standards

Procurement and contractor engagement are conducted on the basis of merit, quality, commercial value, and regulatory compliance. Supplier selection processes aim to ensure fairness, accountability, and long-term reliability.

BILDICO promotes a culture of ethical conduct across all levels of the organization and expects employees, contractors, and partners to uphold the same standards of professional responsibility.

Ethical performance is considered fundamental to maintaining shareholder trust, regulatory confidence, and sustainable business growth.

## Section 6: Looking Ahead – 2026 Strategic Priorities

Building on the 2025 baseline year for structured ESG governance and performance monitoring, BILDSCO's 2026 priorities focus on strengthening environmental efficiency, workforce development, and governance maturity. Our objective is to move from system establishment to measurable performance improvement.

### Environmental Priorities

In 2026, BILDSCO will prioritise operational efficiency and structured environmental performance management.

- Completing the transition of all remaining operational sites to hybrid generator systems, achieving full hybrid coverage across all eight facilities and reducing reliance on conventional diesel technology.
- Conducting technical and commercial feasibility studies for solar photovoltaic (PV) installation at the Musaffah and DIC facilities, supporting alignment with UAE Net Zero 2050 objectives.
- Establishing fully metered and quantified energy and water consumption baselines across all operations to enable meaningful year-on-year performance tracking and structured ADX ESG disclosures aligned with GRI 302 (Energy) and GRI 303 (Water).
- Assessing and implementing technically viable solutions to reduce NOx emissions from DIC boiler systems, improving air quality performance and regulatory alignment.

## Section 6: Looking Ahead – 2026 Strategic Priorities

### Social & Workforce Priorities

BILDCO's 2026 social priorities focus on workforce capability, inclusion, and safety culture maturity.

#### Key initiatives include:

- Advancing the Emiratisation programme in alignment with national regulatory requirements and sector targets.
- Conducting a comprehensive OSH competency and training needs assessment across all job categories, followed by implementation of a structured skills development programme at both facilities.
- Promoting proactive safety culture by increasing near-miss reporting as a leading indicator of risk awareness and operational maturity.
- Establishing formal, quantified targets for female workforce participation and women in management roles, with structured quarterly monitoring of progress.
- Implementing an enhanced heat stress management programme prior to summer 2026, aligned with updated UAE Ministry of Human Resources and Emiratisation guidance.

## Section 6: Looking Ahead – 2026 Strategic Priorities

### Governance & Institutional Development Priorities

In 2026, BILDSCO will continue advancing governance transparency and ESG disclosure maturity.

Key initiatives include the following:

- Investing in ESG data collection and management systems to support fully quantified, internally verified disclosures across all material KPIs in the 2026 Sustainability Report.
- Formalising and communicating a documented Code of Conduct policy across the organisation, reinforcing ethical standards and compliance culture.
- Progressively aligning climate-related disclosures with TCFD recommendations to enhance transparency around climate risk and financial exposure.
- Engaging an external assurance provider to review the 2026 sustainability data set, enhancing credibility for ADX, regulatory, and investor audiences.
- Ensuring structured quarterly reporting of OSH performance and compliance metrics throughout the 2026 regulatory cycle.

## Annex A: Applicable Regulatory Framework

Regulation / Framework	Jurisdiction	Relevance to BILD CO
UAE Federal Law No. 24 of 1999	Federal	Protection and Development of the Environment
Cabinet Decree No. 12 of 2006	Federal	Air emission limits, ambient air quality and noise standards
Federal Law No. 12 of 2018	Federal	Integrated Waste Management
UAE Federal Labour Law	Federal	Employment, workforce rights, and occupational health
Dubai Local Order No. 61 of 1991	Dubai	Environment Protection Regulations, Emirate of Dubai
Dubai Municipality EC Guidelines (April 2024)	Dubai	Environmental Clearance for industrial projects including EIAR
ADOSH-SF Version 4.0 (July 2024)	Abu Dhabi	OSH System Framework for all Abu Dhabi operations
Abu Dhabi Public Health Centre (ADPHC)	Abu Dhabi	Supervision and monitoring of ADOSH-SF implementation; AL-ADAA reporting
Decree No. 42 of 2009 (Abu Dhabi)	Abu Dhabi	Implementation of OSHMS in the Emirate of Abu Dhabi
ADX ESG Reporting Guidelines	ADX / SCA	ESG disclosure requirements for listed companies
ISO 45001:2018	International	Occupational health and safety management systems
ISO 14001:2015	International	Environmental management systems
ISO 9002	International	Quality management — held by BILD CO
GRI Standards	International	Global Reporting Initiative sustainability reporting
UN Sustainable Development Goals 2030	International	SDG 3, 4, 5, 8, 9, 12, 13
UAE Net Zero 2050 Strategic Initiative	UAE Government	Carbon neutrality commitment — energy and emissions targets

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

**INDEPENDENT AUDITOR'S REPORT AND**  
**CONSOLIDATED FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDED 31 DECEMBER 2025**

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

**I N D E X**

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Consolidated statement of financial position as at 31 December 2025	A	13 - 14
Consolidated statement of comprehensive income for the year ended 31 December 2025	B	15
Consolidated statement of changes in shareholders equity for the year ended 31 December 2025	C	16
Consolidated statement of cash flows for the year ended 31 December 2025	D	17 - 18
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## Board of Directors' Report for the Financial Year

Ended December 31, 2025

### To the Shareholders,

We hereby present our financial report for the fiscal year ended December 31, 2025, for our group of companies: Abu Dhabi National Company for Building Materials-BILDCO (PJSC), BILDCO Reinforcement Steel Services, BILDCO Cement Products LLC, and BILDCO Aerated Concrete Products LLC.

The company achieved net revenues amounting to AED 46,077,690 for the fiscal year ending December 31, 2025, compared to AED 52,464,355 in the previous year. The cost of sales amounted to AED 42,006,731, compared to AED 45,592,409 in the previous year. The company recorded a total profit of AED 4,070,959 during the fiscal year ending December 31, 2025, compared to a total profit of AED 6,871,946 in the previous year. The consolidated net loss for the company for the fiscal year ended December 31, 2025, was AED (26,769,759) compared to a consolidated net profit of AED 12,863,642 for the same period in the previous year. Earnings per share during the period amounted to AED 0.01, compared to AED 0.16 per share in the previous year. The total shareholders' equity amounted to AED 77,748,770 as of December 31, 2025, compared to AED 75,865,363 as of December 31, 2024.

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

- |   |                            |
|---|----------------------------|
| 1- Mr. Rasheed Ali Rasheed Al-Omaira    | Chairman of the Board      |
| 2- Mr. Saeed Saif Darwish Ahmad Alketbi | Vice Chairman of the Board |
| 3- Ms. Shamsa Sulaiman Alfahim          | Board Member               |

The Board of Directors also affirms that, to the best of its knowledge, the financial information presented in this report fairly represents, in all material respects, the company's financial position, results of operations, and cash flows for the financial period covered by this report.

Chairman of the Board



Date: 19/02/2026

## Independent Auditor's Report

### The Shareholders

Abu Dhabi National Company for Building Materials PJSC  
Abu Dhabi - United Arab Emirates

### Report on the Audit of the Consolidated Financial Statements

#### *Adverse Opinion*

We have audited the consolidated financial statements of **Abu Dhabi National Company for Building Materials PJSC** (the "**Company**") and its subsidiaries (together the "**Group**"), which comprise the consolidated statement of financial position as at 31 December 2025, and the 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 a summary of significant accounting policies.

In our opinion, because of the significant of the matters discussed in the basis for adverse opinion section of our report, the accompanying consolidated financial statements do not present fairly, 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 International Financial Reporting Standards ("IFRSs").

#### *Basis for Adverse Opinion*

- We have not received direct confirmation letters from First Abu Dhabi Bank, Ajman bank and Emirates National Bank of Dubai, and the Group did not provide us with the supporting documents for bank facilities and loan repayment schedules as explained in Note (23). Accordingly we were unable to satisfy ourselves on the completeness of any special arrangements or restrictions arising from the relationship with these banks and on the completeness and accuracy of the balances, related finance costs and commitments held with these banks.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

- We were unable to verify the cost of conversion of inventory - finished goods and the cost of production, as detailed calculations were not available from the Group's accounting system. During the inventory count we observed that the Group has physical inventory which are not recorded in the books and we did not receive the item wise cost of inventory. Furthermore, certain special inventory items include transportation, vehicle maintenance, and drivers' salaries, resulting in unit costs significantly exceeding their net realizable value, in contravention of IAS 2. Consequently, we were unable to obtain sufficient appropriate audit evidence regarding the valuation and accuracy of inventory balances and production costs, and we are unable to determine the potential impact on the Consolidated financial statements.
  
- We have not received confirmations from related parties for their receivables and payables balances (Note 21) as of 31 December 2025, and we were unable to satisfy ourselves as to these balances by other audit procedures.
  
- We have not been provided with Lawyer's letter, hence we are unable to comment on the lawsuits filed by the Group and against the Group.
  
- We have not received supporting documents for disposal of an asset amounting to AED 38,900,000 (net) in capital work in progress (Note 12 (a)). Consequently, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the completeness and accuracy of the disposal transaction, including the related VAT and corporate tax implications.
  
- Unquoted securities amounting to AED 83,325 (net) are registered under the personal name of Mr. Ali Rasheed Naser Alomaira, (Managing Director) which are beneficially held and controlled by the Group. We did not receive supporting documents to verify the ownership or balances of these shares. Accordingly, we were unable to satisfy ourselves as to the existence, completeness, and valuation of these unquoted securities and the related disclosures in the financial statements.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

- We draw attention to Note 3 in the consolidated financial statements, which indicates that the Group's accumulated losses of AED 361,109,013 (2024 : AED 332,578,535) Group current liabilities exceed its current assets by AED 176,951,614 (2024 : AED 197,302,420) as of that date. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. However, the consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future with the financial support of shareholders. We have not been able to obtain sufficient and corroborative evidences about the Group's management plans and new strategies. Accordingly, we are unable to comment on the appropriateness of the going concern assumption of the consolidated financial statements and their consequential impact on the financial results of the Group.
  
- The Group did not provide the corporate tax computation for the year ended 31 December 2025. As a result, we were unable to verify the accuracy, completeness, and appropriateness of the current tax balances, and related disclosures included in the Consolidated financial statements.

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 Group in accordance with the *International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in *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 adverse opinion.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

***Other Information***

Other information consists of the information included in the Directors' report, other than the consolidated financial statements and our auditor's report thereon. 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.

***Key Audit Matters***

In addition to the information described in the basis for adverse opinion section of our report, we enumerate below the other key audit matters:

- Impairment of trade and other receivables.
- Repayment of interest-bearing loans and borrowings.
- Valuation of investment properties and capital work in progress.

As part of designing our audit, we determine materiality and assessed the risks of material misstatement in the consolidated financial statements. We considered where management made subjective judgment; for instance, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represent a risk of material misstatement due to fraud. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking in to account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current year. 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.

**Key Audit Matters**

**How our audit addressed the key audit matter**

*Impairment of trade and other receivables*

As at 31 December 2025, the Group has a trade and claim receivables Balance of AED 97,209,577 and recorded expected credit losses against it of AED 90,924,742.

Management performed an assessment of the recoverability of the Group's trade receivables to determine whether any were impaired. The Group has adopted International Financial Reporting Standard 9, Financial Instruments (IFRS 9), which provides specific guidance in this area of impairment loss allowances.

We considered this to be a key audit matter due to the significant judgment required in determining the recoverability of trade receivables and the potentially material adjustments resulting from it that could effects the Group's consolidated financial position as at 31 December 2025 and its reported resulted for the year then ended.

*Our audit procedures included carrying out the following:*

- a. Agreed the detailed listing of the loss allowance recognized on trade receivables to the Group's trial balances,
- b. Tested how the expected credit losses model had calculated the allowance on a lifetime basis, and how this compared with the guidance contained in IFRS 9. We also tested the mathematical accuracy of the *calculations*;
- c. Tested the historic payment experience used as the starting point for the re-calculation of the lifetime expected credit losses;
- d. Evaluated the appropriateness of the adjustments for forward looking information to historical balances, loss rates and other information, including agreeing to supporting documents on the sample basis;
- e. Assessed the completeness and accuracy of data used in calculating the expected credit losses, including the appropriate exclusion of balances assessed individually;



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

**Key Audit Matters**

The computation of a Group's trade receivable loss allowance was made by reference to the lifetime expected credit losses of the trade *receivables* adjusted by forward looking information in line with the requirements of, and guidance in, IFRS 9 guidance. As a result of the assessment performed, management recorded an additional loss allowance/expected credit loss of AED 'NIL' for the year ended 31 December 2025 for trade receivables, to give a total loss allowance/expected credit loss of AED 90,924,742 as at that date.

*Repayment of interest-bearing loans and borrowings*

Interest-bearing loans, bank overdraft and borrowings as at 31 December 2025 amount to AED 200,103,825 as stated in Note (13) which represent 70.85% of total liabilities. Compliance with financing and legal covenants and monitoring the liquidity position are important aspects for our audit since these can impact the Group's ability to repay its obligations.

Interest-bearing loans and borrowings are under legal case and the amount presented in these consolidated financial statements has been derived from the court decision as disclosed in Note (23).

**How our audit addressed the key audit matter**

- f. Assessed whether time value of money was *considered in the* expected credit loss impairment model and checked the mathematical accuracy and calculations;
- g. Evaluated the appropriateness of the assumptions and judgments used by the management to estimate how much of the balance is recoverable; and
- h. Evaluate the adequacy of the disclosures in Note (6) to the consolidated financial statements in accordance with IFRS.

Our audit procedure included carrying out the following:

We applied the assumptions applied by the management for complying with the covenants and legal orders including its sensitivity.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

**Key Audit Matters**

*Valuation of investment properties and property, plant and equipment*

As at 31 December 2025, the Group has evaluated property, plant and equipment amounting to AED 29,857,840

Investment properties are carried at fair value through profit or loss in the consolidated statement of financial position of Group and it is included within level 2 in the fair value measurement as at 31 December 2025.

Property, plant and equipment has been revaluated only by one independent evaluator issued reports on 30 August 2025.

**How our audit addressed the key audit matter**

*Our audit procedures included carrying out the following:*

- a. We evaluate the efficiency independent and integrity of the external evaluators, and we reviewed the conditions of their association contracts with the Group to determine any matter effected their objectivity or imposed limits on their scope of work.
- b. We obtained the external evaluation reports for investment properties and capital work in progress, and checked whether evaluation method complied to the standards of surveying works issued by the department of municipal affairs and transport that they are appropriate for use in determining the fair value in consolidated statement of financial position.
- c. We have implemented procedures to test whether the key information provided by the management to external evaluation firms were appropriate and reliable.
- d. Based on our evaluation results, we determined the adequacy of the disclosures in the consolidated financial statements.

***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, and in compliance with applicable provisions of Group's Articles of Association and Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

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, related safeguards.

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.

***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 risks, 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 Group's 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 disclosures 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.



**Independent Auditor's Report to the shareholders of Abu Dhabi National Company  
for Building Materials PJSC for the year ended 31 December 2025 (continued)**

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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, related safeguards.

***Report on other legal and regulatory requirements***

As required by Federal Decree Law No. (32) of 2021 regarding Commercial Companies we report that :

1. We have obtained all the information and explanation we considered necessary for our audit.
2. The consolidated financial statements comply, in all material respect with the applicable provisions of Federal Decree Law No. (32) of 2021 and the Articles of Association of the Group.
3. The Group has maintained proper books of accounts.
4. Investments in properties and financial assets disclosed in Note (9 & 10).
5. Transactions and term with related parties disclosed in Note 21.
6. The financial information mentioned in board of directors' report comply with the Group's books of accounts.
7. There were no social contributions made during the year ended 31 December 2025.
8. Based on the information and explanation that has been made available to us nothing came to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of Federal Decree Law No. (32) of 2021 or the Articles of Association of the Group which would have a material effect on the Group's activities or on its consolidated financial position for the year.

**For Talal Abu Ghazaleh & Co. International**

**Salah Al Aried**  
Licensed Auditor No. 1274

Abu Dhabi

22 February 2026



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

**EXHIBIT A**

**CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION AS AT 31 DECEMBER 2025**

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

<b><u>ASSETS</u></b>	<b><u>NOTE</u></b>	<b><u>2025</u></b>	<b><u>2024</u></b>
<b><u>CURRENT ASSETS</u></b>			
Cash and cash equivalents	5	13,335,563	3,453,146
Bank term deposit	13 (f)	632,034	632,034
Trade and other receivables	6	14,965,757	15,484,615
Other asset	7	996,465	1,258,625
Inventories	8	5,943,879	5,290,455
Investments at fair value through profit or loss (FVTPL)	9 (a)	41,842,860	34,461,195
Total current assets		<u>77,716,558</u>	<u>60,580,070</u>
<b><u>NON-CURRENT ASSETS</u></b>			
Investments properties	10	45,200,000	45,200,000
Right-of-use assets	11	23,763,774	24,845,286
Property, plant and equipment	12	213,490,005	232,021,163
Total non-current assets		<u>282,453,779</u>	<u>302,066,449</u>
<b>TOTAL ASSETS</b>		<u><u>360,170,337</u></u>	<u><u>362,646,519</u></u>

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

To the best of our knowledge, the consolidated financial statements fairly presents in all material respects, the consolidated financial position, result of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2025.

The consolidated financial statements were approved for issue by the Board of Directors and signed on their behalf by:


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**Mr. Rasheed Ali Rasheed Naser Al Omaira**  
*Chairman*


---

**Mr. Saeed Saif Darwaish Ahmed Alketbi**  
*Vice Chairman*


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**Ms. Shamsa Sulaiman Abdulkarim Alfahim**  
*Board Member*

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

**CONT. EXHIBIT A**

**CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION AS AT 31 DECEMBER 2025**

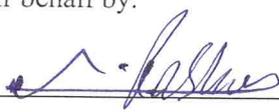
(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)

<b><u>EQUITY AND LIABILITIES</u></b>	<b><u>NOTE</u></b>	<b><u>2 0 2 5</u></b>	<b><u>2 0 2 4</u></b>
<b><u>CURRENT LIABILITIES</u></b>			
Bank overdraft	13 (f)	26,136,005	26,136,005
Borrowings	13	173,967,820	173,967,820
Trade and other payables	14	54,053,603	57,313,401
Lease liabilities	15	510,744	465,264
Total current liabilities		<u>254,668,172</u>	<u>257,882,490</u>
<b><u>NON-CURRENT LIABILITIES</u></b>			
Lease liabilities	15	25,777,308	26,742,737
End of service benefits obligation	16	1,976,087	2,155,929
Total non-current liabilities		<u>27,753,395</u>	<u>28,898,666</u>
Total liabilities		<u>282,421,567</u>	<u>286,781,156</u>
<b><u>EQUITY</u></b>			
Share capital	17	300,000,000	300,000,000
Statutory reserve		43,424,314	43,424,314
Capital reserve		15,398,843	15,398,843
Accumulated (losses)		(361,109,013)	(332,578,535)
Revaluation reserve for property and equipment		70,412,265	40,554,425
Net equity attributable to the shareholders of the Company		<u>68,126,409</u>	<u>66,799,047</u>
Non controlling interest		9,622,361	9,066,316
<b>Total equity - Exhibit C</b>		<u>77,748,770</u>	<u>75,865,363</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>360,170,337</u>	<u>362,646,519</u>

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

To the best of our knowledge, the consolidated financial statements fairly presents in all material respects, the consolidated financial position, result of operation and consolidated cash flows of the Group as of, and for the year ended 31 December 2025.

The consolidated financial statements were approved for issue by the Board of Directors and signed on their behalf by:

  
\_\_\_\_\_  
Mr. Rasheed Ali Rasheed Naser Al Omaira  
Chairman

  
\_\_\_\_\_  
Mr. Saeed Saif Darwaish Ahmed Alketbi  
Vice Chairman

  
\_\_\_\_\_  
Ms. Shamsa Sulaiman Abdulkarim Alfahim  
Board Member

**ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**

**ABU DHABI - UNITED ARAB EMIRATES**

**EXHIBIT B**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2025**

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

	<u>NOTE</u>	<u>2 0 2 5</u>	<u>2 0 2 4</u>
Revenues		46,077,690	52,464,355
Direct costs		<u>(42,006,731)</u>	<u>(45,592,409)</u>
<b>Gross profit</b>		<b>4,070,959</b>	<b>6,871,946</b>
General and administrative expenses	18	<b>(13,434,286)</b>	<b>(11,914,777)</b>
Directors remunerations		<b>(260,000)</b>	<b>(785,847)</b>
Unrealized gain on revaluation of investment properties	10	----	16,200,000
(Loss) on disposal of property and equipment	12	<b>(18,828,000)</b>	----
Finance cost	13 (b)	----	<b>(9,268,952)</b>
Finance cost on lease liability	15 (b)	<b>(1,356,922)</b>	<b>(1,422,708)</b>
Unrealized (loss) on revaluation of investments in financial assets (FVTPL)	9 (b)	<b>(4,243,344)</b>	<b>(3,024,852)</b>
Impairment of slow moving inventories	8 (b)	<b>(200,000)</b>	----
Impairment of trade receivables - written back	6 (c )	<b>822,281</b>	303,234
Impairment of staff advances	6 (d)	<b>(229,621)</b>	----
Impairment of investments in financial assets (FVTPL) - written back	9 (e)	<b>1,017,500</b>	----
Gain from sale of fair value investments		<b>180,130</b>	199,460
Trade payable written off		----	5,338,975
Other income	19	<b>5,270,908</b>	11,519,545
<b>(Loss) / profit for the year before corporate tax</b>		<b>(27,190,395)</b>	<b>14,016,024</b>
Deferred tax (income) / expenses	24	<b>420,636</b>	<b>(1,152,382)</b>
<b>(Loss) / profit for the year after corporate tax</b>		<b>(26,769,759)</b>	<b>12,863,642</b>
<b><u>Other comprehensive income</u></b>			
Gain on revaluation of property, plant and equipment	12	<b>29,857,840</b>	34,072,100
<b>Total other comprehensive income for the year</b>		<b>29,857,840</b>	<b>34,072,100</b>
<b>Total comprehensive income for the year - Exhibit C</b>		<b>3,088,081</b>	<b>46,935,742</b>
<b><u>(Loss) / profit for the year attributable to:</u></b>			
Shareholders of the Group		<b>(27,325,804)</b>	12,046,735
Non controlling interest		<b>556,045</b>	816,907
Total		<b>(26,769,759)</b>	<b>12,863,642</b>
<b>Basic (loss) / profit per share</b>		<b>(0.09)</b>	<b>0.04</b>

THE ACCOMPANYING NOTES ARE AN

INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS

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

**EXHIBIT C**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR**  
**THE YEAR ENDED 31 DECEMBER 2025**

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

	<u>Share capital</u>	<u>Statutory reserve</u>	<u>Capital reserve</u>	<u>Accumulated (losses)</u>	<u>Revaluation reserve for property, plant and equipment</u>	<u>Net</u>	<u>Non controlling interest</u>	<u>Total</u>
Shareholders' equity at 31 December 2023	300,000,000	43,424,314	15,398,843	(344,625,270)	6,482,325	20,680,212	8,249,409	28,929,621
Total comprehensive income for the year 2024 - Exhibit B	----	----	----	12,046,735	34,072,100	46,118,835	816,907	46,935,742
Shareholders' equity at 31 December 2024 - Exhibit A	300,000,000	43,424,314	15,398,843	(332,578,535)	40,554,425	66,799,047	9,066,316	75,865,363
Board remuneration paid	----	----	----	(1,204,674)	----	(1,204,674)	----	(1,204,674)
Total comprehensive (loss) for the year 2025 - Exhibit B	----	----	----	(27,325,804)	29,857,840	2,532,036	556,045	3,088,081
Shareholders' equity at 31 December 2025 - Exhibit A	<b>300,000,000</b>	<b>43,424,314</b>	<b>15,398,843</b>	<b>(361,109,013)</b>	<b>70,412,265</b>	<b>68,126,409</b>	<b>9,622,361</b>	<b>77,748,770</b>

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

**ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC****ABU DHABI - UNITED ARAB EMIRATES****EXHIBIT D****CONSOLIDATED STATEMENT OF CASH FLOWS FOR****THE YEAR ENDED 31 DECEMBER 2025****(AMOUNTS ARE EXPRESSED IN U.A.E. DIRHAMS)**

	<u>NOTE</u>	<u>2 0 2 5</u>	<u>2 0 2 4</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES :</u></b>			
(Loss) / profit for the year - Exhibit B		<b>(27,325,804)</b>	12,046,735
Profit for non-controlling interest		<b>556,045</b>	816,907
<b><u>Adjustments for</u></b>			
Depreciation on property, plant and equipment	12	<b>9,525,973</b>	5,434,823
Depreciation of right-of-use assets	11	<b>1,002,762</b>	1,002,762
Impairment for trade receivables - written back	6 (c )	<b>(822,281)</b>	(303,234)
Impairment of staff advances	6 (d)	<b>229,621</b>	----
Impairment of slow moving and obsolete inventories	8 (b)	<b>200,000</b>	----
Unrealized loss in fair value through profit or loss	9	<b>4,243,344</b>	3,024,852
(Gain) from sale of fair value investment		<b>(180,130)</b>	(199,460)
Unrealized gain on revaluation of investment properties		----	(16,200,000)
Loss on disposal of property and equipment	12	<b>18,828,000</b>	----
Impairment of investments			
in financial assets (FVTPL) - written back	9 (e)	<b>(1,017,500)</b>	----
End of service benefits obligation	16	<b>239,552</b>	204,370
Finance cost on lease liability	15	<b>1,356,922</b>	1,422,708
Finance cost	13 (b)	----	9,268,952
Operating profit before working capital changes		<b>6,836,504</b>	16,519,415
<b><u>Changes in the components of working capital :</u></b>			
Decrease / (increase) in trade and other receivables	6	<b>791,464</b>	(821,578)
Decrease / (increase) in other asset	7	<b>262,160</b>	(196,024)
(Increase) / decrease in inventories	8	<b>(853,424)</b>	236,105
(Decrease) in trade and other payables	14	<b>(3,230,943)</b>	(33,013,538)
Cash generated / (loss) from operations		<b>3,805,761</b>	(17,275,620)
End of service benefits obligation paid	16	<b>(419,394)</b>	----
<i>Net cash flows from / (used in) operating activities</i>		<b>3,386,367</b>	(17,275,620)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>			
Purchase of property, plant and equipment	12	<b>(36,975)</b>	(926,940)
Remeasurement of right of use assets	11	<b>78,750</b>	----
Purchase of investments at fair value			
through profit or loss (FVTPL)	9	<b>(37,136,629)</b>	(5,986,930)
Proceeds from disposal of property, plant and equipment		<b>20,072,000</b>	----
Proceeds from disposal of Investments at			
fair value through profit or loss (FVTPL)		<b>26,709,250</b>	41,074,544
<i>Net cash flows from investing activities</i>		<b>9,686,396</b>	34,160,674

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

**ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**

**ABU DHABI - UNITED ARAB EMIRATES**

**CONT. EXHIBIT D**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR**

**THE YEAR ENDED 31 DECEMBER 2025**

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

	<u>NOTE</u>	<u>2 0 2 5</u>	<u>2 0 2 4</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES:</u></b>			
Board remuneration paid		(1,204,674)	----
Decrease / (increase) in related parties - receivables	21	320,054	(95,076)
(Decrease) in bank borrowings	13	----	(5,777,403)
(Decrease) / increase in related parties - payables	21	(28,855)	23,698
Lease liabilities paid	15	(2,276,871)	(1,827,565)
Finance cost		----	(9,268,952)
<i>Net cash flows (used in) financing activities</i>		<u>(3,190,346)</u>	<u>(16,945,298)</u>
<b>NET CASH FLOWS GENERATED / (USED) DURING THE YEAR</b>		<b>9,882,417</b>	<b>(60,244)</b>
Cash and cash equivalents at beginning of the year		<u>3,453,146</u>	<u>3,513,390</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	5	<u><u>13,335,563</u></u>	<u><u>3,453,146</u></u>

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**1. STATUS AND ACTIVITIES**

- a) **Abu Dhabi National Company for Building Materials PJSC ("BILDCCO"** or the "Company") was incorporated in Abu Dhabi by Amiri Decree No. 5 for the year 1974 and registered with Department of Economic Development - Abu Dhabi with a trade license number 1002141 on 18 May 1980. The Company was listed for trading on Abu Dhabi Securities Exchange (ADX) on 15 November 2000 following the Company's Initial Public Offering ("IPO"). The registered address of Company is at Abu Dhabi Building Material Company Building , Salam Street, Abu Dhabi. The Group is also operating through following subsidiaries registered in other emirates.

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

b) The Company holds investment in subsidiaries (referred together with Company as "Group"). The Activities of subsidiaries as listed below and consolidated financial information include the performance and financial position as at a 31 December 2025 as follows:

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

**2. STANDARDS AND INTERPRETATIONS ISSUED THAT BECAME EFFECTIVE:**

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

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

**2.2 Standards and Interpretations Issued but not Yet Effective:**

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

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

# **ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**

## **ABU DHABI - UNITED ARAB EMIRATES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

#### **3. GOING CONCERN**

Group's accumulated losses of AED 361,109,013 (2024 : AED 332,578,535) Group current liabilities exceed its current assets by AED 176,951,614 (2024 : AED 197,302,420) as of that date. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as going concern. However, the consolidated financial statements are prepared on the assumption that the Group is a going concern and will continue in operation for the foreseeable future with the financial support of shareholders.

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **a. *Consolidated Financial Statements Preparation Framework***

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

##### **b. *Basis of preparation***

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services, while Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

# **ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**

## **ABU DHABI - UNITED ARAB EMIRATES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

c. *Basis of consolidation*

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

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

The parent Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the parent Group obtains control over the subsidiary and ceases when the parent Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income and other comprehensive income from the date the parent Group gains control until the date when it ceases to control the subsidiary. All intra Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

d. *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are either financial assets or financial liabilities.

# ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC

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#### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

#### e. *Financial assets*

Any asset that is: cash, an equity instrument of another entity, or a debt instrument of another entity (a contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity, or a contract that will or may be settled in the entity's own equity instruments).

The Group does not have debt instruments that qualify for measurement at fair value through other comprehensive income nor at fair value through profit or loss. Moreover the Group's financial assets does not have any equity instrument financial assets.

#### Initial measurement

Financial assets are recognized when the Group becomes party to the contractual provisions of the instruments. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

#### i) *Cash and cash equivalents*

Cash and cash equivalents includes cash on hand, cash at banks-current accounts and other short-term highly liquid investments with original maturities of three months or less.

#### ii) *Trade and other receivables*

Trade and other receivables do not bear interest. Trade receivables are measured at amortized cost using the effective interest method. At the end of each reporting period, the carrying amounts of trade receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognized immediately in comprehensive income

#### Impairment

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

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#### Derecognition

A financial asset is derecognized where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognized in other comprehensive income for debt instruments is recognized in profit or loss.

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

A financial asset is classified as fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Directly attributable transaction costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

#### f. *Taxes*

##### i) *Value added tax*

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

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

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

##### ii) *Current income tax expenses*

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

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

##### iii) *Deferred tax*

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

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

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g. *Related parties*

Related parties are considered to be related because they have the ability to exercise control over the Group or to exercise significant influence or joint control over the Group's financial and operating decisions. Further, parties are considered related to the Group when the Group has the ability to exercise control, significant influence, or joint control over the financial and operating decisions of those parties. Transactions with related parties, normally, comprise of transfer of resources, services, or obligations between the parties. At the consolidated statement of financial position date, the related parties receivables and payables are stated at the net realizable value.

h. *Inventories*

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

- a) costs of purchase (including transport, and handling) net of trade discounts received, and
- b) other costs incurred in bringing the inventories to their present location and condition.

Year-end inventory cost of raw materials is reached at using weighted average cost method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

- *Finished goods*

Finished goods are stated at raw materials and consumables cost used in production, plus cost of conversion (including fixed and variable manufacturing overheads which are estimated by management).

- *Raw materials*

Raw materials are stated at costs of purchase (including taxes, transport and handling) net of trade discounts received, plus other costs incurred in bringing the inventories to their present location and condition.

i. *Investments properties*

Investment property (land or building or part of a building or both) is property: (a) held by the Group to earn rentals, (b) for capital appreciation rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business, and/or for undetermined use. Investment property is measured initially at its cost, including transaction costs.

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

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j. *Right of use asset*

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

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

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

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

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

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

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k. *Property, plant and equipment*

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

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

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

The estimated useful lives, residual values and depreciation method are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairment losses are calculated in accordance with Note 4 (1).

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

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1. *Impairment of tangible assets*

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

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

m. *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized, and through the amortization process.

Derecognition

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

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n. *Borrowing costs*

Finance cost comprises interest expense on bank borrowings, profit expense on bank financing and bank charges. All finance costs are recognized in profit or loss using the effective interest rate method. However, borrowing costs which are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset. A qualifying asset is an asset which necessarily takes a substantial year of time to get ready for its intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete.

o. *Provisions*

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date, that is, the amount that the Group would rationally pay to settle the obligation at the consolidated statement of financial position date or to transfer it to a third party.

Provisions reviewed and adjusted at each consolidated statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income. Provisions are only used for the purpose for which they were originally recognized.

p. *End of service benefits obligation*

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

q. *Statutory reserve*

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

r. *Capital reserve*

The Group articles provide for setting aside 10 % of the Group net profit to create a capital reserve. The ordinary general assembly may stop deduction based on suggestion of Board of Directors or if the capital reserve reaches twice of the Group paid up capital. This reserve may be used to the purpose decided by the Board of Directors. The Board has decided not to transfer any amount to capital reserves during the year.

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s. *Revenue recognition*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring the promised goods to the customer, which is when the customer obtains control of the goods. The Group's performance obligations are satisfied at a point in time. The amount of revenue recognized is the amount allocated to the satisfied performance obligations.

i) *Sale of goods*

Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties, customer loyalty points). In determining the transaction price for the sale of equipment, the Group considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

- *Variable consideration*

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

- *Rights of return*

period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognizes a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

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- *Volume rebates*

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognizes a refund liability for the expected future rebates.

ii) *Rental income*

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

iii) *Interest income*

Interest revenue is recognized as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iv) *Dividend income*

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

t. *Contingent liabilities*

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

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

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

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

i. Impairment of slow moving inventories

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

ii. Impairment of non-current assets

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

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

iii. Useful lives of property, plant and equipment

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

iv. Impairment of financial assets

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

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v. Impairment of slow moving inventories

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

5. **CASH AND CASH EQUIVALENTS**

This item consists of the following:	<u>2025</u>	<u>2024</u>
Cash in hand	143,259	340,651
Cash at banks - current accounts	13,192,304	3,112,495
<b>Total - Exhibit A &amp; D</b>	<u><u>13,335,563</u></u>	<u><u>3,453,146</u></u>

6. **TRADE AND OTHER RECEIVABLES**

a) This item consists of the following:	<u>2025</u>	<u>2024</u>
Trade receivables	22,077,351	21,192,777
Claim receivables	75,132,226	75,132,226
Impairment of trade and claim receivables - Note 6 (c)	<u>(90,924,742)</u>	<u>(91,747,023)</u>
<b>Net trade and claim receivables - Note 6 (b)</b>	<b>6,284,835</b>	<b>4,577,980</b>
Dividend receivables	37,093	132,204
Related parties -receivables - Note 21 (a)	218,689	538,743
Margin on letters of guarantee	211,143	4,456,745
Refundable deposits	715,353	715,353
Staff advances	321,909	81,076
Impairment of staff advances - Note 6 (d)	<u>(229,621)</u>	<u>----</u>
<b>Net Staff advances - Note 6 (d)</b>	<b>92,288</b>	<b>81,076</b>
Post dated cheques received - Note 6 (e)	3,893,458	3,226,809
Value added tax - receivables (net)	189,255	167,627
Advance payment to suppliers	1,388,998	1,588,078
Deferred income tax	<u>1,934,645</u>	<u>----</u>
<b>Net - Exhibit A</b>	<u><u>14,965,757</u></u>	<u><u>15,484,615</u></u>

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

	2 0 2 5	2 0 2 4
	<u>Trade receivables</u>	<u>Claim receivables</u>
1 - 90 days	1,562,715	---
91 - 180 days	706,451	---
181 - 365 days	446,772	---
More than 365 days	19,361,413	75,132,226
<b>Total - Note 6 (a)</b>	<b><u>22,077,351</u></b>	<b><u>75,132,226</u></b>
	<u>Net trade and claim receivables</u>	<u>Trade receivables</u>
1 - 90 days	1,562,715	1,370,485
91 - 180 days	706,451	789,690
181 - 365 days	446,772	828,132
More than 365 days	3,568,897	18,204,470
<b>Total - Note 6 (a)</b>	<b><u>6,284,835</u></b>	<b><u>21,192,777</u></b>
	<u>Expected credit loss</u>	<u>Expected credit loss</u>
1 - 90 days	---	---
91 - 180 days	---	---
181 - 365 days	---	---
More than 365 days	(90,924,742)	(91,747,023)
<b>Total - Note 6 (a)</b>	<b><u>(90,924,742)</u></b>	<b><u>(91,747,023)</u></b>
	<u>Net trade and claim receivables</u>	<u>Net trade and claim receivables</u>
1 - 90 days	1,562,715	1,370,485
91 - 180 days	706,451	789,690
181 - 365 days	446,772	828,132
More than 365 days	3,568,897	18,204,470
<b>Total - Note 6 (a)</b>	<b><u>6,284,835</u></b>	<b><u>21,192,777</u></b>
	<u>Expected credit loss</u>	<u>Expected credit loss</u>
1 - 90 days	---	---
91 - 180 days	---	---
181 - 365 days	---	---
More than 365 days	(90,924,742)	(91,747,023)
<b>Total - Note 6 (a)</b>	<b><u>(90,924,742)</u></b>	<b><u>(91,747,023)</u></b>

The Group sells its products to various customers in UAE. The Group's largest seven customers amounting to AED 2,481,878 accounted for 11.24% of outstanding trade receivables as of 31 December 2025 (2024 : 4,795,585, 22.62%, fifteen customers).

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

	2 0 2 5	2 0 2 4
This item consists of the follows:	<u>2 0 2 5</u>	<u>2 0 2 4</u>
As at 1 January	(91,747,023)	(92,050,257)
Written back - Exhibit B	822,281	303,234
<b>As at 31 December - Note 6 (a)</b>	<b><u>(90,924,742)</u></b>	<b><u>(91,747,023)</u></b>

d) *Impairment of staff advances :*

This item consists of the following :	<u>2 0 2 5</u>	<u>2 0 2 4</u>
Charge for the year - Exhibit B	(229,621)	---
<b>Balance at 31 December - Note 6 (a)</b>	<b><u>(229,621)</u></b>	<b><u>---</u></b>

e) Post dated cheques received amounting to AED 3,893,458 (Note 6 (a)) and are mature during the period from January to December 2026.

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**7. OTHER ASSET**

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
This item consists of the following:		
Prepaid expenses	996,465	1,258,625
<b>Total - Exhibit A</b>	<b>996,465</b>	<b>1,258,625</b>

**8. INVENTORIES**

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
a) This item consists of the following :		
Steel	1,468,343	1,505,658
Raw materials	2,529,579	2,248,075
Finished goods	2,787,025	2,644,042
Consumables	601,855	443,404
Spare parts	2,864,217	2,556,416
<b>Total</b>	<b>10,251,019</b>	<b>9,397,595</b>
Impairment slow moving inventories - Note 8 (b)	(4,307,140)	(4,107,140)
<b>Net - Exhibit A</b>	<b>5,943,879</b>	<b>5,290,455</b>

b) Movement of impairment of slow moving inventories:

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
This item consists of the following :		
As at 1 January	(4,107,140)	(4,107,140)
Charge for the year - Exhibit B	(200,000)	----
<b>As at 31 December - Note 8 (a)</b>	<b>(4,307,140)</b>	<b>(4,107,140)</b>

**9. INVESTMENT AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)**

	<u>2 0 2 5</u>	<u>2 0 2 4</u>
a) This item consists of the following:		
Quoted securities (local)	41,759,535	34,377,864
Unquoted securities	83,325	1,100,831
<b>Total</b>	<b>41,842,860</b>	<b>35,478,695</b>
Impairment for investments in financial assets (FVTPL)	----	(1,017,500)
<b>Net - Exhibit A</b>	<b>41,842,860</b>	<b>34,461,195</b>

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- b) Unquoted securities amounting to AED 83,325 are registered under the personal name of Mr. Ali Rasheed Naser Alomaira, (Managing Director) which are beneficially held and controlled by the Group.

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

i) INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	<u>2025</u>	<u>2024</u>
Fair value as at 1 January	35,478,695	73,391,701
Purchase	37,136,629	5,986,930
Disposals	(26,529,120)	(40,875,084)
Impairment for investments in financial assets - Note 9 (e)	----	(1,017,500)
Unrealized (loss) in fair value through profit or loss - Exhibit B	(4,243,344)	(3,024,852)
<b>Fair value as at 31 December - Note 9 (a)</b>	<b>41,842,860</b>	<b>34,461,195</b>

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

	<u>2025</u>	<u>2024</u>
Banks sector	7,549,417	14
Insurance sector	27,412,679	31,015,488
Real estate	870,000	----
Others	6,010,764	4,463,193
Total	41,842,860	35,478,695
Impairment for investments in financial assets (FVTPL)	----	(1,017,500)
<b>Net - Note 9 (a)</b>	<b>41,842,860</b>	<b>34,461,195</b>

- e) Impairment of investments in financial assets :

This item consists of the following :

	<u>2025</u>	<u>2024</u>
Balance at 1 January	(1,017,500)	(1,017,500)
Written back - Exhibit B	1,017,500	----
<b>Balance at 31 December - Note 9 (a)</b>	<b>----</b>	<b>(1,017,500)</b>

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10. **INVESTMENT PROPERTIES**

This item consists of the following :

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

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**11. RIGHT-OF-USE ASSETS**

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

<b><u>COST</u></b>	<b><u>Land</u></b>
At 1 January 2024	31,493,828
At 31 December 2024	<u>31,493,828</u>
Remeasurement of right of use assets	<u>(78,750)</u>
<b>At 31 December 2025</b>	<b><u>31,415,078</u></b>

**ACCUMULATED AMORTISATION**

At 1 January 2024	(5,645,780)
Charge for the year - Note 18	<u>(1,002,762)</u>
At 31 December 2024	<u>(6,648,542)</u>
Charge for the year - Note 18	<u>(1,002,762)</u>
<b>At 31 December 2025</b>	<b><u>(7,651,304)</u></b>

**NET BOOK VALUE**

<b>At 31 December 2025 - Exhibit A</b>	<b><u>23,763,774</u></b>
At 31 December 2024 - Exhibit A	<u>24,845,286</u>

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

	<b><u>2025</u></b>	<b><u>2024</u></b>
Depreciation expense on right of use assets	1,002,762	1,002,762
Interest expense on lease liabilities	1,356,922	1,422,708
Total cash outflow for leases	2,276,871	1,827,565

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

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**12. PROPERTY, PLANT AND EQUIPMENT**

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

<b>COST</b>	<b>Furniture, fixtures,</b>						<b>Capital work in progress</b>	<b>Total</b>
	<b>Building and caravans</b>	<b>decoration and hardware</b>	<b>Machinery and equipment</b>	<b>Tools and equipment</b>	<b>Motor vehicles</b>	<b>Moulds</b>		
At 1 January 2023	114,450,974	4,949,304	169,860,870	1,430,053	3,055,909	8,739,353	122,524,757	425,011,220
Additions	----	417,023	----	882	----	509,035	----	926,940
Revaluation	17,626,111	296,736	16,033,087	----	116,166	----	----	34,072,100
At 31 December 2024	132,077,085	5,663,063	185,893,957	1,430,935	3,172,075	9,248,388	122,524,757	460,010,260
Additions	2,900	34,075	----	----	----	----	----	36,975
Disposals	----	----	(615,250)	----	----	----	(122,524,757)	(123,140,007)
Revaluation	5,078,651	(1,620,926)	(68,340,783)	----	22,224	----	----	(64,860,834)
At 31 December 2025	137,158,636	4,076,212	116,937,924	1,430,935	3,194,299	9,248,388	----	272,046,394
<b>ACCUMULATED DEPRECIATION</b>								
At 1 January 2023	(26,428,341)	(4,904,392)	(94,755,190)	(1,393,282)	(2,772,961)	(8,675,351)	(83,624,757)	(222,554,274)
Charge for the year	(2,588,513)	(59,262)	(2,480,952)	(25,947)	(55,357)	(224,792)	----	(5,434,823)
At 31 December 2024	(29,016,854)	(4,963,654)	(97,236,142)	(1,419,229)	(2,828,318)	(8,900,143)	(83,624,757)	(227,989,097)
Elimination on revaluation	19,483,049	1,446,899	71,296,157	----	2,492,569	----	----	94,718,674
Charge for the year	(5,037,778)	(111,040)	(3,991,361)	(5,743)	(251,762)	(128,289)	----	(9,525,973)
Related to disposals	----	----	615,250	----	----	----	83,624,757	84,240,007
At 31 December 2025	(14,571,583)	(3,627,795)	(29,316,096)	(1,424,972)	(587,511)	(9,028,432)	----	(58,556,389)
<b>NET BOOK VALUE</b>								
At 31 December 2025 - Exhibit A	122,587,053	448,417	87,621,828	5,963	2,606,788	219,956	----	213,490,005
At 31 December 2024 - Exhibit A	103,060,231	699,409	88,657,815	11,706	343,757	348,245	38,900,000	232,021,163

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

	<u>2025</u>	<u>2024</u>
Direct cost	7,392,009	4,669,144
General and administrative expenses - Note 18	2,133,964	765,679
<b>Total - Exhibit D</b>	<b>9,525,973</b>	<b>5,434,823</b>

- c) The property, plant and equipment revalued by independent evaluator (M/s. Chadils) and the report generated dated on 30 August 2025.

**13. BORROWINGS**

- a) This item consists of the following :

	<u>2025</u>	<u>2024</u>
Borrowings - current	173,967,820	173,967,820
<b>Total - Exhibit A</b>	<b>173,967,820</b>	<b>173,967,820</b>

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

	<u>2025</u>	<u>2024</u>
Balance at 1 January	173,967,820	179,745,223
Ineterest charge during the year - Exhibit B	----	9,268,952
Repayment during the year	----	(15,046,355)
<b>Balance at 31 December - Exhibit A &amp; Note 13 (a)</b>	<b>173,967,820</b>	<b>173,967,820</b>

- c) Loans of AED 334,243,218 were obtained from Several banks at interest rates between 3% and 4.6 % annually plus EIBOR. The balance as of 31 December 2025 was AED 173,967,820 (2024 : AED 173,967,820).

- d) Loans installments which are due for less than twelve months are classified as current liabilities, and the remaining installments which are due after that date are classified as non - current liabilities.

- e) The Group has defaulted in the repayment of the term loans and bank borrowings obtained from various banks. The details of the legal proceedings and settlements in relation to these facilities have been disclosed under Note 23 of these consolidated financial statements.

- f) Fund and non-fund bank facilities are granted against the following securities :

- Assignment of insurance policy over factory located on plot # 41003, Dubai Industrial City Dubai amounting AED 40,000,000/- assigned to bank.
- Cash margin / fixed deposit under lien.
- Post dated cheques drawn on any other bank covering the loan installments.

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**14. TRADE AND OTHER PAYABLES**

a) This item consists of the following:	<u>2025</u>	<u>2024</u>
Trade payables	5,931,413	7,119,316
Post dated cheques issued - Note 14 (b)	4,077,845	9,183,750
Related parties - payables - Note 21 (b)	68,295	97,150
Accrued expenses	35,408,833	35,426,620
Accrued salary	275,000	525,000
Advance payment received from customers	5,182,845	2,890,276
Provision for leave salaries and air tickets	894,275	771,120
Deposit from others	66,720	66,720
Dividend payables	81,067	81,067
Corporate tax liability	2,067,310	1,152,382
<b>Total - Exhibit A</b>	<u><u>54,053,603</u></u>	<u><u>57,313,401</u></u>
b) Post dated cheques issued amounting to AED 4,077,845 (Note 14 (a)) and are mature during the period from January 2026 to November 2026.		

**15. LEASE LIABILITIES**

a) This item consists of the following:	<u>2025</u>	<u>2024</u>
Lease liabilities - current - Exhibit A	510,744	465,264
Lease liabilities - non-current - Exhibit A	25,777,308	26,742,737
<b>Total - Note 15 (b &amp; c)</b>	<u><u>26,288,052</u></u>	<u><u>27,208,001</u></u>

b) The details of movement in lease liabilities during the year as follows:	<u>2025</u>	<u>2024</u>
Balance at 1 January	27,208,001	27,612,858
Finance cost on lease liabilities	1,356,922	1,422,708
Repayments	(2,276,871)	(1,827,565)
<b>Balance at 31 December - Note 15 (a)</b>	<u><u>26,288,052</u></u>	<u><u>27,208,001</u></u>

c) Maturity analysis of lease liabilities are as follows:	<u>2025</u>	<u>2024</u>
Within a year	1,537,767	1,537,767
Year 2 - 5 years	5,881,068	5,881,068
Year 5 - 10 years	6,338,835	6,338,835
More than 10 years	30,593,381	30,156,408
Less: unearned interest	(18,062,999)	(16,706,077)
<b>Net lease liability - Note 15 (a)</b>	<u><u>26,288,052</u></u>	<u><u>27,208,001</u></u>

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

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16. **END OF SERVICE BENEFIT OBLIGATION**

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

	<u>2025</u>	<u>2024</u>
Balance at 1 January	2,155,929	1,951,559
Current year service cost	239,552	204,370
Settlements	(419,394)	----
<b>Balance at 31 December - Exhibit A</b>	<u><u>1,976,087</u></u>	<u><u>2,155,929</u></u>

17. **SHARE CAPITAL**

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

18. **GENERAL AND ADMINISTRATIVE EXPENSES**

This item consists of the following:

	<u>2025</u>	<u>2024</u>
Salaries and related benefits	5,666,890	5,465,908
Rent	449,087	555,033
Depreciation on property and equipment - Note 12 (b)	2,133,964	765,679
Depreciation on right-of-use asset - Note 11	1,002,762	1,002,762
Repairs and maintenance expenses	190,726	446,631
Legal, visa, government and professional fees	2,040,418	1,678,760
Fines and penalties	113,761	83,562
Printing and stationery	20,185	41,675
Utilities expenses	273,972	277,438
Communication expenses	99,039	79,822
Bank charges	100,238	82,847
Insurance expenses	232,603	252,189
Miscellaneous expenses	1,110,641	1,182,471
<b>Total - Exhibit B</b>	<u><u>13,434,286</u></u>	<u><u>11,914,777</u></u>

19. **OTHER INCOME**

This item consists of the following :

	<u>2025</u>	<u>2024</u>
Rental income	614,286	1,851,063
Dividend income	1,831,694	8,313,624
Others	2,824,928	1,354,858
<b>Total - Exhibit B</b>	<u><u>5,270,908</u></u>	<u><u>11,519,545</u></u>

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**20. RISK MANAGEMENT**

The financial risk management function is regularly performed by the management of the Group including investment decisions and monitoring and managing the financial risks relating to the Group's business and operations. These risks includes capital risk, credit risk, foreign currency risk, market price risk, interest rate risk and liquidity risk.

The Group seeks to minimize the effects of these risks by diversifying the sources of its capital. It maintains timely reports about its risk management function and monitors risks and policies implemented to mitigate risk exposures.

a) *Capital risk*

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to the shareholders through optimization of debt and equity balance.

The capital structure of the Group consists of debt, which includes financing from banks as disclosed in Note 13, and equity comprising issued capital, and reserves as disclosed in the consolidated statement of changes in equity - Exhibit C.

b) *Credit risk*

Credit risk refers to the risk that a debtor will default on its contractual obligations resulting in financial loss to the Group. The Group maintains a credit policy that states dealing with only creditworthy parties as a means of mitigating the risk of financial loss from defaults. The Group monitors, regularly, the credit ratings of its major debtors and the volume of transactions with those debtors during the year using publicly available financial information and its own trading records. Ongoing credit evaluation is performed on the financial condition of debtors. The carrying amount of financial assets recorded in the consolidated financial statements represents the Group's maximum exposure to credit risk. Credit risk related to contract receivables are mentioned Note 6 (b).

The credit risk on liquid funds is insignificant since these funds are deposited with financial institutions that maintain a strong capital base and appropriate credit standings inside the U.A.E.

c) *Foreign currency risk*

The Group undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The Group maintains policies and procedures to manage the exchange rate risk exposure.

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d) *Market price risk*

Market prices risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issue or factors affecting all instruments traded in the market.

Assets that expose the Group to market price risk is investment properties and investments at fair value through profit or loss (FVTPL) and investment properties.

e) *Interest rate risk*

The Group is exposed to interest rate risk resultant from its banking facilities and bank term deposit. Management try (to the extent possible) to manage interest rate risk through maintaining an appropriate mix between fixed and floating interest rates balances at the start of the financial year.

f) *Liquidity risk*

Responsibility of liquidity risk management rests with the Management of the Group, they adopt an appropriate liquidity risk management framework. The Group maintains adequate reserves and the Management monitors its cash flows and match them with maturity dates of financial assets and liabilities.

The following table shows the maturity dates of Group's financial assets and liabilities as at 31 December 2025.

	<u>Less than</u> <u>1 year</u>	<u>More than</u> <u>1 year</u>	<u>Total</u>
<i>Financial assets</i>			
Cash and cash equivalents	13,335,563	----	13,335,563
Bank term deposit	632,034	----	632,034
Trade and other receivables	14,965,757	----	14,965,757
Investments designated at fair value through profit and loss	41,842,860	----	41,842,860
<b>Total</b>	<b>70,776,214</b>	<b>----</b>	<b>70,776,214</b>

	<u>Less than</u> <u>1 year</u>	<u>More than</u> <u>1 year</u>	<u>Total</u>
<i>Financial liabilities</i>			
Bank over draft	26,136,005	----	26,136,005
Borrowings	173,967,820	----	173,967,820
Trade and other payables	54,053,603	----	54,053,603
Lease liabilities	510,744	25,777,308	26,288,052
End of service benefits obligation	----	1,976,087	1,976,087
<b>Total</b>	<b>254,668,172</b>	<b>27,753,395</b>	<b>282,421,567</b>

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

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

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

**21. RELATED PARTIES**

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

a) RELATED PARTIES - RECEIVABLES

This item consists of the following :

	<u>2025</u>	<u>2024</u>
M/s. Saif Bin Darwish L.L.C	39,604	39,604
M/s. Darwish Bin Ahmad & Sons	156,743	319,927
M/s. Al Falaki General Contracting L.L.C	----	159,526
Mr. Rashid Ali Al Omeira	2,656	19,686
Mr. Ali Rashid Al Omeira	19,686	----
<b>Total - Note 6 (a)</b>	<b>218,689</b>	<b>538,743</b>

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b) **RELATED PARTY - PAYABLE**

This item consists of the following :	<u>2025</u>	<u>2024</u>
M/s. Al Omeira Printing and Publishing Co. W.L.L	<u>68,295</u>	<u>97,150</u>
<b>Total - Note 14 (a)</b>	<b><u>68,295</u></b>	<b><u>97,150</u></b>

c) The significant transaction with related parties as follows :

	<u>2025</u>	<u>2024</u>
Sales	362,000	546,460
Purchase	8,290	9,016
Finance cost	9,452	10,000

22. **CONTINGENT LIABILITIES**

This item consists of the following:

	<u>2025</u>	<u>2024</u>
Letter of guarantee	211,143	4,456,745
Security and guarantee cheques	19,455,370	19,455,370

23. **LITIGATION**

a) **Emirates National Bank of Dubai**

Emirates National Bank of Dubai (Emirates NBD) filed a suit against the Group claiming an amount of AED 46,413,146 plus 12% per annum interest from the date of filing the case till the date of the order plus other charges.

On August 4, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgement in relation to the case, ordering an amount of AED 41,759,471 be paid by the Group to the bank inclusive of interest at a rate of 3% per annum on the outstanding balance of AED 23,446,038. Interest continues to accrued until the amount is fully settled.

On November 8,2020, the Group has filed an appeal to the Court of Fist Instance's judgement and requested for to review further the case. On March 31, 2021, the appeal has been rejected and the decision made on August 4, 2020 remained unchanged.

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

#### b) First Abu Dhabi Bank

First Abu Dhabi Bank (FAB) filed a suit against the Group claiming an amount of AED 181,813,780 plus 12% per annum interest from the date of filing the case till the date of the order plus other charges and advocate fees.

On September 9, 2020, the Abu Dhabi Commercial Court of First Instance issued its judgement in relation to the case, ordering an amount of AED 200,792,150 be paid by the Group to the bank inclusive of interest at a rate of 5% per annum on the amount of AED 181,813,780 from September 30, 2018 (being the date of filing the case) until October 31, 2020. Interest continues to accrued until the amount is fully settled. During the period, the Group sold out the securities and sales proceeds of AED 34,931,585 were directly received by the court.

#### 24. CORPORATE TAX

##### a) Corporate Tax Law

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a Federal corporate tax regime in the UAE. Furthermore, a Cabinet Decision was published which specifies that taxable income not exceeding AED. 375,000 would be subject to a 0% UAE CT rate and taxable income exceeding AED. 375,000 would be subject to the 9% UAE CT rate.

##### *Current Income Tax*

	<u>2025</u>	<u>2024</u>
Accounting (loss) / profit for the year before tax	(27,190,395)	14,016,024
Add : Non-deductible expense for tax purpose	----	3,644,582
Less : Fair value accounting and assets adjustments (net)	----	(3,129,551)
Less : Exempt income	----	(1,351,811)
<b>Net taxable (loss) / profit</b>	<u>(27,190,395)</u>	<u>13,179,244</u>
<b>Tax due:</b>		
Net taxable income not exceeding AED 375,000	----	375,000
Net taxable income exceeding AED 375,000	<u>(27,565,395)</u>	<u>12,804,244</u>
<b>Income tax expenses- Exhibit B</b>	<u>(2,480,886)</u>	<u>1,152,382</u>
<b>Income tax provision – Exhibit A</b>	<u>(2,480,886)</u>	<u>1,152,382</u>

# **ABU DHABI NATIONAL COMPANY FOR BUILDING MATERIALS PJSC**

## **ABU DHABI - UNITED ARAB EMIRATES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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Tax expense for the year ended 31 December 2025 amounting to AED "NIL" (31 December 2024 : AED 1,152,382) and the effective current income tax rate 9%.

<i>Deferred Tax</i>	<u>2025</u>	<u>2024</u>
<b>Deferred income tax – Exhibit B</b>	<u>(420,636)</u>	<u>----</u>
<b>Deferred tax liabilities – Exhibit A</b>	<u>132,665</u>	<u>----</u>

The deferred tax liabilities mentioned above of AED 132,665 (net) (2024 : AED "NIL" ), as determined by the Group's management assessment, arising from temporary differences of AED "NIL" (2024 : AED "NIL") related to the fair value changes in assets measured at fair value as of the consolidated statement of financial position date.

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

#### **25. SUBSEQUENT EVENT**

As per the letter issued by the Group on 6 January 2026, to the Abu Dhabi Securities Exchange, the Group has completed its procedures to raise the capital from 300,000,000 shares to 1,500,000,000 of AED 1 each. M/s. Abu Dhabi Integrated Investment Holding has subscribed the full shares issued.

#### **26. GENERAL**

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

#### **27. APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements were approved by the Board of Directors and authorized for issue. On their board meeting dated 19 February 2026.