



Condensed Consolidated  
Interim Financial Information

*31 March 2025*

# **RAK Ceramics PJSC and its Subsidiaries**

Condensed consolidated interim financial information  
*31 March 2025*

## ***Table of contents***

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### **Section A:**

1. Report of the Board of Directors

### **Section B:**

1. Independent auditors' report on review of Condensed Consolidated Interim Financial Information.
2. Condensed Consolidated Interim Financial Information.

On financial performance during the three month period ended 31 March 2025  
14 May 2025

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**Dear Members,**

It is our pleasure to present the business & operations report for the three month period ended 31 March 2025, along with the condensed consolidated financial information of RAK Ceramics PJSC, UAE (the “Group” or the “Company”) as on 31 March 2025.

In Q1 2025, the Company faced a highly complex macroeconomic landscape, characterized by geopolitical uncertainties, inflationary pressures, and shifting consumer demand. Despite a minor revenue decline of 0.7%, the gross profit margins improved, on the back of rolling out improvements in operational efficiency.

### Snapshots

- **Group revenue:** Experienced a marginal decrease of 0.7% year-on-year (YoY) to AED 776.5 million in Q1 2025, primarily attributable to weaker Euro, BDT & INR vs USD. On currency rates of last year, revenue is higher by 0.7% YoY.
- **Gross profit margin:** Improvement by 33bps YoY to 39.7% in Q1 2025, up from 39.3% in Q1 2024.
- **EBITDA performance:** EBITDA decreased by 10.3% YoY in Q1 2025 to AED 135.6 million from AED 151.1 million in Q1 2024.
- **Profit before tax:** Decreased by 12.7% YoY to AED 64.5 million, compared to AED 73.9 million in Q1 2024. Kludi Group’s transformation initiatives has impacted profitability by AED 8.4 million. Excluding this impact, profit before tax was AED 74.4 million, marginally down by 1.4% YoY.
- **Financial health:** Net debt position stood at AED 1.43 billion in Q1 2025, registering an increase of AED 40.8 million

### Financial highlights

The Q1 2025 performance has shown resilience in the face of macro-economic challenges. During this quarter, total revenue experienced a marginal decrease of 0.7% year-on-year (YoY) to AED 776.5 million. However, calculated on the basis of 2024 currency exchange rates, revenue has increased slightly by 0.7% YoY.

In Q1 2025, the gross profit margin increased by 33bps to 39.7% YoY, driven by enhanced operational efficiencies.

EBITDA decreased to AED 135.6 million in Q1 2025 compared to AED 151.1 million in Q1 2024, while the EBITDA margin decreased by 1.8% to 17.5% in Q1 2025 from 19.3% in Q1 2024.

Profit before tax decreased by 12.7% YoY to AED 64.5 million, compared to AED 73.9 million in Q1 2024. Kludi Group’s transformation initiatives has impacted profitability by AED 8.4 million. Excluding this impact, profit before tax was AED 74.4 million, marginally down by 1.4% YoY.

Net profit after tax decreased by 22.3% YoY to AED 48.9 million, compared to AED 62.9 million in Q1 2024. This decrease is attributable to Kludi Group’s transformation impact and the newly introduced Domestic Minimum Top-up Tax under Globe Pillar-2 rules. Effective tax rate of UAE based entities is at 13.5% up from 9% last year.

Net debt position stood at AED 1.43 billion in Q1 2025, registering an increase of AED 40.8 million from December 2024 mainly due to capex payments.

Quarterly comparison					
	Q1 24	Q4 24	Q1 25		
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth
Revenue	781.6	870.9	<b>776.5</b>	- 0.7%	- 10.8%
Gross margin (%)	39.3%	37.2%	<b>39.7%</b>	0.3%	2.4%
EBITDA	151.1	158.0	<b>135.6</b>	- 10.3%	- 14.2%
Profit before tax	73.9	82.0	<b>64.5</b>	- 12.7%	- 21.3%
Profit after tax	62.9	64.2	<b>48.9</b>	- 22.3%	- 23.9%
Capital expenditure	35.2	50.8	<b>96.6</b>	174.3%	90.1%
Net debt	1367.2	1,394.2	<b>1,435.0</b>	5.0%	2.9%
Net debt / EBITDA	2.13x	2.35x	<b>2.49x</b>		

\* EBITDA for trailing 12 months is considered for calculation of its ratio to Net Debt.

### Segmental performance highlights

- **Tiles** revenue continued to grow in Q1, up 1.2% year-on-year to AED 448.9 million, led by strong performance in the UAE and Indian markets, with an increasing contribution from high-margin project and retail channels.
- **Sanitaryware** experienced a decline of 6.5% in revenue. However, gross margins improved by 444bps, driven by a favorable shift in product mix.
- **Tableware** division reported a decline in revenue of 4.5% to AED 85.9 million for Q1 2025, primarily impacted by a weaker Euro and slower demand in US. However, UAE and Middle East market have performed well, driven by new commercial agreement with an airline and expansion of distributors.
- **Faucets** revenue declined 4.4% to AED 111.7m also due to a weaker Euro, recessionary fears in Europe, and a struggling real estate sector in China.

### Tiles & Sanitaryware market highlights

- **UAE:** Continued to register growth in revenue mainly driven by the Tiles segment, supported by robust real estate and construction activity. Enhanced operational efficiencies in UAE tile plants have driven higher gross margins.
- **Saudi Arabia:** Demonstrated steady growth in Q1 2025, with revenue up 4.4% to AED 69.1 million, supported by relief in levy of customs duties on exports from the UAE, allowing RAK Ceramics to regain market share lost in the wholesale segment.
- **Europe:** Revenue has remained resilient in local currency (LCY) resisting recessionary fears and driven by growth in the German market and the Italian market. Overall revenue fell 1.4% to AED 77.0m.
- **India:** India registered moderate growth with revenue growth of 2.8% in LCY, driven by expansion of the dealer's network.
- **Bangladesh:** Experienced a sharp decline in business performance due to ongoing political instability, gas shortage, inflation, and currency devaluation.

### Strategic Highlights

#### Expansion

- In the UAE, continued investment in brand positioning and strategy has allowed us to maintain higher ASPs compared to competition.
- Investing in upgrading Tiles production facilities to produce differentiated and large format Tiles.
- Investing in UAE Sanitaryware production facility to improve efficiency and reduce carbon emissions.

## Greenfield projects

- In KSA, continuing to work towards setting up a production facility.

## Awards & Recognition

- Strategic participation in ISH 2025 in Frankfurt, showcasing our innovative product designs and technologies to key industry stakeholders and strengthening relationships with stakeholders.
- Participation in MOS BUILD exhibition at Moscow
- Received the Business Excellence Award at the prestigious Westford Awards 2025, in recognition of our ongoing commitment to innovation, sustainability and leadership in the ceramics industry.

## Future Outlook

The UAE continues to be the strongest market with growth driven by robust real estate activity, while the KSA market continues to show encouraging signs, aided by recent customs duty relief measures. The Company has made strategic progress in manufacturing, with the new large-format tile production facility in the UAE currently in the commissioning stage. The facility will be commercially operational by the end of 2025.. The market is volatile. So, looking ahead, the Company remains committed to the strategic priorities centered on protecting market share, optimizing operations, and expanding production capabilities. By leveraging technology and targeted investments, the Company aims to enhance resilience and create long-term value for the investors and customers.

## Financial Reporting

The condensed consolidated financial information of the Group, prepared in accordance with International Financial Reporting Standards (IFRSs), fairly presents its financial position, the result of its operations, cash flows and changes in equity. Appropriate accounting policies have been consistently applied and accounting estimates are based on reasonable and prudent judgments. There are no matters which call into question the Company's ability to continue as a going concern.

## Vote of Thanks

The Board of Directors would like to take this opportunity to thank Government bodies, the shareholders, investors, bankers & employees for their continuous commitment, co-operation, confidence & support in achieving the Company's objectives.

Chairman

14 MAY 2025

Group Chief Executive Officer

**R.A.K Ceramics P.J.S.C.**  
**and its subsidiaries**

**Condensed consolidated interim financial information**  
*for the three-month period ended 31 March 2025*

# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Condensed consolidated interim financial information

31 March 2025

<b><i>Contents</i></b>	<b><i>Page</i></b>
Independent auditor's review report	1 - 2
Condensed consolidated statement of profit or loss (unaudited)	3
Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)	4
Condensed consolidated statement of financial position	5
Condensed consolidated statement of cash flows (unaudited)	6 - 7
Condensed consolidated statement of changes in equity	8 - 9
Notes to the condensed consolidated interim financial information	10 - 30



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# Independent Auditors' Report on Review of Interim Condensed Consolidated Financial Information

## To the Shareholders of R.A.K Ceramics P.J.S.C

### Introduction

We have reviewed the accompanying 31 March 2025 interim condensed consolidated financial information of R.A.K Ceramics P.J.S.C ("the Company") and its subsidiaries (collectively referred to as "the Group"), which comprises:

- the interim condensed consolidated statement of financial position as at 31 March 2025;
- the interim condensed consolidated statement of profit or loss for the three-month period ended 31 March 2025;
- the interim condensed consolidated statement of profit or loss and comprehensive income for the three-month period ended 31 March 2025;
- the interim condensed consolidated statement of changes in equity for the three-month period ended 31 March 2025;
- the interim condensed consolidated statement of cash flows for the three-month period ended 31 March 2025; and
- notes to the interim condensed consolidated financial information.

Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.





## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 31 March 2025 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

## Other Matter – Comparative information

The interim condensed consolidated financial information of the Group for the three-months period ended 31 March 2024, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed consolidated financial information on 9 May 2024 and the consolidated financial statements of the Group for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on 12 February 2025.

KPMG Lower Gulf Limited

Richard Ackland  
Registration No.: 1015  
Ras Al Khaimah, United Arab Emirates  
Date: 14 May 2025

# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Condensed consolidated statement of profit or loss (unaudited) for the three-month period ended 31 March 2025

		<b>Three-month period ended 31 March</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b>AED'000</b>	<b>AED'000</b>
<b>Revenue</b>	<i>5</i>	<b>776,531</b>	781,626
Cost of sales	<i>6</i>	<b>(468,474)</b>	(474,164)
		<b>-----</b>	<b>-----</b>
<b>Gross profit</b>		<b>308,057</b>	307,462
Administrative and general expenses	<i>7</i>	<b>(60,273)</b>	(57,738)
Selling and distribution expenses	<i>8</i>	<b>(174,153)</b>	(160,530)
Other operating income	<i>9</i>	<b>25,511</b>	19,350
Finance costs	<i>10</i>	<b>(28,285)</b>	(35,641)
Finance income	<i>10</i>	<b>3,943</b>	7,081
Loss on net monetary position	<i>26</i>	<b>(498)</b>	(895)
Share of (loss)/profit in equity accounted investees	<i>11</i>	<b>(10)</b>	30
		<b>-----</b>	<b>-----</b>
<b>Profit before impairment loss</b>		<b>74,292</b>	79,119
Impairment loss on trade and other receivables	<i>7(i)</i>	<b>(9,752)</b>	(5,186)
		<b>-----</b>	<b>-----</b>
<b>Profit before tax</b>		<b>64,540</b>	73,933
Tax expense	<i>12</i>	<b>(15,669)</b>	(11,033)
		<b>-----</b>	<b>-----</b>
<b>Profit for the period</b>		<b>48,871</b>	62,900
<i>Profit attributable to:</i>			
Owners of the Company		<b>46,301</b>	57,609
Non-controlling interests		<b>2,570</b>	5,291
		<b>-----</b>	<b>-----</b>
<b>Profit for the period</b>		<b>48,871</b>	62,900
		<b>=====</b>	<b>=====</b>
<b>Earnings per share</b>			
- basic and diluted (AED)	<i>13</i>	<b>0.047</b>	0.058

The accompanying notes form an integral part of the condensed consolidated interim financial information.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)

for the three-month period ended 31 March 2025

	<b>Three-month period ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Profit for the period</b>	<b>48,871</b>	<b>62,900</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign exchange differences on translation of foreign operations	(12,744)	(3,229)
Cash flow hedges – effective portion of changes in fair value (loss)/gain on hedging instruments	(1,476)	(512)
Effects of application of hyperinflation accounting (Note 26)	(6,135)	1,350
<b><u>Total comprehensive income for the period</u></b>	<b><u>28,516</u></b>	<b><u>60,509</u></b>
<i>Total comprehensive income attributable to:</i>		
Owners of the Company	27,273	55,501
Non-controlling interests	1,243	5,008
<b><u>Total comprehensive income for the period</u></b>	<b><u>28,516</u></b>	<b><u>60,509</u></b>

The accompanying notes form an integral part of the condensed consolidated interim financial information.

**R.A.K Ceramics P.J.S.C. and its subsidiaries**  
**Condensed consolidated statement of financial position**  
*as at 31 March 2025*

	Notes	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	1,386,100	1,328,102
Goodwill	15	120,232	120,122
Right-of-use assets		105,452	111,064
Intangible assets		13,431	12,545
Investment properties	16	894,147	897,479
Investments in equity accounted investees	11	9,327	10,282
Long-term receivables	17(i)	49,254	18,859
Derivative financial assets	20	1,163	1,938
Deferred tax assets	12	7,643	5,638
<b>Total non-current assets</b>		<b>2,586,749</b>	<b>2,506,029</b>
<b>Current assets</b>			
Inventories	18	1,392,733	1,355,912
Trade and other receivables	17	1,116,960	1,128,367
Due from related parties	19	50,755	54,200
Derivative financial assets	20	2,960	4,799
Short-term deposits	21	942	760
Restricted Cash	21	3,703	2,524
Cash and cash equivalents	21	171,528	199,325
<b>Total current assets</b>		<b>2,739,581</b>	<b>2,745,887</b>
<b>Total assets</b>		<b>5,326,330</b>	<b>5,251,916</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	22	993,703	993,703
Reserves		1,169,907	1,242,004
<b>Equity attributable to owners of the Company</b>		<b>2,163,610</b>	<b>2,235,707</b>
Non-controlling interests		84,446	95,335
<b>Total equity</b>		<b>2,248,056</b>	<b>2,331,042</b>
<b>Non-current liabilities</b>			
Islamic bank financing	23a(iii)	237,301	248,225
Interest bearing bank financing	23b(ii)	648,610	636,689
Due to related parties	19	3,157	3,186
Provision for employees' end of service benefits		114,403	113,702
Government grants		3,912	4,086
Lease liabilities		91,750	89,157
Deferred tax liabilities	12	18,363	20,742
<b>Total non-current liabilities</b>		<b>1,117,496</b>	<b>1,115,787</b>
<b>Current liabilities</b>			
Islamic bank financing	23a(i)	207,776	218,631
Interest bearing bank financing	23b(i)	514,283	490,069
Trade and other payables	24	990,796	837,067
Government grants		447	426
Due to related parties	19	35,633	36,963
Derivative financial liabilities	20	2,609	390
Lease liabilities		31,838	37,117
Current tax liabilities	12	177,396	184,424
<b>Total current liabilities</b>		<b>1,960,778</b>	<b>1,805,087</b>
<b>Total liabilities</b>		<b>3,078,274</b>	<b>2,920,874</b>
<b>Total equity and liabilities</b>		<b>5,326,330</b>	<b>5,251,916</b>

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed consolidated interim financial information presents fairly in all material respects the condensed consolidated financial position, financial performance and cash flows of the Group.

Chairman

14 MAY 2025

Chief Executive Officer

The accompanying notes form an integral part of the condensed consolidated interim financial information.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Condensed consolidated statement of cash flows (unaudited) for the three-month period ended 31 March 2025

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
<b>Operating activities</b>		
Profit for the period before tax	64,540	73,933
<i>Adjustments for:</i>		
Share of loss/(profit) in equity accounted investees	10	(30)
Interest expense	15,582	16,839
Profit expense on Islamic bank financing	5,929	9,271
Interest income	(694)	(1,129)
Profit on wakala deposits	-	(67)
Interest expense on lease liabilities	2,204	2,083
Net change in fair value of derivative financial instruments	3,357	(5,885)
Gain on disposal of property, plant and equipment	(729)	(555)
Gain on disposal of investment properties	(3,151)	-
Depreciation on property, plant and equipment	38,093	36,944
Depreciation on investment properties	3,221	2,806
Amortisation of intangible assets	1,245	1,371
Depreciation of right-of-use assets	9,317	9,402
Capital work in progress written off	-	78
Provision for employees' end-of-service benefits	4,333	5,217
Loss on net monetary position	498	895
Allowance for slow moving and obsolete inventories	5,986	3,487
Write up of cost of finished goods	(4,154)	(1,696)
Impairment loss on other receivables	4,666	-
Impairment loss on trade receivables	5,086	5,186
	<b>155,339</b>	<b>158,150</b>
Changes in:		
- inventories	(38,653)	2,479
- trade and other receivables (including long-term portion)	(33,670)	11,117
- due from related parties	3,445	12,308
- trade and other payables	54,206	(22,682)
- due to related parties	(1,330)	(9,280)
Income tax paid	(22,151)	(10,465)
Employees' end-of-service benefits paid	(5,589)	(7,781)
Currency translation adjustments	(24,133)	5,448
<b>Net cash generated from operating activities</b>	<b>87,464</b>	<b>139,294</b>

# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Condensed consolidated statement of cash flows (unaudited) *(continued)* for the three-month period ended 31 March 2025

	<b>Three-month period ended 31 March</b>	
	<b>2025</b>	<b>2024</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Investing activities</b>		
Additions to property, plant and equipment	(96,553)	(35,181)
Proceeds from disposal of property, plant and equipment	3,827	971
Additions to intangible assets	(2,144)	(366)
Additions to/(disposal of) investment property	5,161	(3,182)
Dividend received from equity accounted investees	326	330
Interest received	694	1,129
Profit received on wakala deposits	-	67
(Addition)/proceeds from maturity, of bank deposits with an original maturity of more than three-months	(1,361)	22,738
<b>Net cash used in from investing activities</b>	<b>(90,050)</b>	<b>(13,494)</b>
<b>Financing activities</b>		
Long-term bank financing availed	22,519	136,770
Long-term bank financing repaid	(42,242)	(76,324)
Long-term Islamic bank financing availed	-	10,000
Long-term Islamic bank financing repaid	(30,108)	(32,719)
Short-term bank financing availed	214,858	240,952
Short-term bank financing repaid	(157,375)	(214,487)
Short-term Islamic bank financing availed	65,294	118,786
Short-term Islamic bank financing repaid	(56,965)	(139,332)
Payment of lease liabilities	(5,895)	(9,649)
Interest paid	(15,582)	(16,839)
Profit paid on Islamic bank financing	(5,929)	(9,271)
Dividend paid to non-controlling interests	(12,132)	(13,045)
Long term loan from related parties	(29)	(7)
<b>Net cash used in financing activities</b>	<b>(23,586)</b>	<b>(5,165)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(26,172)</b>	<b>120,635</b>
Cash and cash equivalents at the beginning of the period	133,891	130,895
<b>Net cash and cash equivalents at the end of the period</b>	<b>107,719</b>	<b>251,530</b>
<b>Represented by:</b>		
Cash and cash equivalents	171,528	289,087
Bank overdraft	(63,809)	(37,557)
	<b>107,719</b>	<b>251,530</b>

The accompanying notes form an integral part of the condensed consolidated interim financial information.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Condensed consolidated statement of changes in equity (unaudited)

for the three-month period ended 31 March 2025

	Attributable to owners of the Company												
	Company Reserves												
	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	Translation reserve AED'000	Hyper-inflation reserve* AED'000	Hedging reserve AED'000	General reserve AED'000	Capital reserve AED'000	Retained earnings AED'000	Total reserves AED'000	Total AED'000	Non-controlling interests (NCI) AED'000	Total equity AED'000
Balance at 1 January 2025	993,703	221,667	496,852	(203,683)	(153,419)	5,599	-	75,040	799,948	1,242,004	2,235,707	95,335	2,331,042
Total comprehensive income for the period (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	46,301	46,301	46,301	2,570	48,871
Other comprehensive income													
Foreign exchange differences on translation of foreign operations	-	-	-	(9,971)	(1,446)	-	-	-	-	(11,417)	(11,417)	(1,327)	(12,744)
Changes in cash flow hedges	-	-	-	-	-	(1,476)	-	-	-	(1,476)	(1,476)	-	(1,476)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	(6,135)	-	-	-	-	(6,135)	(6,135)	-	(6,135)
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income for the period	-	-	-	(9,971)	(7,581)	(1,476)	-	-	46,301	27,273	27,273	1,243	28,516
Other equity movements													
Transaction with owners (unaudited)													
Dividend paid (refer Note 22(i))	-	-	-	-	-	-	-	-	(99,370)	(99,370)	(99,370)	-	(99,370)
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	-	-	(12,132)	(12,132)
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Balance at 31 March 2025 (unaudited)	993,703	221,667	496,852	(213,654)	(161,000)	4,123	-	75,040	746,879	1,169,907	2,163,610	84,446	2,248,056

\* The hyperinflation reserve comprises of foreign currency differences arising from the translation of the financial statements of RAK Ceramics (PJSC) Limited, Iran and the effect of translating the financial statements at the corresponding inflation index, in accordance with IAS 29: *Financial Reporting in Hyperinflationary Economies*.

The accompanying notes form an integral part of the condensed consolidated interim financial information.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Condensed consolidated statement of changes in equity (unaudited) *(continued)*  
for the three-month period 31 March 2025

	Attributable to owners of the											Non-controlling interests (NCI) AED'000	Total equity AED'000
	Company Reserves												
	Share capital AED'000	Share premium AED'000	Legal reserve AED'000	Translation reserve AED'000	Hyper-inflation reserve* AED'000	Hedging reserve AED'000	General reserve AED'000	Capital reserve AED'000	Retained earnings AED'000	Total reserves AED'000	Total AED'000		
Balance at 1 January 2024	993,703	221,667	579,112	(196,569)	(162,835)	11,738	82,805	75,040	629,594	1,240,552	2,234,255	134,495	2,368,750
Total comprehensive income/(loss) for the period (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	57,609	57,609	57,609	5,291	62,900
Other comprehensive income/(loss)													
Foreign exchange differences on translation of foreign operations	-	-	-	2,184	(5,130)	-	-	-	-	(2,946)	(2,946)	(283)	(3,229)
Changes in cash flow hedges	-	-	-	-	-	(512)	-	-	-	(512)	(512)	-	(512)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	1,350	-	-	-	-	1,350	1,350	-	1,350
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income/(loss) for the period	-	-	-	2,184	(3,780)	(512)	-	-	57,609	55,501	55,501	5,008	60,509
Other equity movements													
Transfer to retained earnings	-	-	(82,260)	-	-	-	(82,805)	-	165,065	-	-	-	-
Transaction with owners (unaudited)													
Funds invested by NCI	-	-	-	-	-	-	-	-	-	-	-	65	65
Dividend paid (refer Note 22(i))	-	-	-	-	-	-	-	-	(99,370)	(99,370)	(99,370)	-	(99,370)
Dividend declared to NCI	-	-	-	-	-	-	-	-	-	-	-	(13,045)	(13,045)
	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Balance at 31 March 2024 (unaudited)	993,703	221,667	496,852	(194,385)	(166,615)	11,226	-	75,040	752,898	1,196,683	2,190,386	126,523	2,316,909

The accompanying notes form an integral part of the condensed consolidated interim financial information.



# R.A.K Ceramics P.J.S.C. and its subsidiaries

## Notes to the condensed consolidated interim financial information for the three-month period ended 31 March 2025

### 1. General information

R.A.K Ceramics P.J.S.C. (the “Company” or the “Holding Company”) was incorporated under Emiri Decree No. 6/89 dated 26 March 1989 as a limited liability company in the Emirate of Ras Al Khaimah, UAE. Subsequently, under Emiri Decree No. 9/91 dated 6 July 1991, the legal status of the Company was changed to a Public Shareholding Company. The registered address of the Company is P.O. Box 4714, Al Jazeerah Al Hamra City, Ras Al Khaimah, United Arab Emirates. The Company is listed on Abu Dhabi Securities Exchange, UAE.

The condensed consolidated interim financial information as at and for the three-month period ended 31 March 2025 comprises the financial information of the Company and its subsidiaries (collectively referred to as the “Group” and individually as “Group entities”) and the Group’s interest in equity accounted investees.

The principal activities of the Group are the manufacturing and sale of a variety of ceramic products including tiles, bathroom sets, sanitary wares, table wares and faucets. The Company and certain Group entities are also engaged in investing in other entities, within the UAE as well as globally, that undertake similar or ancillary activities. Accordingly, the Company also acts as a Holding Company of the Group entities. The Group is also engaged in contracting and other industrial manufacturing activities.

### 2. Application of new and revised International Financial Reporting Standards (“IFRSs”)

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, and the notes attached thereto, except for the adoption of certain new and revised standards, that became effective in the current period as set out below.

#### 2.1 New and revised IFRS Accounting Standards applied by the Group

In the previous financial period, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. The application of these amendments to IFRS Accounting Standards has not had any material impact on the amounts reported for the current period but may affect the accounting for the Group’s future transactions or arrangements.

- Amendments to IAS 21: (Lack of Exchangeability) The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.
- The International Sustainability Standards Board (ISSB) has issued amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability. The amendments remove and replace jurisdiction-specific references and definitions, without substantially altering industries, topics or metrics (effective from 1 January 2025).

Other than the above, there are no significant IFRS Accounting Standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2025.

#### 2.2 New and revised IFRS in issue but not yet effective and not early adopted

The Group has not early adopted the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- Amendment to IFRS 17 - comparative information at first time adoption of IFRS 17 Insurance Contracts and IFRS9 Financial Instruments.
- IFRS 18 Presentation and disclosures in financial statements - The new standard contains requirements for all entities applying IFRS for the presentation and disclosure of information in financial statements. (effective 1 January 2027).
- IFRS 19 subsidiaries without Public Accountability: Disclosures – the new standard specifies reduced disclosure requirements to eligible entities instead of full disclosure requirements in other standards. (effective 1 January 2027).

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 2 Application of new and revised International Financial Reporting Standards (“IFRSs”) *(continued)*

### 2.2 New and revised IFRS in issue but not yet effective and not early adopted *(continued)*

- Amendments to IFRS 10 ‘Consolidated Financial Statements’ and IAS 28 ‘Investments in Associates and Joint Ventures’ (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture (effective date deferred indefinitely, early adoption permitted).

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements as and when they are applicable and adoption of these new standards and amendments will have no material impact on the consolidated financial statement of the Group in the period of initial application.

## 3 Summary of significant accounting policies

### Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (“IAS”) No. 34 ‘*Interim Financial Reporting*’.

The condensed consolidated interim financial information is presented in U.A.E. Dirhams (AED) since that is the currency in which the majority of the Group’s transactions are denominated and all values are rounded to the nearest thousand (AED ‘000) except when otherwise indicated.

This condensed consolidated interim financial information has been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

The accounting policies used in the preparation of this condensed consolidated interim financial information are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2024.

This condensed consolidated interim financial information does not include all the information required for annual consolidated financial statements and should be read in conjunction with the Group’s audited annual consolidated financial statements as at and for the year ended 31 December 2024. No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three-month periods ended 31 March 2025 and 31 March 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

## 4. Changes in judgements and estimation uncertainty

The critical judgements and estimates used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the Group’s audited annual consolidated financial statements for the year ended 31 December 2024.

## 5. Revenue

	Three-month period ended 31 March	
	2025	2024
	AED’000	AED’000
	(unaudited)	(unaudited)
Sale of goods	775,529	780,221
Others	1,002	1,405
	-----	-----
	776,531	781,626
	=====	=====

The Group derives its revenue from contracts with customers for transfer of goods at a point in time.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 6. Cost of sales

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
Raw materials consumed	227,069	235,410
Direct labor	70,171	66,211
Power and fuel	35,909	33,063
LPG and natural gas	33,706	29,048
Depreciation on property, plant and equipment	30,769	28,287
Repairs and maintenance expense	28,193	25,764
Packing material expenses	23,998	24,015
Change in inventory of finished goods	(7,027)	10,311
Allowance for slow moving inventories	5,986	3,487
Insurance	1,663	1,586
Depreciation of right-of-use assets	170	661
Amortization of intangible assets	244	271
Hire charges on machinery & equipment	53	54
Clearing charges on trading goods	547	234
Other Costs	17,023	15,762
	-----	-----
	468,474	474,164
	=====	=====

## 7. Administrative and general expenses

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
Staff salaries and other associated costs	29,595	29,101
Depreciation on property, plant and equipment	2,837	4,524
Legal and professional fees	3,624	3,013
Depreciation on investment properties	3,221	2,806
Information technology licenses and consultancy expenses	4,300	2,482
Expenses on investment properties	1,451	2,386
Repairs and maintenance expenses	1,673	2,262
Utility expenses	1,106	1,717
Telephone, postal and office supplies	1,414	1,620
Amortization of intangible assets	1,001	1,100
Directors' remuneration	925	925
Insurance	1,322	758
Travelling expenses	453	660
Security charges	212	433
Vehicles and equipment hire charges	301	255
Depreciation of right-of-use assets	248	181
Rental charges	573	42
Others	6,017	3,473
	-----	-----
	60,273	57,738
	=====	=====

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 7(i) Impairment loss on trade and other receivables

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Impairment loss on trade receivables	5,086	5,186
Impairment loss on other receivables	4,666	-
	<u>9,752</u>	<u>5,186</u>

## 8. Selling and distribution expenses

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Staff salaries and other associated costs	60,538	57,376
Freight and transportation	59,069	54,845
Advertisement and promotions expenses	21,667	16,908
Depreciation of right-of-use assets	8,899	8,560
Agents' commission	6,861	5,524
Depreciation on property, plant and equipment	4,487	4,211
Travel and entertainment expenses	1,480	1,585
Rental expenses	2,367	1,303
Repairs, maintenance & consumables	556	905
Postal, courier charge and stationary	75	663
Telephone & office supplies	268	360
Royalty	510	184
Others	7,376	8,106
	<u>174,153</u>	<u>160,530</u>

## 9. Other operating income

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Rental income from investment properties	11,353	11,781
Sale of scrap and miscellaneous items	1,678	2,730
Discounts earned on purchases and freight	8	1,091
Provisions write back	6,458	564
Net gain on disposal of property, plant and equipment	729	555
Net gain on disposal of investment properties	3,151	-
Lease rental for property, plant and equipment	296	351
Duty drawback and subsidy received	41	203
Insurance claims	260	140
Other miscellaneous income	1,537	1,935
	<u>25,511</u>	<u>19,350</u>

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 10. Finance costs and income

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
<b>Finance costs</b>		
Interest on bank financing	15,510	16,764
Profit expense on Islamic financing	5,929	9,271
Net foreign exchange loss	-	6,444
Interest expense on lease liabilities	2,204	2,083
Bank charges	1,213	1,004
Interest on amount due to related parties	72	75
Net change in the fair value of derivatives	3,357	-
	-----	-----
<b>Total (A)</b>	<b>28,285</b>	<b>35,641</b>
	=====	=====
<b>Finance income</b>		
Net change in the fair value of derivatives	-	5,885
Interest on bank deposits	694	1,129
Profit on wakala deposits	-	67
Net foreign exchange gain	3,249	-
	-----	-----
<b>Total (B)</b>	<b>3,943</b>	<b>7,081</b>
	=====	=====
<b>Net finance costs (A-B)</b>	<b>24,342</b>	<b>28,560</b>
	=====	=====

## 11. Investments in equity accounted investees

The Group's share of (loss)/profit in equity accounted investees for the three-month period ended 31 March 2025 amounted to AED (0.01) million (unaudited) (three-month period ended 31 March 2024 (unaudited): AED 0.03 million).

The Group received AED 0.33 million (unaudited) as dividends during the current period from its equity accounted investees (three-month period ended 31 March 2024 (unaudited): AED 0.33 million).

## 12. Corporate Income Tax

Operations of the Group are liable to corporate taxes in the respective jurisdictions at prevailing tax rates. The corporate taxes are payable on the total income of the operations after making adjustments for certain disallowable expenses, exempt income and investment and other allowances.

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
<b>Current tax</b>		
In respect of current period	16,251	11,932
<b>Deferred tax</b>		
(Reversal)/ origination of temporary tax differences during the period	(582)	(899)
	-----	-----
<b>Tax expense for the year</b>	<b>15,669</b>	<b>11,033</b>
	=====	=====

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 12. Income tax *(continued)*

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Current tax liabilities	177,396	184,424
Deferred tax liabilities	18,363	20,742
Deferred tax assets	7,643	5,638

Effective 1 January 2025, the UAE introduced the Domestic Minimum Top-up Tax (DMTT) as part of the implementation of the OECD's Pillar Two global tax framework. The Group falls within the scope of the DMTT regime based on the applicable revenue threshold and has recognised additional current income tax expense to ensure compliance with the 15% global minimum effective tax rate (ETR) requirement.

For the three-month period ended 31 March 2025, the Group recognised an amount of AED 4,380 thousand in current income tax expense relating to the DMTT, specifically for UAE-based subsidiaries. The inclusion of DMTT has contributed to an increase in the consolidated effective tax rate (ETR), which is 24.30% for the three months ended 31 March 2025 (three-month period ended 31 March 2024: 14.92%). Excluding the impact of DMTT, the underlying ETR is 17.47%.

During the year 2023, the Group had recognized a deferred tax expense of AED 4.53 million being the initial recognition of a deferred tax liability on the purchase price allocation adjustments on a corporate transaction completed in a prior accounting period, as required by IFRS Accounting Standards. Considering the applicability of Global Minimum Tax of 15% in the UAE, the Group had recognized the differential deferred tax liability of 6%, amounting to AED 3.02 million, on the purchase price allocation adjustments in the previous year.

## 13. Earnings per share

	Three-month period ended 31 March	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Profit attributable to the owners of the Company (AED'000)	46,301	57,609
Weighted average number of ordinary shares ('000s)	993,703	993,703
<b>Basic and diluted earnings per share (AED)</b>	<b>0.047</b>	<b>0.058</b>

There was no dilution effect on the basic earnings per share as the Company does not have any such outstanding share commitments as at the reporting date.

## 14. Property, plant and equipment

### *Additions, disposals and depreciation (unaudited)*

During the three-month period ended 31 March 2025, the Group has acquired property, plant and equipment and made additions to capital work in progress amounting to AED 96.56 million (three-month period ended 31 March 2024: AED 35.18 million).

Property, plant and equipment with a carrying amount of AED 3.09 million was disposed of during the current period (three-month period ended 31 March 2024: AED 0.49 million) resulting in a gain on disposal of AED 0.73 million (gain on disposal, three-month period ended 31 March 2024: AED 0.56 million) which is included in other income in the condensed consolidated statement of profit or loss (also refer Note 9).

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 14. Property, plant and equipment *(continued)*

### *Additions, disposals and depreciation (unaudited)(continued)*

Depreciation of property, plant and equipment for the current period amounted to AED 38.09 million (three- month period ended 31 March 2024: AED 36.94 million). Below is the breakdown of property, plant and equipment inside and outside the U.A.E:

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Inside U.A.E	<b>946,727</b>	882,119
Outside U.A.E	<b>439,373</b>	445,983
	<b>1,386,100</b>	1,328,102

## 15 Goodwill

	<b>31 March 2025 AED'000 (unaudited)</b>	<b>31 December 2024 AED'000 (audited)</b>
Opening balance	<b>120,122</b>	120,135
Effects of movements in exchange rate	<b>110</b>	(13)
Closing balance	<b>120,232</b>	120,122

As at 31 Mar 2025, Goodwill comprised AED 50.4 million, AED 5.5 million, AED 5.8 million, AED 58.5 million recognized on acquisition of Ceramin FZ LLC, UAE and distribution entities in UK, Italy and Saudi Arabia respectively.

During the current period, Management has performed an analysis of the sensitivity of the impairment test to changes in key assumptions used to determine the recoverable amount of each cash generating unit to which goodwill is allocated and concluded there are no indicators of impairment.

## 16. Investment properties

	<b>Inside UAE</b>		<b>Outside UAE</b>		<b>Total</b>	
	<b>31 March 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>	<b>31 March 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>	<b>31 March 2025 (unaudited)</b>	<b>31 December 2024 (audited)</b>
	<b>AED'000</b>					
Net book value	<b>867,280</b>	871,969	<b>26,867</b>	25,510	<b>894,147</b>	897,479
Fair value	<b>1,050,832</b>	1,050,832	<b>43,997</b>	43,997	<b>1,094,829</b>	1,094,829

Investment properties comprise land and buildings that are located in the United Arab Emirates, Bangladesh, Lebanon and Iran.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 16. Investment properties *(continued)*

The fair value of the Group's investment properties as at 31 December 2024 (audited) amounted to AED 1,094.83 million and was arrived at on the basis of valuations carried out by external valuers who have appropriate market experience in the valuation of properties. Management estimates that there has been no significant change in the fair value of investment properties during the three-month period ended 31 March 2025.

The fair value of the Group's investment properties as at 31 December 2024 has been determined by an independent property valuations at that date. The valuers possess appropriate qualifications and recent experience in the valuation of properties in the location and category of the property being valued.

The fair value measurement has been categorized as a Level 3 fair value based on the inputs to the valuation technique used and in estimating the fair value, the highest and best use of the properties in their current use (31 December 2024: Level 3).

## 17. Trade and other receivables

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Trade receivables	909,914	924,937
Less: Allowance for expected credit loss	(147,069)	(153,167)
<b>Subtotal (A)</b>	<b>762,845</b>	<b>771,770</b>
Other receivables	165,194	164,552
Less: Allowance for expected credit loss	(89,668)	(83,213)
<b>Subtotal (B)</b>	<b>75,526</b>	<b>81,339</b>
Advances and prepayments (C)	251,251	246,885
Deposits (D)	27,338	28,373
<b>Total (A+B+C+D)</b>	<b>1,116,960</b>	<b>1,128,367</b>

### 17(i) Long-term receivables

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Trade receivables	90,137	71,554
Less: Allowance for expected credit loss	(13,490)	(5,883)
	76,647	65,671
Less : current portion included in trade receivables	(30,982)	(50,572)
<b>Long-term receivables (A)</b>	<b>45,665</b>	<b>15,099</b>
Other receivables	3,589	3,760
<b>Long-term other receivables (B)</b>	<b>3,589</b>	<b>3,760</b>
<b>Long-term receivables (A+B)</b>	<b>49,254</b>	<b>18,859</b>



# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 18. Inventories

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Finished goods (net of net realizable value adjustments)	<b>998,016</b>	955,862
Less : Allowance for slow moving inventories	<b>(135,937)</b>	(136,220)
<b>Subtotal (A)</b>	<b>862,079</b>	819,642
Raw materials	<b>226,574</b>	233,887
Consumables, stores and spares	<b>307,158</b>	305,908
	<b>533,732</b>	539,795
Less : Allowance for slow-moving inventories	<b>(96,457)</b>	(93,981)
<b>Subtotal (B)</b>	<b>437,275</b>	445,814
Goods-in-transit (C)	<b>34,148</b>	34,257
Work-in-progress (D)	<b>59,231</b>	56,199
<b>Total (A+B+C+D)</b>	<b>1,392,733</b>	1,355,912

At 31 March 2025, the Group has recognized a cumulative loss due to write-down of finished goods inventories of AED 142.69 million against cost of AED 444.98 million *(31 December 2024 (audited): AED 138.54 million against cost of AED 387.15 million)* to bring it to its net realizable value which was lower than the cost. The difference in the write down of AED 4.15 million (unaudited) *(three-month period ended 31 March 2024 (unaudited): AED 1.70 million)* is included in cost of sales in the condensed consolidated statement of profit or loss with a currency loss of AED 0.02 million for the period (unaudited) *(three-month period ended 31 March 2024 (unaudited): AED 0.04 million)*.

Certain inventories are subject to a charge in favor of banks against facilities obtained by the Group.

## 19. Related party balances and transactions

The significant transactions entered into by the Group with related parties during the period, other than those disclosed elsewhere in this condensed consolidated interim financial information, are as follows:

### A) Equity accounted investees and companies under common management:

	<b>Three-month period ended 31 March 2025 AED'000 (unaudited)</b>	2024 AED'000 (unaudited)
Sale of goods and services and construction contracts	<b>684</b>	1,527
Royalty	<b>127</b>	92

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 19. Related party balances and transactions (continued)

### B) Other related parties

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
Sale of goods and services and construction contracts	17,480	19,628
Purchase of goods and rendering of services	34,528	32,479
Interest expenses (refer Note 10)	72	75
	=====	=====

### Key management personnel compensation

The remuneration of Directors and other key management personnel of the Group during the period was as follows:

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
Short-term benefits	3,312	3,244
Staff terminal benefits	58	58
Board of Directors' remuneration	925	925
	=====	=====

### Due from related parties

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Equity accounted investees	2,563	2,298
Other related parties	51,496	55,165
	-----	-----
	54,059	57,463
Less : Allowance for expected credit loss	(3,304)	(3,263)
	-----	-----
	50,755	54,200
	=====	=====

### Due to related parties

#### Long-term loan

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Other related parties	3,157	3,186
	-----	-----
	3,157	3,186
	=====	=====

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 19. Related party balances and transactions *(continued)*

### Current Liabilities

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
Other related parties	35,633	36,963
	<u>35,633</u>	<u>36,963</u>

## 20. Derivative financial instruments

The Group uses derivative financial instruments for risk mitigation purposes. The Group has classified interest rate swaps and commodity derivatives as cash flow hedges in accordance with the recognition criteria of IFRS 9, as it is mitigating the risk of cash flow variations due to movements in interest rates and commodity prices.

The table below shows the fair values of derivative financial instruments, which are equivalent to the market values.

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
<b>Non-current</b>		
<b>Derivative financial assets</b>		
Interest rate swaps used for hedging	1,163	1,938
	<u>1,163</u>	<u>1,938</u>
<b>Current</b>		
<b>Derivative financial assets</b>		
Interest rate swaps used for hedging	2,960	3,661
Forward exchange contracts	-	1,138
	<u>2,960</u>	<u>4,799</u>
<b>Current</b>		
<b>Derivative financial liabilities</b>		
Forward exchange contracts	2,604	-
Other currency and interest rate swaps	5	390
	<u>2,609</u>	<u>390</u>

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 21. Bank balances and cash

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cash in hand	2,682	3,221
Cash at bank		
- in bank deposits with maturity of less than three-months	4	1,414
- in current accounts	159,655	185,252
- in margin deposits	3,805	3,540
- in call accounts	5,565	6,081
	-----	-----
Cash and cash equivalents (excluding allowance for expected credit loss)	171,711	199,508
Less : Allowance for expected credit loss	(183)	(183)
	-----	-----
Cash and cash equivalents (A)	171,528	199,325
Bank deposits with an original maturity of more than three-months (B)	942	760
Deposits under lien - restricted cash (C)	3,703	2,524
	-----	-----
Bank balances and cash (A+B+C)	176,173	202,609
	=====	=====

Cash in hand and cash at bank includes AED 0.58 million (31 December 2024 (audited): AED 0.36 million) and AED 86.40 million (31 December 2024 (audited): AED 83.90 million) respectively, held outside UAE.

Current accounts and margin deposits are non-interest bearing accounts.

## 22. Share Capital

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
170,000,000 shares of AED 1 each paid up in cash	170,000	170,000
823,703,958 shares of AED 1 each issued as bonus shares	823,703	823,703
	-----	-----
	993,703	993,703
	=====	=====

### (i) Dividend

At the Annual General Meeting (AGM) held on 24 March 2025, the shareholders approved a final cash dividend of 10% amounting to AED 99,370 thousand in relation to the year ended 31 December 2024 which was paid in April 2025 (refer note 24). An interim cash dividend of 10% amounting to AED 99,370 thousand for the year 2024 was paid in August 2024.

### (ii) Directors' remuneration

At the Annual General Meeting (AGM) held on 24 March 2025, the shareholders approved the Directors' remuneration amounting to AED 3,700 thousand for the year ended 31 December 2024, (for the year ended 31 December 2023: approved AED 3,700 thousand.(Refer note 7).

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 23. Bank financing arrangements

### (a) Islamic bank financing

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>(i) Short-term</b>		
Mudaraba facilities (A)	52,860	65,827
Commodity Murabaha facilities (B)	57,544	36,248
Current portion of long-term financing (refer note 23(a)(ii) below)	97,372	116,556
	<u>207,776</u>	<u>218,631</u>
<b>(ii) Long-term – Islamic bank financing</b>		
Mudaraba facilities(A)	190,417	197,292
Commodity Murabaha facilities (B)	60,971	73,711
Ijarah facilities (C)	83,285	93,778
Less : current portion of long-term financing (refer Note 23 (a)(i))	(97,372)	(116,556)
	<u>237,301</u>	<u>248,225</u>
	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>Movement:</b>		
Balance as at 1 January	364,781	420,844
Availed during the period/ year	-	70,000
Repaid during the period/ year	(30,108)	(126,063)
	<u>334,673</u>	<u>364,781</u>
<b>Balance as at end of the period/ year</b>	<b>334,673</b>	<b>364,781</b>
Less : current portion included in short-term (refer 23 (a)(i))	(97,372)	(116,556)
	<u>237,301</u>	<u>248,225</u>

The securities provided against these facilities are the same as those mentioned in the audited annual consolidated financial statements of the Group for the year ended 31 December 2024.

- (A) Mudaraba is a mode of Islamic financing where a contract is entered into by two parties whereby one party (Bank) provides funds to another party (the Group) who then invest in an activity deploying its experience and expertise for a specific pre-agreed share in the resultant profit.
- (B) In Murabaha Islamic financing, a contract is entered into between two parties whereby one party (Bank) purchases an asset and sells it to another party (the Group), on a deferred payment basis at a pre-agreed profit.
- (C) Ijarah is another mode of Islamic financing where a contract is entered into between two parties whereby one party (Bank) purchases/acquires an asset, either from a third party or from the Group, and leases it to the Group against certain rental payments and for a specific lease period.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 23. Bank financing arrangements *(continued)*

### (b) Interest bearing bank financing

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
<b>(i) Short-term</b>		
Bank overdraft	63,809	65,434
Short-term loan	292,327	234,844
Current portion of long-term financing (refer note 23 (b)(ii) below)	158,147	189,791
	----- 514,283 =====	----- 490,069 =====
<b>(ii) Long-term bank loans</b>		
Balance as at 1 January	826,480	835,548
Availed during the period/ year	22,519	318,605
Repaid during the period/ year	(42,242)	(327,673)
	-----	-----
Balance as at end of the period/ year	806,757	826,480
Less : current portion of long-term financing (refer 23 (b)(i))	(158,147)	(189,791)
	----- 648,610 =====	----- 636,689 =====

The details of the long-term bank loans, including terms of repayment, interest rate and security provided are mentioned in the audited annual consolidated financial statements of the Group for the year ended 31 December 2024.

## 24. Trade and other payables

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade payables*	390,549	361,963
Accrued and other expenses	293,381	278,059
Advance from customers	67,171	84,828
Commission and rebates payable	59,565	53,992
Dividend payables	99,370	-
Other payables	80,760	58,225
	----- 990,796 =====	----- 837,067 =====

\*In order to ensure easy access to credit for its suppliers, the Group has entered into reverse factoring arrangements. Trade payables include AED 22.21 million (31 December 2024: AED 23.14 million) owed under these arrangements.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 25. Contingent liabilities and commitments

	<b>31 March 2025 AED'000 (unaudited)</b>	31 December 2024 AED'000 (audited)
<b>Contingent liabilities</b>		
Letters of guarantee	<b>65,243</b>	53,954
Letters of credit	<b>61,187</b>	67,628
Value added tax and other tax contingencies	<b>39,851</b>	34,374
<b>Commitments</b>		
Capital commitments	<b>189,234</b>	168,145

## 26. Hyperinflationary economy

The Group has a subsidiary in the Islamic Republic of Iran, which did not have material operations during the year ended 31 December 2024 and during the three-month period ended 31 March 2025. The total assets of the Iranian subsidiary were 0.67% of the Group's consolidated total assets as at 31 March 2025 (31 December 2024 (audited): 0.62%).

The hyperinflation impact has been calculated by means of conversion factors derived from the Consumer Price Index (CPI). The conversion factors used to restate the financial statements of the subsidiary are as follows:

	<b>Index</b>	<b>Conversion factor</b>
31 March 2025	<b>2,041.30</b>	1.2834
31 December 2024	<b>1,590.48</b>	1.9329
31 December 2023	<b>822.86</b>	1.4616
31 December 2022	<b>563.00</b>	1.4847
31 December 2021	<b>379.20</b>	1.3514
31 December 2020	<b>280.60</b>	1.4479

The above mentioned restatement is affected as follows:

- Hyperinflation accounting was applied as of 1 January 2020;
- The condensed consolidated statement of profit or loss is adjusted at the end of each reporting period using the change in the general price index and is converted at the closing exchange rate of each period (rather than the year to date average rate for non-hyperinflationary economies), thereby restating the year to date condensed consolidated statement of profit or loss accounts both for inflation index and currency conversion;
- Monetary assets and liabilities are not restated because they are already expressed in terms of the monetary unit current at the date of the condensed consolidated statement of financial position. Monetary items are money held and items to be recovered or paid in money; and
- Non-monetary assets and liabilities are stated at historical cost (e.g. property plant and equipment, investment properties etc.) and equity of the subsidiary is restated using an inflation index. The hyperinflation impact resulting from changes in the general purchasing power until 31 December 2024 are reported in Hyperinflation reserve directly as a component of equity and the impacts of changes in the general purchasing power from 1 January 2025 are reported through the condensed consolidated statement of profit or loss in a separate line as a loss on net monetary position, besides having the impact on depreciation charge for the period.
- All items in the consolidated statement of profit or loss are restated by applying the relevant quarterly average or year-end conversion factors.

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 26. Hyperinflationary economy *(continued)*

The impact of hyperinflationary accounting on the condensed consolidated interim financial information due to the subsidiary in Iran is as follows:

	1 January 2025 AED'000 (unaudited)	1 January 2024 AED'000 (unaudited)
<b><i>Impact on condensed consolidated statement of financial position</i></b>		
Decrease in property, plant and equipment	2,852	8,068
Decrease in investment properties – Net	2,855	8,370
Decrease in other assets	428	8,149
	-----	-----
Increase in equity	6,135	24,587
	-----	-----
<i>Allocated to:</i>		
Decrease in opening equity due to cumulative hyperinflation	6,135	24,587
	=====	=====
	<b>Three-month period ended 31 March</b>	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
<b><i>Impact on condensed consolidated statement of profit or loss</i></b>		
Decrease in depreciation charge for the period	986	376
Loss on net monetary position	498	895
	-----	-----
	1,484	1,271
	=====	=====

## 27. Operating leases

*As lessor*

Certain investment properties are leased to third parties under operating leases agreements. The leases typically run for a period of more than five years, with an option to renew the lease after that date. Lease rentals are usually reviewed periodically to reflect market rentals.

***Maturity analysis***

	31 March 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Less than one year	9,973	10,106
Between two and five years	16,067	16,058
More than five years	13,750	15,625
	-----	-----
	39,790	41,789
	=====	=====



# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 28. Segment reporting

### *Basis for segmentation*

An operating segment is a component of the Group which engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Segment results which are reported to the Company's CEO (chief operating decision maker) include items directly attributable to a segment as well as those which can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

The Group has broadly three reportable segments as discussed below, which are the Group's strategic business units. The strategic business units operate in different sectors and are managed separately because they require different strategies. The following summary describes the operation in each of the Group's reportable segments:

Ceramics products	includes manufacture and sale of ceramic wall and floor tiles, gres porcellanato, bath-ware and table ware products.
Faucets	includes manufacture and sale of Taps and Faucets
Other industrial	includes manufacturing and distribution of power, paints, plastics, mines and chemicals.
Others	includes security services, material movement, real estate, construction projects and civil works.

Information regarding the operations of each separate segment is included below. Performance is measured based on segment profit as management believes that profit is the most relevant factor in evaluating the results of certain segments relative to other entities that operate within these industries. There are regular transactions between the segments and any such transaction is priced on mutually agreed terms.

	Ceramic products AED'000	Faucets AED'000	Other industrial AED'000	Others AED'000	Elimination AED'000	Total AED'000
<b>Three-month period ended 31 March 2025 (unaudited)</b>						
External revenue	644,875	109,185	21,469	1,002	-	776,531
Intersegment revenue	117,666	24,520	39,613	516	(182,315)	-
Segment revenue	762,541	133,705	61,082	1,518	(182,315)	776,531
Segment profit/(loss)	94,385	(8,533)	4,311	5,995	(47,287)	48,871
Segment adjusted EBITDA	173,093	(594)	4,268	5,158	(46,371)	135,554
<b>At 31 March 2025 (unaudited)</b>						
Segment assets	6,981,097	631,406	161,436	161,287	(2,608,896)	5,326,330
Segment liabilities	3,785,989	451,945	65,124	117,257	(1,342,041)	3,078,274

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 28. Segment reporting *(continued)*

	Ceramic products AED'000	Faucets AED'000	Other industrial AED'000	Others AED'000	Elimination AED'000	Total AED'000
Three-month period ended 31 March 2024 (unaudited)						
External revenue	654,226	111,003	15,501	896	-	781,626
Intersegment revenue	123,472	21,872	28,704	509	(174,557)	-
	-----	-----	-----	-----	-----	-----
Segment revenue	777,698	132,875	44,205	1,405	(174,557)	781,626
	-----	-----	-----	-----	-----	-----
Segment profit/(loss)	77,012	(3,050)	1,558	3,719	(16,339)	62,900
Segment adjusted EBITDA	151,547	8,709	3,333	5,506	(18,119)	150,976
At 31 December 2024 (unaudited)						
Segment assets	6,894,348	604,073	145,515	179,380	(2,571,400)	5,251,916
	=====	=====	=====	=====	=====	=====
Segment liabilities	3,674,315	401,644	53,751	107,423	(1,316,259)	2,920,874
	=====	=====	=====	=====	=====	=====

Adjusted EBITDA is earnings for the period before net interest expense, net profit expense on Islamic financing, income tax expense, depreciation, amortization, gain or loss on sale of assets and impairment loss of investment properties, if any.

### Reconciliation of reportable segment

	Three-month period ended 31 March	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
Total profit or loss for reportable segments	95,168	79,209
Elimination of inter-segment profits	(47,287)	(16,339)
Share of (loss)/profit of equity accounted investees	(10)	30
	-----	-----
<b>Reported profit</b>	<b>47,871</b>	<b>62,900</b>
	=====	=====

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 29. Financial instruments

### Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying value				Fair value				
	Fair value hedging instruments AED'000	Mandatory at FVTPL* AED'000	Financial assets at amortised cost AED'000	Financial liabilities at amortised cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 March 2025 (unaudited)									
Financial assets measured at fair value									
Interest rate swaps used for hedging	4,123	-	-	-	4,123	-	4,123	-	4,123
	<u>4,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,123</u>	<u>-</u>	<u>4,123</u>	<u>-</u>	<u>4,123</u>
Financial assets measured at amortized cost									
Long-term receivables	-	-	49,254	-	49,254	-	-	-	-
Trade and other receivables	-	-	865,709	-	865,709	-	-	-	-
Due from related parties	-	-	50,755	-	50,755	-	-	-	-
Bank balances and cash	-	-	176,173	-	176,173	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,141,891</u>	<u>-</u>	<u>1,141,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	2,604	-	-	2,604	-	2,604	-	2,604
Other currency and interest rate swaps	-	5	-	-	5	-	5	-	5
	<u>-</u>	<u>2,609</u>	<u>-</u>	<u>-</u>	<u>2,609</u>	<u>-</u>	<u>2,609</u>	<u>-</u>	<u>2,609</u>
Financial liabilities measured at amortized cost									
Islamic bank financing	-	-	-	445,077	445,077	-	-	-	-
Interest bearing bank financing	-	-	-	1,162,893	1,162,893	-	-	-	-
Due to Related Parties Long Term Loans	-	-	-	3,157	3,157	-	-	-	-
Trade and other payables	-	-	-	923,625	923,625	-	-	-	-
Due to related parties	-	-	-	35,633	35,633	-	-	-	-
Lease liabilities	-	-	-	123,588	123,588	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,693,973</u>	<u>2,693,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\*FVTPL: fair value through profit or loss

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
for the three-month period ended 31 March 2025

## 29. Financial instruments *(continued)*

### Accounting classifications and fair values *(continued)*

	Carrying value				Fair value				
	Fair value hedging instruments AED'000	Mandatory at FVTPL* AED'000	Financial assets at amortised cost AED'000	Financial liabilities at amortised cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
31 December 2024 (audited)									
Financial assets measured at fair value									
Interest rate swaps used for hedging	5,599	-	-	-	5,599	-	5,599	-	5,599
Other Currency and Interest Rate Swap	-	1,138	-	-	1,138	-	1,138	-	1,138
	<u>5,599</u>	<u>1,138</u>	<u>-</u>	<u>-</u>	<u>6,737</u>	<u>-</u>	<u>6,737</u>	<u>-</u>	<u>6,737</u>
Financial assets measured at amortized cost									
Long-term receivables	-	-	18,859	-	18,859	-	-	-	-
Trade and other receivables	-	-	881,482	-	881,482	-	-	-	-
Due from related parties	-	-	54,200	-	54,200	-	-	-	-
Bank balances and cash	-	-	202,609	-	202,609	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,157,150</u>	<u>-</u>	<u>1,157,150</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	390	-	-	390	-	390	-	390
	<u>-</u>	<u>390</u>	<u>-</u>	<u>-</u>	<u>390</u>	<u>-</u>	<u>390</u>	<u>-</u>	<u>390</u>
Financial liabilities measured at amortized cost									
Islamic bank financing	-	-	-	466,856	466,856	-	-	-	-
Interest bearing bank financing	-	-	-	1,126,758	1,126,758	-	-	-	-
Due to Related Parties Long Term Loans	-	-	-	3,186	3,186	-	-	-	-
Trade and other payables	-	-	-	752,239	752,239	-	-	-	-
Due to related parties	-	-	-	36,963	36,963	-	-	-	-
Lease liabilities	-	-	-	126,274	126,274	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,512,276</u>	<u>2,512,276</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

# R.A.K Ceramics P.J.S.C. and its subsidiaries

Notes to the condensed consolidated interim financial information *(continued)*  
*for the three-month period ended 31 March 2025*

## **30. Approval of the condensed consolidated interim financial information**

This condensed consolidated interim financial information was approved by the Board of Directors and authorized for issue on 14 May 2025.