



Condensed Consolidated
Interim Financial Information

30 June 2025

RAK Ceramics PJSC and its Subsidiaries

Condensed consolidated interim financial information
30 June 2025

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On financial performance during the six & three month period ended 30 June 2025
12 August 2025

Dear Members,

It is our pleasure to present the business & operations report for the six month (H1-2025) as well as three month period (Q2-2025) ended 30 June 2025, along with the condensed interim consolidated financial information of RAK Ceramics PJSC, UAE (the “Group” or the “Company”) as on 30 June 2025.

Q2 2025 delivered solid revenue growth alongside strong operational performance, a reflection of the strength and adaptability of RAK Ceramics across the globe. The Company’s ability to drive both volume and value growth in key markets, while successfully navigating regional headwinds, further underscores the effectiveness of its diversified strategy.

Snapshots

- **Group revenue:** Experienced an increase of 6.4% year-on-year (YoY) to AED 826.8 million in Q2 2025, primarily due to robust demand in the UAE and Middle East.
- **Gross profit margin:** Improved by 110bps YoY to 40.6% in Q2 2025, up from 39.6% in Q2 2024.
- **EBITDA performance:** EBITDA improved by 17.5% YoY in Q2 2025 to AED 160.8 million from AED 136.9 million in Q2 2024.
- **Profit before tax:** Increased by 45.0% YoY to AED 86.7 million, compared to AED 59.8 million in Q2 2024.
- **Financial health:** Net debt position increased by AED 120.6 million to reach AED 1.56 billion in Q2 2025, compared to Q1 2025, primarily driven by increased capital expenditure and working capital requirements.
- The Board of Directors proposed an **interim dividend distribution** of 10 fils per share (AED 99.3 million) for H1 2025.

Financial Highlights

The financial performance in Q2 has been strong, demonstrating the resilience of the business in the face of a tough macro-economic environment. Total revenue increased by 6.4% YoY to AED 826.8 million and by 2.9% to AED 1.6 billion in H1 2025 as a result of strong demand from the UAE and Middle East as well as effective cost management.

In Q2 2025, the gross profit margin increased by 110bps to 40.6% YoY and in H1 2025, it increased by 70bps to 40.2%, driven by enhanced operational efficiencies which have contributed to higher gross profit margin, reinforcing RAK Ceramic’s market leadership.

EBITDA increased by 17.5% to AED 160.8 million in Q2 2025 compared to AED 136.9 million in the same period last year. Similarly, in H1 25 EBITDA increased by 2.9% to AED 296.4 million, while EBITDA margins have increased by 1.8% to 19.5% in Q2 2025 up from 17.6% in Q2 2024. In H1 2024, EBITDA margin remained consistent at 18.5%.

Profit before tax increased by 45.0% YoY to AED 86.7 million, compared to AED 59.8 million in Q2 2024.

Net profit after tax increased by 30.1% YoY to AED 66.4 million, compared to AED 51.0 million in Q2 2024. In line with the increased profitability across the businesses. UAE Corporate tax was AED 17.2 million in Q2 2025, up from AED 6.5 million in Q2 2024.

Net debt position rose by AED 120.6 million to reach AED 1.56 billion in Q2 2025, compared to Q1 2025, primarily driven by increased capital expenditure and working capital requirements.

	Quarterly comparison					Yearly Comparison		
	Q2 24	Q1 25	Q2 25			H1 2024	H1 2025	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	777.0	776.5	826.8	6.4%	6.5%	1,558.7	1,603.3	2.9%
Gross margin (%)	39.6%	39.7%	40.6%	1.1%	1.0%	39.4%	40.2%	0.7%
EBITDA	136.9	135.6	160.8	17.5%	18.7%	288.0	296.4	2.9%
Profit before tax	59.8	64.5	86.7	45.0%	34.3%	133.7	151.2	13.1%
Profit after tax	51.0	48.9	66.4	30.1%	35.8%	113.9	115.2	1.2%
Capital expenditure	62.1	96.6	59.6	-4.0%	-38.2%	97.3	156.2	60.5%
Net debt	1554.3	1,435.0	1,555.6	0.1%	8.4%	1,554.3	1,555.6	0.1%
Net debt / EBITDA	2.5x	2.49x	2.59x			2.5x	2.59x	-

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

Segmental performance highlights

- **Tiles** revenue continued to grow in Q2, up 10.2% year-on-year to AED 474.3 million, led by strong demand in the UAE, with an increasing contribution from high-margin project and retail channels.
- **Sanitaryware** experienced a 3.6% growth in revenue, driven by strong demand in the UAE.
- **Tableware** division reported a decline in revenue of 7.9% to AED 84.9 million for Q2 2025. Despite the revenue decline, gross profit margin improved by 380 bps, supported by higher sales to the airline industry and premium hospitality projects.
- **Faucets** revenue continued to grow by 11.7% to AED 122.3 million in Q2 2025, mainly driven by performance in Europe, KSA, and Africa.

Tiles & Sanitaryware market highlights

- **UAE:** Continued to deliver strong revenue growth, a YoY increase of 26.4% to AED 242.9 million in Q2 2025 from AED 192.2 million primarily driven by the Tiles and Sanitaryware segments and supported by sustained momentum in the real estate sector.
- **Saudi Arabia:** Registered a decline in revenue of 11.4% in Q2 2025 to AED 54.5 million from AED 61.6 million in Q2 2024. Despite the top line pressure, gross profit margin improved by 300 bps, driven by a favorable product mix.
- **Europe:** Revenue has remained under pressure attributed to tough macroeconomic conditions, including stagnant growth, persistent inflation and continued recessionary concerns. In Q2 2025, revenue in Europe declined by 3.2% to AED 90.0 million from AED 92.9 million in Q2 2024, and by 10.5% in local currency, driven by weak demand in the UK and Italy.
- **India:** India continues to demonstrate resilience, registering moderate revenue growth of 2.0% (2.8% in local currency) to AED 87.6 million in Q2 2025, driven by expansion of the dealer's network.

- **Bangladesh:** Experienced robust growth in revenue of 9.4% (15.6% in local currency) to AED 48.9million in Q2 2025, indicating signs of recovery in the market. However, ongoing political instability continues to disrupt market dynamics and overall economic sentiment.
- **Middle East:** Reported strong YoY growth of 33.4% in Q2 2025, reflecting strong demand led by Bahrain, Iraq, and Jordan.

Strategic Highlights

Upgradation projects

- One of the tile production facility in the UAE, to develop a state-of-the-art slab production facility, commenced commercial production during the quarter.
- Upgradation of another tile plant in UAE is under progress and likely to commence commercial product by Q4 2025.
- Sanitaryware facility in the UAE is in process of upgradation with energy-efficient technologies and enhanced product portfolio, to be commissioned by Q4 2025.

Greenfield projects

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

Awards & Recognition

- Received ICV Excellence Award at MIITE 2025 by the UAE's Ministry of Industry & Advanced Technology at the Make It in the Emirates (MIITE) Awards

Future Outlook

The teams have demonstrated resilience in adapting to local market conditions, leveraging growth opportunities in stable regions and implementing corrective measures where needed. The shift toward high-quality and innovative offerings is strengthening the margin profile and reinforcing the competitive positioning. The investments in advanced manufacturing capabilities, including upgraded facilities, continue to drive efficiencies and set new benchmarks for quality.

Looking forward, the Company is continuing to innovate our operations and accelerate initiatives that will strengthen our position in the market and continue to drive profitability across all divisions.

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



12 AUG 2025

Group Chief Executive Officer



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

Condensed consolidated interim financial information
for the six-month period ended 30 June 2025

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

Condensed consolidated interim financial information
30 June 2025

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

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

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial information of R.A.K Ceramics P.J.S.C ("the Company") and its subsidiaries ("the Group"), which comprises:

- the condensed consolidated statements of profit or loss for the six-month and three-month periods ended 30 June 2025;
- the condensed consolidated statements of profit or loss and other comprehensive income for the six-month and three-month periods ended 30 June 2025;
- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025;
- the condensed consolidated statement of changes in equity for the six-month period ended 30 June 2025; and
- notes to the condensed consolidated interim financial information.

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



Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards 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 30 June 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter – Comparative information

The condensed consolidated interim financial information of the Group for the six-month and three-month periods ended 30 June 2024, excluding the adjustments described in Note 31 to the condensed consolidated interim financial information, were reviewed by another auditor, who expressed an unmodified conclusion on those condensed consolidated interim financial information on 8 August 2024. The consolidated financial statements of the Group as at and for the year ended 31 December 2024, excluding the adjustments described in Note 31 to the condensed consolidated interim financial information, 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: **12 AUG 2025**

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

Condensed consolidated statement of profit or loss (unaudited)

for the six months and three months period ended 30 June 2025

	<i>Notes</i>	Six months period ended 30 June		Three months period ended 30 June	
		2025 AED'000	2024 AED'000	2025 AED'000	2024 AED'000
Revenue	5	1,603,283	1,558,650	826,752	777,024
Cost of sales	6	(959,305)	(943,844)	(490,831)	(469,680)
Gross profit		643,978	614,806	335,921	307,344
Administrative and general expenses	7	(123,189)	(117,228)	(62,916)	(59,490)
Selling and distribution expenses	8	(357,016)	(328,461)	(182,863)	(167,931)
Other income	9	52,308	36,753	26,797	17,403
Finance costs	10	(57,771)	(66,873)	(29,486)	(31,233)
Finance income	10	8,056	9,059	4,113	1,979
(Loss)/gain on net monetary position	26	(469)	(1,841)	29	(946)
Share of profit/(loss) in equity accounted investees	11	148	(125)	158	(155)
Impairment loss	7(i)	(14,832)	(12,364)	(5,080)	(7,178)
Profit before tax		151,213	133,726	86,673	59,793
Tax expense	12	(35,978)	(19,808)	(20,309)	(8,775)
Profit for the period		115,235	113,918	66,364	51,018
<i>Profit attributable to:</i>					
Owners of the Company		111,868	107,883	65,567	50,274
Non-controlling interests		3,367	6,035	797	744
Profit for the period		115,235	113,918	66,364	51,018
Earnings per share					
- basic and diluted (AED)	13	0.11	0.11	0.07	0.05

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 six months and three months period ended 30 June 2025

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000	2024 AED'000	2024 AED'000	2024 AED'000
Profit for the period	115,235	113,918	66,364	51,018
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange differences on translation of foreign operations	(47,845)	(19,718)	(35,101)	(16,489)
Cash flow hedges – effective portion of changes in fair value (loss)/gain on hedging instruments	(2,435)	(2,060)	(959)	(1,548)
Effects of application of hyperinflation accounting (Note 26)	7,844	6,479	13,979	5,129
Total comprehensive income for the period	72,799	98,619	44,283	38,110
<i>Total comprehensive income attributable to:</i>				
Owners of the Company	71,484	97,889	44,211	42,38
Non-controlling interests	1,315	730	72	(4,278)
Total comprehensive income for the period	72,799	98,619	44,283	38,110

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 30 June 2025

	Notes	30 June 2025 AED'000 (unaudited)	31 December 2024* AED'000 (audited)
Assets			
Non-current assets			
Property, plant and equipment	14	1,413,624	1,328,102
Goodwill	15	120,573	120,122
Right-of-use assets		111,141	111,064
Intangible assets		15,975	12,545
Investment properties	16	888,740	897,479
Investments in equity accounted investees	11	9,798	10,282
Long-term receivables	17(i)	47,575	18,859
Derivative financial assets	20	741	1,938
Deferred tax assets	12	7,376	5,638
Total non-current assets		2,615,543	2,506,029
Current assets			
Inventories	18	1,435,170	1,355,912
Trade and other receivables	17	1,015,206	993,734
Due from related parties	19	58,468	54,200
Derivative financial assets	20	2,422	4,799
Short-term deposits	21	1,286	838
Restricted Cash	21	10,798	7,287
Cash and cash equivalents	21	153,295	194,484
Total current assets		2,676,645	2,611,254
Total assets		5,292,188	5,117,283
Equity and liabilities			
Capital and reserves			
Share capital	22	993,703	993,703
Reserves		1,214,118	1,242,004
Equity attributable to owners of the Company		2,207,821	2,235,707
Non-controlling interests		84,518	95,335
Total equity		2,292,339	2,331,042
Non-current liabilities			
Islamic bank financing	23a(iii)	239,001	248,225
Interest bearing bank financing	23b(iii)	616,052	636,689
Due to related parties	19	3,146	3,186
Provision for employees' end of service benefits		114,881	113,702
Government grants		3,827	4,086
Lease liabilities		95,734	89,157
Deferred tax liabilities	12	17,565	20,742
Total non-current liabilities		1,090,206	1,115,787
Current liabilities			
Islamic bank financing	23a(i)	250,034	218,631
Interest bearing bank financing	23b(i)	612,751	490,069
Trade and other payables	24	908,579	837,067
Government grants		419	426
Due to related parties	19	36,255	36,963
Derivative financial liabilities	20	5,228	390
Lease liabilities		34,181	37,117
Provision for taxation	12	62,196	49,791
Total current liabilities		1,909,643	1,670,454
Total liabilities		2,999,849	2,786,241
Total equity and liabilities		5,292,188	5,117,283

*(Refer note 31)

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 consolidated financial position, financial performance and cash flows of the Group.

Chairman

12 AUG 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 six months period ended 30 June 2025

	Six months period ended 30 June	
	2025	2024*
	AED'000	AED'000
Operating activities		
Profit for the period before tax	151,213	133,726
<i>Adjustments for:</i>		
Allowance for slow moving and obsolete inventories	20,644	5,400
Write-down of cost of finished goods	2,494	(3,096)
Depreciation of property, plant and equipment	77,603	74,286
Depreciation of investment properties	6,387	5,708
Amortization of intangible assets	2,515	2,128
Depreciation of right-of-use assets	19,159	18,243
Provision for employees' end-of-service benefits	9,458	9,498
Gain on disposal of property, plant and equipment	(2,732)	(1,153)
Gain on disposal of investment properties	(4,501)	-
Interest expense	33,067	35,461
Profit expense on Islamic bank financing	11,719	17,574
Interest income	(2,666)	(2,087)
Profit on wakala deposits	-	(134)
Interest expense on lease liabilities	4,643	4,206
Net change in fair value of derivative financial instruments	5,977	(6,838)
Loss on net monetary position	469	1,841
Share of (profit)/loss in equity accounted investees	(148)	125
Impairment loss on trade receivables	7,707	7,697
Impairment loss on other receivables	7,125	4,667
	350,133	307,252
Changes in:		
- inventories	(102,396)	(17,127)
- trade and other receivables (including long-term portion)	(199,804)	(140,969)
- due from related parties	(4,268)	6,489
- trade and other payables	71,246	(49,840)
- due to related parties	(707)	(28,280)
Income tax paid	106,296	125,122
Employees' end-of-service benefits paid	(11,132)	(11,247)
Currency translation adjustments	(52,887)	4,389
Net cash generated from operating activities	156,481	195,789

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

*(Refer note 31)

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

Condensed consolidated statement of cash flows (unaudited) (continued)

for the six months period ended 30 June 2025

	Six months period ended 30 June	
	2025 AED'000	2024 AED'000
Investing activities		
Additions to property, plant and equipment	(156,175)	(97,287)
Proceeds from disposal of property, plant and equipment	4,425	1,775
Additions to intangible assets	(5,677)	(678)
Proceeds from sale of investment properties	7,176	-
Additions to investment properties	-	(3,182)
Dividend received from equity accounted investees	413	421
Interest received	2,666	2,087
Profit received on Wakala deposits	-	134
Additional bank deposits made with an original maturity of more than three months	(6,049)	(25,229)
Proceeds on maturity of bank deposits with an original maturity of more than three months	2,090	51,944
Net cash (used in)/generated from investing activities	(151,131)	(70,015)
Financing activities		
Long-term bank financing availed	78,570	212,971
Long-term bank financing repaid	(96,558)	(184,796)
Long-term Islamic bank financing availed	50,000	10,000
Long-term Islamic bank financing repaid	(60,495)	(63,453)
Repayment of lease liabilities	(14,434)	(19,754)
Short-term bank financing availed	489,587	563,095
Short-term bank financing repaid	(394,079)	(425,371)
Short-term Islamic bank financing availed	165,070	236,489
Short-term Islamic bank financing repaid	(132,396)	(256,323)
Interest paid	(33,067)	(35,461)
Profit paid on Islamic bank financing	(11,719)	(17,574)
Dividend paid	(99,370)	(99,370)
Cash paid on acquisition of further share in a subsidiary	-	(44,000)
Loan from related parties	(41)	(7)
Dividend paid to non-controlling interests	(12,132)	(15,695)
Net cash used in financing activities	(71,064)	(139,249)
Net decrease in cash and cash equivalents	(65,714)	(13,475)
Cash and cash equivalents at the beginning of the period	129,050	130,895
Net cash and cash equivalents at the end of the period	63,336	117,420
Represented by:		
Cash and cash equivalents	153,295	187,407
Bank overdrafts	(89,959)	(69,987)
	63,336	117,420

The accompanying notes form an integral of the part 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 six months period ended 30 June 2025

	Attributable to owners of the Company											Non-controlling interests (NCI)	Total equity
	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 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/(loss) for the period (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	111,868	111,868	111,868	3,367	115,235
Other comprehensive income/(loss)													
Foreign exchange differences on translation of foreign operations	-	-	-	(25,901)	(19,892)	-	-	-	-	(45,793)	(45,793)	(2,052)	(47,845)
Changes in cash flow hedges	-	-	-	-	-	(2,435)	-	-	-	(2,435)	(2,435)	-	(2,435)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	7,844	-	-	-	-	7,844	7,844	-	7,844
Total comprehensive income/(loss) for the period	-	-	-	(25,901)	(12,048)	(2,435)	-	-	111,868	71,484	71,484	1,315	72,799
Transfer to retained earnings													
Other equity movements (unaudited)													
Transaction with owners (unaudited)													
Dividend paid (refer Note 22(i))	-	-	-	-	-	-	-	-	(99,370)	(99,370)	(99,370)	-	(99,370)
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-	-	(12,132)	(12,132)
Balance at 30 June 2025 (unaudited)	993,703	221,667	496,852	(229,584)	(165,467)	3,164	-	75,040	812,446	1,214,118	2,207,821	84,518	2,292,339

* 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 this 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 six months period ended 30 June 2025

	Attributable to owners of the Company											Non-controlling interests (NCI)	Total equity
	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	-	-	-	-	-	-	-	-	107,883	107,883	107,883	6,035	113,918
Other comprehensive income/(loss)													
Foreign exchange differences on translation of foreign operations	-	-	-	(6,642)	(7,771)	-	-	-	-	(14,413)	(14,413)	(5,305)	(19,718)
Changes in cash flow hedges	-	-	-	-	-	(2,060)	-	-	-	(2,060)	(2,060)	-	(2,060)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	6,479	-	-	-	-	6,479	6,479	-	6,479
Total comprehensive income/(loss) for the period	-	-	-	(6,642)	(1,292)	(2,060)	-	-	107,883	97,889	97,889	730	98,619
Transfer to retained earnings	-	-	(82,260)	-	-	-	(82,805)	-	165,065	-	-	-	-
Transaction with owners (unaudited)													
Dividend paid (refer Note 22(ii))	-	-	-	-	-	-	-	-	(99,370)	(99,370)	(99,370)	-	(99,370)
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-	-	(15,695)	(15,695)
Acquisition of NCI (refer Note 27)	-	-	-	-	-	-	-	-	(17,064)	(17,064)	(17,064)	(26,936)	(44,000)
Balance at 30 June 2024 (unaudited)	993,703	221,667	496,852	(203,211)	(164,127)	9,678	-	75,040	786,108	1,222,007	2,215,710	92,594	2,308,304

* 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

Notes to the condensed consolidated interim financial information for the six months period ended 30 June 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 six month period ended 30 June 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 ("IFRS Accounting Standards")

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 Accounting Standards 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:

- Amendments to IFRS 7 & IFRS 9 on Financial Instruments with ESG-linked features, Classification and measurement of ESG-linked loans and bonds (e.g., interest rates tied to sustainability targets). (Effective Date: 1 January 2026).
- Amendments to IFRS 7 & IFRS 9 on Contracts Referencing Nature-dependent Electricity (annual periods beginning on or after 1 January 2026 with early adoption possible subject to local endorsement where required)
 - Amendment to IFRS 17 - comparative information at first time adoption of IFRS 17 Insurance Contracts and IFRS9 Financial Instruments.

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

2. Application of new and revised International Financial Reporting Standards (“IFRS Accounting Standards”) (continued)

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

- 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).
- 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).
- Annual Improvements to IFRS Accounting Standards — Volume 11 (effective on or after 1 January 2026)
 - IFRS 1: Hedge accounting by a first-time adopter
 - IFRS 7: Gain or loss on de-recognition
 - IFRS 7: Disclosure of deferred difference between fair value and transaction price
 - IFRS 7: Credit risk disclosures
 - IFRS 9: Lessee de-recognition of lease liabilities
 - IFRS 9: Transaction price
 - IFRS 10: Determination of a ‘de facto agent’
 - IAS 7: Cost method
- IFRS for SMEs - Major update to align SME (Small & Medium Enterprises) reporting with key principles of
 - IFRS 15 – Revenue from Contracts,
 - IFRS 13 – Fair Value, and
 - IFRS 3 – Business Combinations (effective 1 January 2027, early adoption allowed from 2025)

3 Summary of significant accounting policies

Basis of preparation

The 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.

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

The accounting policies, presentation and methods in the condensed consolidated interim financial information are consistent with those used in the audited annual consolidated financial statements for the year ended 31 December 2024.

The 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 six months period ended 30 June 2025 and 2024. In addition, results for the six months period ended 30 June 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.

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

5. Revenue

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Sale of goods	1,600,358	1,554,489	824,829	774,268
Others	2,925	4,161	1,923	2,756
	1,603,283	1,558,650	826,752	777,024

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

6. Cost of sales

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Raw materials consumed	480,537	462,357	253,468	226,943
Direct labor	137,760	134,883	67,589	68,672
Power and fuel	69,258	62,688	33,349	29,625
LPG and natural gas	66,825	53,772	33,119	24,724
Depreciation of property, plant and equipment	62,686	58,266	31,917	29,979
Repairs and maintenance expense	57,755	51,803	29,562	26,039
Packing material expenses	47,081	45,535	23,083	21,520
Allowance for slow moving inventories	20,644	5,400	14,658	1,913
Insurance	3,136	2,985	1,473	1,399
Clearing charges on trading goods	1,095	1,355	548	1,301
Amortization of intangible assets	461	526	217	255
Depreciation of right-of-use assets	284	1,059	114	398
Hire charges on machinery & equipment	93	643	40	409
Change in inventory of finished goods	(22,736)	34,486	(15,709)	24,175
Other costs	34,426	28,086	17,403	12,328
	959,305	943,844	490,831	469,680

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

7. Administrative and general expenses

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Staff salaries and other associated costs	58,776	58,478	29,181	29,377
Information technology licenses and consultancy expenses	8,899	5,665	4,599	3,183
Legal and professional fees	6,927	5,994	3,303	2,981
Depreciation of investment properties	6,387	5,708	3,166	2,902
Depreciation of property, plant and equipment	5,934	7,649	3,097	3,125
Repairs and maintenance expenses	3,743	6,105	2,070	3,843
Telephone, postal and office supplies	3,107	3,555	1,693	1,935
Expenses on investment properties	2,960	2,820	1,509	434
Utility expenses	2,581	3,187	1,475	2,067
Insurance	2,406	1,515	1,084	757
Amortization of intangible assets	2,054	1,602	1,055	502
Directors' remuneration	1,850	1,850	925	925
Rental charges	1,503	1,432	930	1,390
Vehicles and equipment hire charges	727	504	426	249
Security charges	616	1,152	404	719
Travelling expenses	560	1,908	107	1,248
Depreciation of right-of-use assets	384	351	136	170
Others	13,775	7,753	7,756	3,683
	123,189	117,228	62,916	59,490

7(i) Impairment loss

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Impairment loss on trade receivables	7,707	7,697	2,605	2,511
Impairment loss on other receivables	7,125	4,667	2,475	4,667
	14,832	12,364	5,080	7,178

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

8. Selling and distribution expenses

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Staff salaries and other associated costs	127,340	116,978	66,802	59,602
Freight and transportation	119,338	109,436	60,269	54,591
Advertisement and promotions expense	41,026	35,846	19,359	18,938
Depreciation of right-of-use assets	18,491	16,833	9,591	8,273
Agents' commission	14,849	12,318	7,988	6,794
Depreciation of property, plant and equipment	8,983	8,371	4,496	4,160
Travel and entertainment expenses	4,596	3,360	2,229	1,775
Quality claims	3,652	2,516	2,953	1,944
Rental expenses	2,845	3,138	1,365	1,835
Repairs, maintenance & consumables	1,544	1,769	787	864
Consultancy & outsourcing charges	1,520	2,075	541	1,444
Royalty	1,020	1,009	510	825
Telephone & office supplies	749	782	481	422
Others	11,063	14,030	5,492	6,464
	357,016	328,461	182,863	167,931

9. Other income

	Six months period ended 30 June		Three months period ended 30 June	
	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)	2025 AED'000 (unaudited)	2024 AED'000 (unaudited)
Rental income from investment properties	22,413	24,125	11,060	12,344
Provisions write back	10,976	-	4,518	-
Gain on disposal of investment properties	4,501	-	1,351	-
Discounts earned on purchases and freight	3,840	2,495	3,832	1,001
Sale of scrap and miscellaneous items	2,743	4,032	1,139	1,302
Gain on disposal of property, plant and equipment	2,732	1,153	2,002	598
Lease rental for property, plant and equipment	650	885	354	487
Insurance claims	300	293	107	153
Duty drawback and subsidy received	143	201	102	77
Other miscellaneous income	4,010	3,569	2,332	1,441
	52,308	36,753	26,797	17,403

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

10. Finance costs and income

	Six months period ended 30 June		Three months period ended 30 June	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance costs				
Interest on bank financing	32,922	35,310	17,412	18,546
Profit expense on Islamic bank financing	11,719	17,574	5,790	8,303
Net change in the fair value of derivatives	5,977	-	2,620	-
Interest expense on lease liabilities	4,643	4,206	2,439	2,123
Bank charges	2,365	1,803	1,152	800
Foreign exchange loss	-	7,829	-	1,385
Interest on amount due to related parties	145	151	73	76
Total (A)	57,771	66,873	29,486	31,233
Finance income				
Foreign exchange gain	5,390	-	2,141	-
Interest on bank deposits	2,666	2,087	1,972	958
Net change in the fair value of derivatives	-	6,838	-	954
Profit on wakala deposits	-	134	-	67
Total (B)	8,056	9,059	4,113	1,979
Net finance costs (A-B)	49,715	57,814	25,373	29,254

11. Investments in equity accounted investees

The Group's share of profit/(loss) in equity accounted investees for the six months period ended 30 June 2025 amounted to AED 0.15 million (unaudited) (six months period ended 30 June 2024 (unaudited): AED (0.13) million loss).

The Group has received AED 0.41 million as dividends during the current period from its equity accounted investees (six months period ended 30 June 2024: AED 0.42 million).

12. Income tax

Local and foreign 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 foreign operations after making adjustments for certain disallowable expenses, exempt income and investment and other allowances.

	Six months period ended 30 June		Three months period ended 30 June	
	2025	2024	2025	2024
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax				
In respect of current year (refer (i))	37,263	21,788	21,012	9,856
Deferred tax				
(Reversal)/ origination of temporary tax differences during the year	(1,285)	(1,980)	(703)	(1,081)
Tax expense for the year	35,978	19,808	20,309	8,775

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

12. Income tax (continued)

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Provision for tax (also refer note 31)	62,196	49,791
Deferred tax liabilities	17,565	20,742
Deferred tax assets	7,376	5,638

- (i) 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 recognized additional current income tax expense to ensure compliance with the 15% global minimum effective tax rate (ETR) requirement.

For the six-month period ended 30 June 2025, the Group recognized an amount of AED 10.71 million in current income tax expense relating to the DMTT for the six month period ended 30 June 2025, specifically for UAE-based subsidiaries. The inclusion of DMTT has contributed to an increase in the consolidated effective tax rate (ETR), which is 23.79% for the six months ended 30 June 2025 (six-month period ended 30 June 2024: 14.81%). Excluding the impact of DMTT, the underlying ETR is 16.71%.

During the year 2023, the Group 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

	Six months period ended 30 June 2025 (unaudited)		Three months period ended 30 June 2025 (unaudited)	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Profit attributable to the owners of the Company (AED'000)	111,868	107,883	65,567	50,274
Weighted average number of ordinary shares ('000s)	993,703	993,703	993,703	993,703
Basic and diluted earnings per share (AED)	0.11	0.11	0.07	0.05

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 six months period ended 30 June 2025, the Group has acquired property, plant and equipment and made additions to capital work in progress amounting to AED 156.18 million (six months period ended 30 June 2024: AED 97.29 million).

Property, plant and equipment with a carrying amount of AED 1.69 million was disposed of during the current period (six months period ended 30 June 2024: AED 2.93 million) resulting in a gain on disposal of AED 2.73 million (gain on disposal, six months period ended 30 June 2024: AED 1.15 million) which is included in other income in the condensed consolidated statement of 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 six months period ended 30 June 2025

14. Property, plant and equipment (Continued)

Depreciation of property, plant and equipment for the current period amounted to AED 77.60 million (six months period ended 30 June 2024: AED 74.29 million). Below is the breakdown of property, plant and equipment inside and outside the U.A.E:

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Inside U.A.E	1,010,679	882,119
Outside U .A.E	402,945	445,983
	1,413,624	1,328,102

15. Goodwill

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Opening balance	120,122	120,135
Effects of movements in exchange rate	451	(13)
Closing balance	120,573	120,122

As at 30 June 2025 Goodwill comprises AED 50.4 million, AED 5.55 million, AED 6.12 million and AED 58.5 million recognized on acquisition of Ceramin FZ LLC, UAE and distribution entities in UK, Italy and Saudi Arabia respectively.

During the 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 that no indicators of impairment have been identified.

16. Investment properties

	Inside UAE		Outside UAE		Total	
	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2025 (unaudited)	31 December 2024 (audited)
	AED'000					
Net book value	863,923	871,969	24,817	25,510	888,740	897,479
Fair value	1,050,832	1,050,832	43,997	43,997	1,094,829	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 six months period ended 30 June 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 six months period ended 30 June 2025.

The fair value of the Group's investment properties as at 31 December 2024 and the prior years has been arrived at on the basis of an independent property valuation as of those dates. 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

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade receivables	943,201	924,937
Less: Allowance for expected credit loss	(150,516)	(153,167)
Subtotal (A)	792,685	771,770
Other receivables	132,095	164,552
Less: Allowance for expected credit loss	(89,368)	(83,213)
Subtotal (B)	42,727	81,339
Advances and prepayments (C)(also refer note 31)	145,723	112,252
Deposits (D)	34,071	28,373
Total (A+B+C+D)	1,015,206	993,734

(i) Long-term receivables

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade receivables	93,334	71,554
Less: Allowance for expected credit loss	(13,626)	(5,883)
	79,708	65,671
Less : current portion included in trade receivables	(35,396)	(50,572)
Long-term trade receivables (A)	44,312	15,099
Other receivables	3,263	3,760
Long-term other receivables (B)	3,263	3,760
Long-term receivables (A+B)	47,575	18,859

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

18. Inventories

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Finished goods (net of net realizable value adjustments) (refer (i))	1,038,138	955,862
Less : Allowance for slow moving inventories	(142,976)	(136,220)
Subtotal (A)	895,162	819,642
Raw materials	234,651	233,887
Stores and spares	319,909	305,908
	554,560	539,795
Less : Allowance for slow-moving inventories	(100,396)	(93,981)
Subtotal (B)	454,164	445,814
Goods-in-transit (C)	25,360	34,257
Work-in-progress (D)	60,484	56,199
Total (A+B+C+D)	1,435,170	1,355,912

- (i) This includes a cumulative loss due to write-down of finished goods inventories of AED 136.04 million against cost of AED 386.49 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 (2.49) million (unaudited) *(six months period ended 30 June 2024 (unaudited): AED 3.10 million)* is included in cost of sales in the condensed consolidated statement of profit or loss with a currency loss of AED 0.21 million for the period (unaudited) *(six month periods ended 30 June 2024 (unaudited): AED 0.11 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 transactions of the Group with its related parties are at arm's length. 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:

Equity accounted investees and companies under common management:

	Six months period ended 30 June		Three months period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Sale of goods and services and construction contracts	58,501	52,315	30,433	24,547
Purchase of goods and rendering of services	71,810	59,066	37,282	26,587
Interest expense (refer note 10)	145	151	73	76

Key management personnel compensation

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

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

19. Related party balances and transactions (continued)

Key management personnel compensation (continued)

	Six months period ended 30 June		Three months period ended 30 June	
	2025 (unaudited)	2024 (unaudited)	2025 (unaudited)	2024 (unaudited)
Short-term benefits	6,624	6,514	3,312	3,244
Staff terminal benefits	116	117	58	58
Board of directors' remuneration accrued	1,850	1,850	925	925

Due from related parties

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Equity accounted investees	2,271	2,298
Other related parties	60,701	55,165
	62,972	57,463
Less : Allowance for expected credit loss	(4,504)	(3,263)
	58,468	54,200

Long-term loan

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Other related parties	3,146	3,186
	3,146	3,186

Due to related parties

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Other related parties	36,255	36,963
	36,255	36,963

20. Derivative financial instruments

The Group uses derivative financial instruments for risk management purposes. The Group classifies interest rate swaps used for hedging 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.

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

20. Derivative financial instruments (continued)

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

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Non-current		
Derivative financial assets		
Interest rate swaps used for hedging	741	1,938
	741	1,938
Current		
Derivative financial assets		
Interest rate swaps used for hedging	2,422	3,661
Forward exchange contracts	-	1,138
	2,422	4,799
Current		
Derivative financial liabilities		
Forward exchange contracts	5,228	-
Other currency and interest rate swaps	-	390
	5,228	390

21. Bank balances and cash

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Cash in hand	2,085	3,221
Cash at bank		
- in bank deposits with an original maturity of less than three months	4	113
- in current accounts	147,742	185,252
- in call accounts	3,647	6,081
Cash and cash equivalents(excluding allowance for expected credit loss)	153,478	194,667
Less : Allowance for expected credit loss	(183)	(183)
Cash and cash equivalents (A)	153,295	194,484
Bank deposits with an original maturity of more than three-months(B)	1,286	838
Deposits under lien-restricted cash(C)	10,798	7,287
Bank balances and cash (A+B+C)	165,379	202,609

Cash in hand and cash at bank includes AED 0.37 million (31 December 2024 (audited): AED 0.36 million) and AED 77.65 million (31 December 2024 (audited): AED 83.90 million) respectively, held outside the UAE.

Current accounts are non-interest bearing accounts.

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Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

22. Share capital

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Authorised, issued and paid up		
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. An interim cash dividend of 10% amounting to AED 99,370 thousand for the year 2024 was paid in August 2024. The Board of Directors recommend an interim dividend of 10% amounting to AED 99,370 thousand for the first half of 2025.

(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).

23. Bank financing arrangements

(a) Islamic bank financing

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
(i) Short-term		
Mudaraba facilities (refer A)	71,912	65,827
Commodity Murabaha facilities (refer B)	62,837	36,248
Current portion of long-term financing (refer note (ii) below)	115,285	116,556
	250,034	218,631
(ii) Long-term – Islamic bank financing		
Mudaraba facilities(refer A)	208,542	197,292
Commodity Murabaha facilities (refer B)	72,952	73,711
Ijarah facilities (refer C)	72,792	93,778
Less : current portion of long-term financing	(115,285)	(116,556)
	239,001	248,225
Movement:		
Balance as at 1 January	364,781	420,844
Availed during the period/ year	50,000	70,000
Repaid during the period/ year	(60,495)	(126,063)
Balance as at end of the period/ year	354,286	364,781
Less : current portion included in short-term (refer 23 (a)(i))	(115,285)	(116,556)
	239,001	248,225

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Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

23. Bank financing arrangements (continued)

(a) Islamic bank financing (continued)

During the six-month period ended 30 June 2024, the Group had availed long term-Islamic bank financing amounting to AED 10.0 million and repaid AED 63.45 million.

The securities provided against these facilities are same as those mentioned in the 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 the other party (the Group) who then invests 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.

(b) Interest bearing bank financing

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
(i) Short-term		
Bank overdrafts	89,959	65,434
Short-term loan	330,352	234,844
Current portion of long-term financing (refer note (ii) below)	192,440	189,791
	612,751	490,069
(ii) Long-term bank loans		
Balance as at 1 January	826,480	835,548
Availed during the period/ year	78,570	318,605
Repaid during the period/ year	(96,558)	(327,673)
Balance as at end of the period/ year	808,492	826,480
Less : current portion of long-term financing (refer 23 (b)(i))	(192,440)	(189,791)
	616,052	636,689

During the six-month period ended 30 June 2024, the Group had availed long term-Interest bearing bank financing amounting to AED 212.97 million and repaid AED 184.80 million.

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

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

24. Trade and other payables

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Trade payables*	373,152	361,963
Accrued and other expenses	317,276	278,059
Advance from customers	66,290	84,828
Commission and rebates payable	63,166	53,992
Other payables	88,695	58,225
	908,579	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 22.71 million (31 December 2024: AED 23.14 million) owed under these arrangements.

25. Contingent liabilities and commitments

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Contingent liabilities		
Letters of guarantee	55,207	53,954
Letters of credit	48,041	67,628
Value added tax and other tax contingencies	35,359	34,374
Commitments		
Capital commitments	200,616	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 or during the six months period ended 30 June 2025. The total assets of the Iranian subsidiary were 0.66 % of the Group's consolidated total assets as at 30 June 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:

	Index	Conversion factor
30 June 2025	2,019.98	1.2702
31 December 2024	1,590.48	1.9329
31 December 2023	822.86	1.4616
31 December 2022	563.00	1.4847
31 December 2021	379.20	1.3514
31 December 2020	280.60	1.4479
31 December 2019	193.80	1.2775

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Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

26. Hyperinflationary economy

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 were 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 periodic average or year-end conversion factors.

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

	1 January 2025 AED'000 (unaudited)		1 January 2024 AED'000 (unaudited)	
Increase in property, plant and equipment	2,717		8,068	
Increase in investment properties	2,720		8,370	
Increase in other assets	2,407		8,149	
Increase in equity	7,844		24,587	
<i>Allocated to:</i>				
Increase in opening equity due to cumulative hyperinflation	7,844		24,587	
	Six months period ended 30 June 2025 AED'000 (unaudited)		Three months period ended 30 June 2025 AED'000 (unaudited)	
	2024 AED'000 (unaudited)		2024 AED'000 (unaudited)	
<i>Impact on condensed consolidated statement of profit or loss</i>				
Increase in depreciation charge for the period	1,566	825	580	449
Loss/(gain) on net monetary position	469	1,841	(29)	946
	2,035	2,666	551	1,395

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

Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

27. Acquisition of subsidiaries

During the previous year, the Group acquired the remaining 8% shareholding in one of its subsidiaries, RAK Porcelain LLC, UAE, for a consideration of AED 44 million thus increasing the shareholding to 100%. Accordingly, the Group has recognized:

	AED'000 (unaudited)
- Decrease in non-controlling interest	(26,936)
- Decrease in retained earnings	(17,064)
Total consideration paid	(44,000)

28. Operating Lease

As Lessor:

Certain Group entities lease out their investment properties under operating leases. The leases typically run for a period of one year to five years, with an option to renew the lease after that date. Lease rentals are usually reviewed periodically to reflect market rentals. Below are the lease rents receivable in future:

	30 June 2025 AED'000 (unaudited)	31 December 2024 AED'000 (audited)
Less than one year	9,608	10,106
Between two and five years	15,602	16,058
More than five years	11,875	15,625
	37,085	41,789

29. 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.

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Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

29. Segment reporting (continued)

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
Six month period ended 30 June 2025 (unaudited)						
External revenue	1,328,810	230,841	41,767	1,865	-	1,603,283
Intersegment revenue	234,904	52,110	67,292	1,060	(355,366)	-
Segment revenue	1,563,714	282,951	109,059	2,925	(355,366)	1,603,283
Segment profit/(loss)	212,361	(19,984)	5,306	9,274	(91,722)	115,235
Segment EBITDA	374,886	(2,319)	9,969	10,040	(96,174)	296,402
As at 30 June 2025						
Segment assets	7,029,918	622,667	152,255	151,197	(2,663,849)	5,292,188
Segment liabilities	3,713,728	522,595	54,570	104,139	(1,395,183)	2,999,849
Six month period ended 30 June 2024 (unaudited)						
External revenue	1,303,226	213,944	38,343	3,137	-	1,558,650
Intersegment revenue	243,702	47,297	54,962	1,024	(346,985)	-
Segment revenue	1,546,928	261,241	93,305	4,161	(346,985)	1,558,650
Segment profit/loss	127,992	(8,440)	5,742	6,179	(17,555)	113,918
Segment EBITDA	278,736	11,250	9,250	9,824	(21,102)	287,958
As at 31 December 2024 (audited)						
Segment assets	6,768,768	604,073	137,427	178,415	(2,571,400)	5,117,283
Segment liabilities	3,548,866	401,644	45,354	106,636	(1,316,259)	2,786,241

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, loss on de-recognition of excess lease rent recognized in earlier years, impairment loss of investment properties and impairment loss of property, plant and equipment, if any.

Reconciliation of reportable segments

	Six months period ended 30 June	
	2025	2024
	AED'000	AED'000
	(unaudited)	(unaudited)
Total profit for reportable segments	206,809	131,598
Elimination of inter-segment profits	(91,722)	(17,555)
Share of profit/(loss) of equity accounted investees	148	(125)
Reported profit	115,235	113,918

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

Notes to the condensed consolidated interim financial information (continued)

for the six months period ended 30 June 2025

30. 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 amortized cost AED'000	Financial liabilities at amortized cost AED'000	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
30 June 2025 (unaudited)									
Financial assets measured at fair value									
Interest Rate & Currency swap used for hedging	3,163	-	-	-	3,163	-	3,163	-	3,163
	3,163	-	-	-	3,163	-	3,163	-	3,163
Financial assets measured at amortized cost									
Long-term receivables	-	-	47,575	-	47,575	-	-	-	-
Trade and other receivables	-	-	869,483	-	869,483	-	-	-	-
Due from related parties	-	-	58,468	-	58,468	-	-	-	-
Bank balances and cash	-	-	165,379	-	165,379	-	-	-	-
	-	-	1,140,905	-	1,140,905	-	-	-	-
Financial liabilities measured at fair value									
Forward exchange contracts	-	5,228	-	-	5,228	-	5,228	-	5,228
	-	5,228	-	-	5,228	-	5,228	-	5,228
Financial liabilities measured at amortized cost									
Islamic bank financing	-	-	-	489,035	489,035	-	-	-	-
Interest bearing bank financing	-	-	-	1,228,803	1,228,803	-	-	-	-
Trade and other payables	-	-	-	842,289	842,289	-	-	-	-
Due to related parties long term loans	-	-	-	3,146	3,146	-	-	-	-
Due to related parties	-	-	-	36,255	36,255	-	-	-	-
Lease Liabilities	-	-	-	129,915	129,915	-	-	-	-
	-	-	-	2,729,443	2,729,443	-	-	-	-

*FVTPL: fair value through profit or loss

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Notes to the condensed consolidated interim financial information *(continued)*

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30. 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 amortized 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
	5,599	1,138	-	-	6,737	-	6,737	-	6,737
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	-	-	-	-
	-	-	1,157,150	-	1,157,150	-	-	-	-
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	390	-	-	390	-	390	-	390
	-	390	-	-	390	-	390	-	390
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	-	-	-	-
	-	-	-	2,512,276	2,512,276	-	-	-	-

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Notes to the condensed consolidated interim financial information *(continued)*
for the six months period ended 30 June 2025

31. Comparative information

In the consolidated financial statements for the year ended 31 December 2024, the Group presented certain income tax payments made against the respective tax liabilities, in a foreign jurisdiction, on a gross basis.

In accordance with IAS 12 Income Taxes, these balances are now presented on a net basis as the Group has a legally enforceable right to offset the relevant income tax assets and liabilities and in practice settles them on a net basis. The prior year balances have been reclassified for consistency of presentation as follows:

	Refer note	As Previously reported as at 31 December 2024 AED'000	Adjustments AED'000	As adjusted as at 31 December 2024 AED'000
Trade and other receivables	17	1,128,367	(134,633)	993,734
Provision for taxation	12	184,424	(134,633)	49,791

Additionally, in the condensed consolidated statement of cash flows for the period ended 30 June 2024, the cash paid for the acquisition of additional shares in a subsidiary was previously presented under investing activities.

In accordance with IAS 7 Statement of cash flows, this has been reclassified to cash flows from financing activities as follows:

	As Previously reported 30 June 2024 AED'000	Adjustments AED'000	As adjusted as at 30 June 2024 AED'000
Net cash generated from operating activities	195,789	-	195,789
Net cash used in from investing activities	(114,015)	44,000	(70,015)
Net cash used in financing activities	(95,249)	(44,000)	(139,249)
Net cash and cash equivalents at the end of the period	117,420	-	117,420

For the above adjustments, there is no impact on the Groups' profit, basic or diluted EPS for the period ended 30 June 2024.

32. 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 12 August 2025.