



Condensed Consolidated
Interim Financial Information

30 September 2025

RAK Ceramics PJSC and its Subsidiaries

Condensed consolidated interim financial information
30 September 2025

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On financial performance during the nine & three month period ended 30 September 2025
12 November 2025

Dear Members,

It is our pleasure to present the business & operations report for the nine months as well as three months period (Q3-2025) ended 30 September 2025, along with the condensed interim consolidated financial information of RAK Ceramics PJSC, UAE (the “Group” or the “Company”) as on 30 September 2025.

Q3 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:** Increased by 2.8% year-on-year (YoY) to AED 824.9 million in Q3 2025, primarily due to robust demand in the UAE which contributed top-line growth.
- **Gross profit margin:** Declined marginally by 70bps YoY to 40.5% in Q3 2025, down from 41.2% in Q3 2024.
- **EBITDA performance:** EBITDA improved by 14.7% YoY in Q3 2025, to AED 167.7 million from AED 146.2 million in Q3 2024. 9M 2025 EBITDA increased by 6.9% YoY to AED 464.1 million.
- **Profit before tax:** Increased by 42.4% YoY to AED 86.6 million, compared to AED 60.8 million in Q3 2024. 9M 2025 Profit before tax increased 22.2% YoY to AED 237.8 million.
- **Financial health:** Net debt increased by 4.5% to reach AED 1.64 billion in Q3 2025, compared to AED 1.57 billion in Q3 2024, primarily driven by increased capital expenditure and working capital requirements.

Financial Highlights

The financial performance in Q3 has been strong, demonstrating the resilience of the business in the face of a tough macro-economic environment. Total revenue increased by 2.8% YoY to AED 824.9 million in Q3 and by 2.8% YoY to AED 2.43 billion in 9M 2025 as a result of continued strong demand from the UAE and Middle East.

EBITDA increased by 14.7% to AED 167.7 million in Q3 2025 compared to AED 146.2 million in the same period last year and by 6.9% YoY to AED 464.1 million in 9M 2025. EBITDA margins have increased by 2.1% to 20.3% in Q3 2025 up from 18.2% in Q3 2024.

Profit before tax increased by 42.4% YoY to AED 86.6 million, compared to AED 60.8 million in Q3 2024.

Net profit after tax increased by 20.7% YoY to AED 67.5 million, compared to AED 55.9 million in Q3 2024. In 9M 2025, net profit after tax was recorded at AED 182.7 million, compared to AED 169.9 million in 9M 2024. UAE Corporate tax was AED 17.3 million in Q3 2025, up from AED 9.0 million in Q3 2024 on account of introduction of Domestic Top-up tax effective 1st January 2025.

Net debt increased by 4.5% to AED 1.64 billion from AED 1.57 billion in Q3 2024, primarily driven by increased capital expenditure and working capital requirements.

	Quarterly comparison					Yearly Comparison		
	Q3 24	Q2 25	Q3 25			9M 2024	9M 2025	
Amount in AED M	Amount	Amount	Amount	YoY Growth	QoQ Growth	Amount	Amount	YoY Growth
Revenue	802.5	826.8	824.9	2.8%	-0.2%	2,361.2	2,428.2	2.8%
Gross margin (%)	41.2%	40.6%	40.5%	-0.7%	-0.1%	40.0%	40.3%	0.2%
EBITDA	146.2	160.8	167.7	14.7%	4.2%	434.2	464.1	6.9%
Profit before tax	60.8	86.7	86.6	42.4%	-0.1%	194.6	237.8	22.2%
Profit after tax	55.9	66.4	67.5	20.7%	1.7%	169.9	182.7	7.6%
Capital expenditure	35.2	59.6	59.4	68.7%	-0.4%	132.5	215.6	62.7%
Net debt	1568.4	1,555.6	1,638.3	4.5%	5.3%	1,568.4	1,638.3	4.5%
Net debt / EBITDA	2.61x	2.59x	2.63x			2.61x	2.63x	-

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

Segmental performance highlights

- **Tiles** revenue continued to grow in Q3, up 2.5% year-on-year to AED 479.7 million, led by strong demand in the UAE, India, Bangladesh, Europe (Germany) and Africa with an increasing contribution from high-margin projects supported by a focus on premium positioning.
- **Sanitaryware** revenue increased by 5.3% to AED 123.8 million, driven by strong demand in the UAE. Revenue growth was primarily driven by an improved ASP, owing to a favorable product mix shift. Gross margins improved by 280 bps to 36.6% supported by improved operational efficiencies and higher sales in the UAE.
- **Tableware** division reported a modest decline in revenue of 0.6% to AED 84.8 million for Q3 2025. Despite the revenue decline, gross profit margin improved by 130 bps, supported by higher sales to the airline industry and premium hospitality projects.
- **Faucets** revenue continued to grow by 8.8% to AED 118.3 million in Q3 2025, mainly driven by performance in UAE, Europe and Asia.

Tiles & Sanitaryware market highlights

- **UAE:** Continued to deliver strong revenue growth, reporting an increase of 6.7% to AED 236.9 million in Q3 2025 from AED 222.0 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 24.7% in Q3 2025 to AED 51.9 million from AED 69.0 million in Q3 2024. The KSA market continues to face challenges owing to a decline in liquidity, intensified competition, and oversupply from local tile manufacturers. Despite the top line pressure, gross profit margin improved by 240 bps, driven by a favourable product mix.
- **Europe:** Revenue has remained under pressure attributed to tough macroeconomic conditions, including stagnant growth, persistent inflation and continued recessionary concerns. In Q3 2025, revenue in Europe declined by 4.9% to AED 85.2 million from AED 89.6 million in Q3 2024, driven by weak demand in the UK and Italy. Revenue in Italy fell by 17.4% (in local currency), and in the UK by 19.1% (in local currency). In contrast, Germany posted a revenue increase of 14.9% (in local currency), driven by stronger market traction.
- **India:** India registered a modest revenue decline of 4.9% (1.4% in local currency) to AED 85.2 million in Q3 2025, as the market continues to demonstrate resilience, supported by infrastructure development, a recent reduction in interest rates, and rising disposable income.

- **Bangladesh:** Revenue grew by 52.2% to AED 61.9 million in Q3 2025, reflecting a normalization of revenue levels which were impacted severely from the political crisis in Q3 2024. The Company has taken initiatives to regain our lost market share by offering new products, implementing competitive pricing strategies and strengthening distribution channels. Gross margins have also increased by 5.1% supported by restoration of the gas supply.
- **Middle East:** In Q3 2025, revenue fell by 8.5% YoY to AED 30.1m mainly due to lower business demand in Bahrain, Qatar and Oman. However, in 9M 2025 it grew by 14.3% YoY to AED 99.9 million.

Strategic Highlights

Upgradation projects

- Developing state-of-the-art slab production facilities in the UAE, with one facility having commenced commercial production in July 2025 and another currently under development and expected to begin commercial production by February 2026.
- In the process of upgrading the Sanitaryware facility in the UAE with energy-efficient technologies and enhanced product portfolio.

Greenfield projects

- In KSA, the Company is making steady progress on the Greenfield Project in Yanbu, with expected completion by Q1 2027.

Acquisition

- In October 2025, RAK Porcelain Group announced a strategic acquisition of Bankook Design Chambre S.L., the owner of the Cookplay brand, expanding its premium tableware portfolio and strengthening its presence in the European market.

Design Excellence Spotlight

- In September 2025, RAK Ceramics showcased its latest innovations at Cersaie 2025 in Bologna, Italy - one of the world's leading ceramic exhibitions.

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 delivered a strong performance and demonstrated the resilience of the business. The core markets continue to perform strongly, particularly in the UAE which was supported by robust real estate and construction activity.

The market in Saudi Arabia remains challenging as a result of ongoing liquidity constraints and intensified competition and the Company is currently evaluating corrective actions, including process improvements and competitive repositioning strategies to regain momentum. The Indian market has shown resilience despite global headwinds, and the Company continues to implement turnaround strategies to achieve sustained profitability. In Bangladesh, steady recovery is noticed and initiatives to regain the lost market share are being taken.

The Company remains committed to further improving its operational performance across all regions and it is progressing with its cost-optimization strategy, including relocating key EU production facilities for its faucets business to the UAE.

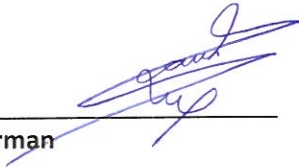
Looking forward, the Company is continuing to innovate operations and accelerate initiatives that will strengthen its position in the market and continue to drive profitability across all divisions.

Financial Reporting

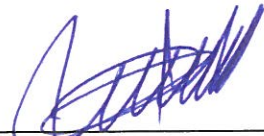
The condensed consolidated financial information of the Group, prepared in accordance with International Financial Reporting Standards (IFRSs), fairly presents its financial position, the result of its operations, cash flows and changes in equity. Appropriate accounting policies have been consistently 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 NOV 2025


Group Chief Executive Officer

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

Condensed consolidated interim financial information
for the nine months period ended 30 September 2025

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

Condensed consolidated interim financial information
30 September 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 September 2025 condensed consolidated interim financial information of R.A.K Ceramics P.J.S.C ("the Company") and its subsidiaries ("the Group"), consisting of:

- the condensed consolidated statements of profit or loss for the nine-month and three-month periods ended 30 September 2025;
- the condensed consolidated statements of profit or loss and other comprehensive income for the nine- month and three-month periods ended 30 September 2025;
- the condensed consolidated statement of financial position as at 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of changes in equity for the nine-month period ended 30 September 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 September 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 nine-month and three-month periods ended 30 September 2024, excluding the adjustments described in Note 31 to the condensed consolidated interim financial information, was reviewed by another auditor, who expressed an unmodified conclusion on that condensed consolidated interim financial information on 12 November 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 November 2025

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

**Condensed consolidated statement of profit or loss (unaudited)
For the nine months and three months period ended 30 September 2025**

		Nine months period ended 30 September		Three months period ended 30 September	
		2025	2024	2025	2024
	Notes	AED'000	AED'000	AED'000	AED'000
Revenue	5	2,428,200	2,361,165	824,917	802,515
Cost of sales	6	(1,450,230)	(1,415,558)	(490,925)	(471,714)
Gross profit		977,970	945,607	333,992	330,801
Administrative and general expenses	7	(188,767)	(181,522)	(65,578)	(64,294)
Selling and distribution expenses	8	(533,911)	(509,731)	(176,895)	(181,270)
Other income	9	76,228	58,314	23,920	21,561
Finance costs	10	(79,107)	(93,520)	(28,512)	(36,605)
Finance income	10	6,656	4,576	5,776	5,475
Loss on net monetary position	26	(1,916)	(5,195)	(1,447)	(3,354)
Share of profit/(loss) in equity accounted investees	11	408	(303)	260	(178)
Impairment loss	7(i)	(19,729)	(23,653)	(4,897)	(11,289)
Profit before tax		237,832	194,573	86,619	60,847
Tax expense	12	(55,097)	(24,720)	(19,119)	(4,912)
Profit for the period		182,735	169,853	67,500	55,935
<i>Profit attributable to:</i>					
Owners of the Company		178,752	162,376	66,884	54,493
Non-controlling interests		3,983	7,477	616	1,442
Profit for the period		182,735	169,853	67,500	55,935
Earnings per share					
- basic and diluted (AED)	13	0.18	0.16	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 nine months and three months period ended 30 September 2025

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
Profit for the period	182,735	169,853	67,500	55,935
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign exchange differences on translation of foreign operations	(51,109)	(30,437)	(3,265)	(10,719)
Cash flow hedges – effective portion of changes in fair value loss on hedging instruments	(3,296)	(5,993)	(861)	(3,933)
Effects of application of hyperinflation accounting (Note 26)	14,923	16,481	7,079	10,002
Total comprehensive income for the period	143,253	149,904	70,453	51,285
<i>Total comprehensive income attributable to:</i>				
Owners of the Company	141,524	149,739	70,040	51,850
Non-controlling interests	1,729	165	413	(565)
Total comprehensive income for the period	143,253	149,904	70,453	51,285

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 September 2025

		30 September 2025 AED'000 (unaudited)	31 December 2024* AED'000 (audited)
	Notes		
Assets			
Non-current assets			
Property, plant and equipment	14	1,424,523	1,328,102
Goodwill	15	120,463	120,122
Right-of-use assets		104,375	111,064
Intangible assets		15,088	12,545
Investment properties	16	884,471	897,479
Investments in equity accounted investees	11	10,194	10,282
Long-term receivables	17(i)	70,452	18,859
Derivative financial assets	20	455	1,938
Deferred tax assets	12	7,184	5,638
Total non-current assets		2,637,205	2,506,029
Current assets			
Inventories	18	1,453,483	1,355,912
Trade and other receivables	17	971,193	993,734
Due from related parties	19	58,095	54,200
Derivative financial assets	20	1,848	4,799
Bank deposits with an original maturity of more than three months	21	755	838
Restricted cash	21	9,895	7,287
Cash and cash equivalents	21	166,898	194,484
Total current assets		2,662,167	2,611,254
Total assets		5,299,372	5,117,283
Equity and liabilities			
Capital and reserves			
Share capital	22	993,703	993,703
Reserves		1,184,787	1,242,004
Equity attributable to owners of the Company		2,178,490	2,235,707
Non-controlling interests		84,932	95,335
Total equity		2,263,422	2,331,042
Liabilities			
Non-current liabilities			
Islamic bank financing	23a(ii)	284,923	248,225
Interest bearing bank financing	23b(ii)	585,827	636,689
Due to related parties	19	3,040	3,186
Provision for employees' end of service benefits		120,698	113,702
Government grants		3,595	4,086
Lease liabilities		88,790	89,157
Deferred tax liabilities	12	17,459	20,742
Total non-current liabilities		1,104,332	1,115,787
Current liabilities			
Islamic bank financing	23a(i)	286,432	218,631
Interest bearing bank financing	23b(i)	655,595	490,068
Trade and other payables	24	839,537	837,068
Government grants		405	426
Due to related parties	19	49,974	36,963
Derivative financial liabilities	20	82	390
Lease liabilities		30,038	37,117
Provision for taxation	12	69,555	49,791
Total current liabilities		1,931,618	1,670,454
Total liabilities		3,035,950	2,786,241
Total equity and liabilities		5,299,372	5,117,283

*(Refer note 31)

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information are not prepared, in all material respects, in accordance with IAS 34.

Chairman

Chief Executive Officer

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

**Condensed consolidated statement of cash flows (unaudited)
for the nine months period ended 30 September 2025**

	Nine months period ended 30 September	
	2025	2024*
	AED'000	AED'000
Operating activities		
Profit for the period before tax	237,832	194,573
Adjustments for:		
Share of (profit)/ loss in equity accounted investees	(408)	303
Interest expense	50,302	55,287
Profit expense on Islamic bank financing	17,838	25,933
Interest income	(3,296)	(2,764)
Profit on wakala deposits	-	(141)
Interest expense on lease liabilities	6,874	6,449
Net change in fair value of derivative financial instruments	831	(1,671)
Gain on disposal of property, plant and equipment	(3,621)	1,282
Gain on disposal of investment properties	(5,458)	-
Depreciation of property, plant and equipment	121,210	113,056
Depreciation of investment properties	9,730	9,031
Amortisation of intangible assets	3,815	3,475
Depreciation of right-of-use assets	29,108	28,038
Capital work in progress written off	-	260
Provision for employees' end-of-service benefits	20,758	17,046
Loss on net monetary position	1916	5,195
Allowance for slow moving and obsolete inventories	32,911	13,321
Write-down/(reversal) of cost of finished goods	10,356	(1,885)
Impairment loss on trade receivables	12,604	14,319
Impairment loss on other receivables	7,125	9,334
	550,427	490,441
Changes in:		
- inventories	(140,838)	(81,865)
- trade and other receivables (including long-term portion)	(48,781)	(25,272)
- due from related parties	(3,895)	9,645
- trade and other payables	1,958	13,490
- due to related parties	13,011	(16,758)
Income tax paid	(40,162)	(22,703)
Employees' end-of-service benefits paid	(16,448)	(18,531)
Currency translation adjustments	(46,605)	(9,188)
Net cash generated from operating activities	268,667	339,259

*(Refer note 31)

**Condensed consolidated statement of cash flows (unaudited)
for the nine months period ended 30 September 2025**

	Nine months period ended 30 September	
	2025	2024
	AED'000	AED'000
Investing activities		
Additions to property, plant and equipment	(215,557)	(132,495)
Proceeds from disposal of property, plant and equipment	6,210	16,553
Additions to intangible assets	(6,001)	(1,057)
Proceeds from sale of investment properties	9,021	-
Additions to investment properties	-	(915)
Dividend received from equity accounted investees	500	513
Interest received	3,296	2,764
Profit received on Wakala deposits	-	141
Additional bank deposits made with an original maturity of more than three months	(7,118)	(21,501)
Proceeds on maturity of bank deposits with an original maturity of more than three months	4,593	59,621
Net cash used in investing activities	(205,056)	(76,376)
Financing activities		
Long-term bank financing availed	98,575	253,700
Long-term bank financing repaid	(141,631)	(275,216)
Long-term Islamic bank financing availed	128,952	45,000
Long-term Islamic bank financing repaid	(86,121)	(91,305)
Repayment of lease liabilities	(31,347)	(32,044)
Short-term bank financing availed	827,597	788,193
Short-term bank financing repaid	(668,028)	(626,185)
Short-term Islamic bank financing availed	275,740	343,865
Short-term Islamic bank financing repaid	(214,072)	(380,719)
Interest paid	(50,302)	(55,287)
Profit paid on Islamic bank financing	(17,838)	(25,933)
Loan from related parties	-	(26)
Cash paid for acquisition of further shares in subsidiary	-	(44,000)
Dividend paid	(198,741)	(198,741)
Dividend paid to non-controlling interests	(12,132)	(15,695)
Net cash used in financing activities	(89,348)	(314,393)
Net decrease in cash and cash equivalents	(25,737)	(51,510)
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	103,313	79,385
Represented by:		
Cash and cash equivalents (refer Note 21)	166,898	181,159
Bank overdrafts (refer Note 23b(i))	(63,585)	(101,774)
	103,313	79,385

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
for the nine months period ended 30 September 2025**

	Attributable to owners of the 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/(loss) for the period (unaudited)													
Profit for the period	-	-	-	-	-	-	-	-	178,752	178,752	178,752	3,983	182,735
Other comprehensive income/(loss)													
Foreign exchange differences on translation of foreign operations	-	-	-	(26,887)	(21,968)	-	-	-	-	(48,855)	(48,855)	(2,254)	(51,109)
Changes in cash flow hedges	-	-	-	-	-	(3,296)	-	-	-	(3,296)	(3,296)	-	(3,296)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	14,923	-	-	-	-	14,923	14,923	-	14,923
Total comprehensive income/(loss) for the period	-	-	-	(26,887)	(7,045)	(3,296)	-	-	178,752	141,524	141,524	1,729	143,253
Other equity movements (unaudited)													
Transaction with owners													
Dividend paid (refer Note 22(ii))	-	-	-	-	-	-	-	-	(198,741)	(198,741)	(198,741)	-	(198,741)
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-	-	(12,132)	(12,132)
Balance at 30 September 2025 (unaudited)	993,703	221,667	496,852	(230,570)	(160,464)	2,303		75,040	779,959	1,184,787	2,178,490	84,932	2,263,422

* 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 for the nine months period ended 30 September 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	-	-	-	-	-	-	-	-	162,376	162,376	162,376	7,477	169,853
Other comprehensive income/(loss)													
Foreign exchange differences on translation of foreign operations	-	-	-	(13,970)	(9,155)	-	-	-	-	(23,125)	(23,125)	(7,312)	(30,437)
Changes in cash flow hedges	-	-	-	-	-	(5,993)	-	-	-	(5,993)	(5,993)	-	(5,993)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	16,481	-	-	-	-	16,481	16,481	-	16,481
Total comprehensive income/(loss) for the period	-	-	-	(13,970)	7,326	(5,993)	-	-	162,376	149,739	149,739	165	149,904
Other equity movements (unaudited)													
Transfer to retained earnings	-	-	(82,260)	-	-	-	(82,805)	-	165,065	-	-	-	-
Transaction with owners (unaudited)													
Dividend paid (refer Note 22(i))	-	-	-	-	-	-	-	-	(198,741)	(198,741)	(198,741)	-	(198,741)
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 September 2024 (unaudited)	993,703	221,667	496,852	(210,539)	(155,509)	5,745	-	75,040	741,230	1,174,486	2,168,189	92,029	2,260,218

* 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.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 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 nine months period ended 30 September 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, tablewares 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 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 IFRSs Accounting Standards adopted 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).

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 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.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

3. Summary of significant accounting policies (continued)

Basis of preparation (continued)

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 nine months period ended 30 September 2025 and 2024. In addition, results for the nine months period ended 30 September 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

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sale of goods	2,423,876	2,355,566	823,518	801,077
Others	4,324	5,599	1,399	1,438
	<u>2,428,200</u>	<u>2,361,165</u>	<u>824,917</u>	<u>802,515</u>

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

6. Cost of sales

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Raw materials consumed	726,641	695,530	244,442	233,173
Direct labor	209,183	205,165	71,423	70,282
Power and fuel	105,552	98,742	36,294	36,054
Depreciation of property, plant and equipment	98,516	89,625	35,830	31,359
LPG and natural gas	98,029	85,828	31,204	32,056
Repairs and maintenance expense	91,335	83,958	33,356	32,155
Packing material expenses	71,669	68,997	24,588	23,462
Allowance for slow moving inventories	32,911	13,321	12,267	7,921
Insurance	7,783	4,829	4,647	1,844
Sub-contractors Fee	4,364	3,455	1,536	839
Clearing Charges on trading goods	3,299	2,669	2,204	1,314
Amortization of intangible assets	673	756	212	230
Depreciation of right-of-use assets	419	1,369	135	310
Hire Charges	234	1,097	141	340
Change in inventory of finished goods	(29,065)	27,103	(15,632)	(7,383)
Others	28,687	33,114	8,278	7,758
	<u>1,450,230</u>	<u>1,415,558</u>	<u>490,925</u>	<u>471,714</u>

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

7. Administrative and general expenses

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staff salaries and other associated costs	92,228	88,264	33,452	29,786
Information technology licenses and consultancy expenses	13,845	8,778	4,946	3,113
Legal and professional fees	9,811	9,910	2,884	3,916
Depreciation of investment properties	9,730	9,031	3,343	3,323
Depreciation of property, plant and equipment	9,004	10,767	3,070	3,118
Repairs and maintenance expenses	6,218	6,807	2,475	2,279
Telephone, postal and office supplies	4,754	6,342	1,647	2,787
Expenses on investment properties	4,592	4,832	1,632	2,012
Utility expenses	4,195	3,963	1,614	1,476
Amortization of intangible assets	3,135	2,719	1,085	1,117
Insurance	3,130	2,126	724	611
Directors' remuneration	2,775	2,775	925	925
Security charges	1,094	2,187	478	1,035
Vehicles on hire	1,082	635	355	204
Travelling	666	2,180	106	991
Depreciation of right-of-use assets	596	518	212	167
Others	21,912	19,688	6,630	7,434
	188,767	181,522	65,578	64,294

7(i) Impairment loss

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Impairment loss on trade receivables	10,074	14,319	2,367	6,622
Impairment loss on other receivables	9,655	9,334	2,530	4,667
	19,729	23,653	4,897	11,289

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

8. Selling and distribution expenses

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Staff salaries and other associated costs	191,054	176,317	63,714	59,339
Freight and transportation	175,227	174,573	55,889	65,137
Advertisement and promotions expense	57,886	56,545	16,860	20,699
Depreciation of right-of-use assets	28,093	26,151	9,603	9,318
Agents' commission	22,326	20,074	7,477	7,756
Depreciation of property, plant and equipment	13,690	12,664	4,707	4,293
Travel and entertainment expenses	5,782	5,497	1,186	2,137
Rental expenses	4,201	3,778	1,356	640
Repairs, maintenance & consumables	2,359	4,490	815	1,815
Consultation & Outsourcing Charges	2,283	2,947	763	1,168
Royalty	1,530	1,519	510	510
Others	29,480	25,176	14,015	8,458
	533,911	509,731	176,895	181,270

9. Other Income

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Rental income from investment properties	34,828	36,638	12,415	12,513
Provision write back	11,996	227	1,020	167
Gain on disposal of investment properties	5,458	-	956	-
Discounts earned on purchases and freight	5,188	8,141	1,348	5,646
Sale of scrap and miscellaneous items	3,675	6,559	932	2,527
Net gain/(loss) on disposal of property, plant and equipment	3,621	(1,282)	890	(2,435)
Income from Leasing of plant and equipment	825	850	174	291
Insurance claims	455	548	155	255
Royalty	240	299	32	107
Duty drawback	226	469	83	268
Other net miscellaneous income	9,716	5,865	5,915	2,222
	76,228	58,314	23,920	21,561

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

10. Finance costs and income

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance costs				
Interest on bank financing	50,084	55,060	17,162	19,750
Profit expense on Islamic bank financing	17,838	25,933	6,119	8,359
Interest expense on lease liabilities	6,874	6,449	2,231	2,243
Bank charges	3,262	2,813	897	1,010
Net change in the fair value of derivatives	831	-	-	5,167
Interest on amount due to related parties	218	227	73	76
Net foreign exchange loss	-	3,038	2,030	-
Total (A)	79,107	93,520	28,512	36,605
Finance income				
Net foreign exchange gain	3,360	-	-	4,791
Interest on bank deposits	3,296	2,764	630	677
Profit on wakala deposits	-	141	-	7
Net change in the fair value of derivatives	-	1,671	5,146	-
Total (B)	6,656	4,576	5,776	5,475
Net finance costs (A-B)	72,451	88,944	22,736	31,130

11. Investments in equity accounted investees

The Group's share of profit in equity accounted investees for the nine months period ended 30 September 2025 amounted to AED 0.40 million (unaudited) (nine months period ended 30 September 2024 (unaudited): loss AED 0.30 million).

The Group has received AED 0.50 million (unaudited) as dividends during the current period from its equity accounted investees (nine months period ended 30 September 2024 (unaudited): AED 0.51 million).

12. Corporate Income Tax

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax				
In respect of current period	57,170	32,675	19,907	10,887
Deferred tax				
(Reversal)/ origination of temporary tax differences during the year	(2,073)	(7,955)	(788)	(5,975)
Tax expense for the year	55,097	24,720	19,119	4,912

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

12. Corporate Income Tax (continued)

	30 September 2025 (Unaudited)	31 December 2024 (Audited)
Provision for tax	69,555	49,791
Deferred tax liabilities	17,459	20,742
Deferred tax assets	7,184	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 nine-month period ended 30 September 2025, the Group recognized an amount of AED 15.01 million 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 23.79% for the nine months ended 30 September 2025 (nine-month period ended 30 September 2024: 14.81%). Excluding the impact of DMTT, the underlying ETR is 16.71%.

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. Earning per share

	Nine months period ended 30 September 2025		Three months period ended 30 September 2025	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit attributable to the owners of the Company (AED'000)	178,752	162,376	66,884	54,493
Weighted average number of ordinary shares ('000s)	993,703	993,703	993,703	993,703
Basic and diluted earnings per share (AED)	0.18	0.16	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 nine months period ended 30 September 2025, the Group acquired property, plant and equipment and made additions to capital work in progress amounting to AED 215.56 million (nine months period ended 30 September 2024: AED 132.50 million).

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

14. Property, plant and equipment (continued)

Property, plant and equipment with a carrying amount of AED 2.6 million was disposed during the nine months period (nine months period ended 30 September 2024: AED 17.84 million) resulting in a gain on disposal of AED 3.62 million (loss on disposal, nine months period ended 30 September 2024: AED 1.28 million) which is included in other income in the condensed consolidated statement of profit or loss.

Depreciation of property, plant and equipment for the nine months period amounted to AED 121.2 million (nine months period ended 30 September 2025: AED 121.02 million). Below is the breakdown of property, plant and equipment inside and outside the U.A.E:

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Inside U.A.E	1,038,565	882,119
Outside U.A.E	385,958	445,983
	1,424,523	1,328,102

15. Goodwill

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Opening balance	120,122	120,135
Effects of movements in exchange rate	341	(13)
Closing balance	120,463	120,122

As at 30 September 2025 Goodwill comprises AED 50.4 million, AED 5.6 million, AED 6.0 million, AED 58.5 million recognized on acquisition of Ceramin FZ LLC, UAE and distribution entities in UK, Italy and Saudi Arabia respectively.

16. Investment properties

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.

	Inside UAE		Outside UAE		Total	
	30 September 2025	31 December 2024	30 September 2025	31 December 2024	30 September 2025	31 December 2024
	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	(audited)
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Net book value	860,333	871,969	24,138	25,510	884,471	897,479
Fair value	1,043,076	1,050,832	43,997	43,997	1,087,073	1,094,829

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

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 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 nine months period ended 30 September 2025.

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 2023: Level 3).

17. Trade and other receivables

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade receivables	883,271	924,937
Less: Allowance for expected credit loss	<u>(127,560)</u>	<u>(153,167)</u>
Subtotal (A)	<u>755,711</u>	<u>771,770</u>
Other receivables	130,506	164,552
Less: Allowance for expected credit loss	<u>(92,868)</u>	<u>(83,213)</u>
Subtotal (B)	<u>37,638</u>	<u>81,339</u>
Advances and prepayments (C)	145,904	112,252
Deposits (D)	<u>31,940</u>	<u>28,373</u>
Total (A+B+C+D)	<u><u>971,193</u></u>	<u><u>993,734</u></u>

(i) Long-term receivables

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade receivables	117,573	71,554
Less: Allowance for expected credit loss	<u>(33,047)</u>	<u>(5,883)</u>
	84,526	65,671
Less: current portion included in trade receivables	<u>(16,846)</u>	<u>(50,572)</u>
Long-term trade receivables (A)	<u>67,680</u>	<u>15,099</u>
Other receivables	<u>2,772</u>	<u>3,760</u>
Long-term other receivables (B)	<u>2,772</u>	<u>3,760</u>
Long-term receivables (A+B)	<u><u>70,452</u></u>	<u><u>18,859</u></u>

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

18. Inventories

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Finished goods (net of net realizable value adjustments)	1,057,773	955,862
Less: Allowance for slow moving inventories	(140,457)	(136,220)
Subtotal (A)	917,316	819,642
Raw materials	233,081	233,887
Stores and spares	332,927	305,908
	566,008	539,795
Less : Allowance for slow-moving inventories	(105,139)	(93,981)
Subtotal (B)	460,869	445,814
Goods-in-transit (C)	18,864	34,257
Work-in-progress (D)	56,434	56,199
Total (A+B+C+D)	1,453,483	1,355,912

At 30 September 2025, the Group recognized a cumulative loss due to write-down of finished goods inventories of AED 128.18 million against cost of AED 377.04 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 10.36 million (unaudited) (nine months period ended 30 September 2024 (unaudited): AED 1.88 million) is included in cost of sales in the condensed consolidated statement of profit or loss with a currency loss of AED 0.22 million for the period (unaudited) (nine months period ended 30 September 2024 (unaudited): AED 0.22 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:

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sale of goods and services	90,788	49,129	32,287	11,333
Purchase of goods and rendering of services	110,237	92,135	38,427	33,069
Royalty	240	299	240	107
Interest expense (refer note 10)	218	227	73	76

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

19. Related party balances and transactions

Key management personnel compensation

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

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Short-term benefits	9,936	9,784	3,312	3,244
Staff terminal benefits	175	176	59	58
Board of Directors' remuneration paid	3,700	3,700	-	-
Board of Directors' remuneration accrued (Refer note 7)	2,775	2,775	925	925

Due from related parties

	30 September 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Equity accounted investees	1,719	2,298
Other related parties	60,790	55,165
	62,509	57,463
Less : Allowance for expected credit loss	(4,414)	(3,263)
	58,095	54,200

Due to related parties

Long-term loan

	30 September 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Other related parties	3,040	3,186
	3,040	3,186

Current liabilities

	30 September 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Other related parties	49,974	36,963
	49,974	36,963

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

20. Derivative financial instruments

The Group uses derivative financial instruments for risk management purposes. The Group classifies 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.

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Non-current		
Derivative financial assets		
Interest rate swaps used for hedging	455	1,938
	<u>455</u>	<u>1,938</u>
	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current		
Derivative financial assets		
Interest rate swaps used for hedging	1,848	3,661
Forward exchange contracts	-	1,138
	<u>1,848</u>	<u>4,799</u>
	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Current		
Derivative financial liabilities		
Forward exchange contracts	82	-
Other currency and interest rate swaps	-	390
	<u>82</u>	<u>390</u>

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

21. Bank balances and cash

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash in hand	1,946	3,221
Cash at bank		
- in bank deposits with an original maturity of less than three months	-	113
- in current accounts	159,906	185,252
- in call accounts	5,229	6,081
Cash and cash equivalents	167,081	194,667
Less : Allowance for expected credit loss	(183)	(183)
Cash and cash equivalents (A)	166,898	194,484
 Bank deposits with an original maturity of more than three months (B)	 755	 838
Deposits under lien-restricted cash(C)	9,895	7,287
Bank balances and cash (A+B+C)	177,548	202,609

Cash in hand and cash at bank includes AED 0.41 million (31 December 2024 (audited): AED 0.96 million) and AED 89.87 million (31 December 2024 (audited): AED 113.57 million) respectively, held outside the UAE.

Current accounts are non-interest bearing accounts.

22. Share capital

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
<i>Authorised, issued and paid up</i>		
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
	<u>993,703</u>	<u>993,703</u>

(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 current year was paid in August 2025. A final cash dividend of 10% amounting to AED 99,370 thousand in relation to the year ended 31 December 2023 was paid in April 2024 and 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).

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

23. Bank financing arrangements

(a) Islamic bank financing

(i) Short-term

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Mudaraba facilities (refer A)	122,387	65,827
Commodity Murabaha facilities (refer B)	41,356	36,248
Current portion of long-term financing (refer note (ii) below)	122,689	116,556
	286,432	218,631

(ii) Long-term – Islamic bank financing

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Mudaraba facilities (refer A)	251,667	197,292
Commodity Murabaha facilities (refer B)	93,646	73,711
Ijarah facilities (refer C)	62,299	93,778
Less : current portion of long-term financing	(122,689)	(116,556)
	284,923	248,225

Movement:

Balance as at 1 January	364,781	420,844
Availed during the period/ year	128,952	70,000
Repaid during the period/ year	(86,121)	(126,063)
Balance as at end of the period/ year	407,612	364,781
Less : current portion included in short-term (refer 23 (a)(i))	(122,689)	(116,556)
	284,923	248,225

During the nine-month period ended 30 September 2024, the Group had availed long term-Islamic bank financing amounting to AED 45 million and repaid AED 91.30 million.

The securities provided against these facilities are the 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 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.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

23. Bank financing arrangements (continued)

(b) Interest bearing bank financing

(i) Short-term

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Bank overdrafts	63,585	65,434
Short-term loan	394,413	234,844
Current portion of long-term financing (refer note (ii) below)	197,597	189,791
	<u>655,595</u>	<u>490,069</u>

(ii) Long-term – bank loans

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Balance as at 1 January	826,480	835,548
Availed during the period/ year	98,575	318,605
Repaid during the period/ year	(141,631)	(327,673)
Balance as at end of the period/ year	783,424	826,480
Less : current portion of long-term financing (refer 23 (b)(i))	(197,597)	(189,791)
	<u>585,827</u>	<u>636,689</u>

During the nine-month period ended 30 September 2024, the Group had availed long term-Interest bearing bank financing amounting to AED 253.07 million and repaid AED 275.02 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.

24. Trade and other payables

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Trade payables*	336,856	361,963
Accrued and other expenses	295,077	278,059
Advance from customers	63,505	84,828
Commission and rebates payable	69,885	53,992
Other payables	74,214	58,225
	<u>839,537</u>	<u>837,067</u>

*In order to ensure easy access to credit for its suppliers, the Group has entered into reverse factoring arrangements. Trade payable include AED 23.81 million (31 December 2024 AED Nil) owed under this arrangement.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

25. Contingent liabilities and commitments

	30 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Contingent liabilities		
Letters of guarantee	61,108	53,954
Letters of credit	41,087	67,628
Value added tax and other tax contingencies	35,926	34,374
Commitments		
Capital commitments	155,506	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 nine months period ended 30 September 2025. The total assets of the Iranian subsidiary were 0.56 % of the Group's consolidated total assets as at 30 September 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 September 2025	2,407.77	1.5141
31 December 2024	1,590.28	1.9326
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

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 average exchange rate of each period, 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.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

26. Hyperinflationary economy (Continued)

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

	1 January 2024 AED'000 (Unaudited)	1 January 2023 AED'000 (Audited)
<i>Impact on condensed consolidated statement of financial position</i>		
Increase in property, plant and equipment	5,169	8,068
Increase in investment properties	5,175	8,370
Increase in other assets	4,579	8,149
 Increase in equity	 14,923	 24,587
<i>Allocated to:</i>		
Increase in opening equity due to cumulative hyperinflation	14,923	24,587

	Nine months period ended 30 September		Three months period ended 30 September	
	2025	2024	2025	2024
	AED'000	AED'000	AED'000	AED'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<i>Impact on condensed consolidated statement of profit or loss</i>				
Increase in depreciation charge for the period	2,422	1,715	856	891
Loss on net monetary position	1,916	5,195	1,447	3,354
	4,338	6,910	2,303	4,245

27. Acquisition of additional stake in subsidiary

During the nine months period ended 30 September 2024, the Group had 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:

	31 December 2024 AED'000 (Audited)
- Decrease in non-controlling interest	(26,936)
- Decrease in retained earnings	(17,064)
Total consideration paid	(44,000)

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

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 September 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Less than one year	9,062	10,106
Between two and five years	15,437	16,058
More than five years	10,000	15,625
	34,499	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.
Others	includes 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 transactions are at arm's length price.

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

29. Segment reporting (continued)

	Ceramic products AED'000	Faucets AED,000	Other industrial AED'000	Others AED'000	Elimination AED'000	Total AED'000
Nine months period ended 30 September 2025 (unaudited)						
External revenue	2,011,742	353,145	56,139	2,680	-	2,423,706
Intersegment revenue	359,546	87,908	99,709	1,644	(548,807)	-
Segment revenue	<u>2,371,288</u>	<u>441,053</u>	<u>155,848</u>	<u>4,324</u>	<u>(548,807)</u>	<u>2,423,706</u>
Segment profit/(loss)	286,311	(33,461)	8,352	11,352	(89,819)	182,735
Segment EBITDA	536,977	(4,939)	15,069	13,322	(96,102)	464,327
As at 30 September 2025(unaudited)						
Segment assets	7,067,222	631,928	148,137	153,030	(2,700,946)	5,299,372
Segment liabilities	3,772,126	546,187	47,202	103,881	(1,433,446)	3,035,950
	Ceramic products AED'000	Faucets AED,000	Other industrial AED'000	Others AED'000	Elimination AED'000	Total AED'000
Nine months period ended 30 September 2024 (unaudited)						
External revenue	1,983,315	316,120	57,616	4,114	-	2,361,165
Intersegment revenue	386,815	75,021	80,295	1,485	(543,616)	-
Segment revenue	<u>2,370,130</u>	<u>391,141</u>	<u>137,911</u>	<u>5,599</u>	<u>(543,616)</u>	<u>2,361,165</u>
Segment profit/(loss)	185,753	(13,939)	7,484	7,699	(17,144)	169,853
Segment EBITDA	419,357	11,231	12,552	13,159	(22,080)	434,219
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

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

29. Segment reporting (continued)

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, impairment loss of investment properties and impairment loss of property, plant and equipment, if any.

	Nine months period ended 30 September	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Total profit for reportable segments	272,146	131,598
Elimination of inter-segment profits	(89,819)	(17,555)
Share of profit/(loss) of equity accounted investees	408	(125)
Reported profit	182,735	113,918

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 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.

	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
30 September 2025 (unaudited)									
Financial assets measured at fair value									
Interest rate swaps used for hedging	1,848	-	-	-	1,848	-	1,848	-	1,848
Other currency and interest rate swaps	-	455	-	-	455	-	455	-	455
	1,848	455	-	-	2,303	-	2,303	-	2,303
Financial assets measured at amortized cost									
Long-term receivables	-	-	70,452	-	70,452	-	-	-	-
Trade and other receivables	-	-	971,193	-	971,193	-	-	-	-
Due from related parties	-	-	58,095	-	58,095	-	-	-	-
Bank balances and cash	-	-	177,548	-	177,548	-	-	-	-
	-	-	1,277,288	-	1,277,288	-	-	-	-
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	82	-	-	82	-	82	-	82
	-	82	-	-	82	-	82	-	82
Financial liabilities measured at amortized cost									
Islamic bank financing	-	-	-	571,355	571,355	-	-	-	-
Interest bearing bank financing	-	-	-	1,241,422	1,241,422	-	-	-	-
Due to related parties Long Term Loans	-	-	-	3,040	3,040	-	-	-	-
Trade and other payables	-	-	-	839,537	839,537	-	-	-	-
Due to related parties	-	-	-	49,974	49,974	-	-	-	-
Lease Liabilities	-	-	-	118,828	118,828	-	-	-	-
	-	-	-	2,824,156	2,824,156	-	-	-	-

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025**

30. Financial instruments (continued)

	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 swaps	-	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	-	-	993,734	-	993,734	-	-	-	-
Due from related parties	-	-	54,200	-	54,200	-	-	-	-
Bank balances and cash	-	-	202,609	-	202,609	-	-	-	-
	-	-	1,269,402	-	1,269,402	-	-	-	-
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	390	-	-	390	-	390	-	390
Other currency and interest rate swaps	-	-	-	-	-	-	-	-	-
	-	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	-	-	-	837,068	837,068	-	-	-	-
Due to related parties	-	-	-	36,963	36,963	-	-	-	-
Lease Liabilities	-	-	-	126,274	126,274	-	-	-	-
	-	-	-	2,597,105	2,597,105	-	-	-	-

**Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 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 September 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 September 2024 AED'000	Adjustments AED'000	As adjusted as at 30 September 2024 AED'000
Net cash generated from operating activities	339,259	-	339,259
Net cash used in from investing activities	(120,376)	44,000	(76,376)
Net cash used in financing activities	(270,393)	(44,000)	(314,393)
Net cash and cash equivalents at the end of the period	79,385	-	79,385

The above adjustments, had no impact on the Groups' previously reported profit, basic or diluted EPS for the period ended 30 September 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 November 2025.