



Condensed Consolidated
Interim Financial Information

31 March 2026

RAK Ceramics PJSC and its Subsidiaries

Condensed consolidated interim financial information
31 March 2026

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On financial performance during the three months period ended 31 March 2026
11 May 2026

Dear Members,

It is our pleasure to present the business & operations report for the three months period ended 31 March 2026, along with the interim condensed consolidated financial information of RAK Ceramics PJSC, UAE (the “Group” or the “Company”) as at 31 March 2026.

Snapshots

- **Group Revenue:** Decreased marginally by 2.0% YoY to AED 760.7 million in Q1 2026, on account of disruptions caused by ongoing regional conflicts.
- **Gross profit margin:** Gross profit margin remained resilient at 39.4% in Q1 2026, compared to 39.7% in Q1 2025 supported by higher sales in the UAE and favorable product mix.
- **Profit before tax:** Decreased by 17.9% YoY to AED 53.0 million in Q1 2026, from AED 64.5 million in Q1 2025.
- **EBITDA performance:** EBITDA decreased by 6.1% YoY to AED 127.3 million in Q1 2026 from AED 135.5 million in Q1 2025.
- **Financial Health:** Net Debt increased by 8.5% YoY to AED 1.56 billion in March 2026, mainly due to the annual dividend payment of AED 99.4 million in the UAE. Net debt to EBITDA stood at 2.53x, compared to 2.40x in December 2025.

Financial Highlights

RAK Ceramics delivered a resilient first-quarter performance in 2026, supported by robust demand across the UAE, Saudi Arabia, and Bangladesh. The company demonstrated strong operational resilience, effectively meeting market demand despite challenges from regional geopolitical tensions, supply chain disruptions, and elevated logistics costs. Proactive management actions and disciplined execution ensured continuity of operations, consistent product availability, and reliable service delivery across key markets. In Q1 2026, Total revenue was AED 760.7 million, down 2% compared to AED 776.5 million in Q1 2025 and Gross profit margin remained resilient at 39.4%, compared to 39.7% in Q1 2025. Profit before tax declined by 17.9% YoY to AED 53 million, compared to AED 64.5 million in Q1 2025. In Q1 2026, Net profit after tax decreased by 21.8% YoY to AED 38.2 million, from AED 48.9 million in Q1 2025. EBITDA declined by 6.1% to AED 127.3 million from AED 135.6 million in Q1 2025. Net debt position stood at AED 1.56 billion, up 8.5% YoY, mainly due to the annual dividend payment of AED 99.4 million in the UAE in Q1 2026. Net debt to EBITDA stood at 2.53x from 2.40x in December 2025.

Amount in AED M	Quarterly comparison				
	Q1 25	Q4 25	Q1 26		
	Amount	Amount	Amount	YoY Growth	QoQ Growth
Revenue	776.5	856.4	760.7	-2.0%	-11.2%
Gross margin (%)	39.7%	39.1%	39.4%	-0.3%	0.3%
EBITDA	135.6	159.6	127.3	-6.1%	-20.2%
Profit before tax	64.5	94.0	53.0	-17.9%	-43.6%
Profit after tax	48.9	65.8	38.2	-21.8%	-41.9%
Capital expenditure	96.6	58.2	42.8	-55.7%	-26.5%
Net debt	1,435.0	1,493.8	1,556.3	8.5%	4.2%
Net debt / EBITDA	2.49x	2.40x	2.53x	0.04x	0.13x

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

Segmental performance highlights

- **Tiles segment:** Revenue in the Tiles segment declined 3.9% to AED 431.2 million during Q1 2026, on account of the ongoing regional conflicts that impacted all markets except Bangladesh. Gross margins improved by 20 basis points to 41.2%, supported by higher sales in the UAE and improved sales mix aligned with our strategic focus on premium

positioning. Continued investment in product innovation and manufacturing technology supported portfolio enhancement and operating efficiency.

- **Sanitaryware:** Revenue increased by 1.8% YoY to AED 107.4 million, primarily driven by higher sales in the UAE, Europe and American markets. Gross margins improved by 10 basis points to 34.2% in Q1 2026, supported by higher sales in the UAE. The launch of KLUDI-branded sanitaryware will further strengthen the Group's premium offering within the segment.
- **Faucets (KLUDI):** Delivered strong revenue growth of 10.2% YoY at AED 123.1 million in Q1 2026, primarily driven by higher sales in all the markets except Asia. Gross margins declined by 200 basis points to 22%, primarily due to lower sales volumes in the UAE in March amid ongoing regional conflicts, partially offset from ongoing KLUDI transformation initiatives.
- **Tableware:** Revenue declined by 8.4% YoY to AED 78.7 million, mainly impacted by restrictions in exports and higher freight prices, on account of the ongoing regional conflicts. Gross margins improved by 340 basis points to 57.2% in Q1 2026, driven by increased contribution from premium products. The integration of Cookplay progressed during the quarter, supporting portfolio premiumization and design-led growth.

Tiles & Sanitaryware market highlights

- The **UAE** market remained resilient during Q1 2026, with revenue up 0.5% YoY to AED 211.5 million, supported by robust real estate and construction activity. A higher share of project-based business has contributed positively to both revenue and margin, with growing demand for large-format porcelain tiles. Import disruptions from regional tensions are expected to support market share gains.
- In **Saudi Arabia**, revenue declined by 8.7% YoY in Q1 2026 to AED 63.1 million, primarily on account of strategic shift from volume base (ceramic) to quality of sales (Gres Porcelain) led value creation. Gross margins improved significantly due to a better product mix and project discipline. Also, we are making steady progress on the Greenfield Tiles Project in Yanbu - expected completion by Q1 2027, to support long term capacity and cost competitiveness.
- In **Europe**, revenue increased by 1.3% YoY in Q1 2026 to AED 78.1 million, supported by stronger local currencies, although underlying market demand remained soft across key markets. Ongoing regional conflicts also disrupted supply from the UAE; however, the company leveraged inventory buffers to maintain service levels.
- In **India**, revenue declined by 8.5% (in local currency -2.6%) YoY to AED 79.4 million in Q1 2026, mainly due to temporary production disruption caused by industry-wide gas shortages in Morbi. Despite this disruption, our Indian operations, leveraged inventory buffers to maintain service levels and capture incremental market demand. We continue to advance strategic initiatives to improve profitability and accelerate market expansion in India.
- In **Bangladesh**, revenue increased by 18.8% YoY to AED 51.9 million in Q1 2026, supported by strong domestic demand following recent political stabilization. While margins remain under pressure due to competitive pricing and higher costs, management has initiated targeted initiatives to restore market share and improve profitability.
- In the **Middle East**, revenue in Q1 2026 declined 28.5% YoY to AED 23 million, driven by lower demand in the Gulf region due to ongoing regional conflicts.

Strategic Highlights

Manufacturing and Operations:

- The Company is upgrading the UAE sanitaryware facility by adopting energy-efficient technologies, expanding the product portfolio, and implementing initiatives to reduce carbon emissions in line with sustainability objectives.

Sustainability:

- Continued progress on the 2024–2030 sustainability roadmap, with a focus on circular manufacturing, resource efficiency, and emissions reduction; published Sustainability Report 2025 in Q1 2026
- Advanced CSR and community engagement through sponsorship of the RAK Art Festival and participation in Abu Dhabi Sustainability Week (ADSW)
- Strengthened sustainability and stakeholder engagement through participation in IWAM 2026 under the patronage of H.H. the Ruler of Ras Al Khaimah

Sponsorships

- In January 2026 the Company participated in RAK Art festival including sponsorship.

Future Outlook

Despite a challenging quarter marked by macroeconomic uncertainty, geopolitical tensions, and supply chain disruptions, RAK Ceramics delivered resilient results, supported by its diversified operations and strong regional footprint. Proactive management actions and supply chain optimization ensured product availability and reliable service across markets. Demand in the UAE and Saudi Arabia remained strong, driven by construction activity and higher project contributions. As a local manufacturer, our UAE operations continue to benefit from national initiatives such as "Make it in the Emirates" and a robust industrial ecosystem. The Company remains focused on executing its strategic priorities, including Cookplay brand integration and value creation across our European, India, and Bangladesh operations. While market conditions remain dynamic, the Company is well positioned to navigate near-term challenges and deliver sustainable long-term value for the stakeholders.

Financial Reporting

The interim 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

11 MAY 2026



Group Chief Executive Officer

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

**Condensed consolidated interim financial information
for the three months period ended 31 March 2026**

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

**Condensed consolidated interim financial information
31 March 2026**

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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 31 March 2026 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 statement of profit or loss for the three-month period ended 31 March 2026;
- the condensed consolidated statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of financial position as at 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in equity for the three-month period ended 31 March 2026; 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 31 March 2026 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Richard Ackland
Registration No.: 1015
Ras Al Khaimah, United Arab Emirates
KPMG Professional License Number: RAKIA02FZ302070249
Date: 12 May 2026

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

**Condensed consolidated statement of profit or loss (unaudited)
For the three months period ended 31 March 2026**

	Notes	Three months period ended 31 March	
		2026 AED'000 (unaudited)	2025* AED'000 (unaudited)
Revenue	5	760,686	776,531
Cost of sales	6	(461,319)	(468,474)
Gross profit		299,367	308,057
Administrative and general expenses	7	(61,387)	(55,601)
Selling and distribution expenses	8	(169,147)	(174,153)
Impairment loss on financial assets	7(i)	(3,987)	(9,752)
Loss on net monetary position	26	(728)	(498)
Net foreign exchange gain		-	3,249
Net foreign exchange loss		(4,778)	-
Net change in fair value of derivatives		4,087	(3,357)
Other operating income	9	4,452	10,784
Operating profit		67,879	78,729
Share of profit/(loss) in equity accounted investees	11	330	(10)
Income from investment properties		10,920	11,649
Finance income	10	520	621
Operating and maintenance expenses of investment properties		(1,148)	(1,451)
Depreciation on investment properties		(2,841)	(3,221)
Gain on sale of investment properties		1,266	3,151
Profit before financing and income tax		76,926	89,468
Finance cost	10	(23,948)	(24,928)
Profit before income tax		52,978	64,540
Tax expense	12	(14,762)	(15,669)
Net profit for the period		38,216	48,871
Profit attributable to:			
Owners of the Company		35,898	46,301
Non-controlling interests		2,318	2,570
Profit for the period		38,216	48,871
Earnings per share			
- basic and diluted (AED)	13	0.036	0.047

* The Group has early adopted IFRS 18 Presentation and Disclosure in Financial Statements with effect from 1 January 2026. Accordingly, the previous period numbers are re-grouped for the purpose of presentation and disclosures. (Refer note 32).

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

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

**Condensed consolidated statement of profit or loss and other comprehensive income (unaudited)
For the three months period ended 31 March 2026**

	Three months period ended 31 March	
	2026	2025*
	AED'000	AED'000
	(unaudited)	(unaudited)
Net profit for the period	38,216	48,871
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign exchange differences on translation of foreign operations	477	(12,744)
Cash flow hedges – effective portion of changes in fair value loss on hedging instruments	(4,442)	1,881
Cash flow hedges – effective portion of changes in fair value loss on hedging instruments – reclassified to profit and loss	4,087	(3,357)
Effects of application of hyperinflation accounting (Note 26)	5,611	6,135
Total comprehensive income for the period	43,949	40,786
<i>Total comprehensive income attributable to:</i>		
Owners of the Company	42,615	39,543
Non- controlling interests	1,334	1,243
Total comprehensive income for the period	43,949	40,786

* The Group has early adopted IFRS 18 Presentation and Disclosure in Financial Statements with effect from 1 January 2026. Accordingly, the previous period numbers are re-grouped for the purpose of presentation and disclosures. (Refer note 32).

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

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

**Condensed consolidated statement of financial position
as at 31 March 2026**

	Notes	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Assets			
Non-current assets			
Property, plant and equipment	14	1,431,761	1,432,506
Goodwill	15	139,422	124,925
Right-of-use assets		101,441	103,849
Intangible assets		9,074	10,368
Investment properties	16	894,060	896,574
Investments in equity accounted investees	11	10,575	10,326
Long-term receivables	17(i)	52,259	57,575
Derivative financial assets	20	139	241
Deferred tax assets	12	3,710	3,783
Total non-current assets		2,642,441	2,640,147
Current assets			
Inventories	18	1,406,225	1,444,232
Trade and non-trade receivables	17	1,000,247	968,013
Due from related parties	19	69,237	63,364
Derivative financial assets	20	3,657	1,363
Bank deposits with an original maturity of more than three months	21	1,041	855
Restricted cash	21	13,867	11,147
Cash and cash equivalents	21	282,543	184,094
Total current assets		2,776,817	2,673,068
Total assets		5,419,258	5,313,215
Equity and liabilities			
Capital and reserves			
Share capital	22	993,703	993,703
Reserves		1,194,453	1,250,609
Equity attributable to owners of the Company		2,188,156	2,244,312
Non-controlling interests		82,397	85,251
Total equity		2,270,553	2,329,563
Liabilities			
Non-current liabilities			
Islamic bank financing	23a(ii)	283,889	299,318
Interest bearing bank financing	23b(ii)	490,428	531,365
Due to related parties	19	2,876	3,004
Provision for employees' end of service benefits		121,819	119,874
Government grants		3,208	3,449
Lease liabilities		78,306	80,807
Deferred tax liabilities	12	15,750	16,637
Total non-current liabilities		996,276	1,054,454
Current liabilities			
Islamic bank financing	23a(i)	264,827	236,844
Interest bearing bank financing	23b(i)	811,779	619,332
Trade and non-trade payables	24	873,299	885,071
Government grants		384	402
Due to related parties	19	62,196	64,618
Derivative financial liabilities	20	-	1,539
Lease liabilities		40,158	37,386
Provision for taxation	12	99,786	84,006
Total current liabilities		2,152,429	1,929,198
Total liabilities		3,148,705	2,983,652
Total equity and liabilities		5,419,258	5,313,215

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

Chairman

11 MAY 2026

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 three months period ended 31 March 2026**

	Three months period ended 31 March	
	2026	2025*
	AED'000	AED'000
	(unaudited)	(unaudited)
Operating activities		
Operating profit for the period	67,879	78,729
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	40,506	38,093
Amortisation of intangible assets	996	1,245
Depreciation of right-of-use assets	9,769	9,317
Gain on disposal of property, plant and equipment	(41)	(729)
Provision for employees' end-of-service benefits	3,882	4,333
Loss on net monetary position	728	498
Allowance for slow moving and obsolete inventories	10,196	5,986
Write-down/(reversal) of cost of finished goods	5,240	(4,154)
Impairment loss on trade receivables	3,987	5,086
Impairment loss on non-trade receivables	-	4,666
	143,142	143,070
Changes in:		
- Inventories	29,520	(39,263)
- trade and non-trade receivables (including long-term portion)	(21,279)	(38,060)
- due from related parties	(5,873)	3,445
- trade and non-trade payables	(28,819)	50,175
- due to related parties	(2,422)	(1,330)
Income tax paid	(5,093)	(22,151)
Employees' end-of-service benefits paid	(1,501)	(5,589)
Net cash generated from operating activities	107,675	90,297

**Condensed consolidated statement of cash flows (unaudited)
For the three months period ended 31 March 2026**

	Three months period ended 31 March	
	2026	2025*
	AED'000	AED'000
	(unaudited)	(unaudited)
Investing activities		
Additions to property, plant and equipment	(42,771)	(96,553)
Proceeds from disposal of property, plant and equipment	2,440	3,827
Additions to intangible assets	(229)	(2,144)
Proceeds from sale of investment properties	2,040	5,161
Dividend received from equity accounted investees	239	326
Interest received	520	621
Cash paid for acquisition of subsidiary	(5,686)	-
Additional bank deposits made with an original maturity of more than three months	(4,863)	-
Proceeds on maturity of bank deposits with an original maturity of more than three months	1,957	(1,361)
Net cash used in investing activities	(46,353)	(90,123)
Financing activities		
Long-term bank financing availed	3,741	22,519
Long-term bank financing repaid	(44,920)	(42,242)
Long-term Islamic bank financing availed	10,000	-
Long-term Islamic bank financing repaid	(34,059)	(30,108)
Repayment of lease liabilities	(7,532)	(5,895)
Short-term bank financing availed	349,933	214,858
Short-term bank financing repaid	(283,357)	(157,375)
Short-term Islamic bank financing availed	85,588	65,294
Short-term Islamic bank financing repaid	(48,975)	(56,965)
Interest paid	(14,405)	(15,582)
Profit paid on Islamic bank financing	(5,887)	(5,929)
Loan from related parties	(128)	-
Cash paid for acquisition of further shares in subsidiary	-	(29)
Dividend paid	(99,370)	-
Dividend paid to non-controlling interests	(3,589)	(12,132)
Net cash used in financing activities	(92,960)	(23,586)
Net decrease in cash and cash equivalents	(31,638)	(23,266)
Cash and cash equivalents at the beginning of the period	127,198	133,891
Foreign exchange difference on cash and cash equivalents	3,972	(2,906)
Net cash and cash equivalents at the end of the period	99,532	107,719
Represented by:		
Cash and cash equivalents (refer Note 21)	282,543	171,528
Bank overdrafts (refer Note 23b(i))	(183,011)	(63,809)
	99,532	107,719

* The Group has early adopted IFRS 18 Presentation and Disclosure in Financial Statements with effect from 1 January 2026. Accordingly, the previous period numbers are re-grouped for the purpose of presentation and disclosures. (Refer note 32).

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

RA.K Ceramics P.J.S.C. and its subsidiaries

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

	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	Non** distributable 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 2026	993,703	165,000	496,852	(230,980)	(158,497)	1,604	131,707	844,923	1,250,609	2,244,312	85,251	2,329,563
Total comprehensive income/(loss) for the period (unaudited)												
Net profit for the period	-	-	-	-	-	-	-	35,898	35,898	35,898	2,318	38,216
Other comprehensive income/(loss)												
Foreign exchange differences on translation of foreign operations	-	-	-	4,199	(2,738)	-	-	-	1,461	1,461	(984)	477
Changes in cash flow hedges	-	-	-	-	-	(355)	-	-	(355)	(355)	-	(355)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	5,611	-	-	-	5,611	5,611	-	5,611
Total comprehensive income/(loss) for the period	-	-	-	4,199	2,873	(355)	-	35,898	42,615	42,615	1,334	43,949
Other equity movements (unaudited)												
Transaction with owners												
Acquisition of NCI	-	-	-	-	-	-	-	599	599	599	(599)	-
Dividend paid (refer Note 22(i))	-	-	-	-	-	-	-	(99,370)	(99,370)	(99,370)	-	(99,370)
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	-	(3,589)	(3,589)
Balance at 31 March 2026 (unaudited)	993,703	165,000	496,852	(226,781)	(155,624)	1,249	131,707	782,050	1,194,453	2,188,156	82,397	2,270,553

* 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.

** Non-distributable reserve includes (i) the Group's share worth AED 56.7 million in the share premium of its subsidiary in Bangladesh, and (ii) the Group's share of retained earnings worth AED 75.0 million of the retained earnings capitalised by certain Group subsidiaries through issuance of bonus shares from time to time.

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

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

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

	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	Non** distributable 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)												
Net profit for the period	-	-	-	-	-	-	-	46,301	46,301	46,301	2,570	48,871
Other comprehensive income/(loss)												
Foreign exchange differences on translation of foreign operations	-	-	-	(9,971)	(1,446)	-	-	-	(11,417)	(11,417)	(1,327)	(12,744)
Changes in cash flow hedges	-	-	-	-	-	(1,476)	-	-	(1,476)	(1,476)	-	(1,476)
Effects of application of IAS 29 (refer Note 26)	-	-	-	-	6,135	-	-	-	6,135	6,135	-	6,135
Total comprehensive income/(loss) for the period	-	-	-	(9,971)	4,689	(1,476)	-	46,301	39,543	39,543	1,243	40,786
Other equity movements (unaudited)												
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
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 31 March 2025 (unaudited)	993,703	221,667	496,852	(213,654)	(148,730)	4,123	75,040	746,879	1,182,177	2,175,880	84,446	2,260,326

* 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.

** Non-distributable reserve includes (i) the Group's share worth AED 56.7 million in the share premium of its subsidiary in Bangladesh, and (ii) the Group's share of retained earnings worth AED 75.0 million of the retained earnings capitalised by certain Group subsidiaries through issuance of bonus shares from time to time.

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

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

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 Jazeera Al Hamra City, Ras Al Khaimah, United Arab Emirates. The Company is listed on Abu Dhabi Securities Exchange, UAE.

The condensed consolidated interim financial information as at and for the three months period ended 31 March 2026 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 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 2025, 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 current 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 2026. 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 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).
- 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

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

2.1 New and revised IFRSs Accounting Standards adopted by the Group (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). The Group has early adopted with effect from 1 January 2026.

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:

- 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).
- 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 material 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 2025, except early adoption of IFRS 18 with effect from 1 January 2026.

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

3. Summary of material 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 2025. No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three months period ended 31 March 2026 and 2025. In addition, results for the three months period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

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 2025.

5. Revenue

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Sale of goods	759,710	775,529
Supply of services	976	1,002
	<u>760,686</u>	<u>776,531</u>

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

6. Cost of sales

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Raw materials consumed	202,459	227,069
Direct labor	63,668	70,171
Power and fuel	31,651	35,909
Depreciation of property, plant and equipment	32,129	30,769
LPG and natural gas	27,872	33,706
Repairs and maintenance expense	27,499	28,193
Packing material expenses	21,166	23,998
Allowance for slow moving inventories	10,196	5,986
Insurance	1,483	1,663
Clearing Charges on trading goods	389	547
Amortisation of intangible assets	198	244
Depreciation of right-of-use assets	125	170
Hire Charges on machinery and equipment	85	53
Change in inventory of finished goods	26,959	(7,027)
Other production expenses*	15,440	17,023
	<u>461,319</u>	<u>468,474</u>

*Other production expenses include research, development, waste disposal, travelling, telephone etc, across all subsidiaries of the Group.

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

7. Administrative and general expenses

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Staff salaries and associated costs	33,388	29,595
Information technology licenses and consultancy expenses	4,457	4,300
Legal and professional fees	6,488	3,624
Depreciation of property, plant and equipment	3,720	2,837
Repairs and maintenance expenses	1,958	1,673
Telephone, postal and office supplies	1,131	1,414
Utility expenses	1,237	1,106
Amortisation of intangible assets	798	1,001
Insurance	803	1,322
Directors' remuneration	925	925
Rental charges	896	573
Security charges	609	212
Vehicles and equipment hire charges	243	301
Travelling expense	317	453
Depreciation of right-of-use assets	219	248
Other administrative expenses*	4,198	6,017
	<u>61,387</u>	<u>55,601</u>

*Other administrative expenses include fire, safety, environmental, licenses, certifications, training expenses etc. across all subsidiaries of the Group.

7(i) Impairment loss

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Impairment loss on trade receivables	3,987	5,086
Impairment loss on non-trade receivables	-	4,666
	<u>3,987</u>	<u>9,752</u>

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

8. Selling and distribution expenses

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Staff salaries and associated costs	68,914	60,538
Freight and transportation	47,123	59,069
Advertisement and promotions expense	17,700	21,667
Depreciation of right-of-use assets	9,425	8,899
Agents' commission	7,588	6,861
Depreciation of property, plant and equipment	4,657	4,487
Travel and entertainment expenses	1,764	2,367
Rental expenses	1,696	1,480
Repairs, maintenance & consumables	771	556
Postal, courier charge and stationary	67	75
Telephone & office supplies	281	268
Royalty	510	510
Other selling expenses*	8,651	7,376
	<u>169,147</u>	<u>174,153</u>

*Other selling expenses include inspection, certifications, customer claims, insurance, equipment hire charges etc. across all subsidiaries of the Group.

9. Other operating income

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Sale of scrap and miscellaneous items	1,677	1,678
Provisions written back	1,080	6,458
Insurance claims	198	260
Net gain on disposal of property, plant and equipment	41	729
Discounts earned on purchases and freight	24	8
Duty drawback	-	41
Other operating income	1,432	1,610
	<u>4,452</u>	<u>10,784</u>

*Other operating income include sales related services, design services, documentation services etc. across all subsidiaries of the Group.

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

10. Finance costs and income

	Three months period ended 31 March	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Finance costs		
Interest on bank financing	14,318	15,510
Profit expense on Islamic bank financing	5,887	5,929
Interest expense on lease liabilities	1,842	2,204
Bank charges	1,814	1,213
Interest on amount due to related parties	87	72
Total (A)	23,948	24,928
Finance income		
Interest on bank deposits	510	621
Interest on amount due from related parties	10	-
Total (B)	520	621
Net finance costs (A-B)	23,428	24,307

11. Investments in equity accounted investees

The Group's share of profit in equity accounted investees for the three months period ended 31 March 2026 amounted to AED 0.33 million (unaudited) (three months period ended 31 March 2025 (unaudited): loss AED 0.01 million).

The Group has received AED 0.23 million as dividends during the current period from its equity accounted investees (three months period ended 31 March 2025 (unaudited) AED 0.33 million).

12. Corporate Income Tax

	Three months period ended 31 March	
	2026 AED'000 (unaudited)	2025 AED'000 (unaudited)
Current tax		
In respect of current period	16,115	16,251
Deferred tax		
(Reversal)/ origination of temporary tax differences during the period	(1,353)	(582)
Tax expense for the year	14,762	15,669

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

12. Corporate Income Tax (continued)

	31 March 2026	31 December 2025
	(unaudited)	(audited)
Provision for tax	99,786	84,006
Deferred tax liabilities	15,750	16,637
Deferred tax assets	3,710	3,783

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

For the three-month period ended 31 March 2026, the Group recognised an amount of AED 3.89 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 27.86% for the three-month period ended 31 March 2026 (three-month period ended 31 March 2025: 24.30%). Excluding the impact of DMTT, the underlying ETR is 20.51%.

13. Earning per share

	Three months period	
	ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Profit attributable to the owners of the Company (AED'000)	35,898	46,301
Weighted average number of ordinary shares ('000s)	993,703	993,703
Basic and diluted earnings per share (AED)	0.036	0.047

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

14. Property, plant and equipment

Additions, disposals and depreciation (unaudited)

During the three months period ended 31 March 2026, the Group acquired property, plant and equipment and made additions to capital work in progress amounting to AED 42.77 million (three months period ended 31 March 2025: AED 96.56 million).

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

14. Property, plant and equipment (continued)

Property, plant and equipment with a carrying amount of AED 2.40 million was disposed during the three months period (three months period ended 31 March 2025: AED 3.09 million) resulting in a gain on disposal of AED 0.04 million (gain on disposal, three months period ended 31 March 2025: AED 0.73 million) which is included in other operating income in the condensed consolidated statement of profit or loss. Borrowings are secured against certain property, plant and equipment.

Depreciation of property, plant and equipment for the three months period amounted to AED 40.5 million (three months period ended 31 March 2025: AED 38.09 million). Below is the breakdown of property, plant and equipment inside and outside the U.A.E:

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Inside U.A.E	1,051,269	1,055,028
Outside U.A.E	380,492	377,478
	<u>1,431,761</u>	<u>1,432,506</u>

15. Goodwill

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Opening balance	124,925	120,122
Goodwill recognised during the year	14,671	4,462
Effects of movements in exchange rate	(174)	341
Closing balance	<u>139,422</u>	<u>124,925</u>

As at 31 March 2026, Goodwill comprises AED 50.4 million, AED 5.5 million, AED 5.9 million, AED 58.5 million, AED 4.4 million, AED 14.6 million recognised on acquisition of Ceramin FZ LLC, UAE, distribution entities in UK, Italy, Saudi Arabia, Spain and newly acquired entity, Tebra Al Arabia in Saudi respectively (refer note 27).

During the period, management performed sensitivity analysis over the key assumptions used in determining the recoverable amounts of the cash-generating units to which goodwill is allocated and concluded that no impairment is required against Goodwill.

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

16. Investment properties

	Inside UAE		Outside UAE		Total	
	31 March 2026 (unaudited) AED'000	31 December 2025 (audited) AED'000	31 March 2026 (unaudited) AED'000	31 December 2025 (audited) AED'000	31 March 2026 (unaudited) AED'000	31 December 2025 (audited) AED'000
Land						
Net book value	708,840	708,840	15,035	15,085	723,875	723,925
Fair value	708,840	708,840	18,464	18,464	727,304	727,304
Building						
Net book value	158,521	162,896		9,753		172,649
Fair value	377,707	377,707	11,664	21,625	170,185	399,332
Total Net book value	867,361	871,736	26,699	24,838	894,060	896,574
Total Fair value	1,086,547	1,086,547	40,089	40,089	1,126,636	1,126,636

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

The fair value of the Group's investment properties as at 31 December 2025 (audited) amounted to AED 1,126.63 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 has assessed the impact of ongoing geopolitical developments and prevailing market conditions on the valuation of the Group's investment properties and concluded that the key valuation assumptions and estimates applied as at 31 December 2025 remain appropriate as at 31 March 2026.

Management based on their discussion with the independent external valuer is of the view that the current geopolitical environment may influence market sentiment, investor appetite, and the timing of development decisions. For land assets, particularly those of significant scale, these factors are typically reflected through changes in absorption assumptions, development phasing, and required returns rather than through immediate shifts in headline land values. At present, for land asset in UAE, management is of the view that no sufficient transactional evidence have been observed within the Ras Al Khaimah land market to support a definitive adjustment to underlying land values. Market activity, particularly for large-scale waterfront development plots, remains relatively limited, and there have been no recent arm's length transactions of a comparable nature that would provide a clear basis for revising benchmark land rates. Based on the assessment performed, management determined that there has been no material change in the fair value of the investment properties during the three-month period ended 31 March 2026. Management continues to closely monitor evolving geopolitical and macroeconomic conditions and will assess the potential impact on the Group's financial position and asset valuations, if any.

The fair value measurement has been categorised 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 2025: Level 3).

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

17. Trade and non-trade receivables

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Trade receivables	888,428	887,228
Less: Allowance for expected credit loss	<u>(119,792)</u>	<u>(123,017)</u>
Subtotal (A)	<u>768,636</u>	<u>764,211</u>
Non-trade receivables	131,277	129,154
Less: Allowance for expected credit loss	<u>(96,368)</u>	<u>(96,368)</u>
Subtotal (B)	<u>34,909</u>	<u>32,786</u>
Advances and prepayments (C)	164,036	138,755
Deposits (D)	32,666	32,261
Total (A+B+C+D)	<u>1,000,247</u>	<u>968,013</u>

(i) Long-term receivables

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Trade receivables	88,696	107,978
Less: Allowance for expected credit loss	<u>(29,721)</u>	<u>(28,017)</u>
	58,975	79,961
Less: current portion included in trade receivables	<u>(8,874)</u>	<u>(24,670)</u>
Long-term trade receivables (A)	<u>50,101</u>	<u>55,291</u>
Non-trade receivables	2,158	2,284
Long-term non-trade receivables (B)	<u>2,158</u>	<u>2,284</u>
Long-term receivables (A+B)	<u>52,259</u>	<u>57,575</u>

18. Inventories

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Finished goods (net of net realizable value adjustments)	1,028,770	1,029,513
Less: Allowance for slow moving inventories	<u>(137,093)</u>	<u>(133,834)</u>
Subtotal (A)	<u>891,677</u>	<u>895,679</u>
Raw materials	229,208	238,738
Stores and spares	335,043	332,188
	564,251	570,926
Less : Allowance for slow-moving inventories	<u>(111,920)</u>	<u>(109,386)</u>
Subtotal (B)	<u>452,331</u>	<u>461,540</u>
Goods-in-transit (C)	11,693	34,068
Work-in-progress (D)	50,524	52,945
Total (A+B+C+D)	<u>1,406,225</u>	<u>1,444,232</u>

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

18. Inventories (continued)

At 31 March 2026, the Group recognised a cumulative loss due to write-down of finished goods inventories of AED 114.15 million against cost of AED 537.12 million (31 December 2025 (audited): AED 119.4 million against cost of AED 408.9 million) to bring it to its net realizable value which was lower than the cost. The difference in the write down of AED 13.15 million (unaudited) (three months period ended 31 March 2025 (unaudited): AED 4.15 million) is included in cost of sales in the condensed consolidated statement of profit or loss with a currency loss of AED 1.0 million for the period (unaudited) (three months period ended 31 March 2025 (unaudited): AED 0.02 million).

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

19. Related party balances and transactions

The Group, in the normal course of business, enters into transactions with individuals and other entities that fall within the definition of related party as per IAS 24. The transactions of the Group with its related parties are at arm's length. The related parties include equity accounted investees and the parties where members of the board or key management personnel have interest and can exercise control or significant influence. 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:

Transactions with related parties

(A) Equity accounted investees

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Sale of goods and services	892	684
Royalty	132	127

(B) Other related parties

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Sale of goods and services	31,385	17,480
Purchase of goods and rendering of services	42,127	34,528
Interest expense (refer note 10)	87	72

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

19. Related party balances and transactions (continued)

Key management personnel compensation

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

	Three months period ended 31 March	
	2026	2025
	AED'000 (unaudited)	AED'000 (unaudited)
Short-term benefits	2,756	3,312
Staff terminal benefits	53	58
Board of Directors' remuneration paid	3,700	3,700
Board of Directors' remuneration accrued (Refer note 7)	925	925

Due from related parties

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Equity accounted investees	7,056	6,178
Other related parties	66,854	61,725
	<u>73,910</u>	<u>67,903</u>
Less : Allowance for expected credit loss	(4,673)	(4,539)
	<u>69,237</u>	<u>63,364</u>

Due to related parties

Long-term loan

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Other related parties	2,876	3,004
	<u>2,876</u>	<u>3,004</u>

Current liabilities

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Other related parties *	62,196	64,618
	<u>62,196</u>	<u>64,618</u>

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

19. Related party balances and transactions (continued)

Carrying amount of due to related parties subject to supplier finance arrangement	31 March 2026	31 March 2025
	AED'000	AED'000
Presented within due to related parties	57,374	60,556
- of which supplier has received the payment from the bank	46,838	48,620
Range of payment due dates		
Due to related parties subject to supplier finance arrangement (days after invoice date)	140-150	140-150

* In order to ensure easy access to credit for its suppliers, the Group has entered into reverse factoring arrangements. Due to related parties include AED 57.30 million (31 December 2025: AED 60.5 million) owed under this arrangement.

In order to facilitate efficient payment processing as well as facilitating payment to suppliers, the Group participates in a supplier finance arrangement under which its suppliers elect to receive early payment of their invoices from the bank. The bank agrees to pay the underlying amount to the suppliers and the Group pays the bank at an agreed date later. This arrangement does not result in any material extension of initially agreed payment term with the suppliers. All payables under this arrangement are classified due to related parties at the balance sheet date as payment to the supplier by the banks does not release the Group from its legal liability to the suppliers.

The Group has not derecognised the original due to related parties relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified on entering into the arrangement.

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

20. Derivative financial instruments

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

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Non-current		
Derivative financial assets		
Interest rate swaps used for hedging	<u>139</u>	<u>241</u>
	<u>139</u>	<u>241</u>
	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Current		
Derivative financial assets		
Interest rate swaps used for hedging	<u>1,109</u>	<u>1,363</u>
Forward exchange contracts	<u>2,548</u>	<u>-</u>
	<u>3,657</u>	<u>1,363</u>
	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Current		
Derivative financial liabilities		
Forward exchange contracts	<u>-</u>	<u>1,539</u>
	<u>-</u>	<u>1,539</u>

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

21. Bank balances and cash

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Cash in hand	3,390	1,140
Cash at bank		
- in bank deposits with an original maturity of less than three months	98	-
- in current accounts	272,789	179,874
- in call accounts	6,449	3,263
Cash and cash equivalents	282,726	184,277
Less : Allowance for expected credit loss	(183)	(183)
Cash and cash equivalents (A)	282,543	184,094
Bank deposits with an original maturity of more than three months (B)	1,041	855
Deposits under lien-restricted cash(C)	13,867	11,147
Bank balances and cash (A+B+C)	297,451	196,096

Cash in hand and cash at bank includes AED 1.0 million (31 December 2025 (unaudited): AED 0.3 million) and AED 78.5 million (31 December 2025 (unaudited): AED 91.9 million) respectively, held outside the UAE.

Current accounts are non-interest bearing accounts.

22. Share capital

	31 March 2026 AED'000 (unaudited)	31 December 2025 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
	993,703	993,703

(i) Dividend

Below are the details of dividend distribution:

- During the current period, the Company paid an annual dividend of 10 fils per share (AED 99,370.5 thousand) in respect of 2025.
- During year ended 2025, the Company paid an annual dividend of 10 fils per share (AED 99,370.5 thousand) in respect of the year ended 2024 and an interim dividend of 10 fils per share (AED 99,370.5 thousand) for the year ended 2025, resulting in a total dividend distribution of 20 fils per share amounting to AED 198,741 thousand.

(ii) Directors' remuneration

At the Annual General Meeting (AGM) held on 17 March 2026, the shareholders approved the Directors' remuneration amounting to AED 3,700 thousand for the year ended 31 December 2025, (for the year ended 31 December 2024: approved AED 3,700 thousand. (Refer note 7).

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

23. Bank financing arrangements

(a) Islamic bank financing

(i) Short-term

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Mudaraba facilities (refer A)	107,605	61,643
Commodity Murabaha facilities (refer B)	40,227	49,576
Current portion of long-term financing (refer note (ii) below)	116,995	125,625
	264,827	236,844

(ii) Long-term – Islamic bank financing

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Mudaraba facilities (refer A)	274,107	288,333
Commodity Murabaha facilities (refer B)	85,464	84,804
Ijarah facilities (refer C)	41,313	51,806
Less : current portion of long-term financing	(116,995)	(125,625)
	283,889	299,318

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Movement:		
Balance as at 1 January	424,943	364,781
Availed during the period/ year	10,000	179,062
Repaid during the period/ year	(34,059)	(118,900)
Balance as at end of the period/ year	400,884	424,943
Less : current portion included in short-term (refer 23 (a)(i))	(116,995)	(125,625)
	283,889	299,318

During the three-month period ended 31 March 2025, the Group has not availed any long term-Islamic bank financing and repaid AED 30.10 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 2025.

(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 three months period ended 31 March 2026

23. Bank financing arrangements (continued)

(b) Interest bearing bank financing

(i) Short-term

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Bank overdrafts	183,011	56,896
Short-term loan	432,576	366,002
Current portion of long-term financing (refer note (ii) below)	196,192	196,434
	<u>811,779</u>	<u>619,332</u>

(ii) Long-term – bank loans

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Balance as at 1 January	727,799	826,480
Availed during the period/ year	3,741	98,572
Repaid during the period/ year	(44,920)	(197,253)
Balance as at end of the period/ year	686,620	727,799
Less : current portion of long-term financing (refer 23 (b)(i))	(196,192)	(196,434)
	<u>490,428</u>	<u>531,365</u>

During the three month period ended 31 March 2025, the Group had availed long term-interest bearing bank financing amounting to AED 22.51 million and repaid AED 42.24 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 2025.

24. Trade and non-trade payables

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Trade payables*	342,879	352,821
Accrued expenses	322,274	308,745
Advance from customers	69,222	75,041
Commission payable	69,968	59,670
Non-trade payables	68,956	88,794
	<u>873,299</u>	<u>885,071</u>

*Trade payables and accrued expenses principally comprise amounts outstanding for trade purchases and ongoing costs. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The carrying amount of trade payables approximates their fair value.

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

25. Contingent liabilities and commitments

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Contingent liabilities		
Letters of guarantee	68,148	66,531
Letters of credit	33,988	27,465
Value added tax and other tax contingencies	51,499	56,370
Commitments		
Capital commitments	112,246	185,091

In some jurisdictions, the tax returns for certain years have not been reviewed by the tax authorities and there are unresolved disputed corporate tax assessments and VAT claims by the authorities. However, the Group's management believes that adequate provisions have been made for potential tax contingencies.

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 2025 or during the three months period ended 31 March 2026. The total assets of the Iranian subsidiary were 0.61 % of the Group's consolidated total assets as at 31 March 2026 (31 December 2025 (audited): 0.56%).

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
31 March 2026	4,165.12	1.2123
31 December 2025	3,435.46	2.1600
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

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, 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

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

26. Hyperinflationary economy (continued)

- 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 2025 were reported in Hyperinflation reserve directly as a component of equity and the impacts of changes in the general purchasing power from 1 January 2026 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.

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

	1 January 2026 AED'000 (unaudited)	1 January 2025 AED'000 (unaudited)
<i>Impact on condensed consolidated statement of financial position</i>		
Increase in property, plant and equipment	2,179	2,852
Increase in investment properties- Net	2,072	2,855
Increase in other items of assets	1,360	428
Increase in equity	5,611	6,135
<i>Allocated to:</i>		
Increase in opening equity due to cumulative hyperinflation	5,611	6,135
		Three months period ended 31 March
		2026 2025
		AED'000 AED'000
		(unaudited) (unaudited)
<i>Impact on condensed consolidated statement of profit or loss</i>		
Increase in depreciation charge for the period		(115) (986)
Loss on net monetary position		(728) (498)
		(843) (1,484)

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

27. Acquisition of subsidiary

The Group's subsidiary in Kingdom of Saudi Arabia, has acquired 100% stake in Tebra AlArabia in the Yanbu industrial area for a purchase consideration of AED 16.67 million, with an intent to set up its manufacturing facility in KSA. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	31 March 2026 AED'000 (unaudited)
Assets	
Property, plant and equipment	7,117
Right-of use assets	4,738
Trade and other receivables	1,919
Total assets acquired	13,774
Liabilities	
Lease Liabilities	(5,134)
Trade and other payables	(6,644)
Total liabilities assumed	(11,778)
Net assets acquired (A)	1,996
Net consideration paid (B)	16,667
Goodwill recognised (B-A)	14,671

Recognised goodwill represents the excess of the purchase consideration paid over the fair value of the net assets acquired. The accounting for the acquisition has been determined provisionally at the reporting date due to the ongoing assessment of the fair values of certain assets acquired and liabilities assumed. Accordingly, the goodwill recognised on acquisition is provisional and may be adjusted within the measurement period as permitted under IFRS 3. The Group continues to evaluate the fair values of identifiable assets and liabilities, including [customer relationships / property, plant and equipment / contingent liabilities / tax exposures], and any resulting adjustments will be recognised retrospectively as if the accounting had been completed at the acquisition date.

During the period from the date of being accounted for as subsidiary to 31 March 2026, the acquired unit did not contribute to revenue or net profit or loss as it is yet to start its commercial operations since the civil construction and machinery erection is in progress.

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:

	31 March 2026 AED'000 (unaudited)	31 December 2025 AED'000 (audited)
Less than one year	9,142	8,760
One to two years	8,293	7,773
Two to three years	7,614	7,500
Three to four years	6,250	7,500
Four to five years	-	625
	31,299	32,158

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

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 remaining 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 except 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.
Power, paints and Minerals	includes manufacturing and distribution of power, paints, plastics, mines. (erstwhile called, 'Other industrial' segment)
Real estate leasing	includes material movement, real estate, construction projects and civil works. (erstwhile called, 'Others' segment)

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 the entities that operate within these industries. There are regular transactions between the segments and any such transactions are at arm's length price.

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

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

29. Segment reporting (continued)

	Ceramic products AED'000	Faucets AED,000	Power, paints & minerals AED'000	Real estate leasing AED'000	Elimination AED'000	Total AED'000
Three months period ended 31 March 2026						
(unaudited)						
External revenue	622,735	120,504	16,471	976	-	760,686
Intersegment revenue	117,009	24,419	33,248	507	(175,183)	
Segment revenue	<u>739,744</u>	<u>144,923</u>	<u>49,719</u>	<u>1,483</u>	<u>(175,183)</u>	<u>760,686</u>
Segment profit/(loss)	49,065	(14,240)	1,532	2,993	(1,134)	38,216
Segment operating profit/(loss)	103,193	(33,910)	(30,363)	(548)	29,507	67,879
Segment adjusted EBITDA	127,301	(4,572)	3,975	3,962	(3,373)	127,293
Segment assets	7,206,472	648,430	148,225	159,115	(2,742,984)	5,419,258
Segment liabilities	3,838,475	572,303	47,973	97,974	(1,408,368)	3,148,357
	Ceramic products AED'000	Faucets AED,000	Power, paints & minerals AED'000	Real estate leasing AED'000	Elimination AED'000	Total AED'000
Three months period ended 31 March 2025						
(unaudited)						
External revenue	644,875	109,185	21,469	1,002	-	776,531
Intersegment revenue	117,666	24,520	39,613	516	(182,315)	-
Segment revenue	<u>762,541</u>	<u>133,705</u>	<u>61,082</u>	<u>1,518</u>	<u>(182,315)</u>	<u>776,531</u>
Segment profit/(loss)	94,385	(8,533)	4,311	5,995	(47,287)	48,871
Segment operating profit/(loss)	112,720	(30,351)	(33,970)	104	30,225	78,729
Segment adjusted EBITDA	173,093	(594)	4,268	5,158	(46,371)	135,554
As at 31 March 2025 (unaudited)						
Segment assets	6,981,097	631,406	161,436	161,287	(2,608,896)	5,326,330
Segment liabilities	3,785,989	451,945	65,124	117,257	(1,342,041)	3,078,274

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

29. Segment reporting (continued)

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

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
	<u> </u>	<u> </u>
Total profit for reportable segments	39,020	95,168
Elimination of inter-segment profits	(1,134)	(47,287)
Share of profit/(loss) of equity accounted investees	330	(10)
Reported profit	<u>38,216</u>	<u>47,871</u>

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

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
31 March 2026 (unaudited)									
Financial assets measured at fair value									
Interest rate swaps used for hedging	1,248	-	-	-	1,248	-	1,248	-	1,248
Other currency and interest rate swaps	2,548	-	-	-	2,548	-	2,548	-	2,548
	3,796	-	-	-	3,796	-	3,796	-	3,796
Financial assets measured at amortised cost									
Long-term receivables	-	-	52,259	-	52,259	-	-	-	-
Trade and non-trade receivables	-	-	836,211	-	836,211	-	-	-	-
Due from related parties	-	-	69,237	-	69,237	-	-	-	-
Bank balances and cash	-	-	297,451	-	297,451	-	-	-	-
	-	-	1,255,158	-	1,255,158	-	-	-	-
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
Islamic bank financing	-	-	-	548,716	548,716	-	-	-	-
Interest bearing bank financing	-	-	-	1,302,207	1,302,207	-	-	-	-
Due to related parties Long Term Loans	-	-	-	2,876	2,876	-	-	-	-
Trade and non-trade payables	-	-	-	804,077	804,077	-	-	-	-
Due to related parties	-	-	-	62,196	62,196	-	-	-	-
Lease Liabilities	-	-	-	118,464	118,464	-	-	-	-
	-	-	-	2,838,536	2,838,536	-	-	-	-

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

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 2025 (audited)									
Financial assets measured at fair value									
Interest rate swaps used for hedging	1,604	-	-	-	1,604	-	1,604	-	1,604
Other currency and interest rate swaps	-	-	-	-	-	-	-	-	-
	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,604</u>	<u>-</u>	<u>1,604</u>	<u>-</u>	<u>1,604</u>
Financial assets measured at amortised cost									
Long-term receivables	-	-	57,575	-	57,575	-	-	-	-
Trade and non-trade receivables	-	-	829,258	-	829,258	-	-	-	-
Due from related parties	-	-	63,364	-	63,364	-	-	-	-
Bank balances and cash	-	-	196,096	-	196,096	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,146,293</u>	<u>-</u>	<u>1,146,293</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities measured at fair value									
Forward exchange contracts / Options	-	1,539	-	-	1,539	-	1,539	-	1,539
Other currency and interest rate swaps	-	1,539	-	-	1,539	-	1,539	-	1,539
	<u>-</u>	<u>1,539</u>	<u>-</u>	<u>-</u>	<u>1,539</u>	<u>-</u>	<u>1,539</u>	<u>-</u>	<u>1,539</u>
Financial liabilities measured at amortised cost									
Islamic bank financing	-	-	-	536,162	536,162	-	-	-	-
Interest bearing bank financing	-	-	-	1,150,697	1,150,697	-	-	-	-
Due to related parties Long Term Loans	-	-	-	3,004	3,004	-	-	-	-
Trade and non-trade payables	-	-	-	810,030	810,030	-	-	-	-
Due to related parties	-	-	-	64,618	64,618	-	-	-	-
Lease Liabilities	-	-	-	118,193	118,193	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,682,704</u>	<u>2,682,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Fair Value Through Profit & Loss

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

31. Management defined performance measures (MPMs)

Management performance measures (MPMs) reflect management's view of the Group's financial performance and may not be directly comparable with similarly titled measures presented by other entities. The Group's management measures the business performance using the following parameter.

EBITDA adjusted for extra-ordinary gains or losses

	Three months period ended	
	31 March 2026	31 March 2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Profit for the period	38,216	48,871
Tax	14,762	15,669
Depreciation and amortisation	54,096	51,877
Interest	21,499	23,020
Gain on sale of property, plant, equipment and investment properties	(1,283)	(3,851)
	127,290	135,586

Reconciliation of adjusted EBITDA to operating profit

	Three months period ended	
	31 March 2026	31 March 2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Adjusted EBITDA	127,290	135,586
Depreciation and amortisation	(51,255)	(48,656)
Finance cost	1,905	1,258
Operating and maintenance expenses of investment properties	1,148	1,451
Income from investment properties	(10,920)	(11,649)
Share of profit/(loss) in equity accounted investees	(330)	10
Gain on sale of property, plant and equipment	41	729
Operating profit	67,879	78,729

Extra-ordinary gains or losses pertain to gain/loss on sale of property, plant, equipment and investment properties.

32. Comparative information on IFRS 18 and IAS 1 for condensed consolidated interim statement of profit or loss

IFRS 18, issued in April 2024, replaces IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after 1 January 2027. Early adoption is permitted, and the Group has elected to apply IFRS 18 from 1 January 2025, with retrospective application in accordance with the standard's requirements.

The adoption of IFRS 18 introduces a revised presentation structure, whereby income and expenses are classified into operating, investing, financing, income tax and discontinued operations categories. Also, as permitted by the standard, the Group has incorporated subtotals in addition to Operating Profit and Profit or Loss before Financing and Income Taxes, to enhance financial statement transparency and provide a more structured summary. To ensure consistency with current period presentation, comparative figures for the previous period have been re-presented, where necessary. Such re-presented figures did not affect the previously reported comprehensive income, total equity, total assets, total liabilities and total cash flows. The comparative financial information has been re-presented to reflect the early adoption of IFRS 18.

Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 202632. Comparative information on IFRS 18 and IAS 1 for condensed consolidated interim statement
of profit or loss (continued)

IFRS 18 description and category	Three months ended 31 March 2025 AED'000 (unaudited)	IAS 1 classification
Revenue	776,531	Revenue
Cost of sales	(468,474)	Cost of sales
Gross profit	308,057	
Administrative and general expenses	(55,601)	Administrative and general expenses
Selling and distribution expenses	(174,153)	Selling and distribution expenses
Impairment loss on financial assets	(9,752)	Impairment loss on trade and other receivables
Loss on net monetary position	(498)	Loss on net monetary position
Net foreign exchange gain	3,249	Finance income
Net change in fair value of derivatives	(3,357)	Finance cost
Other operating income	10,784	Other income
Operating profit	78,729	
Share of profit/(loss) in equity accounted investees	(10)	Share of profit/(loss) in equity accounted investees
Income from investment properties	11,649	Other operating income
Finance income	621	Finance income
Depreciation on investment properties	(1,451)	Administrative and general expenses
Operating and maintenance expenses of investment properties	(3,221)	Administrative and general expenses
Gain on sale of investment properties	3,151	Other income
Profit / (loss) before financing and income tax	89,468	
Finance costs	(24,928)	Finance cost
Profit before income tax	64,540	
Tax expense	(15,669)	Tax expense
Net profit for the period	48,871	

Other comprehensive income

IFRS 18 description and category	Three months ended 31 March 2025 (unaudited)	IAS 1 classification
Foreign exchange differences on translation of foreign operations	(12,744)	Foreign exchange differences on translation of foreign operations
Effects of application of hyperinflation accounting	6,135	Effects of application of hyperinflation accounting
Cash flow hedges – effective portion of changes in fair value loss on hedging instruments	1,881	Cash flow hedges – effective portion of changes in fair value loss on hedging instruments
Cash flow hedges – effective portion of changes in fair value loss on hedging instruments-Reclassified to profit and loss	(3,357)	Cash flow hedges – effective portion of changes in fair value loss on hedging instruments

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

33. Specified expenses by nature

The Group discloses expenses by function in the condensed consolidated interim statement of profit or loss. Below are the details of specified expense by nature:

Depreciation

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
Included in:	(unaudited)	(unaudited)
Cost of sales	<u>32,254</u>	<u>30,939</u>
Administrative expenses	<u>3,939</u>	<u>3,085</u>
Selling expenses	<u>14,082</u>	<u>13,386</u>
Depreciation on investment property	<u>2,841</u>	<u>3,221</u>
	<u>53,116</u>	<u>50,631</u>

Amortisation

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
Included in:	(unaudited)	(unaudited)
Cost of sales	<u>198</u>	<u>244</u>
Administrative expenses	<u>798</u>	<u>1,001</u>
	<u>996</u>	<u>1,245</u>

Employee benefits

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
Included in:	(unaudited)	(unaudited)
Cost of sales	<u>63,668</u>	<u>70,171</u>
Administrative expenses	<u>33,388</u>	<u>29,595</u>
Selling expenses	<u>68,914</u>	<u>60,538</u>
	<u>165,970</u>	<u>160,304</u>

Impairment losses

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
	(unaudited)	(unaudited)
Administrative expenses	<u>3,987</u>	<u>9,752</u>

Write down of inventories

	Three months period ended 31 March	
	2026	2025
	AED'000	AED'000
Included in:	(unaudited)	(unaudited)
Cost of sales	<u>10,196</u>	<u>5,986</u>

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

34. Geopolitical Developments

Ongoing regional geopolitical developments have increased uncertainty in the Group's operating environment and contributed to disruptions in certain supply chains and shipping routes, as well as volatility in energy prices and logistics costs, which may adversely impact operating margins. The Group continues to closely monitor these developments and has implemented various mitigation measures, including production optimisation initiatives, inventory and working capital management, selective shipment re-routing through ports in the Kingdom of Saudi Arabia, and maintaining strategic inventory buffers to support continuity of supply. Management also notes potential market share opportunities within the UAE and GCC markets arising from disruption to certain import flows; however, market conditions and pricing dynamics remain uncertain.

Management also continues to assess the impact of these developments on the Group's operations and on significant accounting estimates and judgements applied in the preparation of the condensed consolidated interim financial information.

35. Approval of the condensed consolidated interim financial information

This condensed consolidated interim financial information was approved by the Board of Directors and authorised for issue on 11 May 2026.