

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2025

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS TO THE SHAREHOLDERS OF**

ITTIHAD INTERNATIONAL INVESTMENT LLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Ittihad International Investment LLC (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 June 2025, comprising of the interim condensed consolidated statement of financial position as at 30 June 2025, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, “*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*”. A review of 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, “*Interim Financial Reporting*”.

For Ernst & Young



Ahmad Al Dali
Registration No 5548

29 August 2025
Abu Dhabi, United Arab Emirates

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED) For the six month period ended 30 June 2025

		<i>Six months ended 30 June (Unaudited)</i>	
		<i>2025</i>	<i>2024</i>
	<i>Notes</i>	<i>AED '000</i>	<i>AED '000</i>
Continuing operations			
Revenue	3	6,194,561	5,994,624
Direct costs		<u>(5,810,164)</u>	<u>(5,637,499)</u>
GROSS PROFIT		384,397	357,125
Administrative expenses		(172,451)	(167,197)
Provision for expected credit losses, net		<u>(2,327)</u>	<u>(2,210)</u>
OPERATING PROFIT		209,619	187,718
Other income		11,176	4,642
Gain on disposal of a subsidiary	17	18,671	-
Change in fair value of investment carried at fair value through profit or loss		4,107	-
Share of profit from associate		6,521	1,097
Net foreign exchange gain		2,016	884
Finance costs, net	4	(145,271)	(139,552)
Change in fair value of derivatives		<u>1,894</u>	<u>(8,575)</u>
PROFIT BEFORE TAX FOR THE PERIOD		108,733	46,214
Income tax expense	11	<u>(12,643)</u>	<u>(10,710)</u>
PROFIT FROM CONTINUING OPERATIONS FOR THE PERIOD		96,090	35,504
Discontinued operations			
(Loss)/profit for the period from discontinued operations	10	<u>(546)</u>	<u>338</u>
PROFIT FOR THE PERIOD		<u>95,544</u>	<u>35,842</u>
Attributable to:			
<i>Equity holders of the parent company:</i>			
Continuing operations		97,007	35,857
Discontinued operations		<u>(546)</u>	<u>338</u>
		<u>96,461</u>	<u>36,195</u>
<i>Non-controlling interest:</i>			
Continuing operations		<u>(917)</u>	<u>(353)</u>
		<u>(917)</u>	<u>(353)</u>
		<u>95,544</u>	<u>35,842</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the six month period ended 30 June 2025

		<i>Six months ended 30 June (Unaudited)</i>	
	<i>Note</i>	<i>2025 AED '000</i>	<i>2024 AED '000</i>
PROFIT FOR THE PERIOD		95,544	35,842
Other comprehensive income (loss)			
<i>Items that may subsequently be reclassified to profit or loss</i>			
Changes in fair value of cash flow hedges		419	419
Foreign exchange differences on translation of foreign operations		<u>(445)</u>	<u>(15,422)</u>
		<u>(26)</u>	<u>(15,003)</u>
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Changes in fair value of investment carried at fair value through other comprehensive income		<u>1,125</u>	<u>(7,323)</u>
Other comprehensive income/(loss) for the period		<u>1,099</u>	<u>(22,326)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>96,643</u>	<u>13,516</u>
Attributable to:			
<i>Equity holders of the parent company:</i>			
Continuing operations		98,106	13,531
Discontinued operations	10	<u>(546)</u>	<u>338</u>
		<u>97,560</u>	<u>13,869</u>
<i>Non-controlling interest:</i>			
Continuing operations		<u>(917)</u>	<u>(353)</u>
		<u>(917)</u>	<u>(353)</u>
		<u>96,643</u>	<u>13,516</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

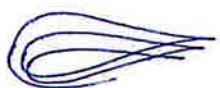
As at 30 June 2025

		<i>(Unaudited)</i> 30 June 2025 AED'000	<i>(Audited)</i> 31 December 2024 AED'000
	<i>Notes</i>		
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,859,132	1,876,373
Right of use assets		105,016	91,575
Intangible assets		39,873	42,932
Goodwill		3,417	3,417
Investments carried at fair value through other comprehensive income		42,583	27,003
Amounts due from related parties	7	20,961	23,961
Accounts receivable and prepayments		33,436	46,532
Investment in an associate		11,037	4,517
Derivative financial instruments		<u>1,394</u>	<u>11,164</u>
		<u>2,116,849</u>	<u>2,127,474</u>
Current assets			
Inventories		1,353,780	940,655
Investment carried at fair value through profit or loss		17,642	-
Accounts receivable and prepayments		2,191,827	1,813,933
Bank balances and cash	6	668,252	630,960
Amounts due from related parties	7	36,546	42,863
Derivative financial instruments		<u>6,873</u>	<u>1,437</u>
		4,274,920	3,429,848
Disposal group held for sale	10	<u>6,942</u>	<u>7,103</u>
		<u>4,281,862</u>	<u>3,436,951</u>
TOTAL ASSETS		<u>6,398,711</u>	<u>5,564,425</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	8	500	500
Shareholders' accounts		79,831	85,329
Statutory reserve		9,443	9,443
Retained earnings		691,382	606,927
Foreign currency translation reserve		(18,403)	(17,958)
Fair value reserve		(12,511)	(25,642)
Cash flow hedges reserve		<u>(4,747)</u>	<u>(5,166)</u>
Equity attributable to the owners of the Company		745,495	653,433
Non-controlling interest		<u>4,285</u>	<u>5,202</u>
Net equity		<u>749,780</u>	<u>658,635</u>

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(UNAUDITED) continued
As at 30 June 2025

		<i>(Unaudited)</i> 30 June 2025 AED'000	<i>(Audited)</i> 31 December 2024 AED'000
	<i>Notes</i>		
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Warranty provisions		2,866	4,029
Term loans	9	388,905	303,764
Employees' end of service benefits		91,335	87,591
Lease liabilities		103,944	96,937
Derivative financial instruments		10,305	26,354
Non-convertible Sukuk	9	1,633,031	1,630,079
Deferred tax liabilities		<u>1,564</u>	<u>1,260</u>
		<u>2,231,950</u>	<u>2,150,014</u>
Current liabilities			
Accounts payable and accruals		2,906,697	2,132,743
Income tax payable		30,499	19,089
Term loans	9	54,243	54,243
Bank financing facilities	9	397,641	527,888
Derivative financial instruments		16,296	6,473
Lease liabilities		8,330	6,938
Amounts due to related parties	7	228	178
Bank overdrafts	6	<u>-</u>	<u>5,000</u>
		3,413,934	2,752,552
Liabilities directly associated with disposal group held for sale	10	<u>3,047</u>	<u>3,224</u>
		<u>3,416,981</u>	<u>2,755,776</u>
Total liabilities		<u>5,648,931</u>	<u>4,905,790</u>
TOTAL EQUITY AND LIABILITIES		<u>6,398,711</u>	<u>5,564,425</u>



Chairman

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the six month period ended 30 June 2025

	Attributable to equity holders of the Company									
	Share capital AED '000	Shareholders' accounts AED '000	Statutory reserve AED '000	Fair value reserve AED '000	Retained earnings AED '000	Cash flow hedge reserve AED '000	Foreign currency translation reserve AED '000	Total AED '000	Non-controlling interests AED '000	Net equity AED '000
Balance at 1 January 2024 (audited)	500	97,637	9,443	(12,619)	527,498	(6,005)	(6,891)	609,563	5,823	615,386
Profit for the period	-	-	-	-	36,195	-	-	36,195	(353)	35,842
Other comprehensive (loss) income for the period	-	-	-	(7,323)	-	419	(15,422)	(22,326)	-	(22,326)
Total comprehensive (loss) income for the period	-	-	-	(7,323)	36,195	419	(15,422)	13,869	(353)	13,516
Movement in non-controlling interest	-	-	-	-	-	-	-	-	(175)	(175)
Net movement in shareholders' accounts	-	(6,409)	-	-	-	-	-	(6,409)	-	(6,409)
Balance at 30 June 2024 (unaudited)	500	91,228	9,443	(19,942)	563,693	(5,586)	(22,313)	617,023	5,295	622,318
Balance at 1 January 2025 (audited)	500	85,329	9,443	(25,642)	606,927	(5,166)	(17,958)	653,433	5,202	658,635
Profit (loss) for the period	-	-	-	-	96,461	-	-	96,461	(917)	95,544
Other comprehensive income (loss) for the period	-	-	-	1,125	-	419	(445)	1,099	-	1,099
Total comprehensive income (loss) for the period	-	-	-	1,125	96,461	419	(445)	97,560	(917)	96,643
Realized loss on disposal of investment carried at fair value through other comprehensive income	-	-	-	12,006	(12,006)	-	-	-	-	-
Net movement in shareholders' accounts	-	(5,498)	-	-	-	-	-	(5,498)	-	(5,498)
Balance at 30 June 2025 (unaudited)	500	79,831	9,443	(12,511)	691,382	(4,747)	(18,403)	745,495	4,285	749,780

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six month period ended 30 June 2025

		Six months ended 30 June	
		2025	2024
	Notes	AED'000	AED'000
OPERATING ACTIVITIES			
Profit before tax for the period from continuing operations		108,733	46,214
(Loss) profit before tax for the period from discontinued operations		<u>(546)</u>	<u>338</u>
		108,187	46,552
<i>Adjustments for:</i>			
Finance costs	4 & 10	145,007	139,287
Amortisation of intangible assets		3,570	3,309
Share of result from investment in an associate		(6,521)	(1,097)
Allowance for expected credit losses, net		2,327	2,210
Depreciation of property, plant and equipment	5	72,586	68,815
Depreciation of right of use of assets		3,930	3,942
Amortisation of interest rate swap charges		419	419
Provision for warranty		3,496	853
Change in fair value of investment carried at fair value through profit or loss		(4,107)	-
Provision for slow moving inventories, net		2,165	2,137
Provision for employees' end of service benefits		9,684	7,612
Gain on sale of property, plant and equipment		(5,345)	(574)
Write-off of property, plant and equipment		3,155	-
Gain on disposal of a subsidiary	17	(18,671)	-
Net changes in fair value of derivative financial instruments		<u>(1,894)</u>	<u>8,575</u>
		317,988	282,040
Working capital changes:			
Inventories		(415,290)	(124,571)
Accounts receivable and prepayments		(374,165)	(208,548)
Accounts payable and accruals, net of current portion of warranty provision		736,709	300,946
Amounts due from related parties		7,279	1,025
Amounts due to related parties		<u>87</u>	<u>(206)</u>
Cash generated from operations		272,608	250,686
Employees' end of service benefits paid		(5,940)	(2,893)
Warranty paid		<u>(4,850)</u>	<u>(3,586)</u>
Net cash flow from operating activities		<u>261,818</u>	<u>244,207</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(64,603)	(62,614)
Purchase of intangible assets		(511)	(432)
Net movement in investments in financial instruments		7,572	652
Proceeds from sale of property, plant and equipment		11,448	693
Proceed from repayment of loan to associate		2,400	1,000
Proceeds from disposal of a subsidiary	17	29,380	-
Settlement of derivative financial instruments, net		<u>-</u>	<u>(3,870)</u>
Net cash used in investing activities		<u>(14,314)</u>	<u>(64,571)</u>

Ittihad International Investment LLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued) For the six month period ended 30 June 2025

	<i>Note</i>	<i>Six months ended 30 June</i>	
		<i>2025</i> <i>AED'000</i>	<i>2024</i> <i>AED'000</i>
FINANCING ACTIVITIES			
Repayment of term loans		(52,842)	(44,358)
Proceeds from term loans		133,536	6,499
Net repayment of bank financing facilities		(130,247)	(14,852)
Payment to non- controlling interest		-	(175)
Movement in shareholders' account		(5,498)	(6,409)
Payment of lease rentals		(12,340)	(8,647)
Finance cost paid		(137,401)	(136,839)
Net cash used in financing activities		(204,792)	(204,781)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE PERIOD		42,712	(25,145)
Foreign currency translation adjustment		(445)	(15,422)
Cash and cash equivalents at the beginning of the period		<u>626,342</u>	<u>551,834</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>668,609</u>	<u>511,267</u>

The attached notes 1 to 17 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

1 ACTIVITIES

Ittihad International Investment LLC (the “Company”) is a limited liability company registered in Abu Dhabi, U.A.E. on 11 September 2008.

The main activities of Ittihad International Investment LLC (the “Company”) and its subsidiaries (the “Group”) are manufacturing of papers, paperboard, ready to use printing and writing papers, tissue paper, cleaning detergent, producing and supplying copper rod, distributing straight steel bars, cut and bend services, clinker grinding, providing operation and maintenance services for infrastructure networks, water systems, sewage, treatment plants and solid municipal waste management, sales and marketing of medical equipment and apparatus, management of hospitals, technical and specialised services for maintenance and operation of medical equipment.

The registered address of the Company is P O Box 41188, Abu Dhabi, United Arab Emirates.

The Company is owned by Mr. Jawaan Awaida Suhail Awaida Al Khaili (hereinafter referred as the “Owner” or the “Shareholder”).

The interim condensed consolidated financial statements for the six month period ended 30 June 2025 were authorized by the Board of Directors for issue on 29 August 2025.

2 BASIS OF PREPARATION

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all information and disclosures required in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024. In addition, results for the six month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the year ending 31 December 2025.

The interim condensed consolidated financial statements are presented in United Arab Emirates Dirham (AED) which is also the currency of primary economic environment in which the Company operates. Each entity in the Group determines its own functional currency. All financial information presented in AED has been rounded to the nearest thousand (AED’000) except otherwise stated.

The interim condensed consolidated financial statements are prepared under the historical cost convention, except for measurement at fair value of derivative financial instruments, investments carried at fair value through other comprehensive income and investments carried at fair value through profit or loss.

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. The interim condensed financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025 (Unaudited)

2 BASIS OF PREPARATION continued

Basis of consolidation continued

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

The consolidated subsidiaries and the Company's shareholding therein are as follows:

Subsidiaries & shareholding companies	Country of incorporation	Activities	Percentage of holding	
			30 June 2025 %	31 December 2024 %
Alternative Investments Sole proprietorship	United Arab Emirates	Invest in private companies and establishments	100	100
Industrial Capital Group LLC	United Arab Emirates	Invest in private companies and establishments	100	100
Union Copper Rod LLC	United Arab Emirates	Copper rod manufacturing	100	100
Union Rebar Factory LLC	United Arab Emirates	Steel bar cutting & bending	100	100
Union Chemicals Factory LLC	United Arab Emirates	Production of chemicals for detergents industry {Benzene Sulphonic Acid (LABSA) and Sodium Laureth Sulfate (SLES)}	100	100
National Cement Factory LLC	United Arab Emirates	Cement manufacturing	100	100
Crown Paper Mill LLC	United Arab Emirates	Tissue manufacturing and cutting	100	100
Emirates Link Group LLC	United Arab Emirates	Management and support services	100	100
Emirates Link Nitco LLC	United Arab Emirates	Water desalination and water treatment	100	100

Ittihad International Investment LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025 (Unaudited)

2 BASIS OF PREPARATION continued

Basis of consolidation continued

<i>Subsidiaries & shareholding companies</i>	<i>Country of incorporation</i>	<i>Activities</i>	<i>Percentage of holding</i>	
			<i>30 June 2025 %</i>	<i>31 December 2024 %</i>
Malegori Landscape General Contracting LLC	United Arab Emirates	Irrigation and environmental services, civil works, afforestation, electromechanical works, landscape, works and facility management.	100	100
Emirates Link Technology LLC	United Arab Emirates	On-shore and off-shore oil & gas field services	100	100
Elite Intelligent Solutions LLC	United Arab Emirates	Information technology and network services	100	100
Advanced Pipeline Services LLC	United Arab Emirates	Cleaning and maintenance of sewerage pipes and water desalination and treatment plants operation and maintenance.	100	100
Ittihad International Petroleum Company LLC	United Arab Emirates	Oil and gas services	100	100
Growth Capital LLC	United Arab Emirates	Invest in private companies and establishments	100	100
Office Inspirations Décor & Furniture Trading LLC	United Arab Emirates	Trading of office furniture	100	100
Enma Recruitment LLC	United Arab Emirates	On shore and offshore oil and gas fields and facilities services and on demand labours	100	100
Med-In Investments LLC	United Arab Emirates	Invest in private companies and establishments	100	100
Abu Dhabi International Medical Services LLC	United Arab Emirates	Provider of pharmaceutical products and medical equipment	100	100
Unison Capital Investment LLC	United Arab Emirates	Health services and development	100	100
FourMed Medical Supplies LLC	United Arab Emirates	Provider of medical equipment	100	100
FourMed – FZ LLC	United Arab Emirates	Provider of medical equipment	100	100
Ittihad Gulf Limited	Kingdom of Saudi Arabia	Manufacturing of clearing and disinfecting detergents	100	100
Ittihad Paper Mill LLC	United Arab Emirates	Manufacturing and cutting of paper and carton	100	100
Ittihad Investments Company LLC	Kingdom of Saudi Arabia	Trading and services	100	100
Transportr LTD	United Arab Emirates	Freight requirement services	100	100
Peak Capital Management Ltd	United Arab Emirates	Investment management	100	100
Metropolix Paper Industries LLC	United Arab Emirates	Manufacturing and trading of paper products	100	100
Solv Group Limited	United Arab Emirates	Cleaning and waste management services	100	100
Solv Cleaning & Environmental Services Company LLC (formerly West Coast Cleaning and Environmental Services Company LLC)	United Arab Emirates	Cleaning and waste management services	100	100
Solv Environmental Services Company LLC	United Arab Emirates	Cleaning and waste management services	100	100
West Coast Saubermacher Environmental Services LLC	United Arab Emirates	Street cleaning and waste management services	100	100
Solv Facilities Management LLC	United Arab Emirates	Cleaning and waste management services	100	100

Ittihad International Investment LLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025 (Unaudited)

2 BASIS OF PREPARATION continued

Basis of consolidation continued

Subsidiaries & shareholding companies	Country of incorporation	Activities	Percentage of holding	
			30 June 2025 %	31 December 2024 %
Solv Advance Maintenance LLC	United Arab Emirates	Building maintenance	100	100
Solv International Foods & Catering Services LLC	United Arab Emirates	Building cleaning, disinfection & sterilization services	100	100
Solv Building Cleaning Services LLC	United Arab Emirates	Management and support services	100	100
Solv Autor Repair LLC	United Arab Emirates	Car multi-specialization maintenance workshop	100	100
Solv Advanced Technical Services LLC	United Arab Emirates	Painting contracting, plumbing & sanitary, electromechanical installation and maintenance	100	100
Gulf Ittihad for Environmental Services (Sole Proprietorship LLC)	Kingdom of Saudi Arabia	Cleaning and waste management services	100	100
Maqayes Al Deqa	Kingdom of Saudi Arabia	Cleaning and waste management services	70	70
Ittihad International Ltd	Cayman Island	Special purpose entity to issue sukuk	100	100
Abu Dhabi International Medical Services	Egypt	Provider of pharmaceutical products and medical equipment	100	100

Discontinued operations

Al Ain National Precast Technology LLC	United Arab Emirates	Production and installation of precast concrete for residential, commercial, industrial, municipal, and government customers	100	100
Ishtar Décor LLC	United Arab Emirates	Interior designing and contracting	100	-
Ittihad Investment Central Asia Holding LTD	United Arab Emirates	Special purpose vehicle	-	100
Chorsu Real Estate Development LLC	Uzbekistan	Construction of residential building	-	100

2.1 NEW STANDARDS, INTERPRETATIONS AND AMENDMENT ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following new standards and amendments effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 21: Lack of exchangeability

These amendments had no significant impact on the interim condensed consolidated financial statements of the Group.

2.2 Standards Issued but not Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's interim condensed consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to *IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments* (effective from 1 January 2026);
- Annual Improvements to IFRS Accounting Standards — Volume 11. (effective from 1 January 2026). The pronouncement comprises the following amendments:
 - IFRS 1: Hedge accounting by a first-time adopter;
 - IFRS 7: Gain or loss on derecognition;
 - IFRS 7: Disclosure of deferred difference between fair value and transaction price;
 - IFRS 7: Introduction and credit risk disclosures;
 - IFRS 9: Lessee derecognition of lease liabilities;
 - IFRS 9: Transaction price;
 - IFRS 10: Determination of a 'de facto agent'; and
 - IAS 7: Cost method;
- Amendments to *IFRS 9 and IFRS 7 – Power Purchase Agreements* (effective from 1 January 2026);
- *IFRS 18 Presentation and Disclosures in Financial Statements* (effective from 1 January 2027);
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures* (effective from 1 January 2027);
- Amendments to *IFRS 10 and IAS 28 regarding Sale or Contribution of Assets between an investor and its associate or joint venture* (effective date not yet decided);
- *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information* (effective date not yet decided); and
- *IFRS S2 Climate-related Disclosures* (effective date not yet decided).

The Group does not expect that the adoption of these new and amended standards and interpretations, other than IFRS 18, will have a material impact on its consolidated financial statements. The Group is currently working to identify all the impacts IFRS 18 will have on the primary consolidated financial statements and notes to the consolidated financial statements.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the interim condensed consolidated financial statements of the Group.

2.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standards requires management to make judgment, estimates and assumptions that affect the application of accounting policies and reported amounts of financial assets and liabilities and the disclosure of contingent liabilities. These judgments, estimates and assumptions also affect the revenue, expenses, and provisions as well as fair value changes. Actual results may differ from these estimates.

These judgments, estimates and assumptions may affect the reported amounts in subsequent financial years. Estimates and judgments are currently evaluated and are based on historical experience and other factors.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2024.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025 (Unaudited)

3 REVENUE

Set out below is a disaggregation of the Group's revenue from contracts with customers:

3.1 Type of revenue

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Sale of industrial products (copper, cement, tissue, detergents, steal, paper)	5,630,228	5,545,595
Operation and maintenance of sewerage network and related services	214,229	129,951
Waste collection and cleaning	167,849	123,959
Medical services	79,717	72,346
Sale of medical equipment and pharmaceutical products	73,717	85,672
Sale of furniture	23,002	14,121
Landscaping services	1,262	10,405
Others	4,557	12,575
	<u>6,194,561</u>	<u>5,994,624</u>

3.2 Timing of revenue recognition

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Revenue recognized at a point in time	5,569,161	5,647,833
Revenue recognized over time	625,400	346,791
	<u>6,194,561</u>	<u>5,994,624</u>

3.3 Geographical markets

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Within UAE	2,516,230	1,526,037
Outside UAE	3,678,331	4,468,587
Total	<u>6,194,561</u>	<u>5,994,624</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

4 FINANCE COSTS, NET

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Sukuk profit	83,069	66,357
Interest on bank loans	26,996	47,245
Bank charges and commissions	20,975	17,543
Interest expense from suppliers	15,749	8,156
Interest on lease liabilities	3,368	3,897
Interest on bank overdrafts	227	598
Interest Income	<u>(5,113)</u>	<u>(4,244)</u>
	<u>145,271</u>	<u>139,552</u>

5 PROPERTY, PLANT AND EQUIPMENT

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Net carrying amount:		
At the beginning of the period / year	1,876,373	1,893,215
Additions during the period / year	64,603	126,978
Disposal during the period / year	(6,604)	(116)
Exchange differences	501	(2,195)
Write-off during the period / year	(3,155)	(1,435)
Depreciation charged during the period / year	<u>(72,586)</u>	<u>(140,074)</u>
	<u>1,859,132</u>	<u>1,876,373</u>

6 BANK BALANCES AND CASH

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise the following interim condensed consolidated statement of financial position amounts:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Bank balances and cash	668,252	630,960
Add: cash under assets held for sale (note 10)	357	382
Less: bank overdrafts	<u>-</u>	<u>(5,000)</u>
Cash and cash equivalents	<u>668,609</u>	<u>626,342</u>

Bank overdrafts carry interest at commercial rates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

7 RELATED PARTY TRANSACTIONS AND BALANCES

These represent transactions with related parties, i.e. shareholders, family members, directors and senior management of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Significant transaction with related parties carried out in the ordinary course of business, included in the interim condensed consolidated statement of profit or loss are as follows:

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Entities under common control		
Revenue	<u>9,886</u>	<u>14,806</u>

The Group pays expenses on behalf of related parties. Such expenses are recharged to the respective related parties.

Related party balances included in the interim condensed consolidated statement of financial position are as follows:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Entities under common control		
<i>Amounts due from related parties:</i>		
West Coast Waste Collection Co. LLC**	23,406	27,237
Emirates Link Maltauro***	13,774	19,320
Emirates Link Contracting*	8,306	8,233
Emirates Contracting Company LLC	7,490	4,795
Others	<u>2,879</u>	<u>3,555</u>
	<u>55,855</u>	<u>63,140</u>
	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Associate		
<i>Short term loan to an associate:</i>		
Fatorah Insurance claims settlement LLC****	<u>1,652</u>	<u>3,684</u>
	<u>57,507</u>	<u>66,824</u>

* Amounts due from Emirates Link Contracting mainly represent funds provided by the Group and expenses paid on behalf of the related party.

** This represents receivable from a related party to be received in annual installments of AED 3,000 thousand with an interest rate of 12-month EIBOR plus 3% per annum.

*** This represents balance receivable in respect of sales to the related party in the ordinary course of business.

**** This represents a shareholder short-term loan extended to an equity accounted associate of the Group. The loan is non-interest bearing and repayable within one year.

Amounts due from related parties are expected, on the basis of past experience, to be fully recoverable.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

7 RELATED PARTY TRANSACTIONS AND BALANCES continued

Balances due from related parties are disclosed in the interim condensed consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2025 AED '000	<i>(Audited)</i> 31 December 2024 AED '000
Non-current portion	20,961	23,961
Current portion	<u>36,546</u>	<u>42,863</u>
	<u>57,507</u>	<u>66,824</u>
<i>Amounts due to related parties:</i>		
Others	<u>228</u>	<u>178</u>

Other balances with related parties

Other balances with a related party, under common Directorship that is disclosed in the interim condensed consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2025 AED '000	<i>(Audited)</i> 31 December 2024 AED '000
<i>Current assets:</i>		
Bank balance	<u>7,719</u>	<u>12,114</u>
<i>Current liabilities:</i>		
Bank financing facilities	<u>46,267</u>	<u>112,687</u>

Compensation of key management personnel

The remuneration of key management personnel during the period was as follows:

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i> 2025 AED '000	<i>(Unaudited)</i> 2024 AED '000
Short-term benefits	15,165	13,485
Employees' end of service benefits	<u>2,150</u>	<u>1,930</u>
	<u>17,315</u>	<u>15,415</u>

8 SHARE CAPITAL

	<i>(Unaudited)</i> 30 June 2025 AED '000	<i>(Audited)</i> 31 December 2024 AED '000
Authorised, issued and fully paid		
500 shares of AED 1,000 each		
(31 December 2023: 500 shares of AED 1,000 each)	<u>500</u>	<u>500</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025 (Unaudited)

9 LOANS AND BORROWINGS

	<i>(Unaudited)</i> 30 June 2025 <i>AED '000</i>	<i>(Audited)</i> 31 December 2024 <i>AED '000</i>
Term loans	443,148	358,007
Bank financing facilities	397,641	527,889
Non-convertible sukuk	<u>1,633,031</u>	<u>1,630,079</u>
	<u>2,473,820</u>	<u>2,515,975</u>

9.1 Term loans

	<i>(Unaudited)</i> 30 June 2025 <i>AED '000</i>	<i>(Audited)</i> 31 December 2024 <i>AED '000</i>
Term loans	502,757	399,466
Unamortised transaction costs	<u>(59,609)</u>	<u>(41,459)</u>
	<u>443,148</u>	<u>358,007</u>

Disclosed in the interim condensed consolidated statement of financial position as follows:

	<i>(Unaudited)</i> 30 June 2025 <i>AED '000</i>	<i>(Audited)</i> 31 December 2024 <i>AED '000</i>
Current	54,243	54,243
Non-current	<u>388,905</u>	<u>303,764</u>
	<u>443,148</u>	<u>358,007</u>

During the period, the Group obtained waivers from the respective banks in relation to certain covenant requirements of its term loans. These waivers were granted prior to 30 June 2025.

9.2 Non-convertible Sukuk

	<i>(Unaudited)</i> 30 June 2025 <i>AED '000</i>	<i>(Audited)</i> 31 December 2024 <i>AED '000</i>
Non-convertible Sukuk	1,652,625	1,652,625
Unamortised Sukuk premium on issuance	5,795	6,652
Unamortised transaction cost	<u>(25,389)</u>	<u>(29,198)</u>
	<u>1,633,031</u>	<u>1,630,079</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

9 LOANS AND BORROWINGS continued

9.3 Banking facilities

	(Unaudited) 30 June 2025 AED '000	(Audited) 31 December 2024 AED '000
Short-term banking facilities	<u>397,641</u>	<u>527,889</u>

10 DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS

In 2022, the shareholders resolved to discontinue the operations of its subsidiaries, Ishtar Décor LLC and Ishtar Décor Factory LLC. In 2020, the shareholders resolved to discontinue the operations of a subsidiary, Al Ain National Precast Technology LLC, and its assets and liabilities were classified as 'Disposal group held-for-sale' in accordance with IFRS 5 *Non-current Assets Held For Sale And Discontinued Operations*.

The results and cashflows of the subsidiaries are presented as discontinued operations in the interim condensed consolidated statement of profit or loss in accordance with IFRS 5.

	(Unaudited) 2025 AED '000	(Unaudited) 2024 AED '000
General and administrative expenses	(522)	(1,431)
Finance costs	(155)	(154)
Other income	<u>131</u>	<u>1,923</u>
(LOSS) PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	<u>(546)</u>	<u>338</u>

The net cash flows incurred by the disposal group held for sale, were as follows:

	(Unaudited) 2025 AED '000	(Unaudited) 2024 AED '000
Operating	25	(10)
Financing	<u>-</u>	<u>-</u>
Cash outflows	<u>25</u>	<u>(10)</u>

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

10 DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS continued

The assets and liabilities of a subsidiary, Al Ain National Precast Technology LLC, classified as disposal group held for sale in accordance with IFRS 5 comprise of the following:

	<i>(Unaudited)</i> 30 June 2025 <i>AED'000</i>	<i>(Audited)</i> 31 December 2024 <i>AED'000</i>
Assets		
Accounts receivable and prepayments	6,585	6,582
Amounts due from related parties	-	139
Bank balances and cash	<u>357</u>	<u>382</u>
Disposal group held for sale	<u>6,942</u>	<u>7,103</u>
Liabilities		
Accounts payable and accruals	(3,047)	(3,097)
Amounts due to related parties	<u>-</u>	<u>(127)</u>
Liabilities directly associated with disposal group held for sale	<u>(3,047)</u>	<u>(3,224)</u>
Net assets directly associated with disposal group	<u>3,895</u>	<u>3,879</u>

11 TAXATION

The major components of tax expense disclosed in the interim condensed consolidated statement of profit or loss comprise of the following:

	<i>(Unaudited)</i> 2025 <i>AED '000</i>	<i>(Unaudited)</i> 2024 <i>AED '000</i>
		<i>Six months ended 30 June</i>
Current tax expense	12,339	9,177
Origination and reversal of temporary differences	<u>304</u>	<u>1,533</u>
	<u>12,643</u>	<u>10,710</u>
Effective tax rate	<u>12.84%</u>	<u>23.17%</u>

Deferred tax presented in the interim consolidated statement of financial position is as under:

	<i>(Unaudited)</i> 30 June 2025 <i>AED '000</i>	<i>(Audited)</i> 31 December 2024 <i>AED '000</i>
Deferred tax liability	<u>1,564</u>	<u>1,260</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

11 TAXATION continued

Reconciliation of accounting income

	<i>Six months ended 30 June</i>	
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Consolidated accounting profit before tax reported in the consolidated statement of profit or loss	108,733	46,214
Less: Accounting profit before tax for the year for entities outside of tax group	<u>(4,762)</u>	<u>(1,648)</u>
Accounting profit before tax for the year of the tax group	103,971	44,566
At United Arab Emirates' statutory income tax rate of 9%	9,357	4,010
Less: effect of standard exemption	(34)	(34)
Add: non-deductible expenses	<u>3,016</u>	<u>5,201</u>
Income tax expense for the year	<u>12,339</u>	<u>9,177</u>
Effective tax rate	<u>11.87%</u>	<u>20.59%</u>

Deferred tax liability relates to the following:

	<i>(Unaudited)</i>	<i>(Audited)</i>
	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>AED '000</i>	<i>AED '000</i>
Goodwill	307	307
Other intangible assets	<u>1,257</u>	<u>953</u>
	<u>1,564</u>	<u>1,260</u>
Reconciliation of deferred tax liabilities, net:		
At the beginning of the period / year	1,260	-
Deferred tax expense recognized during the period / year	634	1,590
Deferred tax benefit due to amortization during the period / year	<u>(330)</u>	<u>(330)</u>
Net deferred tax liability balance at the end of the period / year	<u>1,564</u>	<u>1,260</u>

12 SEGMENT ANALYSIS

Segments were identified based on the Group's internal reporting and how the Chief Operating Decision Maker ("CODM") assesses the performance of the business. The Group has four reportable segments listed below:

Consumer goods

These include manufacturing of paper, ready to use printing and writing papers, tissue paper manufacturing, manufacturing & supply of chemicals for detergents.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

12 SEGMENT ANALYSIS continued

Infrastructure and building material

These include providing premium copper rods, straight steel bars and high-quality cement in addition to trading of timber, plywood and couplers.

Business services

These include providing operations and maintenance services for infrastructure networks, water systems, sewage, treatment plants and solid municipal waste management, procurement, operation and maintenance of radiology department at government hospitals.

Healthcare and others

These include sales and marketing of medical equipment and apparatus, fund management services and fit-out works.

Interest bearing loans and borrowings and Islamic loans except for the subsidiaries with project financing arrangements and bank overdrafts are managed on a group basis and are not allocated to operating segments.

Inter-segment transactions are on an arm's-length basis in a manner similar to transactions with third parties. Inter-segment revenues are eliminated on consolidation.

The Chief Operating Decision Makers (CODM) monitor the operating results of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the interim condensed consolidated financial statements.

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

12 SEGMENT ANALYSIS continued

For the six-month period ended:

	Consumer goods AED '000	Infrastructure and building material AED '000	Business services AED '000	Health care and others AED '000	Adjustments eliminations and unallocated AED '000	Total from continuing operations AED '000	Discontinued operations AED '000	Total AED '000
<i>30 June 2025</i>								
Revenue from external customers	848,013	4,782,208	463,070	100,172	1,098	6,194,561	-	6,194,561
Inter-segment revenue	1,456	588	1,724	31,847	(35,615)	-	-	-
Direct costs	(734,830)	(4,635,699)	(356,069)	(118,942)	35,376	(5,810,164)	-	(5,810,164)
GROSS PROFIT	114,639	147,097	108,725	13,077	859	384,397	-	384,397
Administrative expenses	(57,991)	(45,523)	(21,704)	(24,670)	(22,563)	(172,451)	(522)	(172,973)
Provision for expected credit losses, net	(715)	(1,006)	(327)	(279)	-	(2,327)	-	(2,327)
Other income	1,768	400	7,969	1,146	(107)	11,176	131	11,307
Gain on disposal of a subsidiary	-	-	-	-	18,671	18,671	-	18,671
Change in fair value of investment carried at fair value through profit or loss	-	-	-	-	4,107	4,107	-	4,107
Share of profit from associate	-	-	-	-	6,521	6,521	-	6,521
Net foreign exchange gain	(953)	(46)	(2)	(221)	3,238	2,016	-	2,016
Finance costs	(18,840)	(22,445)	(4,482)	(3,705)	(95,799)	(145,271)	(155)	(145,426)
Change in fair value of derivative financial instruments	-	-	-	-	1,894	1,894	-	1,894
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	37,908	78,477	90,179	(14,652)	(83,179)	108,733	(546)	108,187
Tax expenses	(3,225)	(7,068)	(8,425)	-	6,075	(12,643)	-	(12,643)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX	34,683	71,409	81,754	(14,652)	(77,104)	96,090	(546)	95,544
<i>30 June 2025</i>								
Total assets	2,578,410	2,668,288	685,390	411,601	48,080	6,391,769	6,942	6,398,711
Total liabilities	1,042,870	2,175,117	502,966	357,660	1,567,271	5,645,884	3,047	5,648,931

Ittihad International Investment LLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025 (Unaudited)

12 SEGMENT ANALYSIS continued

For the six-month period ended:

	Consumer goods AED '000	Infrastructure and building material AED '000	Business services AED '000	Health care and others AED '000	Adjustments eliminations and unallocated AED '000	Total from continuing operations AED '000	Discontinued operations AED '000	Total AED '000
30 June 2024								
Revenue from external customers	899,739	4,647,490	336,660	111,443	(708)	5,994,624	-	5,994,624
Inter-segment revenue	-	-	-	43,816	(43,816)	-	-	-
Direct costs	(749,283)	(4,528,565)	(263,242)	(141,533)	45,124	(5,637,499)	-	(5,637,499)
GROSS PROFIT	150,456	118,925	73,418	13,726	600	357,125	-	357,125
Administrative expenses	(58,687)	(47,784)	(19,981)	(21,422)	(19,323)	(167,197)	(1,431)	(168,628)
Provision for expected credit losses, net	(1,986)	-	-	(224)	-	(2,210)	-	(2,210)
Other income	1,188	404	2,891	195	(36)	4,642	1,923	6,565
Share of profit from associate	-	-	-	-	1,097	1,097	-	1,097
Net foreign exchange gain	(559)	(258)	(30)	(97)	1,828	884	-	884
Finance costs	(17,291)	(15,672)	(5,078)	(5,740)	(95,771)	(139,552)	(154)	(139,706)
Change in fair value of derivative financial instruments	1,223	-	-	-	(9,798)	(8,575)	-	(8,575)
PROFIT (LOSS) FOR THE PERIOD BEFORE TAX	74,344	55,615	51,220	(13,562)	(121,403)	46,214	338	46,552
Tax expenses	(6,823)	(5,081)	(4,532)	-	5,726	(10,710)	-	(10,710)
PROFIT (LOSS) FOR THE PERIOD AFTER TAX	67,521	50,534	46,688	(13,562)	(115,677)	35,504	338	35,842
31 December 2024								
Total assets	2,386,440	2,064,528	600,314	444,673	61,367	5,557,322	7,103	5,564,425
Total liabilities	899,140	1,522,052	354,790	54,606	2,071,978	4,902,566	3,224	4,905,790

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025 (Unaudited)

13 CONTINGENCIES AND COMMITMENTS

	<i>(Unaudited)</i> 30 June 2025 AED'000	<i>(Audited)</i> 31 December 2024 AED'000
Contingencies and commitments	<u>992,436</u>	<u>938,212</u>

14 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Group's principal financial liabilities comprise term loans, lease liabilities, bank financing facilities, bank overdraft, derivative financial instruments, trade and other payables and amounts due to related parties. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets such as investment carried at fair value through other comprehensive income, investment carried at fair value through profit or loss, trade and other receivables, contract assets, amounts due from related parties, derivative financial instruments and cash and bank balances, which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on its bank balances, trade receivables and certain other assets as reflected in the consolidated statement of financial position.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's financial assets using a provision matrix:

	<i>Total</i> <i>AED</i>	<i>Current</i> <i>AED</i>	<i>0-30</i> <i>days</i> <i>AED</i>	<i>31 - 60</i> <i>days</i> <i>AED</i>	<i>61 - 90</i> <i>days</i> <i>AED</i>	<i>> 90</i> <i>days</i> <i>AED</i>
30 June 2025						
Expected credit loss rate		0.00%	0.65%	0.55%	15.43%	44.69%
Estimated total gross carrying amount at default	1,923,724	1,438,096	171,996	75,982	23,208	214,442
Less: expected credit losses	<u>(101,015)</u>	<u>(67)</u>	<u>(1,112)</u>	<u>(420)</u>	<u>(3,580)</u>	<u>(95,836)</u>
	<u>1,822,709</u>	<u>1,438,029</u>	<u>170,884</u>	<u>75,562</u>	<u>19,628</u>	<u>118,606</u>
31 December 2024						
Expected credit loss rate		0.01%	0.58%	0.43%	29.65%	37.36%
Estimated total gross carrying amount at default	1,719,984	1,167,677	191,250	98,718	12,076	250,263
Less: expected credit losses	<u>(98,688)</u>	<u>(67)</u>	<u>(1,112)</u>	<u>(420)</u>	<u>(3,580)</u>	<u>(93,509)</u>
	<u>1,621,296</u>	<u>1,167,610</u>	<u>190,138</u>	<u>98,298</u>	<u>8,496</u>	<u>156,754</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

14 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group Finance. The Group finance monitors rolling forecast of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Such forecasting takes into consideration the Group's debts financing plans, covenant compliance and compliance with internal consolidation statement of financial position targets.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 30 June 2025 and 31 December 2024, based on contractual payment dates and current market interest rates.

	<i>On demand</i> <i>AED '000</i>	<i>Less than 3 months</i> <i>AED '000</i>	<i>3 to 12 months</i> <i>AED '000</i>	<i>1 to 5 years</i> <i>AED '000</i>	<i>> 5 years</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
At 30 June 2025						
Trade payables and supplier financing arrangements	233,914	1,574,641	664,627	-	-	2,473,182
Amounts due to related parties	228	-	-	-	-	228
Bank financing facilities	3,293	401,063	-	-	-	404,356
Non-convertible sukuk	-	-	161,131	2,054,858	-	2,215,989
Lease liabilities	-	3,300	11,774	69,410	92,061	176,545
Derivative financial instruments	-	-	5,609	20,992	-	26,601
Term loans	-	33,098	120,606	280,327	153,170	587,201
Total	237,435	2,012,102	963,747	2,425,587	245,231	5,884,102
At 31 December 2024						
Trade payables and supplier financing arrangements	178,735	1,033,348	578,716	-	-	1,790,799
Amounts due to related parties	178	-	-	-	-	178
Bank financing facilities	-	555,811	9,678	-	-	565,489
Bank overdrafts	5,366	-	-	-	-	5,366
Non-convertible sukuk	-	-	161,131	2,137,410	-	2,298,541
Lease liabilities	-	2,588	21,570	37,211	96,582	157,951
Derivative financial instruments	-	-	6,473	26,354	-	32,827
Term loans	-	-	80,231	334,013	11,295	425,539
Total	184,279	1,591,747	857,799	2,534,988	107,877	5,276,690

Currency risk

Currency risk comprises of transactions and statement of financial position risk. Transaction risk relates to the Group's cash flow being adversely affected by a change in the exchange rates of foreign currencies against UAE Dirham. Statement of financial position risk relates to the risk of the Group's monetary assets and liabilities in foreign currencies acquiring a lower or higher value, when translated into UAE Dirham as a result of currency movements.

The Group's major transactions in foreign currencies are in US Dollar. As the exchange rate of the UAE Dirham is pegged to the US Dollar, the Group is not subject to significant currency risk against balances in US Dollar.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

14 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's cash flow exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and deposits with floating interest rates.

To manage the cash flow risk relating to its floating rate borrowings, the Group enters into interest rate swaps, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. At 30 June 2025, after taking into account the effect of interest rate swaps, approximately 84% of the Group's borrowings are at a fixed rate of interest (2024: 71%).

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's profit for one year (through the impact on unhedged portion of loans and borrowings).

Effect on profit

AED'000

2025

+ 100 increase in basis points
- 100 decrease in basis points

(7,558)
7,558

2024

+ 100 increase in basis points
- 100 decrease in basis points

(7,251)
7,251

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in business conditions.

No changes were made in the objectives, policies or processes during the period ended 30 June 2025 and 31 December 2024. Capital comprises share capital, shareholders' accounts, statutory reserve, fair value reserve, retained earnings, cash flow hedges reserve, non-controlling interest and is measured at AED 749,780 thousand as at 30 June 2025 (2024: AED 658,635 thousand).

	2025 AED'000	2024 AED'000
Bank overdrafts	-	5,000
Term loans	443,148	358,007
Non-convertible sukuk	1,633,031	1,630,079
Bank financing facilities	<u>397,641</u>	<u>527,888</u>
	2,473,820	2,520,974
Less: bank balances and cash	<u>(668,252)</u>	<u>(630,960)</u>
Net debt	<u>1,805,568</u>	<u>1,890,014</u>
Total capital	<u>749,780</u>	<u>658,635</u>
Capital and net debt	<u>2,555,348</u>	<u>2,548,649</u>
Debt to equity ratio	<u>70.66%</u>	<u>74.2%</u>

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30 June 2025 (Unaudited)

14 FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES continued

Changes in liabilities arising from financing activities

	<i>1 January 2024 AED'000</i>	<i>Cash flows AED'000</i>	<i>Other AED'000</i>	<i>31 December 2024 AED'000</i>
<i>At 30 June 2025</i>				
Term loans	358,007	103,290	(18,149)	443,148
Non-convertible sukuk	1,630,079	-	2,952	1,633,031
Bank financing facilities	<u>527,889</u>	<u>(130,248)</u>	<u>-</u>	<u>397,641</u>
Total	<u>2,515,975</u>	<u>(26,958)</u>	<u>(15,197)</u>	<u>2,473,820</u>
	<i>1 January 2023 AED'000</i>	<i>Cash flows AED'000</i>	<i>Other AED'000</i>	<i>31 December 2023 AED'000</i>
<i>At 31 December 2024</i>				
Term loans	489,391	(134,677)	3,293	358,007
Non-convertible sukuk	1,253,223	380,533	(3,677)	1,630,079
Bank financing facilities	<u>926,666</u>	<u>(398,777)</u>	<u>-</u>	<u>527,889</u>
Total	<u>2,669,280</u>	<u>(152,921)</u>	<u>(384)</u>	<u>2,515,975</u>

The 'Other' column includes the effect of unamortised transaction costs for term loans and write off of unamortised transaction costs related to term loans that are early settled.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

The fair values of the Group's financial instruments are not materially different from their carrying values at the interim condensed consolidated statement of financial position date.

For financial instruments that are recognized at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (bases on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

	<i>Level 1 AED '000</i>	<i>Level 2 AED '000</i>	<i>Level 3 AED '000</i>	<i>Total fair value AED '000</i>
<i>30 June 2025</i>				
Assets measured at fair value:				
Investments carried at FVTOCI	-	42,583	-	42,583
Investment carried at FVPL	-	17,642	-	17,642
Derivative financial instruments	<u>-</u>	<u>8,267</u>	<u>-</u>	<u>8,267</u>
	<u>-</u>	<u>68,492</u>	<u>-</u>	<u>68,492</u>
Liabilities measured at fair value:				
Derivative financial instruments	<u>-</u>	<u>26,601</u>	<u>-</u>	<u>26,601</u>
<i>31 December 2024</i>				
Assets measured at fair value:				
Investments carried at FVTOCI	-	27,003	-	27,003
Derivative financial instruments	<u>-</u>	<u>12,601</u>	<u>-</u>	<u>12,601</u>
	<u>-</u>	<u>39,604</u>	<u>-</u>	<u>39,604</u>
Liabilities measured at fair value:				
Derivative financial instruments	<u>-</u>	<u>32,827</u>	<u>-</u>	<u>32,827</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 June 2025 (Unaudited)

15 FAIR VALUES OF FINANCIAL INSTRUMENTS continued

During the period ended, there were no transfer between Level 1 and Level 2 fair value measurements, and no transfers into or out of level 3 fair value measurements.

16 DIVIDENDS

During the period, no dividends were declared or paid by the Group (period ended 30 June 2024: AED nil declared and paid).

17 DISPOSAL OF A SUBSIDIARY

During the year, the Group completed the sale of its wholly owned subsidiary, Ittihad Investment Central Asia Holding Ltd ("Central Asia") which was a dormant entity up to the date of disposal. The Group entered into share transfer agreement with a buyer for the sale of Central Asia with an effective date of 28 February 2025 for a total consideration of AED 29,380 thousand.

The carrying value of the identifiable assets and liabilities derecognised are as follows:

	<i>AED'000</i>
Assets	
Property, plant and equipment	6,820
Amounts due from related parties	<u>294</u>
Total assets	<u>7,114</u>
Liabilities	
Amounts due to related parties	<u>(75)</u>
Total liabilities	<u>(75)</u>
Net assets	7,039
<i>Consideration received:</i>	
Consideration received	29,380
Less: Transaction cost	<u>(3,670)</u>
Consideration received, net	<u>25,710</u>
Gain on disposal	<u>18,671</u>