



Agility. Ambition. Advantage.

2025
ANNUAL
REPORT



Agility. Ambition. Advantage.

Ittihad is a privately held business defined by its strategic agility, developing, managing, and operating a diversified portfolio of non-oil and gas assets across industrial, infrastructure, healthcare, and environmental services sectors.

Headquartered in the UAE, the company serves public and private sector clients in over 50 countries. Recognized by MSCI as one of the most sustainable conglomerates in the UAE and globally, Ittihad balances ambition with responsibility, and is committed to pursuing long-term resilience and sustainable growth. Its portfolio is structured across four strategic divisions: Consumer Goods Manufacturing, Infrastructure and Building Materials Manufacturing, Business Services, and Healthcare and Other.

Since our founding in 2008, our strategy has been driven by a clear ambition: to invest in businesses that are essential to daily life.

We target companies that address fundamental population needs, from consumer essentials and healthcare to community infrastructure, municipal works, and utility services. Our competitive advantage lies in identifying and scaling businesses with resilient business models, strong regional footholds, and significant export potential.

Driven by a vision of agility, ambition, and advantage, we manage assets for the long term, aligning commercial performance with responsible stewardship to create enduring value for our customers, communities, and stakeholders.



Vision

Our aspiration is to be the foremost investment holding company in the Middle East and North Africa (MENA) region, setting the benchmark for excellence and becoming the preferred partner for domestic and international stakeholders. We are dedicated to upholding the highest standards of professionalism, expertise, and corporate governance in all aspects of our operations.



Mission

We aim to provide sustainable, recurring income and generate long-term value for our shareholders. We achieve this by prioritizing transparency, accountability, and diligence at every stage of the investment process.



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HIGHLIGHTS OF THE YEAR

Financial, operational and sustainability

Ittihad carries a legacy of year-on-year growth, and 2025 was no exception. This year saw our EBITDA grow by 22 per cent, a formidable achievement given the challenging macroeconomic backdrop.

Our diversified portfolio of companies played a crucial role in this success. Through a strategy that leveraged the strengths of our three core segments, we were able to capture growth across the board, with each segment contributing positively to overall portfolio performance. The end result has been another successful year that delivered growth for all our stakeholders.

2025 Financial highlights

For the year ending 31 December 2025, the Group achieved revenue of USD 3.5 billion and a gross profit of USD 231.1 million, with operating profit at USD 129.0 million. Adjusted EBITDA reached USD 179.5 million, reflecting a 22 per cent year-on-year increase, with an adjusted EBITDA margin of 13.5 per cent and free cash flow of USD 55.4 million. Operating cash flow stood at USD 146 million, with adjusted net debt at USD 337.7 million. The Group continued its multi-year deleveraging trajectory, with Gross Debt/Adjusted EBITDA improving to 4.4x – continuing the steady reduction from 6.0x in 2022, through 5.3x in 2023 and 4.7x in 2024. A defining moment of 2025 was the upgrade of Ittihad's long-term issuer credit rating to BB- from B+ by both S&P and Fitch. This milestone reflects years of consistent financial discipline, deliberate deleveraging, and the growing earnings power of our diversified portfolio. It is not merely a financial

achievement – it is a validation of the Group's strategy and a testament to the confidence that global institutions place in Ittihad's trajectory. 2025 was equally active on the debt capital markets front, with the Group executing two landmark transactions that materially strengthened its capital structure and extended its debt maturity profile. In February 2025, Ittihad successfully closed a USD 450 million senior unsecured sustainability-linked revolving credit facility (RCF), significantly strengthening its liquidity position and optimizing its capital structure. This leverage-neutral transaction marks a strategic milestone, supporting our long-term growth plans and aligning with our commitment to responsible finance. In November 2025, Ittihad successfully priced a USD 550 million 5-year (non-call 2) 144A/Reg S Sukuk at a 7.375 per cent coupon – the Group's return to the international bond markets and a further demonstration of growing global confidence in Ittihad's credit story. The transaction was over four times oversubscribed, with 65 per cent of the final allocation placed with international investors, and the strength of demand enabled the Group to tighten initial price thoughts by 50 basis points. Together, these two transactions position the Group with a stronger, more diversified funding base as it continues to pursue its growth agenda.

2025 Operational highlights

All three of the Group's core segments delivered positive EBITDA growth in 2025, with Infrastructure and Building Materials leading performance – a reflection of the strong structural demand environment across the division's core end markets.

The Infrastructure and Building Materials Manufacturing division was the standout performer of the year, delivering EBITDA growth of 48.4 per cent to USD 72.3 million, driven by sustained demand linked to the energy transition, electric vehicles, AI data center buildout, and a surge in regional infrastructure investment.

The Business Services division delivered EBITDA growth of 18.4 per cent to USD 57.5 million, driven by strong growth in utility services, which have doubled their EBITDA contribution over the past two years, reflecting the sustained expansion of the Group's sewage and infrastructure network services across Abu Dhabi. The division continues to benefit from the UAE and broader GCC's sustained investment in public infrastructure and urban services.

The Consumer Goods Manufacturing division delivered steady EBITDA growth of 3.5 per cent to USD 60.1 million, supported by a gradual improvement in market conditions and a more favorable price-volume mix in the detergents business.

Strategic Milestones in 2025

- Achieving full marks on Sustainability Performance Targets (SPTs) and KPIs for the sustainability-linked revolving credit facility, directly linking financing costs to ESG performance.
- Published Group 2025 Sustainability Report aligned with Global Reporting Initiative (GRI) and International Financial Reporting Standards (IFRS) S1 disclosure standards.
- Various Ittihad subsidiaries received ADCCI Sustainability Label (Abu Dhabi Chamber).
- Ittihad submitted membership application to Alliance for Industry Decarbonization (AFID).

Sustainability Performance highlights in 2025

- Health & Safety training hours increased by 14 per cent.
- Renewable electricity use reached 28,576,000 kWh.
- Water Consumption reduced by 12 per cent.
- Reporting GHG carbon inventory in accordance with greenhouse gas (GHG) measurement, reporting and verification (MRV) landscape under Article 6 of Federal Decree-Law No. (11) of 2024 (the Climate Law).

A strong financial profile

Group Revenue (USD)	Adj. EBITDA ⁽¹⁾ (USD)
\$3.5bn	\$179.5m
Operating Profit (USD)	OCF (USD)
\$126.6m	\$146m
Adj. EBITDA margin ⁽²⁾	Free Cash Flow (USD)
13.5%	\$55.4m
Net Debt ⁽³⁾ (USD)	Fitch Ratings
\$573.6m	BB- (stable)
Gross Profit (USD)	S&P Global Ratings
\$231.1m	BB- (stable)

USD/AED = 3.6725 AED

1. Adjusted EBITDA is defined as net profit (loss) for the year / period from continuing operations plus finance costs, tax, depreciation, amortization, and changes in the fair value of derivative financial instruments.

2. Adjusted EBITDA margin excluding the effect of hedged copper is defined as the mathematical result of dividing Adjusted EBITDA by the result of subtracting the London Metal Exchange (LME) copper price impact on revenue from total revenues.

3. Net Debt comprises of total debt less cash.

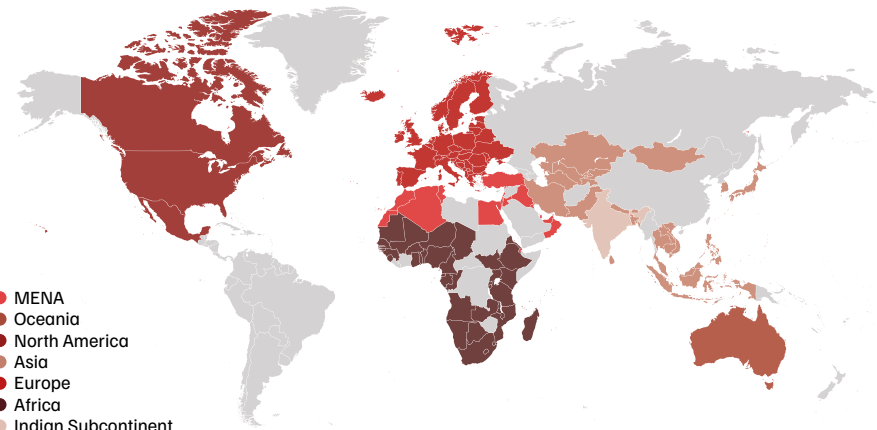
AT A GLANCE

The changing shape of the Group

A strong portfolio of companies has enabled us to strategically enter the B2C market.

For over a decade, Ittihad has built an enviable position in B2B markets, earning the trust of global and regional customers through operational excellence, large-scale raw material production, and leading market share across our core manufacturing segments. That foundation is now becoming a launching pad for the next chapter of the Group's growth story: a deliberate and confident move into B2C consumer markets across the region. The logic is compelling. We already produce the raw materials that B2C brands depend on to convert into finished products. We already understand the end markets. What we are now doing is

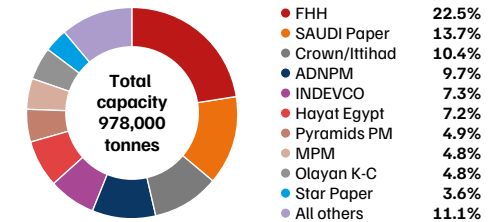
capturing the margin that has historically sat between our factory gate and the end consumer. In Saudi Arabia, we are establishing two converting facilities, both expected to be operational in 2027. The first is a tissue converting and hygiene products facility, with an initial focus on tissue, feminine care, and baby hygiene, categories where regional demand is large, growing, and underleveraged by locally produced brands. The roadmap extends further into personal care hygiene, a segment with significant premiumization potential across the GCC. The second facility is paper cutting and converting operations, a forward integration of our printing and writing paper business that captures the higher-margin, branded end of the value chain.



- MENA
- Oceania
- North America
- Asia
- Europe
- Africa
- Indian Subcontinent

Together, these two facilities mark Ittihad's entry into the consumer goods shelf, not as a new entrant learning the rules, but as a raw material producer with structural cost advantages, established supply chains, and the regional scale to compete and win. The same qualities that made us a trusted B2B partner, reliability, quality, and scale, are precisely what it takes to build enduring consumer brands.

One of the largest Tissue Producers in MENA
Production capacity breakdown (2022)*



* Source: "Ittihad – Market Outlook Assessment" Fastmarkets' report October 2025.



Consumer Goods Manufacturing

Three product lines: printing and writing paper, tissue paper, and chemicals used in detergents and personal care products.

34%* of adj. EBITDA **479.4m** Revenue (USD)

Key markets: Middle East, Africa, North America, Europe, and Asia

+ See more on page 20



Infrastructure and Building Materials Manufacturing

Three product lines: refined copper rods, steel bars, and cement.

40%* of adj. EBITDA **\$2,664m** Revenue (USD)

Key markets: Middle East, North Africa, Europe, Asia, Indian Subcontinent and Australia

+ See more on page 24



Business Services

Three services: healthcare services, waste and environmental services, and infrastructure operation and maintenance services.

32%* of adj. EBITDA **\$256.9m** Revenue (USD)

Key markets: Middle East

+ See more on page 27



Healthcare and Other

Consists of healthcare distribution, fund management, logistics and transportation, and interior design for public and private sectors.

0%* of adj. EBITDA **\$80.0m** Revenue (USD)

Key markets: Middle East and North Africa

+ See more on page 30

Agility

Aligned to global demand for
renewables and electronics

Union Copper Rod (UCR), the Group's copper business, continued to strengthen its market position in 2025 as global demand for refined copper accelerated, supported by structural trends such as electrification, renewable energy deployment, and investments in digital infrastructure.

With a production capacity of 200,000 tons of copper wire rod per year, UCR remains the largest copper wire rod producer in the Middle East, supplying regional cable manufacturers that provide essential components for power transmission, infrastructure development and industrial applications.

Benefiting from strong global copper demand

The copper market continues to benefit from its critical role in the global energy transition. According to industry data, global refined copper demand reached approximately 27.3 million tons in 2024, growing by 2.9 per cent. year-on-year, driven primarily by electrification, data center expansion and investments in renewable energy infrastructure.

Historically, UCR has operated within the largest segment of the semi-fabricated copper market – copper wire rod – which represents approximately 80 per cent. of global semi-fabricated copper demand. Copper wire rod is a critical input for power cables, electrical wiring, transformers, motors and energy infrastructure, placing UCR at a key point in the copper value chain between refined copper producers and cable manufacturers.

In 2025, the Company further strengthened its market positioning by expanding its product portfolio to include oxygen-free copper and copper alloy products. These specialized products represent part of the remaining roughly 20 per cent. of semi-fabricated copper demand, which includes higher-purity and specialized copper materials used in advanced electrical and industrial applications. By expanding beyond traditional wire rod, UCR is now able to serve a broader share of the copper semi-fabrication market while offering a wider range of products to its existing customer base, further strengthening its position within the regional copper value chain.

These structural market drivers supported continued strong demand for copper products across the GCC and wider MENA region. Regional refined copper consumption reached approximately 992,000 tons in 2024, with GCC demand alone reaching 687,000 tons, reflecting sustained growth driven by infrastructure development, electrification initiatives and large-scale energy projects across the region. At full capacity, UCR accounts for approximately 29 per cent. of the MENA copper wire rod market, making it the largest producer of copper wire rod in the region.

Favorable market outlook

The long-term outlook for the copper market remains positive. Global refined copper demand is forecast to increase from 27.3 million tons in 2024 to approximately 32.4 million tons by 2032, representing a compound annual growth rate (CAGR) of 2.1 per cent.

This growth will be driven primarily by energy transition sectors, including electric vehicles, renewable power generation and associated energy infrastructure. Electric vehicles alone are significantly more copper-intensive than traditional vehicles, using approximately four times more copper per unit, while renewable power systems require substantial copper inputs for generation, grid connectivity and energy storage systems.

These trends translate directly into increasing demand for copper wire rod. Global wire rod production is expected to rise from approximately 21.9 million tons in 2024 to 25.9 million tons by 2032, requiring an additional 4 million tons of annual production capacity over the coming decade.

Regionally, refined copper demand in the GCC is forecast to grow from 687,000 tons in 2024 to approximately 985,000 tons by 2032, representing a CAGR of 4.6 per cent., significantly above the global average. This growth will be supported by ongoing infrastructure development, power grid expansion and major investments in clean energy projects across the region.

Positioned for long-term growth

With its established production capacity, expanded product portfolio and strong relationships with regional and global cable manufacturers, UCR is well positioned to benefit from the continued growth in copper demand.

The Company's strategic positioning within a structurally growing regional market, combined with the global shift toward electrification and renewable energy, provides a strong foundation for sustainable long-term growth. As copper continues to play a critical role in enabling the global energy transition, UCR is expected to remain a key supplier supporting infrastructure development and industrial growth across the GCC and wider MENA region.

Data source: Fastmarkets

Ambition

Supporting new projects
with critical services

Our business services vertical was once again a strong contributor to EBITDA for 2025. It generated a total of USD 256.9 million in revenue over the year, with adjusted EBITDA of USD 57.5 million, delivering stable revenues and the highest EBITDA margins at 22%.

Emirates Link Nitco (ELN), the Group's utilities and infrastructure services platform, continues to play a critical role in supporting the operation and maintenance of essential public infrastructure across the UAE.

During the year, ELN continued to expand its portfolio of long-term operation and maintenance contracts across wastewater networks, pumping stations and sewage treatment facilities. These services ensure the reliable functioning of critical urban infrastructure that supports rapidly growing communities and industrial activity across the region.

Through its technical expertise and operational capabilities, ELN manages complex infrastructure systems that require continuous monitoring, preventive maintenance and rapid response to operational issues. By maintaining high service reliability and operational efficiency,

the company contributes directly to public health, environmental protection and the sustainable management of water resources.

The business also benefits from long-term contractual frameworks with government entities, providing stable revenue visibility while supporting national infrastructure objectives. As urban populations continue to grow and infrastructure networks expand, demand for professional operation and maintenance services is expected to increase.

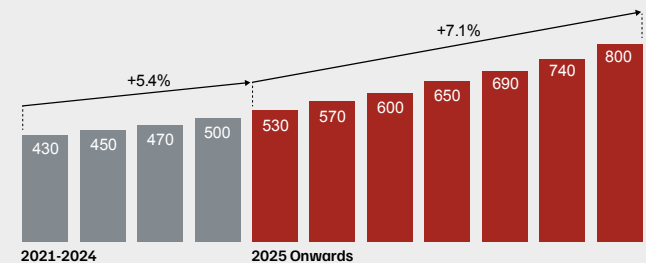
ELN's strong operational track record and technical capabilities position the Group well to capture future opportunities in the utilities and infrastructure services sector across the region.

Our business services vertical was once again a strong contributor to EBITDA for 2025. It generated a total of USD 256.9 million in revenue over the year, with adjusted EBITDA of USD 57.5 million, delivering stable revenues and the highest EBITDA margins at 22%.

UAE Wastewater Treatment Market¹

Size | in USD millions

The wastewater treatment market in the UAE is projected to grow from **USD 530m** in 2025 to approximately **USD 800m** by 2031.



1. Refers to Wastewater treatment systems that work as engineered solutions which process liquid waste by enabling microorganisms to break down contaminants and safely manage the resulting byproducts

Sources: The Insight Partners; Ministry of Energy and Infrastructure UAE; UAE Smart City Strategy Document, Secondary resources, Deloitte analysis

Advantage

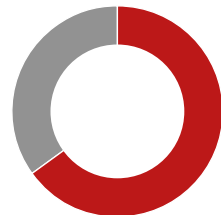
Strengthened capital structure
in readiness for sustained growth

Ittihad Group's USD 550 million sukuk issuance successfully diversified the investor base towards international institutional investors and followed an upgrade to BB- from B+ with a Stable outlook.

Ittihad offers international investors something rare in this region – a large-scale, diversified industrial conglomerate with no exposure to real estate or oil and gas. Ours is a business built on the fundamentals of daily life: the consumer goods people reach for every day, the infrastructure that powers cities and communities, and the essential utility services that keep them running. This is not cyclical, commodity-driven growth. This is the compounding, long-term earnings power of a business deeply embedded in the fabric of the regional economy – and it is precisely what makes Ittihad a uniquely compelling proposition for investors seeking durable, differentiated exposure to the Gulf's structural growth story. That story is underpinned by a well-defined Capital Allocation Framework, which governs how the Group deploys capital to balance growth, financial resilience, and long-term value creation. It also reflects Ittihad's ongoing commitment to strengthening its credit profile and continuing on the path to higher credit ratings. The first pillar is reinvestment in our core businesses – principally the Consumer Goods Manufacturing and Infrastructure and Building Materials Manufacturing divisions. Capital is directed toward capacity enhancement, operational efficiency, facility modernization, and widening our product offerings.

These investments ensure we maintain strong competitive positioning and deepen our market share across the region. The second pillar is selective M&A within our core divisions, with a focus on consolidating capacities and realizing margin improvements through synergies. Each transaction is evaluated rigorously against balance sheet strength and return on capital criteria, with a firm commitment to maintaining a comfortable leverage trajectory. The third pillar is forward integration – investing in B2C converting capabilities that transform our raw material production strength into branded consumer equity. This is where we see the most meaningful long-term value creation opportunity, and our 2027 Saudi Arabia facilities are the first expression of that ambition.

Strong investor demand

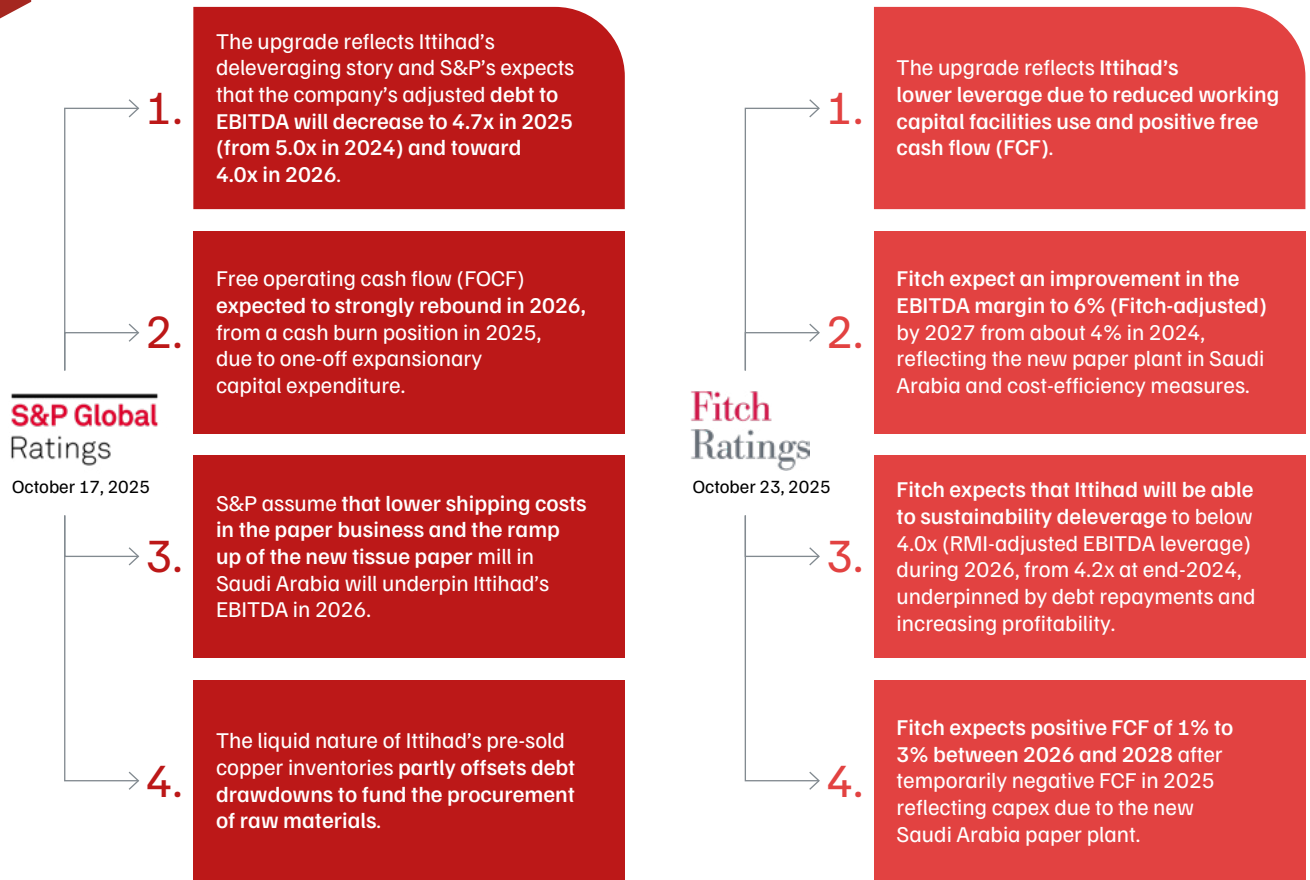


● International 65%
● Regional 35%

ADVANTAGE CONTINUED

The year 2025 marked another milestone in the strengthening of the Group’s capital structure in readiness for future growth. Ittihad Group’s USD 550 million sukuk issuance successfully diversified the investor base towards international institutional investors and followed an upgrade to BB- from B+ with a Stable outlook from both S&P Global Ratings and Fitch Ratings. The Group’s liquidity was materially enhanced through a sustainably linked USD 450 million revolving credit facility, improving leverage, coverage, and liquidity metrics, and providing a robust platform for future growth. Ongoing investments in cost optimization, energy efficiency, solar power, and water recycling continued to improve operational resilience while supporting ESG objectives.

Ittihad Upgraded to ‘BB-’ from ‘B+’ with a Stable outlook by both S&P Global Ratings and Fitch Ratings*



* Source: S&P Global Ratings Rating Report dated 17 October 2025 and Fitch Ratings Rating Action Commentary dated 31 October 2025.

CHAIRMAN'S STATEMENT

Strength and resilience



EBITDA growth of over 20 per cent. is not an outcome we stumbled upon. It is the product of deliberate strategy, operational excellence, and a portfolio built to perform.”

The year 2025 was one of exceptional achievements for Ittihad International Investment. Our financial performance reached new heights, our capital structure was fundamentally strengthened, and our standing among the global investor community grew in ways that would have been difficult to imagine when we first entered the international capital markets just two years ago. I am proud to bring you this report, and I am proud of everything it represents.

The pages that follow tell this story in numbers. This statement is my attempt to tell it in meaning – to explain not just what we achieved, but why it matters, and what it says about the kind of company Ittihad has become.

A Year of Strong Financial Performance

I am pleased to report that the Group delivered EBITDA growth of over 20 per cent. in 2025 – a result that reflects the quality of our portfolio businesses, the discipline of our operational management, and the continued execution of the growth strategy we set out several years ago. This is not a one-off result. It is the continuation of a trajectory that has been building consistently, driven by volume growth across our core verticals of Consumer Goods Manufacturing, Infrastructure and Building Materials, and Business Services.

With revenues exceeding USD 3.5 billion across the four segments, and 75 per cent. of those revenues generated through exports to over 50 countries, Ittihad continues to demonstrate that an industrial holding group headquartered in Abu Dhabi can compete – and win – on a genuinely global stage. That is something we do not take for granted, and it is something we intend to build upon.

CHAIRMAN'S STATEMENT *CONTINUED*

A Transformed Capital Structure

In 2025, we celebrated another landmark for Ittihad's capital structure. In November, we successfully priced a USD 550 million five-year senior unsecured Sukuk – our second international capital markets transaction in two years. The response from the global investor community was extraordinary: the order book exceeded USD 2 billion, representing more than four times oversubscription, with 65 per cent. of allocations placed with investors outside the MENA region across Europe, the United States, and Asia. The Sukuk was priced at a coupon of 7.375 per cent. – a meaningful improvement over the 9.75 per cent. coupon of our 2023 debut, reflecting the significant progress we have made on credit quality, financial discipline, and international recognition.

Alongside the Sukuk, we secured a USD 450 million committed Revolving Credit Facility – a further demonstration of the confidence our banking partners place in Ittihad's business model and management. Together, these two transactions represent a comprehensive strengthening of our liquidity position and a material extension of our maturity profile. We enter 2026 with one of the strongest balance sheets in our peer group, and with the financial flexibility to pursue our growth agenda from a position of genuine strength.

We could not have achieved this without the strong partnerships we have built over the years – with our banking relationships, with the UAE government and its economic institutions, and with the global investor community whose confidence we have worked hard to earn. A transaction four times oversubscribed does not happen without years of consistent performance, transparent communication, and the kind of trust that can only be earned – never demanded. We are grateful to every institution that participated, and we take seriously the confidence they have placed in us.

Navigating Global Trade Developments

The most significant development for global trade in 2025 was the escalation of tariff measures between major economies. As a business that exports to over 50 countries, we monitored these developments closely and acted decisively to assess and manage our exposure. I am pleased to report that the Group navigated this environment without material impact on our overall performance. Our geographic diversification, the essential nature of our products, and the strength of our long-standing customer relationships provided natural insulation – and our management team's proactive response ensured that we continued to serve our customers and deliver our commitments throughout.

This experience reinforced a conviction we have long held, that a truly diversified, export-oriented industrial portfolio is one of the most robust structures an investor can own. When no single market accounts for a dominant share of revenues, and when your products are essential rather than discretionary, you operate from a position of structural advantage. This was demonstrated in practice in 2025.

The UAE and the Long View

I want to take a moment – as I believe any thoughtful long-term investor should – to speak to the context in which Ittihad operates. Over several decades, the UAE and the broader GCC have constructed one of the most deliberate and successful economic transformations in history. The infrastructure, the logistics networks, the financial architecture, the manufacturing base, the trade corridors connecting East and West – these are world-class strategic assets built over generations, and they do not change overnight. This region's role as a global hub for capital, talent, and commerce is structural, not cyclical.

The infrastructure, the logistics, the financial architecture of this region – built over generations – represent one of the great strategic assets in the world. We are proud to call it home.”

CHAIRMAN'S STATEMENT *CONTINUED*

The government's commitment to economic diversification – reflected in initiatives such as 'Make It in the Emirates', in which our CEO plays an active national role – continues to create the conditions in which industrial businesses like ours can grow, compete globally, and contribute meaningfully to the national economy. The resources available to support economic development in this region are substantial, the vision is clear, and the execution has been remarkable. Ittihad is a direct expression of that vision: a privately built, UAE-headquartered industrial conglomerate that sells to the world. We are proud to be part of this story, and we are committed to playing our part in it for decades to come.

Early 2026: Continuity Through Complexity

As this report goes to press, I want to address directly the events of early 2026. The escalation of conflict in the Middle East, and the associated impact on regional shipping corridors including the Strait of Hormuz, created a moment of genuine significance for trade in our region. I am pleased to report that Ittihad maintained full continuity of operations throughout this period, without material disruption to our businesses, and from a position of calm and confidence.

Our preparedness was not accidental. We maintained close and active communication with government bodies and port authorities throughout. Alternative logistics routes were identified, assessed, and activated. Inventory buffers provided operational continuity across our portfolio. Additionally, our management team responded with the decisiveness that comes from having built a business specifically architected to absorb external shocks of this nature.

Our diversification across multiple business segments, multiple geographies, and multiple logistics alternatives meant that the portfolio as a whole remained stable and operational.

Growth Strategy: The Road Ahead

Our long-term strategic direction is clear and unchanged. We will continue to deepen our positions in the verticals where we already hold market leadership, and we will expand – geographically and by sector – with the same discipline and selectivity that has defined every investment decision we have made since 2008.

Consumer Goods manufacturing represents a compelling avenue for geographic expansion. Our products serve essential everyday needs, our cost structure is competitive, and our quality credentials are well established across the GCC and our export markets. Business Services – supporting healthcare operations, facilities management, and essential institutional infrastructure – is an equally attractive space, characterized by long-term contracts, recurring revenues, and growing demand driven by population growth and rising standards across the region.

We will be selective, as we always have been. We will invest only in businesses that meet our strict criteria for non-cyclical, export potential, and sustainable competitive positioning. We will continue to bring to every new investment the same operational discipline, governance standards, and long-term orientation that have defined Ittihad since our founding.

Our People, Our Foundation

None of what we have achieved would have been possible without the extraordinary commitment of the people who work for Ittihad. More than 8,000 employees, drawn from over 57 nationalities, bring their talent and dedication to our businesses every single day. I want to say to each of them, directly: your efforts are seen, and they matter. The confidence that our investors place in our instruments, the trust that our customers extend to our businesses, and the respect that our banking partners show our balance sheet – all of it flows ultimately from the work you do. I am deeply grateful.

Jawaan Al Khaili, Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

The next phase of growth

Q&A with our CEO



Ittihad marked another year of strong progress in 2025 as we continued to strengthen the Group's financial position."

Q. What was 2025 like for Ittihad in terms of performance and goals achieved?

2025 was, in a word, validating. Not just of the numbers, though the numbers were strong, but of the choices we have made over the past several years about what kind of company Ittihad should be.

We set out at the beginning of the year with a clear objective: to deliver another year of compounding growth while continuing to invest in the businesses and capabilities that will define the next chapter of this Group. We achieved that. Record EBITDA. Margin expansion. Growth across all three of our principal segments. And we did it in a year where the global operating environment was genuinely challenging; elevated shipping costs, raw material volatility, and geopolitical uncertainty that tested supply chains across the region.

What I am most proud of is not any single result, it is the resilience of the portfolio. Our Consumer Goods business navigated a difficult input cost environment and still grew. Our Infrastructure and Building Materials division delivered an outstanding performance, driven by the structural demand tailwinds we have been positioning ourselves to capture for several years. And our Business Services division continued its consistent expansion, extending its geographic footprint across Abu Dhabi and converting a strong contract pipeline into long-term recurring revenue.

This is a diversified industrial Group operating in businesses that serve the daily needs of a growing regional population. 2025 was proof that when the model is built correctly, it does not require a perfect environment to perform.

It performs because the underlying demand for what we produce and the services we deliver is structural, not cyclical. That gives me a great deal of confidence, not just in what we achieved last year, but in what we are capable of delivering in the years ahead.

Q. Please outline the factors that impacted performance for each of your sectors and how you see them playing out in 2026, broken down by core sector: Consumer Goods Manufacturing, Infrastructure and Building Materials Manufacturing (IBMM), Business Services, and Healthcare and Other.

Consumer Goods Manufacturing

Performance within the Consumer Goods segment during the year was primarily influenced by global industry dynamics affecting paper and tissue markets. The sector continues to be heavily influenced by fluctuations in global pulp prices, which remain the principal raw material input for paper and tissue manufacturing. Changes in pulp prices typically translate into finished product pricing with a lag, creating periods of margin pressure across the industry.

Despite these headwinds, underlying demand fundamentals remain strong. Regional consumption continues to benefit from population growth, rising incomes, and expanding hospitality and tourism sectors across the Middle East.

Infrastructure and Building Materials Manufacturing

Our Infrastructure and Building Materials segment delivered particularly strong performance in 2025, supported by robust demand for copper, steel, and cement driven by infrastructure investment across the region and globally.

Copper continues to play a critical role in global electrification, renewable energy infrastructure, artificial intelligence data centers, and electric vehicles, positioning it as a strategic material for the energy transition.

CHIEF EXECUTIVE OFFICER'S REVIEW *CONTINUED*

During the year, we also ramped up the production in the copper recycling facility which was commissioned in Q4 2024, integrated with our rod mill operations, reflecting full of cost efficiency on performance while strengthening our environmental performance through increased use of recycled materials.

Business Services

Our Business Services division delivered exceptional growth during the year, driven by strong demand for infrastructure operation and maintenance services and the conversion of a robust pipeline into new long-term contracts. The structural drivers of this business are straightforward and enduring. The Gulf's rapid urban expansion – new residential communities, industrial zones, and large-scale masterplan developments – continuously requires the extension and build-out of sewer networks. Simultaneously, municipalities are accelerating the rehabilitation of ageing infrastructure to address growing capacity demands. Together, these dynamics create a dual engine of growth: new installations driven by development, and recurring maintenance driven by the region's maturing urban fabric. It is a business with long visibility, essential service characteristics, and a customer base that is overwhelmingly public sector. We see sustained growth ahead.

Healthcare and Other

The Healthcare and Other division recorded a modest EBITDA decline during the year, reflecting a deliberate strategic decision to scale back our UAE healthcare consumables business in response to intensifying competition and margin compression. We retained the dealerships we consider commercially sustainable while exiting positions that no longer met our return thresholds. Our Egypt operations remain the standout within this segment, continuing to demonstrate attractive margins and encouraging demand growth. This is not a division we are targeting for aggressive expansion, but one we are managing with discipline and focus.

Q. How has your strategy of diversification supported growth in 2025?

One of the defining characteristics of Ittihad is the balance we have built across our three core earnings pillars: Consumer Goods Manufacturing, Infrastructure and Building Materials, and Business Services.

Each of our businesses is driven by different economic fundamentals. Copper benefits from electrification and infrastructure growth, consumer goods demand is driven by population and consumption patterns, while business services rely on long-term infrastructure operation contracts. This diversified model allows the Group to navigate economic cycles more effectively.

In Saudi Arabia, we will commission our new tissue mill in May 2026, adding approximately 60,000 tons of additional production capacity. We have also acquired land for a consumer hygiene products converting facility expected to commence operations in January 2027, further strengthening margins by expanding our presence across the value chain.

We are also progressing forward integration in the paper business through an A4 converting facility in Saudi Arabia to capture higher-value margins.

Q. What were your key achievements in 2025?

2025 was a year of execution across every dimension of the business — and when I look back at what the team delivered, I am genuinely proud of the breadth of it.

The commissioning and ramp-up of our copper recycling plant was one of the year's defining operational milestones. We integrated recycled copper into our rod mill production cycle, delivering meaningful cost efficiencies that came through exactly as planned. This is not just a financial story — it is a statement about the kind of manufacturer we are becoming: leaner, more resource-efficient, and better positioned to compete on cost without compromising on quality.

In Business Services, our utility and sewage network operations delivered outstanding growth — effectively doubling revenue over the past two years. This is a business that is capturing a market that is both essential and expanding. As Abu Dhabi continues to grow — new communities, new infrastructure, new masterplan developments — the demand for wastewater treatment and sewage network services grows with it. We are the trusted partner delivering that infrastructure, and the momentum we have built gives us strong visibility into continued growth ahead.

In our healthcare services business, we made meaningful progress in deploying AI-driven technology within our imaging solutions operations. This has improved diagnostic accuracy, increased throughput, and allowed us to serve more patients more effectively. It is an example of how we are applying technology not for its own sake, but to drive real operational outcomes — better service quality, higher volumes, and a stronger competitive position in a market that rewards precision and reliability.

On sustainability, we began the structured rollout of solar power installations across our industrial facilities during the year. This is a long-term programme with a dual purpose: it reduces our carbon footprint and our energy costs simultaneously, which is exactly the kind of investment that makes sense both commercially and as a matter of responsibility. As a major industrial operator in the UAE, we take our role in the country's clean energy transition seriously — and we are putting capital behind that commitment in a disciplined, phased way.

Taken together, these achievements reflect something important: that Ittihad is not just growing at the top line — it is getting better at every level of the organization. More efficient, more technologically capable, more sustainable, and better positioned for the next phase of growth.

CHIEF EXECUTIVE OFFICER'S REVIEW *CONTINUED***Q. Describe Ittihad's philosophy of 'parenting' portfolio companies and how this benefits them**

Our philosophy is straightforward: we are not a passive holding company. We are an active, engaged parent, and we believe that is precisely what creates value in a diversified industrial conglomerate.

Each of our subsidiaries operates with its own management team, its own sector focus, and its own commercial strategy. That autonomy is important, it preserves entrepreneurial drive and keeps decision-making close to the market. But what the parent provides is something that no standalone business of similar size could replicate on its own. We bring proven leadership and deep sector expertise. We bring a strong balance sheet and access to funding that opens doors our subsidiaries simply would not be able to open independently. We bring relationships with decision-makers, government entities, and strategic partners across the region. And we bring advanced management systems and manufacturing capabilities that raise the standard of operations across the entire portfolio.

In practical terms, this means a subsidiary in the utilities sector can access capital at terms that reflect the Group's credit profile rather than its own standalone position. It means a manufacturing business benefits from procurement relationships and supply chain infrastructure built at Group level. It means every business in the portfolio can draw on the Group's regional footprint, its institutional relationships, and a revenue model that blends long-term contracts with short cash cycles, providing both earnings visibility and strong liquidity.

The result is a portfolio of businesses that are individually stronger because they are part of Ittihad, and a Group that is more resilient, more diversified, and more capable of sustained growth because of the quality of the businesses within it. That is the parent-subsidiary relationship we aspire to, and it is what we measure ourselves against.

Q. How important is your ESG framework to your business and what milestones have you achieved so far in this area?

Our ESG framework is increasingly important to our business, the milestones we have achieved and what we hope to achieve going forward. In 2025, we received full marks on sustainability performance targets and KPIs for the sustainability-linked revolving credit facility, directly linking financing costs to ESG performance. We also published a Group 2025 Sustainability Report aligned with GRI and IFRS S1 disclosure standards to ensure full transparency, and several Ittihad subsidiaries have received the ADCCI Sustainability Label from the Abu Dhabi Chamber. In continuation of our commitment, Ittihad submitted a membership application to Alliance for Industry Decarbonization (AFID). Further details on our ESG achievements for 2025 can be found within this report.

Q. What strategies does Ittihad plan to focus in the coming years, and what gives you a winning edge versus your competitors to expand as a global conglomerate?

Looking ahead, our strategy is clear and our conviction is high. We will continue to reinvest in our core businesses to deepen competitive moats, pursue selective M&A to consolidate market position and unlock synergies, and execute our forward integration into B2C – capturing the higher-margin, branded end of the value chain that our raw material production backbone uniquely enables.

What gives us the winning edge is not any single factor – it is the combination of all of them. We operate at scale in industries that serve the fundamental, daily needs of a growing regional population. We have the balance sheet strength, following a year of landmark capital markets execution, to pursue opportunity with confidence. We have a credit profile that is improving, an investor base that is broadening, and a management team that has demonstrated the ability to deliver growth consistently –

through geopolitical turbulence, global trade disruption, and a challenging macroeconomic environment. Our competitors are typically either purely regional in focus or narrowly concentrated in one segment. Ittihad's diversification across consumer goods, infrastructure, and essential services – combined with our growing international footprint and the structural demand tailwinds underpinning each of our businesses – gives us a platform that is genuinely difficult to replicate.

We are not chasing growth for its own sake. We are building a business with durable earnings, expanding margins, and compounding equity value. That is what we have delivered, and that is what we remain committed to delivering.

Amer Kakish, Chief Executive Officer

Our diversified portfolio, strong liquidity, and disciplined financial management position Ittihad well to continue delivering sustainable growth in the years ahead.”

OUR STRATEGY

Powering opportunities

The Company's five pillar strategy is focused on unlocking non-oil sector growth by expanding services that address essential day-to-day needs. The strategy aims to position Ittihad as a catalyst for inclusive, demand-driven development in line with the UAE's national economic transformation priorities. By executing this strategy, Ittihad aims to scale its businesses, broaden its customer base, and enhance competitiveness, while driving sustainable operational efficiencies.

Our mission drives our strategy

We aim to provide sustainable, recurring income and generate long-term value for our shareholders. This is achieved through prioritizing transparency, accountability, and diligence throughout the investment process.

Strategic pillars

Human-centered innovation

Design and deliver products and services that improve daily life for individuals and communities.

Disciplined capital allocation

Prioritize high-return investments within core divisions to ensure long-term value creation.

Focused sectoral expansion

Expand strategically within existing industries to deepen impact and drive scalable growth.

People at the core

Empower and develop talent through continuous learning, inclusion, and a culture of ownership.

Values and sustainability

Embed sustainability into operations and product design to reduce our environmental footprint and support greener communities.

Strategic priorities

Develop branded consumer goods for the B2C market

Leverage our manufacturing capabilities and sector knowledge to enter the B2C space, investing in high-impact, branded products that address everyday needs and contribute to long-term brand equity.

Expand service portfolio

Build on our core operational expertise to become a leading provider of full facility management and integrated municipal services in the Abu Dhabi market, with targeted expansion into other Emirates and regional markets.

Drive organic and inorganic growth

Pursue disciplined growth through a balanced mix of internal investments and strategic acquisitions within our existing divisions, maintaining financial discipline.

Ensure financial strength and stability

Achieve sustainable growth while remaining committed to reaching our target leverage levels and maintaining an investment-grade liquidity ratio (>1.5x) to support resilience and future opportunities.



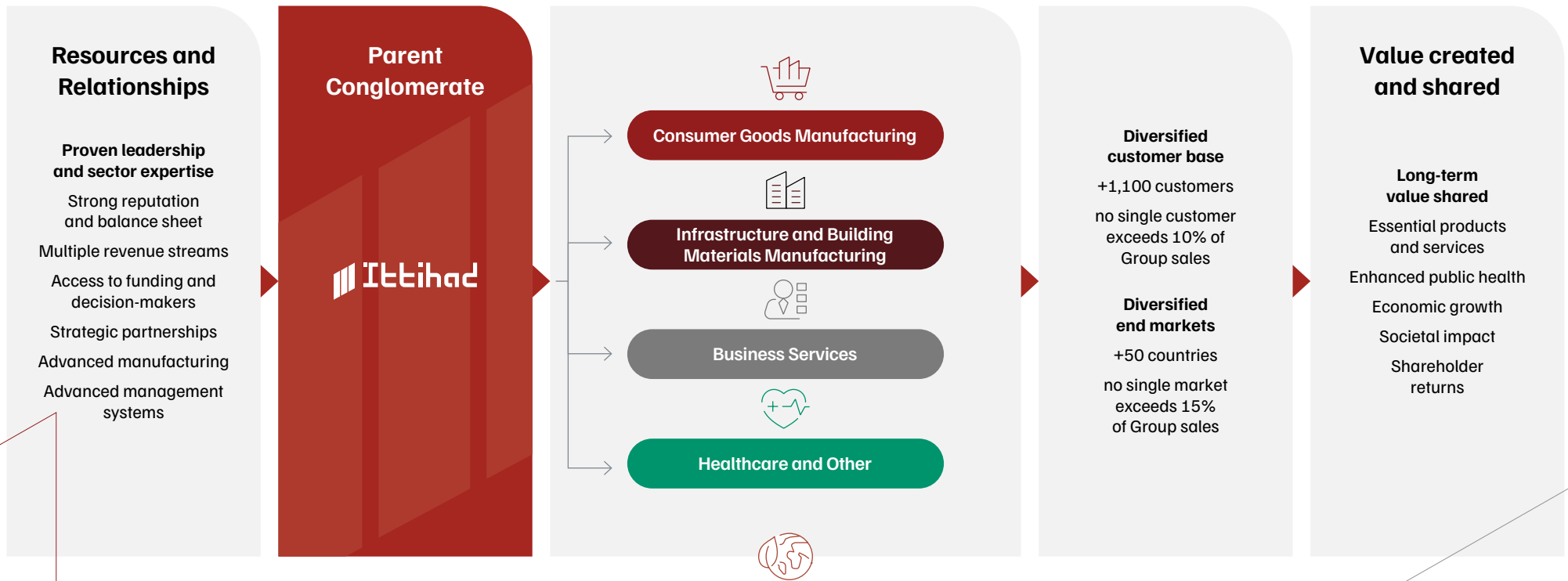
+ See more on sustainability on page 47

VALUE CREATION BUSINESS MODEL

A diversified platform for sustainable value creation

Aligning today’s verticals for tomorrow’s growth

Ittihad manages a diversified portfolio spanning copper products, paper, detergents, and municipal utilities, applying deep sector knowledge and operational expertise to build scalable, efficient businesses with sustainable competitive advantages. By aligning operations with the MENA region’s demographic growth, rising GDP, and the strategic pivot away from oil and gas, the Group positions itself in line with long-term regional development. Its segmented structure allows for focused strategies, greater efficiency, and effective resource allocation. A diverse client base and widespread regional footprint reduce dependency on any single market, enhancing resilience against economic and geopolitical volatility. With a balanced revenue model that blends long-term contracts and short cash cycles, Ittihad ensures strong liquidity, consistent cash flow, and enduring financial stability.



Underpinned by sustainability


Ittihad is committed to balancing profitability with sustainability and generating positive outcomes for stakeholders, society and the planet.

+ See more on page 47

OPERATING REVIEW

Our four verticals

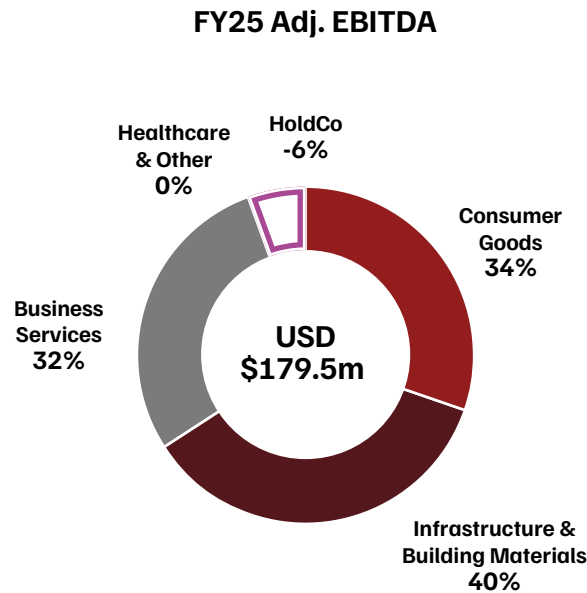
Ittihad is an investment holding company focused on the development, management, and operation of a diverse portfolio of industrial, infrastructure, healthcare, and environmental services businesses. The Company invests in businesses with strong domestic market positions within the UAE and KSA as well as strong international export potential. Ittihad’s businesses span multiple sectors and are organized into four main verticals: consumer goods, infrastructure and building materials, business services, and healthcare and other.



Consumer Goods
Oriented around three industries – the production of printing and writing paper, tissue paper and chemicals used in detergents and personal care products.



Infrastructure and Building Materials
Manufacturing of premium refined copper rods, straight steel bars and high-quality cement.




Business Services
Operation & maintenance services for infrastructure networks, water systems, sewage, treatment plants, waste management. Operations of radiology departments in Government-owned hospitals.



Healthcare and Other
Medical equipment and full turnkey solutions for government and private sector.

OPERATING REVIEW CONTINUED



Consumer Goods Manufacturing

Steady growth amid a mixed operating environment

Ittihad's Consumer Goods Manufacturing (CGM) division reported moderate EBITDA growth, aided by strong performance in chemicals. Paper remained broadly flat, with margins impacted by lagged input costs, while tissue declined modestly.

The Consumer Goods Manufacturing (CGM) segment delivered EBITDA growth of 3.5% year-on-year, with performance across the segment reflecting a mixed but net-positive picture. The Group's chemicals business led performance, supported by stable raw material costs and strong regional FMCG demand.

Paper EBITDA was broadly flat, with around 2% growth, while margins (roughly 14%) remain below the 17–19% normalized range, driven by higher-cost pulp inventories and an approximately 28% drop in pulp prices. Additionally, EBITDA in the tissue business decreased around 4% due to the shutdown of an older machine. This is a short-term impact and is expected to improve long-term cost efficiency.

Four businesses make up the CGM division – Ittihad Paper Mill (IPM), Crown Paper Mill (CPM), Metropolis Paper Industries (MPI), and Union Chemicals Factory (UCF) – and are engaged in the manufacture of three largely non-cyclical consumer goods products (paper, tissue, and chemicals).

Revenue (USD)

\$479.4m

Adj. EBITDA (USD)

\$60.1m



OPERATING REVIEW CONTINUED

Consumer Goods Manufacturing portfolio businesses

Printing and writing paper

Ittihad Paper Mill (IPM) is the GCC's first printing and writing paper production plant and is the largest paper product producer of its kind in the MENA region. The mill is recognized globally for its operational efficiency and product quality.

Located in Abu Dhabi, IPM is one of the most advanced large-scale paper mills in the Middle East with the capability to serve high-demand markets across the globe. We specialize in the production of uncoated wood-free (UWF) paper, which is used in applications including cut-size office paper and offset printing.

The non-integrated mill sources high-grade pulp from international suppliers, ensuring agility, cost efficiency, and responsiveness to global market trends.

As part of our strategic growth, we are reinforcing our market presence through the expansion of our proprietary brands, Omnia and Maram. These brands currently represent over 30 per cent. of our total production capacity, with growth planned for the coming years to increase this figure. Omnia and Maram are increasingly gaining market share with end-users and distributors who value our commitment to quality and reliability.

Through strategic partnerships, our global reach continues to grow. Our largest marketing partner, Central National-Gottesman (CNG), allows access to broader markets through its extensive sales and distribution network across North America, Europe, Asia, Latin America, and parts of Africa.

Roxcel and MEPCO extend our footprint across the MENA region and other targeted markets, helping ensure wide access to IPM's paper products with dependable quality and service. Supported by a robust global distribution network, a growing branded portfolio, and strong operational performance, IPM is well placed to continue expanding its share of the uncoated paper market at home and abroad.

Tissue

CPM and MPI spearhead our tissue operations and are central to the Group's strategy to become a dominant tissue manufacturer in the UAE, Saudi Arabia, and the MENA region. These two businesses have been critical in driving the transition toward a more consumer-focused portfolio.

CPM, established in 1996 and acquired by Ittihad in 2015, employs over 260 professionals and operates state-of-the-art machinery to produce 100,000 metric tons of high-quality jumbo tissue rolls annually.

MPI was acquired in 2019 as a distressed asset and was successfully turned around. As a pioneer in the UAE's tissue converting sector, MPI specializes in transforming jumbo tissue rolls into a range of absorbent tissue products. Since December 2023, MPI has been the main tissue supplier for leading private label retailers including Carrefour, Lulu, and Noon.

Currently, approximately 12 per cent. of Ittihad's tissue production capacity is converted into retail-ready products. We are now moving into the B2C market with our own brand presence and aim to increase our converted product capacity to over 40 per cent. in the medium term.

As a further competitive advantage, CPM and IPM both use the same raw materials. This allows Ittihad to leverage economies of scale, making us the largest pulp importer in the region with a combined procurement capacity exceeding 330,000 tons. As a result, we are able to support cost-effective sourcing and consistent production quality across both tissue and paper divisions. With this integrated approach and a growing presence in both private label and branded consumer markets, Ittihad is on track to become the leading tissue manufacturer in the GCC.

Chemicals

Founded in 2009 and employing 430 people, Union Chemicals Factory (UCF) is the Middle East's largest producer by volume of LABSA (linear alkylbenzene sulfonate) and SLES (sodium laureth sulfate), which are essential ingredients used in detergent and personal care products. UCF supplies customers in over 25 countries, with core markets across the Middle East, Africa, North America, and South Asia. In 2020, the company strengthened its manufacturing footprint through the acquisition of a sulphonation plant in Saudi Arabia, raising its total annual production capacity to 80,000 metric tons.

OPERATING REVIEW CONTINUED



Responsible Sourcing: FSC-Certified Pulp

At Ittihad, our commitment to environmental responsibility and sustainable sourcing practices is at the heart of our operations. We exclusively source renewable FSC®-certified pulp, ensuring environmental, social, and economic benefits. By promoting responsible sourcing, we contribute to the fight against deforestation and give customers confidence that our products support their sustainability goals. This commitment is central to our long-term strategy to reduce environmental impact while maintaining exceptional quality.

Market overview

Strong market positioning across paper and tissue

The Group's consumer goods subsidiaries continue to operate in market segments that remain more resilient than many global peers, with Ittihad Paper Mill (IPM) and CPM well positioned within the MENA paper and tissue landscape.

In uncoated woodfree paper, MENA consumption reached approximately 2.5 million tons in 2024, representing about 5.5 per cent. of global demand. Despite pressure on global UWF demand, the MENA market has remained relatively resilient, with the Middle East accounting for around 44 per cent. of regional consumption. IPM, with an annual capacity of 320,000 tons, is one of the region's leading producers. The market is relatively concentrated, with the five largest producers accounting for about 60 per cent of regional capacity. IPM benefits from its scale, strategic UAE location, and logistical advantages in serving regional and export markets. Although margins were temporarily affected in 2025 by declining pulp prices and high-cost inventory, they normalized by the fourth quarter.

In tissue, MENA demand reached approximately 2.3 million tons in 2024, or 5.4 per cent of global consumption, supported by population growth, rising hygiene standards, and relatively low penetration in several markets. CPM is one of the region's leading producers, accounting for just over 10 per cent. of MENA tissue capacity.

While MENA is a net exporter overall, the Middle East remains a net importer, supporting the importance of regional production. With demand expected to outpace new capacity additions through 2026–2027, CPM is well positioned to benefit from a favorable supply-demand balance.

Overall, both businesses are positioned in segments where regional market fundamentals remain more attractive than in many mature markets globally. IPM benefits from a resilient and relatively concentrated UWF market with favorable logistics, while CPM is exposed to a tissue market with structurally stronger growth and supportive regional demand dynamics.

OPERATING REVIEW CONTINUED



Expanding the consumer tissue platform in Saudi Arabia

As part of its strategy to strengthen its presence in the regional consumer goods sector, the Group is expanding its tissue platform through a new production and converting facility in the Kingdom of Saudi Arabia. This investment reflects the Company's ambition to deepen its participation across the tissue value chain while capturing strong growth opportunities in one of the region's largest consumer markets.

The new tissue jumbo roll production line, with a capacity of 60,000 tons per year, is expected to commence operations in Q2 2026. The facility will produce tissue parent rolls that serve as the base material for a wide range of hygienic and sanitary products. Saudi Arabia represents one of the fastest-growing tissue markets in the region, driven by population growth, improving living standards, and increasing demand for hygiene products across both retail and institutional channels.

Complementing the jumbo roll production facility, the Group is also establishing a tissue converting plant in Saudi Arabia. The converting facility will produce a broad range of hygienic and sanitary products, including baby diapers, feminine care products, sanitary napkins,

and specialized hygiene products designed for the elderly and people with disabilities. By integrating converting capabilities alongside tissue production, the Group will be able to capture additional value within the tissue supply chain.

Approximately 25 per cent. of the jumbo rolls produced at the new facility will be internally converted into finished hygiene products. This vertical integration is expected to enhance margins by shifting a portion of production from commodity parent rolls into higher-value consumer products, while also enabling the Company to expand its product offering within the fast-growing hygiene and personal care segment.

The expansion marks an important step in the Group's broader strategy to evolve from a tissue producer into a fully integrated hygiene products platform, combining large-scale tissue manufacturing with downstream converting capabilities. This integrated model strengthens the Company's commercial positioning by enabling it to serve both industrial customers purchasing jumbo rolls and consumer markets seeking branded hygiene products.

With operations in Saudi Arabia expected to begin in 2026, the project will further enhance the Group's regional footprint while positioning it to capture growing demand for hygiene and sanitary products across the GCC and wider MENA region.

OPERATING REVIEW CONTINUED



Infrastructure and Building Materials Manufacturing

Building tomorrow

The Infrastructure and Building Materials Manufacturing (IBMM) division enjoyed robust growth in 2025. Demand across copper, steel, and cement strengthened, supported by infrastructure expansion and strong construction activity.

Infrastructure and Building Materials Manufacturing (IBMM) was the standout segment in 2025, with EBITDA up 48.4% — marking a third consecutive year of strong growth — driven by demand for copper, steel, and cement.

Copper EBITDA rose around 22%, supported by the new recycling plant and strong demand from clean energy, AI data centers, and GCC infrastructure.

Steel and cement sales grew over 30%, fueled by robust UAE construction activity, high capacity use, and ongoing government-led mega projects.

Revenue (USD)

\$2.7bn

Adj. EBITDA (USD)

\$72.3m



OPERATING REVIEW CONTINUED



Infrastructure and Building Materials Manufacturing portfolio businesses

Copper rods

Ittihad's copper rod business represented one of the most successful divisions of the Company portfolio in 2025. By combining product innovation with sustainable production practices, we have met market demand in a way that benefits the environment while strengthening our operations.

With a capacity of over 220,000 metric tons, UCR is the largest premium copper rod producer in the Middle East. Established in 2008, it primarily manufactures 8mm and 12.5mm copper rods using Grade A cathode and industry-leading Southwire Continuous Rod (SCR). The business, which has 143 employees, serves four key markets: MENA, Europe, Asia, and Australia.

Over 80 per cent. of Ittihad's copper output is currently exported worldwide. Operating at approximately 90 per cent. capacity, UCR holds an estimated 30 per cent. share of the MENA market. We also marked the first full year of our copper recycling facility, which further strengthened our sustainability footprint. More details on this facility are detailed on the following page.

Steel bars

Founded in 2005, the URF offers a range of reinforced steel solutions. The UAE is the Company's primary market, where it holds a 12 per cent. share. URF specializes in mechanical coupling systems, epoxy coating, and other engineering services. With two production facilities spanning 50,000 square meters in Abu Dhabi and 30,000 square meters in Dubai, URF has the capacity to produce 500,000 metric tons of steel bars annually. With real estate and infrastructure on a strong growth path in the UAE, we anticipate the robust demand for steel bars to continue.

Cement

Since 2008, National Cement Factory (NCF) has led the way in 'green cement' production in the UAE. Now the country's premier integrated cement manufacturer, NCF delivers 2.2 million metric tons of premium cementitious material annually to support the nation's real estate and infrastructure growth. NCF's facility features an advanced laboratory and 20,000 metric tons of silo storage capacity.

Market overview

Copper sector

Global copper demand continued to grow, supported by structural trends including electrification, renewable energy deployment, and the rapid expansion of digital infrastructure such as data centers. While industrial activity in some advanced economies remained subdued, resilient demand in emerging markets supported steady global consumption.

In the UAE, copper consumption is closely linked to the country's strong cable manufacturing base, where wire rod is a key input for domestic use and exports. As renewable energy, data centers, and electrification projects expand, these sectors are expected to drive further demand.

These structural trends support a positive long-term outlook for copper. The Group is well positioned to benefit, leveraging its established production platform, regional location, and strong relationships with cable manufacturers across the Middle East and international markets.

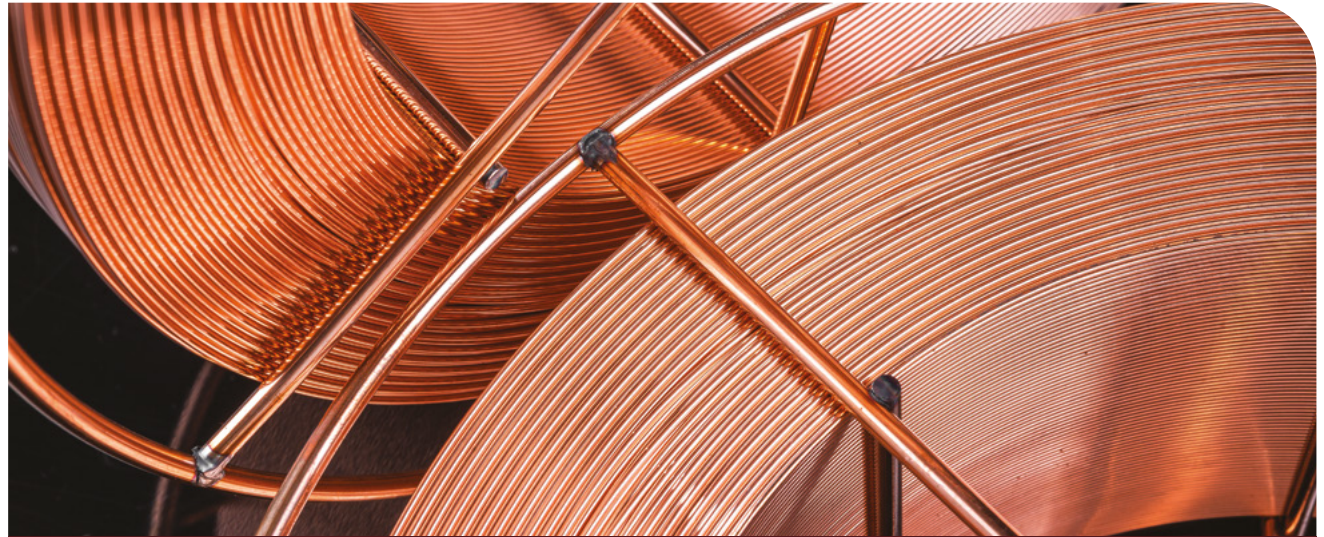
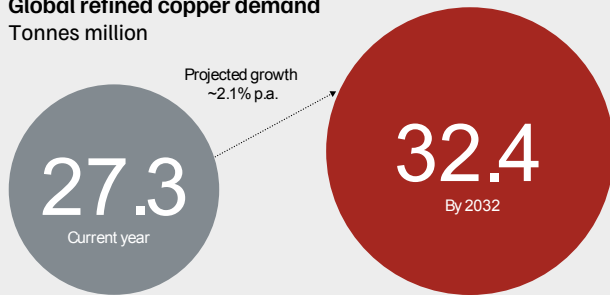
OPERATING REVIEW CONTINUED

Building Materials (steel and cement)

The UAE steel rebar market is projected to reach approximately USD 5.3 billion by 2030, growing at a CAGR of about 5 per cent. between 2025 and 2030, driven by infrastructure and construction development, oil and gas expansion, urbanization, population growth, and government diversification initiatives. Demand is also shifting toward sustainable rebars, supported by national programs such as Net Zero by 2050 and the Industrial Decarbonization Roadmap.

The UAE cement market is expected to grow from USD 1.21 billion in 2025 to around USD 1.47 billion by 2029, supported by infrastructure investment, urbanization, and government-backed housing and industrial projects. The UAE also serves as a key regional export hub for cement and clinker to the GCC, East Africa, and South Asia. In line with its Net Zero 2050 goals, the sector is advancing green cement production through alternative fuels, energy-efficient technologies, waste heat recovery, and carbon capture.

Global refined copper demand
Tonnes million



Enhancing efficiency and sustainability through copper recycling

In 2025, the Group’s copper business completed the first full year of operations of its copper recycling facility, representing an important step in strengthening both operational efficiency and sustainability performance.

The recycling plant, commissioned alongside the Group’s copper rod mill, enables the processing of high-purity recycled copper which is reintroduced into the production cycle. By integrating recycled material into its manufacturing process, the Group has enhanced supply chain flexibility while improving cost efficiency across its copper operations.

The facility also supports greater resilience in raw material sourcing by expanding the range of inputs that can be used in production. This capability is particularly valuable in a market where primary copper prices remain elevated, the ability to supplement virgin material with high-quality recycled inputs provides a meaningful cost advantage and adds a further layer of procurement flexibility.

Beyond its operational benefits, the recycling plant reinforces the Group’s commitment to more sustainable industrial practices. Recycling copper requires significantly less energy than primary metal production and contributes to reducing the environmental footprint of copper manufacturing.

As the facility continues to ramp up operations, it is expected to play an increasingly important role in supporting margin resilience, operational flexibility and the long-term sustainability of the Group’s copper business.

Operational impact

Improved cost efficiency

Integration of recycled copper supports stronger margin resilience.

Greater sourcing flexibility

Expanded input options strengthen supply chain security.

Lower environmental footprint

Recycling copper requires significantly less energy than primary production.

OPERATING REVIEW CONTINUED



Business Services

Delivering essential services

The Business Services vertical delivered robust growth in 2025, underpinned by expansion in sewage network services and increased demand for infrastructure linked to urban development and system upgrades, alongside improved performance in waste management.

Business Services EBITDA grew 18.1%, its third consecutive year of strong expansion, driven by a 32% growth in utilities and waste management from the expansion of services geographically in Abu Dhabi.

Demand is supported by urban growth and ageing infrastructure upgrades, including upgrading of the underground network as well as recurring maintenance. Waste management also contributed to returns, aided by a contract extension at improved margins.

Anchored by three main platforms – SOLV Group (SLV), Emirates Link Nitco (ELN), and Unison Capital Investment (UCI) – it targets long-term operation and maintenance contracts with AA-rated government entities, creating a foundation of stable, recurring income. The division's

strength lies in its asset-light model and the natural synergies between its businesses. Shared customer bases allow for centralized management of overheads, coordinated maintenance teams, and joint procurement of diesel and spare parts, maximizing efficiency and profitability across the unit. This approach allows us to support new projects in line with population growth through enabling vital services.

Revenue (USD)

\$256.9m

Adj. EBITDA (USD)

\$57.5m



OPERATING REVIEW CONTINUED



Business Services portfolio companies

UCI

Through its workforce of over 300 full-time healthcare professionals and an image exchange and management system, UCI oversees the maintenance and operation of radiology departments in government-owned hospitals and six centers of excellence. UCI is also involved in training the algorithms of various clients' digital systems to identify a wide range of diseases.

In November 2025, UCI won the Best Government-Private Partnership award in the second UAE AI Award for their collaboration on transforming diagnostic imaging with AI. Launched in 2024 by the UAE Council for Artificial Intelligence and Blockchain, the UAE AI Award seeks to encourage federal, local, and semi-government entities to adopt advanced artificial intelligence applications. It strives to set a national standard for AI utilization while promoting innovative solutions that support a future shaped by digital innovation, collaboration, and stronger creative competitiveness. The award is a strong testament to our excellence in business services and innovation in the growing field of AI.

Waste and environmental services

SOLV Group is the market leader in city cleaning and environmental services in Abu Dhabi, employing 4,800 people. Through long-term contracts with AA-rated government authorities, including Tadweer and Abu Dhabi Municipality, it provides non-hazardous solid waste collection to a diverse client base across over 500 locations. Focused on sustainable innovation, SOLV utilizes cutting-edge technologies to reduce its ecological footprint and has strategically expanded its operations into the Saudi Arabian market.

Utility and sewerage services

Through ELN, Malegori (MAL), and Advanced Pipeline Services (APS), Ittihad provides comprehensive sewerage and water network services to the UAE market. ELN, established in 2002, has 1,500 employees and multiple ISO certifications and is a leading O&M provider managing sewage treatment, pumping stations, and water networks across Abu Dhabi's municipalities. MAL specializes in irrigation, sewerage, and stormwater drainage, while APS offers efficient, trenchless pipeline rehabilitation. Bolstered by contracts from major infrastructure projects, these integrated capabilities position Ittihad as a one-stop solutions partner to SWS (a member of ADQ).

Market overview

Performance supported by infrastructure and healthcare demand

Revenue in the Business Services division increased USD 51.9 million, or 25.3 per cent., to USD 256.9 million in the 12 months ended 31 December 2025, compared to USD 205.0 million in the same period of 2024. The increase was primarily driven by a rise in work orders and O&M contracts across utilities, environmental services, and healthcare operations.

This performance reflects strong demand across the sectors served by the division. In utilities and environmental services, growth has been supported by rapid urbanization, population expansion, and increased investment in infrastructure and environmental services across the UAE. Wastewater treatment capacity has expanded significantly in recent years, with the number of treatment plants in the UAE increasing from 78 in 2015 to 162 in 2023, reflecting the growing need for wastewater management and reuse. In waste management, higher waste volumes generated by population growth and construction activity have driven demand for integrated waste collection, treatment, and recycling services.

In healthcare services, demand for diagnostic imaging has continued to increase as healthcare providers expand diagnostic capabilities and governments invest in medical infrastructure. Through its subsidiary Unison, the Group operates the only radiology Public-Private Partnerships (PPP) of its kind in the UAE, giving the Group 100 per cent. market share in this segment and providing stable contract-based revenues through its partnership with Emirates Health Services.

Across its utilities and environmental services businesses, the Group maintains a significant market presence in Abu Dhabi, accounting for over 30 per cent. of the local market, supported by long-standing relationships with government entities and public sector clients. The division has also begun expanding into the broader GCC region.

OPERATING REVIEW CONTINUED

In focus: Unison – Scaling AI in public healthcare diagnostics

In 2025, Unison (UCI) received national recognition through the UAE AI Award 2025, where Unison and Emirates Health Services were awarded Best AI PPP by the UAE Cabinet. The award recognizes the successful deployment of artificial intelligence in diagnostic imaging within government healthcare systems and confirms Unison's ability to implement AI-driven healthcare solutions at scale within a PPP model.

Operationally, Unison has integrated AI technologies across multiple diagnostic pathways within Emirates Health Services facilities, including breast cancer screening, tuberculosis detection, brain stroke diagnosis, and osteoporosis risk detection. These systems are deployed across hospitals, primary healthcare centers, and visa screening facilities, supporting large-scale diagnostic workflows across the UAE healthcare system.

The operational impact has been significant. AI-enabled breast cancer screening has increased diagnostic accuracy by 13 per cent., reduced reporting time to less than one minute per study, and enabled screening volumes to grow from approximately 1,900 cases in 2020 to around 7,000 cases in 2025. In tuberculosis screening, AI systems now analyze approximately one million chest X-rays annually, reducing reporting times from 72 hours to around 10 hours while improving diagnostic accuracy and public health monitoring. Similarly, AI-enabled stroke detection reduced diagnosis time from 30 minutes to approximately two minutes, enabling faster clinical intervention in critical cases.

Beyond improving clinical outcomes, AI deployment has generated measurable operational efficiencies. Automation and AI-assisted diagnostics have enabled radiology workforce optimization, reducing the number of required radiologists in certain screening programs while maintaining higher diagnostic accuracy. These improvements have translated into annual operational cost savings and improved service capacity, allowing healthcare providers to manage higher patient volumes while maintaining quality of care.

From a commercial perspective, this national recognition reinforces Unison's position as a leading operator of AI-enabled diagnostic services within government healthcare systems. The successful implementation of AI across multiple clinical applications demonstrates the Company's capability to combine technology deployment, operational execution, and public-sector partnerships. This creates further opportunities to expand AI-enabled diagnostic services within the UAE healthcare system and across other regional healthcare markets where governments are increasingly investing in digital health infrastructure and AI-driven medical diagnostics.



OPERATING REVIEW CONTINUED



Healthcare and Other

Healthcare, logistics, and fund management

The Healthcare and Other segment declined in 2025 on the back of market contraction in medical consumables trading and some optimization-related scale back.

Adjusted EBITDA in the Healthcare and Other Division was USD (0.7) million for the year ended 31 December 2025, down from USD 1.6 million for the year ended 31 December 2024. This reflected continued market contraction in medical consumables trading and the deliberate scaling back of certain operations to optimize capital deployment. The Group has retained its strategic distributorship agreements, preserving optionality for future growth opportunities.

Revenue (USD)

\$80.0m

Adj. EBITDA (USD)

\$(0.7)m

OPERATING REVIEW CONTINUED



An overview of Healthcare and Other Services

Healthcare

Ittihad's Abu Dhabi International Medical Services (ADI) and FourMed provide extensive medical device portfolios in the UAE (including imaging and surgical products) and comprehensive turnkey solutions. In line with the Group's growth strategy, Ittihad is targeting expansion into the wider MENA/GCC region. ADI's established relationships with multinational companies have already facilitated expansion into new markets.

The division captures operational efficiencies and maximizes profits by leveraging distribution overlaps in medical equipment and turnkey solutions, alongside shared overheads.

Established in 2007, ADI serves both government and private sector clients. Operating through two core divisions of Lab and Imaging, ADI offers service agreements, spare parts, lab equipment, consumables, and critical care products. The company has successfully delivered over 120 local and international projects and serves more than 280 hospitals and medical facilities. Its revenue is primarily generated through the distribution of radiology equipment, life care sciences products, lab equipment, and consumables from major global suppliers, including GE and Abbott in the UAE, and Beckman Coulter in Egypt.

Since 2007, FourMed Medical Supplies has been a key supplier of operating theatre, emergency room, and surgical equipment in the UAE. Its revenue is mainly driven by the distribution of products from trusted manufacturers such as Trumpf and Richard Wolf.

Other services

This segment includes Peak Capital Management, a fund management business specializing in developing and executing proprietary investment strategies in US and European equity markets.

Another portfolio company is Transportr, a tech startup that has launched a versatile digital freight platform in the GCC, offering cutting-edge technology to help shipping companies address operational challenges. Meanwhile, portfolio company Office Inspirations provides comprehensive interior design and furnishing installation services to multinational companies, schools, universities, and government entities, demonstrating the breadth of services offered via this vertical.

CHIEF FINANCIAL OFFICER'S REVIEW

A year of progress



Revenues exceeded USD 3.5 billion. EBITDA grew by over 20 per cent. Both results reflect volume-driven growth – the most durable kind.”

In 2025, we saw the financial story of Ittihad moved decisively forward. We delivered strong earnings growth, executed two landmark financing transactions that materially transformed our capital structure, and ended the year with a balance sheet that is cleaner, longer, and more flexible than at any point in our history. In the review that follows, I will walk through each of these dimensions in turn.

Financial Performance

The Group delivered EBITDA growth in excess of 20 per cent. for the full year 2025, building on the momentum established in prior years and reflecting both organic growth and the operating leverage embedded in our portfolio businesses. This performance was broad-based – contributions came from across our verticals, with Infrastructure and Building Materials and Business Services both performing strongly.

Group revenues for the year exceeded USD 3.5 billion, with top-line growth driven primarily by volume and pricing improvement across our copper, steel, and cement businesses, alongside a growing contribution from new contracts awarded within the Business Services division. We view revenue growth underpinned by these drivers – operational volume, pricing power, and contract wins – as the most durable and meaningful form of top-line expansion.

EBITDA margins of 13.5 per cent expanded year-on-year, reflecting the tangible benefits of operational improvements embedded during the year. The commissioning of our copper recycling facility delivered measurable cost efficiencies within the copper business, while strong demand dynamics across copper, steel, and cement supported favorable volume and pricing conditions. Overheads were managed with discipline throughout the year, ensuring that revenue growth translated effectively into earnings.

Capital Structure: A Landmark Year

The most significant financial development of 2025 was the comprehensive transformation of our capital structure. In a single year, we executed two major financing transactions that collectively extended our maturity profile, reduced our cost of debt, and substantially increased our available liquidity. Taken together, they represent the most significant balance sheet milestone in Ittihad's history.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

A USD 550 million Sukuk at 7.375 per cent., a USD 450 million committed RCF, and a maturity profile extended to 2030. Our balance sheet enters 2026 transformed.”

In November 2025, we priced a USD 550 million five-year senior unsecured Sukuk at a coupon of 7.375 per cent. This transaction refinanced our outstanding 2023 debut Sukuk and other bilateral facilities on which we had paid a coupon of 9.75 per cent., delivering an annual interest saving of approximately USD 12 million. The new Sukuk extends our next significant capital markets maturity to 2030, providing a clear and unencumbered runway for the execution of our growth strategy. The transaction was four times oversubscribed, with a final order book in excess of USD 2 billion. International investors outside the MENA region accounted for 65 per cent. of the final allocation, reflecting a genuine broadening of our investor base into European, US, and Asian fixed income accounts.

Alongside the Sukuk, we secured a USD 450 million committed Revolving Credit Facility with our core banking group. This facility, which is senior unsecured and sustainability-linked, provides Ittihad with a substantial and flexible liquidity buffer – one that we can draw upon as needed to support working capital or to bridge any required capital expenditure or M&A.

Our net leverage at year end stood at 3.1x EBITDA, within our stated target range for 2025 and on the path towards the investment-grade trajectory we are pursuing. Interest coverage for the year was 2.25x, comfortably above our debt incurrence covenant levels and reflective of the strong earnings generation of the business. The credit rating agencies S&P and Fitch affirmed our BB- rating during the year, reflecting the full breadth of improvements achieved across our financial profile, capital structure, and operating performance.

Liquidity and Cash Flow

Cash generation from operations was strong in 2025, with operating cash flow of USD 146 million, representing a cash conversion ratio of approximately 81 per cent. of EBITDA. Working capital was well managed across the portfolio, and capital expenditure of USD 90.3 million was deployed in line with budget, focused primarily on capacity expansion in our tissue business in Saudi Arabia, alongside efficiency upgrades and maintenance capex across our existing businesses.

Free cash flow after capital expenditure amounted to USD 55.4 million, providing comfortable coverage of our debt service obligations. Following the completion of the Sukuk and RCF transactions in 2025, the Group's available liquidity – comprising cash on hand and undrawn RCF capacity – stood at USD 665.4 million at year end (USD 215.4m cash plus USD 450m RCF), the strongest liquidity position we have held.

Debt Maturity Profile

One of the most important outcomes of our 2025 financing activity was the transformation of our maturity profile. Prior to the refinancing, our nearest significant capital markets maturity was the 2028 Sukuk. Following the refinancing, our next material maturity is now the 2030 Sukuk – providing a clear five-year horizon of capital markets stability. Combined with the three-year RCF, our weighted average debt maturity at year end stood at approximately 4.9 years, a significant improvement on the prior year position.

This extension of our maturity profile is not simply a financial housekeeping exercise. It is a strategic enabler. With our debt obligations well structured and our liquidity abundant, management can focus entirely on operating and growing the business – rather than on refinancing risk. That focus is exactly what our shareholders and debt investors should expect from us.

Sustainability-Linked Financing

I want to draw particular attention to the sustainability-linked nature of our RCF facility. The margin on this facility is linked to the Group's performance against a defined set of ESG targets, meaning that our cost of debt is directly tied to our progress on sustainability metrics. This structure reflects our genuine commitment to ESG, and it aligns the interests of our banking partners with our own sustainability objectives. It is also a meaningful signal to the market: Ittihad is a business that is willing to be held financially accountable for its ESG commitments, not merely to report on them.

CHIEF FINANCIAL OFFICER'S REVIEW CONTINUED

Looking to 2026

We enter 2026 from a position of financial strength that is, by any As the Chairman noted, the Group entered 2026 with its operating businesses performing well, and the geopolitical developments of recent months have not materially altered that picture. I want to provide some additional color on how we see the year unfolding across our segments.

In Consumer Goods, the regional disruption has created a meaningful tailwind for our tissue business. Higher pulp import costs into the region have driven tissue prices up sharply, and having entered the period with pre-built raw material inventory covering several months of production, we are well positioned to capture this price uplift directly into margin. The commissioning of our new tissue mill in Saudi Arabia in Q2 adds a further layer of incremental contribution. Our chemicals business provides additional resilience, with favorable pricing dynamics in key product lines. Paper export volumes are expected to moderate in certain markets due to elevated shipping costs, though this softness is comfortably absorbed by the broader segment performance. The aggregate picture for Consumer Goods is one of meaningful growth in 2026.

In Infrastructure and Building Materials, the business has demonstrated strong adaptability to the current environment. In copper, the disruption to certain export routes has been managed effectively by redirecting volumes to regional markets where realizations are coming in at attractive premiums. Steel and cement continue to benefit from a supportive local pricing environment and stable construction activity across the UAE and the wider region. The segment overall is on track to grow versus 2025.

In Business Services, our long-term government contracts across utility and waste management services continue to perform with stability and predictability, with a modest upside contribution expected from a recently secured contract extension.

Healthcare services are expected to soften modestly due to transitory volume dynamics, though the impact at the segment level remains contained. Overall, the segment is expected to remain close to its 2025 record EBITDA.

At the Group level, we expect to deliver another year of earnings growth in 2026 – extending what will be three consecutive years of compounding EBITDA expansion. That this trajectory is being maintained through a period of significant regional geopolitical disruption is, we believe, the clearest possible demonstration of the resilience and diversification that define this Group and the professionalism of the team that manages them.

Zahi Abu Hamze, Chief Financial Officer

Entering 2026, the Group is well positioned to build on its momentum, with resilient operations and clear growth visibility across all segments. We expect to deliver another year of earnings growth, extending our track record of consistent EBITDA expansion.”

Management's discussion and analysis of financial condition and results of operation

The following section and tables present certain historical consolidated financial information and operating data of the Company. The summary historical consolidated financial information as at and for the years ended 31 December 2023, and 2024 in the tables below is derived from the Audited Financial Statements. The summary historical consolidated financial information as at and for the twelve months ended 31 December 2024 and 2025 in the tables below is derived from the Audited Financial Statements. The Audited Financial Statements were prepared in accordance with IFRS. The information presented below is not necessarily indicative of the results of future operations.

The summary consolidated financial information presented below includes certain non IFRS financial and other measures that the Company uses to evaluate its economic and financial performance. These measures are not identified as accounting measures under IFRS and therefore should not be considered a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or any other generally accepted accounting principles, or those calculated using financial measures that were prepared in accordance with IFRS or any other generally accepted accounting principles.

The following section should be read in conjunction with the Audited Financial Statements.

Overview

The Company is a conglomerate that develops, manages and operates a diversified, non oil and gas portfolio across the industrial, infrastructure, healthcare and environmental services sectors. The Company's operations are located in the Middle East, but it sells its products and services globally. The Company was founded in 2008 to implement a holding company structure for a portfolio of non oil and gas investments of the Company's shareholder. In the immediate years after formation, the Company rationalized that portfolio of assets and sought to implement a new strategy. Starting in 2015, the Company has been focusing on a strategy of investing in businesses with leading domestic positions in the UAE and the GCC, as well as strong international export potential. This has been successful, and, since 2015, the Company has increased its annual revenue, operating profit and Adjusted EBITDA from revenue of AED 4,632.3 million (U.S.\$1,261.4 million), operating profit of AED 82.7 million (U.S.\$22.5 million) and Adjusted EBITDA of AED 35.1 million (U.S.\$4.3 million) in 2015 to revenue of AED 12,785.2 million (U.S.\$3,481.3 million), operating profit of AED 473.8 million (U.S.\$129.0 million) and Adjusted EBITDA of AED 659.4 million (U.S.\$179.5 million) for the twelve months ended 31 December 2025, respectively, through a mixture of acquisitions, greenfield projects, expansions and the growth and optimization of existing operations, respectively.

Factors affecting Results of Operations

Factors affecting Results of Operations of the Company's Manufacturing Divisions

The Company's manufacturing divisions, comprising both its consumer goods and infrastructure and building materials divisions, represented 91.6 per cent. and 91.0 per cent. of the Company's revenue for the years ended 31 December 2023, and 2024 respectively, and 90.3 per cent. for the twelve months ended 31 December 2025, 85.3 per cent. and 77.6 per cent of the Company's operating profit for the years ended 31 December 2023, and 2024 respectively, and 80.0 per cent. for twelve months ended 31 December 2025, 72.8 per cent. and 72.6 per cent. of the Company's Adjusted EBITDA for the years ended

31 December 2023 and 2024 respectively, and 73.8 per cent. for the twelve months ended 31 December 2025. Accordingly, market dynamics for paper, tissue and copper continue to have a significant impact on the Company's revenue and profitability.

Paper

The Company's performance is influenced by global paper industry dynamics, where demand is shaped by economic trends, demographics, technology, and customer preferences. After steady growth in consumption until 2005 in Western Europe and North America, demand for paper has become volatile, reflecting both end-user shifts and inventory management. Profitability remains highly sensitive to pricing, which in turn depends on the balance of supply and demand, with oversupply historically leading to margin pressure and recovery occurring when demand strengthens or capacity contracts. While retail paper prices were largely stable for many years due to global scale efficiencies and low inflation, industry conditions changed sharply in 2021, as inflationary pressures, supply chain disruptions, and the Russia-Ukraine conflict drove end-user and wholesale paper prices higher. Wholesale prices, closely tied to pulp costs, remain the most relevant measure for manufacturers, highlighting that margins are dictated more by raw material costs than by distributor or retailer pricing decisions.

While demand in developed markets has softened, per capita consumption there remains well above emerging markets, where growth continues to be driven by population, literacy, and rising incomes. IPM ramped up quickly, reaching 65% capacity in 2020, rising to 92% in 2022, despite COVID-19 restrictions. IPM achieved sales volumes of 293,754 tonnes for the twelve months ended 31 December 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Raw Materials and Energy Costs

Pulp, fillers, and energy represent the primary input costs of the Company's paper businesses. Wood pulp is the principal raw material required to manufacture paper. The Company's paper businesses purchase approximately 45 days of its production requirements. The price of pulp is somewhat volatile and sensitive to changes in wood prices, industry capacity, producer inventories, demand for paper and tissue, cyclical changes in the world economy and fluctuations in the U.S. dollar, the reference currency for trading in wood pulp. Fluctuations in pulp prices may impact, in turn, prices of final paper and tissue products, albeit with a lag of one to three months.

The Company procures its pulp primarily from leading pulp producers in Latin America, the United States, Canada and Europe. The Company has annual volume agreements with its pulp suppliers; with the prices it pays for pulp being determined by reference to a global index (RISI (Europe) or CRIC (China)). Due to its large scale compared to regional competitors, the Company is able to procure at these index prices rather than spot market prices. The Company consumes approximately 310,000 metric tonnes of pulp per annum.

The Company reduces its exposure to pulp price risks by, among other things, using recycled wastepaper to the extent possible (which is usually about 90 per cent. of the cost of virgin pulp). The Company believes it can liquidate inventory within seven to ten days to limit its exposure to inventory (the belief is based upon the Company's record of selling surplus stock in 2021 – 2022).

Fillers alongside pulp are used in the production mix of paper. The main filler is PCC, which is sourced and produced locally, and its cost is stable and competitive as its main raw material is burnt limestone, which is widely available within the UAE.

Energy is also an important input cost for manufacturing paper and related transportation costs. The price of crude oil impacts oil based raw materials and transportation costs. During the periods presented, the price of crude oil has been volatile. Bulk users such as the Company have had access to a stable and long term energy (electricity and gas) tariff mechanism, which was adopted by the Government of Abu Dhabi based on certain set criteria of efficiency, growth, and environmental performance.

Tissue

The Company's financial performance has been positively influenced by favorable regional developments in the tissue industry. Long-term demand remains resilient, driven by demographic trends, socio-economic factors, and evolving consumer preferences. While end-user consumption has historically grown steadily, customer demand is also affected by inventory management practices. Profitability in the tissue sector is highly sensitive to price fluctuations, which reflect the dynamic interplay between supply and demand, as well as inventory adjustments. Periods of industry-wide capacity expansion have previously led to oversupply and downward pressure on prices. Financial performance typically recovers either through increased demand or supply rationalization enabling price improvements and margin stabilization.

While demand for tissue in developed countries has been on a softening trend, it continues to significantly outweigh per capita consumption in emerging markets, an upward trend driven by socio economic improvements and household disposable income. This is particularly applicable to the markets where the Company sells more than 95 per cent. of its tissue products. The Company's ability to maintain operation close to 95 per cent. capacity from 2020 onwards following the ramp up of a newly commissioned machine in 2019 was driven by solid demand for tissue despite adversaries including COVID 19 lockdowns and their effects on the tourism sector, closure of airports, public and private sites, malls, restaurants and other sites. The Company's operating margins have been exceeding those of industry competitors in the region due to machine efficiencies, sizeable market share, and the economies of scale achieved from the procurement strategies of pulp and logistics.

Factors affecting Results of Operations of the Company's Copper Business

Price of copper, RMI and energy

The Company relies mainly on refined and recycled copper with 99.99 per cent. purity to manufacture its copper products. In the twelve months ended 31 December 2025, the total cost of raw materials for the Company's copper business was AED 7,893.2 million (U.S.\$2,149.3 million), or 97 per cent. of revenues.

Changes in the cost of RMI affect both the Company's revenues and its cost of materials and thus substantially affect its results of operations, however the market or LME metal price for copper is not a substantial factor affecting its underlying business performance as its contracts typically pass through directly to its customers the LME metal price of the copper products the Company manufactures. The Company adjusts its operating performance by removing the effect of RMI from its operating profit in order to better understand its business.

The Company's consolidated operating profit margin excluding the impact of hedged copper and Adjusted EBITDA margin excluding the impact of hedged copper were, respectively, 8.0 per cent. and 12.6 per cent. in the year ended 31 December 2023, 8.6 per cent. and 12.4 per cent. in the year ended 31 December 2024 and 9.7 per cent. and 13.5 per cent. for the twelve months ended 31 December 2025.

The reference price for both refined and recycled copper is based on the LME price. In line with industry practice, the Company mainly purchases refined copper under annual supply contracts to establish security of supply, and it purchases recycled copper with 99.99 per cent. purity primarily in the spot market using the same pricing mechanism applied on its customers. The price for the copper purchased is, in each case, set based on the LME price at the time of order. Orders are placed based on the Company's sourcing needs for customer contracts. Prices for copper tend to fluctuate in response to changes in supply and demand dynamics in the industry and may also be impacted by the behavior of financial investors. Since most of the raw materials the Company uses are finite resources, their prices may also fluctuate in response to any perceived scarcity of reserves and the evolution of the pipeline of new exploration projects to replace depleted reserves.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Copper prices have fluctuated over the past decade and depend on the relationship between supply and demand. While commodity prices are inversely related to the U.S. dollar and Fed Fund rates, copper prices remained high from 2022 onwards due to a significant shift towards green energy generation, expanded use of AI data centres, higher demand for electric vehicles, geopolitical tensions and Russia's invasion of Ukraine. Copper prices are also highly dependent on economic activities and infrastructure spending in China. Prices of copper slightly softened from their peak during the 2022 lockdowns in China on the back of higher COVID 19 infections, however the price rallied again close to all time highs as China relaxed such restrictions at the end of 2022. The ultimate use of copper is mainly in infrastructure expansion of power networks, power stations, data centres powering artificial intelligence (AI), green energy generation such as windmills and solar power, electric vehicles and overall infrastructure development. As global AI technology and environmental initiatives gather pace, a ramp up in the use of electric vehicles and data centres would further drive demand for copper and result in the price remaining at elevated levels.

The Company relies on both electricity and natural gas to fuel its copper operations for the last twelve months ended 31 December 2025, its net energy costs for the copper business were AED 7.2 million (U.S.\$2.0 million).

Demand for copper products

The copper and copper products industries are impacted by general economic conditions, with demand historically being correlated to GDP growth in the markets in which the Company operates both regionally and globally. As a result, the supply/ demand balance in the markets where the Company competes for customers and for prices for its raw materials are strongly influenced by overall economic conditions in Europe, Asia, and North America. Levels of industrial investment activity and industrial production also influence demand for the Company's products, in particular the industrial development driven by Abu Dhabi Economic Vision 2030.

The Company expects that trends in energy transition, digitalization and electrical mobility will continue to drive demand for its copper products given the reliance on copper as a material in many of the related technologies. Copper is used in a wide array of consumer electronic devices such as mobile phones, computer chips and tablets as well as in fibre cables and terminals used for internet connections because it is an excellent conductor of electricity.

Factors affecting Results of Operations of the Company's Other Divisions

Business Services

The business services division generated 35.0 per cent. of the Company's operating profit and 32.0 per cent. of the Company's Adjusted EBITDA in the twelve months ended 31 December 2025. This division is dependent primarily upon public sector contracts and expenditures by the Abu Dhabi and UAE governments. While this division's revenue is generated through long term contracts that are tendered publicly, the nature of services provided in each of the three businesses is specialized and significantly different from one another. Contracts in the operation and maintenance services for infrastructure networks, wastewater treatment plants, sewage network, pumping stations, and sewage treatment plants are for 3 to 7 years, whereas in the city cleaning and municipal waste collection they are for 6 years. Both businesses have been successful at retaining their contract lots in past tendering cycles and control a significant market share in Abu Dhabi (exceeding 30 per cent. in each of the sectors). Other than being market leaders with several quality awards from the relevant authorities, the two businesses have developed an advantage in their technical knowhow and proprietary expertise in the areas contractually managed. This has enabled both businesses to remain cost competitive while maintaining stable margins and financial strength over the last two decades. The third revenue stream in the Company's business services division is generated from the long term procurement, maintenance, and operation of radiology departments in Government owned hospitals and clinics across Dubai and the Northern Emirates.

The 12 year contract is the first Public Private Partnership in the UAE, having a revenue share model whereby the business is responsible for the procurement, installation, maintenance, and operation of all radiology equipment at Government hospitals and clinics. By leveraging on its strategic relationship with GE, and the technical expertise within the healthcare and business services division, the Company successfully designed and implemented a unique business model with high barriers to entry providing extended hours of scanning and diagnostic imaging services to clients. This partnership enabled the Government to modernize its entire radiology departments across all hospitals and clinics, optimize its diagnostic imaging services through a profit share model, and significantly reduce cost and its fixed asset base structure. While the services provided across this division are essential to the ongoing operation of strategic government assets, any changes in public expenditures by either the Abu Dhabi or UAE governments could impact the profitability of this division.

Healthcare and Other Services

The healthcare and other division generated (4.2) per cent. of the Company's operating profit and (0.4) per cent. of the Company's Adjusted EBITDA in the twelve months ended 30 June 2025. The main drivers of revenue in the healthcare and other division are from the distribution of radiology equipment and life care sciences products from GE, sales and distribution of lab equipment and consumables from Abbott and Werfen in UAE and Beckman Coulters in Egypt. In addition, this division provides turnkey operating theatre solutions to hospitals, distribution of hospital beds, and other critical care products.

Other businesses in this segment include a technology start up targeting the logistics and transportation sector in the GCC, a fund management start up specialized in U.S. and European equities, and a premium office furniture distributor including high end brands such as Steelcase, Boss design, and Framery.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

After exclusion of intragroup transactions from revenue and direct cost, the Unrestricted Subsidiaries contributed 0.2 per cent. and 0.4 per cent. of the Company's revenue for the year ended 31 December 2024 and for the year ended 31 December 2025, (1.4) per cent. and (1.5) per cent. of the Company's operating profit for the year ended 31 December 2024 and for the year ended 31 December 2025 and (0.8) per cent. and (1.0) per cent. of the Company's Adjusted EBITDA for the year ended 31 December 2024 and for the year ended 31 December 2025, respectively. After giving effect to the issuance of the Certificates and the guarantee pursuant to the Guarantee, the Unrestricted Subsidiaries had no indebtedness, AED 5.7 million of bank balances and cash (which represented 0.7 per cent. of the Company's consolidated bank balances and cash) and AED 61.7 million of total assets as of 31 December 2025 (which represented 0.9 per cent. of the Company's consolidated total assets at such date).

Statement of profit and loss data

The following table sets out summary financial data of the Company for the years/periods indicated:

	Financial Year		
	2023	2024	2025
	(AED in millions)		
Revenue	10,427.9	12,258.0	12,785.2
Direct costs	(9,794.7)	(11,514.1)	(11,936.6)
Gross profit	633.2	743.9	848.6
Administrative expenses	(303.5)	(355.3)	(363.7)
Provision for expected credit losses	(7.2)	(13.1)	(11.1)
Operating profit	322.5	375.5	473.8
Other income	10.0	12.6	17.8
Net foreign exchange (losses) gains	0.1	(4.5)	5.2
Finance costs	(285.3)	(287.0)	(293.1)
Cost on redemption of non-convertible Sukuk, net			(86.3)
Change in fair value of financial assets			(14.8)
Write-offs of loan processing fees	(18.7)		
Share of profit from associate	2.8	1.7	6.6
Gain on disposal of subsidiary	2.3	–	18.7
Reclassification of cash flow hedge reserve to profit or loss	5.7	(0.8)	(0.8)
Change in fair value of derivative financial instruments	1.6	(4.3)	9.6
Net profit for the year / period from continuing operations before tax	41.0	93.2	136.7
Tax expense	–	(18.8)	(25.4)
Net profit for the year / period from continuing operations after tax	41.0	74.4	111.4

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

2025 compared to 2024

Revenue

Revenue increased by AED 527.2 million, or by 4.3 per cent., to AED 12,785.2 million in the twelve months ended 31 December 2025 from AED 12,258.0 million in twelve months ended 31 December 2024, primarily due to a recovery in prices and demand of copper, steel and cement followed by increased work orders and O&M contracts in the Business Services division.

Revenue by division

Manufacturing – Consumer Goods

Revenue in the Consumer Goods manufacturing division decreased by AED 41.3 million, or by 2.3 per cent., to AED 1,760.3 million in the twelve months ended 31 December 2025 from AED 1,801.5 million in twelve months ended 31 December 2024, primarily due to lower prices of paper and tissue driven by a lower pulp price.

Manufacturing – Infrastructure and Building Materials

Revenue in the Infrastructure and Building Materials manufacturing division increased by AED 425.8 million, or by 4.5 per cent., to AED 9,785.1 million in the twelve months ended 31 December 2025 from AED 9,359.3 million in the twelve months ended 31 December 2024, primarily due to higher price and volumes for copper, cement and steel from global and regional markets on account of a strong push for energy transition, digitalization, real estate and infrastructure projects.

Business Services

Revenue in the Business Services division increased AED 190.5 million, or by 25.3 per cent., to AED 943.5 million in the twelve months ended 31 December 2025 from AED 753.0 million in the twelve months ended 31 December 2024, primarily due to an increase in work orders and O&M contracts across all businesses of the division.

Healthcare and Other

Revenue in the Healthcare and Other division decreased by AED 48.2 million, or by 14.1 per cent., to AED 293.8 million in the twelve months ended 31 December 2025 from AED 341.9 million in the twelve months ended 31 December 2024, primarily driven by the scale-down of low-margin products, a strategic shift toward higher-margin medical products.

Direct costs

Direct costs increased by AED 422.5 million, or by 3.7 per cent., to AED 11,936.6 million in the twelve months ended 31 December 2025 from AED 11,514.1 million in the twelve months ended 31 December 2024, the increase was primarily attributable to higher costs stemming from additional work orders from the Business Services division, followed by increased raw material prices, particularly in steel and cement.

Gross profit

Gross profit increased by AED 104.7 million, or by 14.1 per cent., to AED 848.6 million in twelve months ended 31 December 2025 from AED 743.9 million in the twelve months ended 31 December 2024, primarily due to higher gross profit in Infrastructure and Building Materials and Business Services division. Gross profit margin increased to 6.6 per cent. in the twelve months ended 31 December 2025 from 6.1 per cent. in the twelve months ended 31 December 2024, this was primarily due to enhanced cost efficiencies within the Business Services division, supported by the use of cost-effective copper scrap from the newly operational upcycling facility and favorable widening of steel margins.

Administrative expenses

Administrative expenses increased by AED 8.4 million, or by 2.4 per cent., to AED 363.7 million in the twelve months ended 31 December 2025 from AED 355.3 million in the twelve months ended 31 December 2024, primarily driven by increase in IT expenditures and payroll cost on the back of business expansion. As a percentage of revenue, administrative expenses decreased from 2.9 per cent. in the twelve months ended 31 December 2024 to 2.8 per cent. in the twelve months ended 31 December 2025.

Provision for expected credit losses

Provision for expected credit losses decreased by AED 2.0 million, or by 15.4 per cent., to AED 11.1 million in the twelve months ended 31 December 2025 from AED 13.1 million in the twelve months ended 31 December 2024, driven by overall improvement in collection cycle.

Operating profit

Operating profit increased by AED 98.4 million, or by 26.2 per cent., to AED 473.8 million in the twelve months ended 31 December 2025 from AED 375.5 million in the twelve months ended 31 December 2024, primarily due to higher operating profits from the Infrastructure and Building Materials and Consumer Goods division. As a percentage of revenue, operating profit increased to 3.7 per cent. in the twelve months ended 31 December 2025 from 3.1 per cent. in the twelve months ended 31 December 2024, primarily due to higher operating profit margin in the Infrastructure and Building Materials and Consumer Goods division.

Other income

Other income increased by AED 5.3 million, or by 41.9 per cent., to AED 17.8 million in the twelve months ended 31 December 2025 from AED 12.6 million in the twelve months ended 31 December 2024, primarily due to sale of end-of-life vehicles and equipment at their salvage value.

Net foreign exchange gain (losses)

Net foreign exchange gain was AED 5.2 million in the twelve months ended 31 December 2025 compared to a loss of AED 4.5 million in the twelve months ended 31 December 2024.

Finance costs

Finance costs increased by AED 6.1 million, or by 2.1 per cent., to AED 293.1 million in the twelve months ended 31 December 2025 from AED 287.0 million in the twelve months ended 31 December 2024, mainly driven by transaction fees incurred in connection with the committed revolving credit facility (RCF) and ECA financing obtained for the construction of the new tissue mill in KSA.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Change in fair value of derivatives

Change in fair value of derivative financial instruments increased by AED 13.9 million to AED 9.6 million in the twelve months ended 31 December 2025 from a loss of AED 4.3 million in the twelve months ended 31 December 2024, primarily due to a higher mark-to-market profit from ineffective interest rate hedging instruments and forex derivative instruments.

Change in fair value of financial assets

Change in fair value of financial assets amounted to a loss of AED 14.8 million in the twelve months ended 31 December 2025 compared to NIL in the twelve months ended 31 December 2024, originated from investments held-for-trading.

Share of profit from associate

Share of profit from associate was AED 6.6 million in the twelve months ended 31 December 2025 compared to AED 1.7 million in the twelve months ended 31 December 2024, primarily due to the increased profitability from the minority investment in the healthcare sector.

Gain on disposal of a subsidiary

Gain on disposal of a subsidiary was AED 18.7 million in the twelve months ended 31 December 2025 compared to NIL in the twelve months ended 31 December 2024, originated from the disposal of real estate assets held-for-sale.

Tax Expense

Tax expense was AED 25.4 million in the twelve months ended 31 December 2025 compared to AED 18.8 million in the twelve months ended 31 December 2024, primarily due to increase in taxable profit.

Net Profit for the period from continuing operations

Profit for the period from continuing operations increased by AED 36.9 million, or by 49.7 per cent., to AED 111.4 million in the twelve months ended 31 December 2025 from AED 74.4 million in the twelve months ended 31 December 2024, primarily due to improved gross profits mostly offset by one-off exceptional items defined in page 46.

Adjusted EBITDA

Adjusted EBITDA increased by AED 119.1 million, or by 22.0 per cent., to AED 659.4 million in the twelve months ended 31 December 2025 from AED 540.3 million in the twelve months ended 31 December 2024, primarily due to improved Adjusted EBITDA in the Infrastructure and Building Materials division as a result of increase in infrastructure and real estate projects followed by new work orders in Business Services division despite lower margins in the Healthcare and other division. As a percentage of revenue, Adjusted EBITDA margin increased to 5.2 per cent. in the twelve months ended 31 December 2025 from 4.4 per cent. in the twelve months ended 31 December 2024 primarily due to improved margin in the Infrastructure and Building Materials division, improved demand in the Consumer Goods division followed by increased work orders in the Business Services division.

Adjusted EBITDA by division

Manufacturing – Consumer Goods

Adjusted EBITDA in the consumer goods manufacturing division increased by AED 7.5 million, or by 3.5 per cent., to AED 220.9 million in the twelve months ended 31 December 2025 from AED 213.4 million in the twelve months ended 31 December 2024, primarily due to improved sales volumes as a result of recovery in demand from downstream sectors of chemicals.

Manufacturing – Infrastructure and Building Materials

Adjusted EBITDA in the infrastructure and building materials manufacturing division increased by AED 86.6 million, or by 48.4 per cent., to AED 265.6 million in the twelve months ended 31 December 2025 from AED 179.0 million in the twelve months ended 31 December 2024, primarily due to higher sales volume and improved margins across copper, cement and steel on the back of strong demand from infrastructure and real estate projects.

Business Services

Adjusted EBITDA in the business services division increased by AED 32.8 million, or by 18.4 per cent., to AED 211.1 million in the twelve months ended 31 December 2025 from AED 178.3 million in the twelve months ended 31 December 2024, primarily due to increase in work orders in the operation and maintenance of sewage network, landscaping and waste management.

Healthcare and Other

Adjusted EBITDA in the healthcare and other decreased to a loss of AED 2.7 million in the twelve months ended 31 December 2025 from a gain of AED 5.9 million in the twelve months ended 31 December 2024, primarily driven by the scale-down of low-margin products, a strategic shift toward higher-margin medical products.

2024 compared to 2023

Revenue

Revenue increased by AED 1,830.2 million, or by 17.6 per cent., to AED 12,258.0 million in the twelve months ended 31 December 2024 from AED 10,427.9 million in the twelve months ended 31 December 2023, primarily due to a recovery in prices and demand of copper, steel and chemicals followed by increased work orders and O&M contracts under Business Services division.

Revenue by division

Manufacturing – Consumer Goods

Revenue in the consumer goods manufacturing division decreased by AED 105.2 million, or by 5.5 per cent., to AED 1,801.5 million in the twelve months ended 31 December 2024 from AED 1,906.7 million in the twelve months ended 31 December 2023, primarily due to lower prices of paper and tissue driven by a lower pulp price.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Manufacturing – Infrastructure and Building Materials

Revenue in the infrastructure and building materials manufacturing division increased by AED 1,715.4 million, or by 22.4 per cent., to AED 9,359.3 million in the twelve months ended 31 December 2024 from AED 7,643.9 million in the twelve months ended 31 December 2023, primarily due to higher price and demand for copper, cement and steel from global and regional markets on account of a strong push for energy transition, digitalization, real estate and infrastructure projects.

Business Services

Revenue in the business services division increased AED 167.7 million, or by 28.6 per cent., to AED 753.0 million in the twelve months ended 31 December 2024 from AED 585.4 million in the twelve months ended 31 December 2023, primarily due to an increase in work orders and O&M contracts across all businesses of the division.

Healthcare and Other

Revenue in the healthcare and other division increased by AED 53.2 million, or by 18.4 per cent., to AED 341.9 million in the twelve months ended 31 December 2024 from AED 288.7 million in the twelve months ended 31 December 2023, primarily due to increase in demand for imaging equipment, lab consumables, logistics services and office furniture.

Direct costs

Direct costs increased by AED 1,719.4 million, or by 17.6 per cent., to AED 11,514.1 million in the twelve months ended 31 December 2024 from AED 9,794.7 million in the twelve months ended 31 December 2023, primarily due to increase in raw materials volumes and prices mainly copper, steel, and LAB followed by logistics costs, driven by increased revenue.

Gross profit

Gross profit increased by AED 110.8 million, or by 17.5 per cent., to AED 743.9 million in the twelve months ended 31 December 2024 from AED 633.2 million in the twelve months ended 31 December 2023, primarily due to higher gross profit in Consumer Goods, Infrastructure and Building Materials and Business Services division. Gross profit margin remained unchanged at 6.1 per cent. in the twelve months ended 31 December 2024.

Administrative expenses

Administrative expenses increased by AED 51.9 million, or by 17.1 per cent., to AED 355.3 million in twelve months ended 31 December 2024 from AED 303.4 million in the twelve months ended 31 December 2023, primarily due to increased outbound freight cost, other logistics and insurance expenses. As a percentage of revenue, administrative expenses remained unchanged at 2.9 per cent. in the twelve months ended 31 December 2024.

Provision for expected credit losses

Provision for expected credit losses increased by AED 5.9 million, or by 81.2 per cent., to AED 13.1 million in the twelve months ended 31 December 2024 from AED 7.2 million in the twelve months ended 31 December 2023, resulting from discontinuing certain non-performing divisions within healthcare business and the revamping of its operating model.

Operating profit

Operating profit increased by AED 53.0 million, or by 16.4 per cent., to AED 375.5 million in the twelve months ended 31 December 2024 from AED 322.5 million in the twelve months ended 31 December 2023, primarily due to higher operating profits from the Consumer Goods, Infrastructure and Building Materials and Business Services division. As a percentage of revenue, operating profit remains unchanged at 3.1 per cent. in the twelve months ended 31 December 2024.

Other income

Other income increased by AED 2.5 million, or by 25.3 per cent., to AED 12.6 million in the twelve months ended 31 December 2024 from AED 10.0 million in the twelve months ended 31 December 2023.

Net foreign exchange gain (losses)

Net foreign exchange gain was AED 4.5 million in the twelve months ended 31 December 2024 compared to an AED 0.1 million in the twelve months ended 31 December 2023.

Finance costs

Finance costs increased by AED 1.7 million, or by 0.6 per cent., to AED 287.0 million in the twelve months ended 31 December 2024 from AED 285.3 million in the twelve months ended 31 December 2023, primarily due to the full year impact of higher finance cost incurred from the issuance of Trust certificates which was offset by the ongoing deleveraging of the company's working capital debt.

Change in fair value of derivative financial instruments

Change in fair value of derivative financial instruments decreased by AED 5.9 million to a loss of AED 4.3 million in the twelve months ended 31 December 2024 from gain of AED 1.6 million in the twelve months ended 31 December 2023, primarily due to a lower mark to market profit from ineffective interest rate hedging instruments.

Share of profit from associate

Share of profit from associate was AED 1.7 million in the twelve months ended 31 December 2024 compared to AED 2.8 million in the twelve months ended 31 December 2023, originated from the minority investment in the healthcare sector.

Corporate Tax Expense

Tax expense was AED 18.8 million in the twelve months ended 31 December 2024 compared to NIL in the twelve months ended 31 December 2023, primarily due to applicability of newly introduced UAE corporate tax effective from 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Net Profit for the period from continuing operations

Profit for the period from continuing operations increased by AED 33.4 million, or by 81.3 per cent., to AED 74.4 million in the twelve months ended 31 December 2024 from AED 41.0 million in the twelve months ended 31 December 2023, primarily due to improved gross profits.

Adjusted EBITDA

Adjusted EBITDA increased by AED 30.6 million, or by 6.0 per cent., to AED 540.3 million in the twelve months ended 31 December 2024 from AED 509.6 million in the twelve months ended 31 December 2023, primarily due to increase in new work orders in Business Services division, followed by improved gross profit in the chemical steel and cement businesses despite lower margins in the Healthcare and other division. As a percentage of revenue, Adjusted EBITDA margin decreased from 4.9 per cent. to 4.4 per cent due to higher copper price and outbound freight and insurance expenses resulting from red sea supply chain disruption.

Adjusted EBITDA by division

Manufacturing – Consumer Goods

Adjusted EBITDA in the consumer goods manufacturing division increased by AED 5.7 million, or by 2.7 per cent., to AED 213.4 million in the twelve months ended 31 December 2024 from AED 207.7 million in the twelve months ended 31 December 2023, primarily due to increased sales volumes as a result of recovery in demand from downstream sectors of chemicals following a period of destocking and significant correction in raw material prices in 2023.

Manufacturing – Infrastructure and Building Materials

Adjusted EBITDA in the infrastructure and building materials manufacturing division increased by AED 15.8 million, or by 9.7 per cent., to AED 179.0 million in the twelve months ended 31 December 2024 AED 163.2 million in the twelve months ended 31 December 2023, primarily due to higher sales volume in the copper, cement and steel businesses, followed by improved margins in steel business.

Business Services

Adjusted EBITDA in the business services division increased by AED 34.1 million, or by 23.7 per cent., to AED 178.3 million in the twelve months ended 31 December 2024 from AED 144.2 million in the twelve months ended 31 December 2023, primarily due to an increase in work orders in the operation and maintenance of sewage network and landscaping businesses, followed by increased patient screenings in radiology business.

Healthcare and Other

Adjusted EBITDA in the healthcare and other division reduced to AED 5.9 million in the twelve months ended 31 December 2024 from AED 27.4 million in the twelve months ended 31 December 2023, primarily due to softer demand for medical and lab equipment, followed by provisions related to discontinuing certain non-performing divisions within healthcare business while revamping its operating model.

Liquidity and Capital Resources

The Company's funding and treasury activities are conducted consistent with corporate policies designed to enhance investment returns while maintaining appropriate liquidity for its requirements. Its short term liquidity requirements relate to servicing debt and financing the commodity procurement cycle. Sources of short term liquidity include cash balances and additional cash generated from operations. Its long term liquidity requirements include financing maintenance capital expenditure commitments, capital expenditure related to the renewal of long term government contracts in the waste collection and city cleaning business, approved capital expenditure for the expansion of the tissue business in the KSA and repayment of long term debt. Sources of funding for long term liquidity requirements include cash flow from operations, bank financing including RCF, unsecured export credit agency backed financing, and debt capital markets.

The Company expects that cash generated from operations, funds raised through debt capital market instruments and continued borrowings from banks and other financial institutions will continue to be the Company's primary sources of liquidity. The Company evaluates its funding requirements periodically in light of its net cash flow from operating activities and market conditions. The Company believes that the expected cash to be generated from its operations and its credit facilities will be sufficient to finance its working capital requirements for the next 12 months.

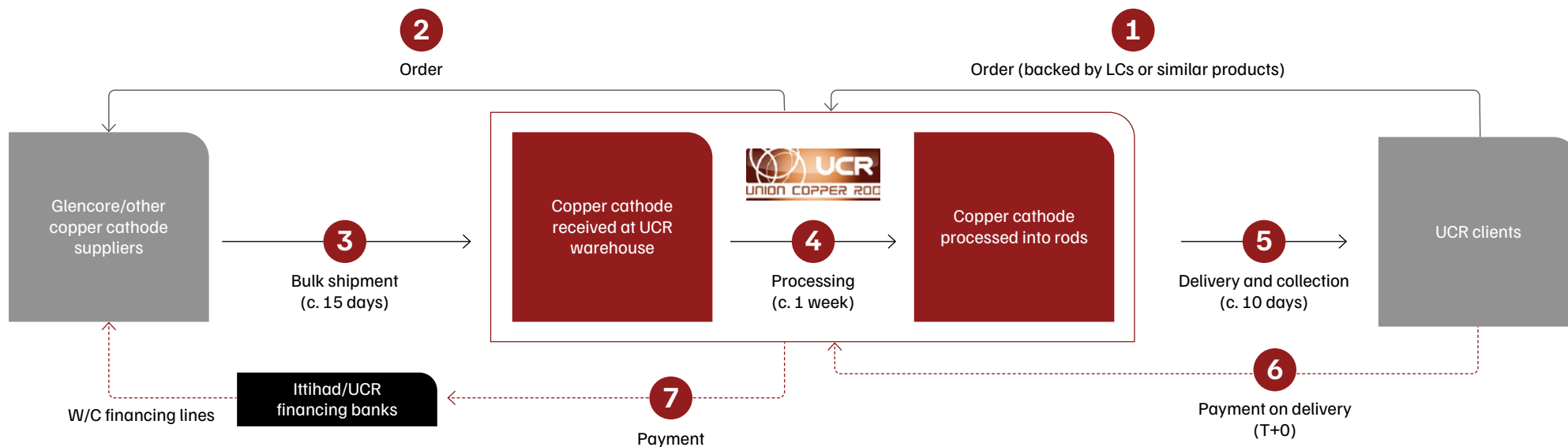
Copper Working Capital Cycle

The Company's UCR copper rod business relies mainly on refined and recycled copper with 99.99 per cent. purity to manufacture its copper products. Changes in the cost of RMI affect both the Company's revenues and its cost of materials and thus partially affect its results of operations and working capital.

The Company manages this working capital demand by working closely with its copper suppliers and passing on the LME copper price to its customers at the time of the sale, such that there is no mismatch between in the effect of the LME copper price in the sale or purchase contracts. The Company further manages this by requiring customers to pay cash in advance (the current DSO is approximately 15 days) and securing accounts receivables with letters of credit or other guarantees. Suppliers are usually paid in advance, such payments usually financed with working capital lines that charge modest fees due to the liquid nature of the underlying asset. Due to the high value of copper as a commodity and the short cycle of procurement and collection, working capital lines are considered as a source of liquidity and changes in working capital lines should be considered when analyzing the cash flow from operation to better understand the cycle of the business and assess the Company's free cash flow from operation.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

The following chart summarizes the Company’s copper working capital cycle:



- An order to suppliers is only placed when UCR receives an order from its customers, thereby allowing for a natural hedge and removing commodity price and volume risk.
- Suppliers are usually paid at the time of ordering (~0-15 days) by drawing on working capital financing lines.
- Banks charge only ~1.25% margin on these financing lines, significantly lower than that offered to other local businesses, recognizing the liquid nature of copper and Ittihad/UCR’s strong standing.
- Accounts receivable cycle is short (Days Sales Outstanding is 10 days) and is secured by trade instruments such as letters of credit, bank guarantees, and cash against documents which typically cover or exceed AP to Glencore.
- Therefore, from a risk management point of view, the liquidity source UCR uses to service short-term facilities from banks is inventory (RMI) whereas accounts receivable collections mitigate the outstanding balances due to Glencore. Both Days Inventory Outstanding and Day Sales Outstanding periods are shorter than Days Payable Outstanding and facilities from banks.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Cash Flows

The following table sets forth certain information relating to the Company's cash flows on a consolidated basis for the years / periods indicated:

	Financial Year		
	2023	2024	2025
	(AED in millions)		
Net cash flows from (used in) operating activities	553.6	677.7	535.2
Net cash flow (used in) from investing activities	143.8	(126.5)	(296.0)
Net cash flows (used in) from financing activities	(690.5)	(467.9)	(76.6)
Net increase/ (decrease) in cash and cash equivalents	6.9	83.4	162.5

Net cash flows from (used in) operating activities

2025 compared to 2024

Net cash flow from operating activities was AED 535.2 million in the twelve months ended 31 December 2025, compared to net cash flow from operating activities of AED 677.7 million in the twelve months ended 31 December 2024. This was primarily driven by increased cash flow from operation before adjusting for the working capital changes. Changes in working capital are highly impacted by copper price volatility or changes in sale volumes. During the period, copper inventory was higher than the same period in 2024 due to an increase in copper price.

2024 compared to 2023

Net cash flow from operating activities was AED 677.7 million in the twelve months ended 31 December 2024, compared to net cash flow from operating activities of AED 553.6 million in the twelve months ended 31 December 2023. This was primarily due to liquidity optimization from achieving more favorable terms with major suppliers resulting into improved working capital cycle. Changes in working capital are highly impacted by commodity price volatility or changes in sale volumes. During the period, the copper inventory cycle was shorter compared to the same period in 2023, resulting in a lower level of inventory. Conversely, the paper and tissue business experienced a longer inventory cycle, leading to higher inventory levels. Therefore, any impact on net cash flow from operating activities due to changes in working capital would typically be offset by an opposite change in working capital debt.

Net cash flows generated from (used in) investing activities

2025 compared to 2024

Net cash flow used in investing activities was AED 296.0 million in the twelve months ended 31 December 2025, compared to net cash flow used in investing activities AED 126.5 million in the twelve months ended 31 December 2024. This was primarily driven by capital expenditures used in the construction of tissue manufacturing and converting facility in KSA and other ongoing maintenance capex marginally offset by proceeds from disposal of a subsidiary and sale of end-of-life vehicles and equipment.

2024 compared to 2023

Net cash flow used in investing activities was AED 126.5 million in the twelve months ended 31 December 2024, compared to net cash flow from investing activities AED 143.8 million in the twelve months ended 31 December 2023. This was primarily due to construction and completion of copper upcycling facility, expansion capex related to new long-term contracts awarded to Maqayes in KSA, commencement of construction site for tissue manufacturing facility in KSA and other ongoing maintenance capex.

Net cash flows generated from (used in) financing activities

2025 compared to 2024

Net cash flow used in financing activities was AED 76.6 million in the twelve months ended 31 December 2025, compared to net cash flow used in financing activities AED 467.9 million in the twelve months ended 31 December 2024. This was primarily due to the ongoing deleveraging partly offset by drawdowns on the ECA loan facility for the construction of tissue manufacturing facility in KSA.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

2024 compared to 2023

Net cash flow used in financing activities was AED 467.9 million in the twelve months ended 31 December 2024, compared to AED 690.5 million used in financing activities in the twelve months ended 31 December 2023. This was primarily due to the ongoing deleveraging and liquidity optimization exercise as well as higher finance cost paid during the period.

Maintenance Capital Expenditure

The Company estimates that its maintenance capital expenditure in future periods will range from approximately AED 60 million to approximately AED 80 million per annum. This excludes certain project related capital expenditures in the Business Services and Consumer Goods division which depend on new project requirements that are typically pre funded through advance payments from project sponsors.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under contractual commitments as of 31 December 2025, aggregated by type of contractual obligation:

	Less than 1 year	1 to 5 years	More than 5 years	Total
	(AED in millions)			
Borrowings	633.2	2,204.1	–	2,837.4
Total	633.2	2,204.1	–	2,837.4

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION *CONTINUED*

Contingent Liabilities and other Off Balance Sheet Arrangements

As at 31 December 2025, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 1032.8 million (U.S.\$281.2 million).

As at 31 December 2024, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 938.2 million (U.S.\$255.5 million).

As at 31 December 2023, the Company had contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 621.7 million (U.S.\$169.3 million).

Quantitative and Qualitative Disclosure about Market Risk

The Company's risk management policies are established to identify and analyse the risks the Company faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Interest rate risk

In the periods presented, the Company has been exposed to interest rate risk. Interest rates for borrowings have been volatile in recent periods and thus are mostly hedged by the Company through IRS instruments. The Company identifies short and long term hedging solutions for facilities and other project financing with up to 5 years in maturity. The Company aims to hedge 50% of term debt exposures. The Offering of Certificates refinanced the majority of the Company's long term debt, and, as the Certificates have a fixed rate of return, the Company will be broadly protected against interest rate risks.

Inflation Risk

The inflation risk has subsided from 2023 onwards and is no longer anticipated to pose any material risk on overall operating costs. For the twelve months ended 31 December 2025, the Company was able to sustain its Adjusted EBITDA margin reaching to 5.2 per cent.

Foreign Currency Exchange Rate Fluctuations Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's major forex exposure is concentrated towards currencies that are considered to be stable such as USD, EUR and SAR. Recent expansion into Egypt does not significantly expose it to EGP currency risk due to the exchange risk being partly offset by high profit margins in the business, the ability to invoice at the prevailing market exchange rate of EGP to USD, and the Company's decision to implement a conservative and gradual ramp up in capital spending. During the period, the Company recorded AED 2.5 million as revaluation reserve for foreign exchange translation differences related to its Egypt operation. It is anticipated that the Company would be gradually recovering from the impact of currency devaluation through its ongoing higher operating margins in Egypt. The Company's functional currency (AED) is pegged with USD and SAR. Other currency exposures are mostly hedged.

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintains adequate sources of financing including debt.

Exceptional Items

Cost on redemption of non-convertible Sukuk, net and gain on sale of assets.

ESG

Our approach: Environmental considerations in operations

ESG integration and strategy

Ittihad has integrated ESG principles across its business portfolios and subsidiaries through a formal ESG framework built around four pillars: Responsible Corporate Citizen, Responsible Asset Owner, Responsible Investor, and Continuous Innovation. This framework is aligned with global standards and reference points, including the GRI Standards, the UN Sustainable Development Goals, and internationally recognized materiality approaches, while also reflecting local priorities and industrial sector realities.

ESG oversight is provided through established governance structures. The Group's sustainability strategy is overseen by the Executive Sustainability Committee, reporting to the CEO, with ESG risks also considered at Board level through the Audit, Risk, and Compliance Committee. In 2024, the Group further strengthened this governance model through formal ESG committee structures chaired at executive level, reinforcing management accountability and integration across subsidiaries.

ESG considerations are increasingly reflected in business planning, operational decision-making, reporting, and financing. This includes climate risk, resource efficiency, employee wellbeing, responsible supply chain practices, community impact, governance, and responsible investment considerations. The Group's sustainability reporting manual and internal governance processes have also strengthened consistency, data quality, and reporting discipline across subsidiaries.

Materiality assessment

Ittihad's ESG journey was anchored by a comprehensive materiality assessment conducted across the Group's major businesses. Using a bottom-up approach, the Group assessed subsidiaries contributing at least 0.7% of total revenue and classified them using SASB and MSCI industry frameworks. This process was supported by engagement with internal and external stakeholders, including regulatory and financial stakeholders, to ensure that the resulting priorities reflected both operational realities and stakeholder expectations.

This work identified 13 material ESG topics across environmental, social, and governance dimensions. A top-down review further reinforced themes linked to Ittihad's role as a responsible asset

owner and investor, including climate risk management, opportunities in clean technologies, and responsible investment. These material topics continue to guide the Group's ESG priorities and implementation efforts.

Objectives, initiatives, and KPIs

For each material topic, Ittihad defined specific objectives, initiatives, and key performance indicators to support implementation and performance management. Across the material topics, the Group has established 72 initiatives and 115 KPIs, of which 37 initiatives and 52 KPIs are governed at Group level and 35 initiatives and 63 KPIs are targeted at specific subsidiaries. This structure enables both enterprise-wide consistency and subsidiary-level relevance across a diversified portfolio.

Progressively, the Group has moved from framework definition toward execution. Climate and environmental priorities now include emissions inventory development, energy efficiency, renewable electricity sourcing, water efficiency, circularity, waste reduction, sustainable product improvement, and climate risk mitigation. The Group has also begun translating these priorities into more structured transition planning, financing-linked ESG commitments, and measurable implementation pathways.

Recognition

Ittihad's ESG progress has received important external validation when the Group received a provisional 'AAA' ESG rating from MSCI, the highest possible rating level, positioning Ittihad among the most sustainable industrial groups in the UAE and globally. This recognition reflected the Group's progress in building a comprehensive ESG framework, strengthening governance, and improving disclosure and management practices.

The Group also extended ESG integration into sustainable financing. In February 2025, Ittihad secured a USD 450 million sustainability-linked committed revolving credit facility, aligning the Group's financing strategy with its ESG commitments and long-term sustainability objectives. This marked an important step in linking sustainability performance with capital structure and responsible finance.



ESG CONTINUED

ESG Governance and integration framework

To oversee ESG implementation across the organization, Ittihad has established an ESG Committee responsible for upholding four core principles: accountability, strategic alignment, stakeholder engagement, and transparency. The Committee is chaired by Qais Saif, Group Operations Head, and Sustainability and ESG Director, who brings over two decades of experience in operations and sustainability management.

+ For further details on ESG governance, refer to Ittihad's 2025 Sustainability Report. Information on overall Group governance is available in the Corporate Governance section on page 58 of this report.

ESG integration framework

As a diversified conglomerate, Ittihad identified the need for a consistent approach to ESG across its portfolio. This was achieved by developing a framework around four key pillars, supported by clearly defined objectives, KPIs, and a strategic roadmap to guide implementation efforts.



Responsible Corporate Citizenship – Ittihad is committed to integrating ESG considerations into its operations in order to effectively manage its impact on the environment and society.



Responsible Asset Owner – Ittihad is committed to cascading ESG commitments down to its business units and subsidiaries so that they manage their impact on the environment and society, in alignment with the overarching Group strategy.



Responsible Investor – Ittihad encourages potential investee companies to consider and manage ESG in line with the Group's commitment to managing ESG material topics and enhancing risk-adjusted investment returns.



Continuous Innovation – Ittihad continuously looks for opportunities to harness innovation to drive and enhance its ESG initiatives, where feasible, during the planning and implementation phase of new projects.

ESG CONTINUED

Roadmap and reporting

In 2023, Ittihad launched a three-year roadmap that consolidates its ESG framework, goals, and KPIs, providing clear direction for prioritizing and executing initiatives. The Company is advancing six initiatives targeting both Group-wide and subsidiary-specific objectives. Ittihad’s 2023 Sustainability Report aligns with SASB and GRI disclosure standards and closely follows international sustainability reporting frameworks and regulations.

Strategic milestones

- Achieving full mark on SPTs and Targets for the sustainability-linked revolving credit facility, directly linking financing costs to ESG performance.
- Published Group Sustainability Report aligned with GRI and IFRS S1 disclosure standards.
- Ittihad joined UAE Alliance for Climate Action (UACA): Initiative led by Emirates Nature-WWF to foster collaboration among stakeholders in addressing climate change.

Sustainability performance

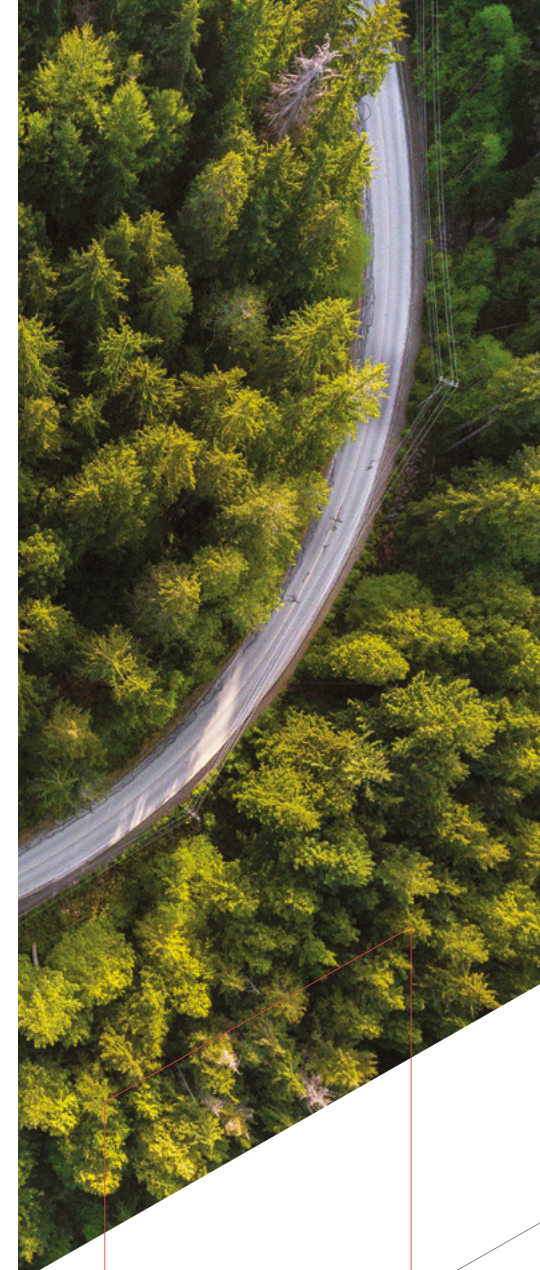
- Health & Safety training hours increased by 10 per cent.
- Renewable electricity use reached 14,288,000 kWh.
- Water Consumption reduced by 12 per cent.
- Completed full Scope 1, 2, 3 greenhouse gas inventory across major industrial subsidiaries.

Operational & environmental impact

- IPM appointed the EPC contractor for 5MW roof solar which expected to generate 8,501,165 KWh ; saving a 3,382,613 Kg of CO₂ per year; which is equivalent to 1,326 passenger vehicles in one year, a 1,700 Tons of waste recycled instead of landfilled, a 102,014 tress seeding grown in ten years.
- NCF became the UAE’s largest slag importer (roughly 700,000 tons per year), enabling low-carbon green cement production.
- UCR progressed toward Copper Mark certification, scaling recycled copper production which uses 85 per cent. less energy and generates 71 per cent. fewer emissions.
- ELNITCO managed and operated 73 parks Abu Dhabi Corniche and Abu Dhabi Island, covering: 342,664 m² of lawn grass, 10,078 shrubs, 26,631 linear meters of hedges, 9,702 trees maintained and 45,119 seasonal flowers.
- SOLV manages 300,000–500,000 tons of waste annually with up to 50 per cent. landfill diversion.

Social & people development






- Certified as a Great Place to Work®.
- 57 nationalities, 31 per cent. of skilled female workforce
- Conducted 29,200 HSE training hours.
- Advanced Emiratization, safety culture, capability development, and inclusivity.
- UNISON received Future Fit Seal for AI-enabled diagnostic imaging that strengthening healthcare innovation leadership.



ESG CONTINUED

Key ESG initiatives in 2025

Key ESG initiatives reflect Ittihad’s commitment to circularity. These include the integration of a water treatment and reuse plant at Ittihad Paper Mill (IPM), along with an onsite recycling facility that repurposes paper production sludge for use in cement. These efforts coincide with the launch of operations at the copper upcycling facility. Additionally, an ISO 50001 Energy Management System has been implemented across all operations, and plans are underway to expand the use of renewable energy.

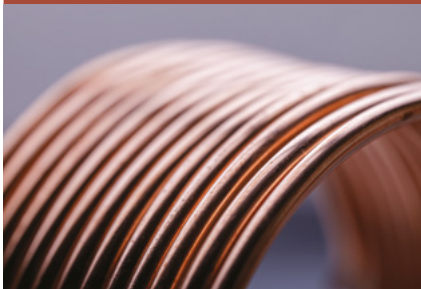
Approach on Circularity		Carbon Emissions	People and Communities	
<p>Water Treatment / Waste Management</p>  <ul style="list-style-type: none"> ✓ Integration of water treatment and reuse plant at IPM ✓ Onsite waste recycling using sludge from paper mill to use in cement ✓ Hazardous waste segregation and disposal 	<p>Circularity</p>  <ul style="list-style-type: none"> ✓ 100% of the pulp purchased for paper production is FSC certified ✓ Utilization of copper scrap in production, and capacity increase for using recycled content in production ✓ Inclusion of slag, a byproduct from steel manufacturing, into cement manufacturing to produce lower-emission cement 	<p>Emission Reductions</p>  <ul style="list-style-type: none"> ✓ Integration of ISO 50001 Energy Management System across all operations ✓ Continuous initiatives undertaken on efficiency ✓ Plans to increase renewable energy deployment, electrification of company vehicles and carbon capture 	<p>People</p>  <ul style="list-style-type: none"> ✓ Integrating occupational health and safety best practices (audited by third parties) ✓ Training Programs for Junior / Middle Management ✓ Focus on diversification (57 nationalities) and hiring of local people from determination 	<p>Corporate Social Responsibility</p>  <ul style="list-style-type: none"> ✓ Blood donations ✓ Charity events ✓ Special needs support ✓ Cleaning campaigns

ESG CONTINUED

Environmental impact and management

Ittihad has identified three key areas where it can meaningfully influence the natural environment and has adapted its management practices accordingly:

Emissions reduction and air quality



The Company aims to minimize harmful and greenhouse gas (GHG) emissions arising from its manufacturing processes and broader business operations.

Sustainable product development



Ittihad is committed to environmentally responsible production by embedding circularity and safety principles into product design and manufacturing.

Environmental stewardship



The Company prioritizes the responsible management of waste, water, and hazardous materials to reduce pressure on natural resources.

Long-term emissions and energy objectives

Ittihad has implemented a five-year strategy to address emissions, beginning with the development of a comprehensive emissions inventory for its four largest entities. The Company plans to establish science-aligned reduction targets, initially addressing Scope 1 and 2 emissions, followed by Scope 3, alongside corresponding decarbonization plans. As part of this effort, ISO 50001 Energy Management Systems have been integrated across all operations.

Beyond direct emissions, Ittihad is engaging with suppliers to reduce emissions throughout the value chain, supported by supplier assessments, audits, and training aligned with the Group's approach.

Additional environmental initiatives

Alongside its long-term emissions strategy, Ittihad is advancing several near-term environmental initiatives. At UCR, investments in clean technologies are underway, alongside targets to increase the use of recycled materials, solar energy, greener fuel, and energy efficiency measures (see page 46 of the 2023 Sustainability Report for details). The Company has also transitioned its corporate fleet to include 125 electric vehicles.

Ittihad also collaborates with government agencies and independent organizations to advance environmental initiatives, including projects focused on water and waste management, circularity, emissions reduction, and corporate social responsibility.

ESG CONTINUED

Our social impact, making a difference

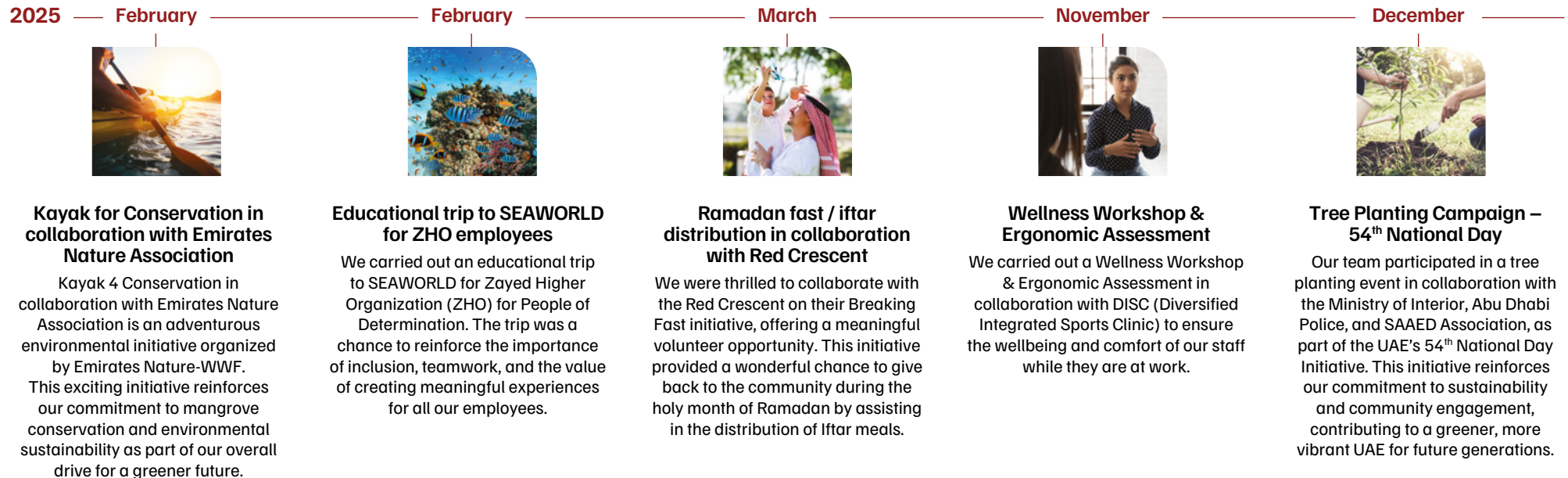
At Ittihad, we believe attracting and retaining top talent strengthens our competitive edge and empowers us to consistently deliver exceptional service to clients worldwide.

With a workforce of more than 8,000 employees, Ittihad is dedicated to creating meaningful social impact through its operations. The Company actively supports the wellbeing of its employees, customers, and the communities it serves. Throughout the year, Ittihad advances a broad range of social initiatives, including employee-focused programs, engagement with supply chain partners, and community contributions.

In 2025, we further expanded our workforce through the opening of new facilities, creating jobs, and contributing to our support of Emiratization. Our leading market positions across infrastructure, utilities and healthcare services in the UAE leave us well placed to drive positive change in these crucial sectors. These initiatives continue to be an important part of our philosophy of supporting regional economic diversification and building an economy that is rotating away from oil and gas and into other sources of GDP growth.

Social responsibility

During 2025, we furthered our social impact initiatives through the following activities:



PEOPLE, CULTURE, AND VALUES

People, culture, and values

Supporting our people

Ittihad fosters a transparent work environment built on fair wages, safe conditions, and non-discriminatory practices across all operations and portfolio companies. This approach cultivates employee engagement, loyalty, and continuous improvement, ensuring individuals feel valued, supported, and empowered to reach their full potential.

Ittihad's labor policies are developed in accordance with global standards and documented in the Group Human Resources Manual, which includes a three-year HR Strategic Plan (2022–2025). The Human Resources Committee (HRC) provides strategic oversight, reviewing its charter annually and submitting amendments to the Group Chairman for approval.

Equal opportunities for all

With a skilled workforce representing 57 nationalities – 13 per cent. of whom are women – Ittihad upholds strict policies of fair and equal treatment. The Company maintains zero tolerance for discrimination or harassment based on race, gender, ethnicity, nationality, religion, age, or physical ability. These standards go beyond regulatory compliance, setting a high bar that extends to Board-level.

Employee support includes training, mentoring, career development programs, tailored learning plans, and a wellness program, all reinforced by policies promoting equal opportunity and professional advancement.

To sustain its culture of openness and to promote talent retention, Ittihad actively seeks employee feedback and incorporates evolving needs into its operations. Employees can report violations confidentially and anonymously through the Whistleblower Service, with the Group committed to investigating all good-faith reports.

Promoting Emiratization

As a proud UAE company, Ittihad supports the Federal Government's efforts to increase Emirati participation in the private sector. The Company currently employs 265 UAE nationals, 66.4 per cent. of whom are women, all with at least three years of tenure.

Ittihad participates in the Nafis Program, a Federal initiative aimed at more than doubling Emirati private sector employment over five years, and has partnered with Khalifa University since 2019. Throughout the year, the Company ran internship programs and workshops offering students hands-on experience in industrial engineering, digital supply chain management, and operations.

Ittihad maintains close partnerships with key government entities, including the Abu Dhabi Chamber of Commerce and Industry, the Abu Dhabi Department of Economic Development, and the Executive Council of Abu Dhabi. The Company also spearheaded the establishment of G32, a committee of Abu Dhabi industrialists focused on addressing sector challenges and advancing industry opportunities.

Ittihad fosters a transparent work environment built on fair wages, safe conditions, and non-discriminatory practices across all operations and portfolio companies.”

PEOPLE, CULTURE, AND VALUES *CONTINUED*

Ittihad's core values underpin a corporate culture that benefits our employees and the wider communities in which we operate. Recognition as a Great Place to Work[®] affirms this dedication.

Our core values

Our portfolio businesses all uphold these core values of Ittihad:

Our customer is the reason for our existence

Our success is defined by the lasting satisfaction and loyalty of our customers. Through a commitment to innovation and quality, we develop customized solutions that meet their needs. The successful completion of our digitalization initiative in 2021 reflects this approach in action.

Our people make a difference

We empower our portfolio companies with the tools to be leaders in their sectors. This competitive edge helps us attract top talent, deliver outstanding customer service, deepen business relationships, and create a strong foundation for continued growth.

Our differentiation creates value

In a rapidly evolving business landscape, we strive to become a premier global solutions provider, sustaining our competitive advantage through differentiation in both service and product offerings.

Our diversity is our strength

We draw on the strength of our multicultural workforce to effectively serve the diverse needs of our stakeholders and global clients.

Our key relationships

Ittihad partners with local government entities including SWS, the UAE Ministry of Health and Prevention, and Tadweer, alongside global corporations such as Glencore, Roxcel, Central National Gottesman Inc., Omya, Emirates Steel, Abbott, GE, Beckman Coulter, and Unilever. The Company regularly secures contracts with AA-rated government bodies, and these clients typically remain with Ittihad for an average of 11 years.

We are responsible investors

We respect our partners, communicate transparently with stakeholders, and fulfill our ESG commitments.

A culture that creates value

As one of the UAE's leading conglomerates, the Company recognizes that attracting, developing, and retaining top talent is essential to sustaining long-term growth. A capable and motivated workforce enhances operational excellence, encourages innovation, strengthens performance, and fosters an environment where individuals can excel.

Ittihad provides competitive compensation, comprehensive benefits, and performance-driven incentives to support and reward its people. By competing effectively for talent in a dynamic market, investing in continuous development, and building long-term employee loyalty, Ittihad reinforced its reputation as an employer of choice in 2025. This was underscored by receiving the prestigious Great Place to Work[®] award for 2024 and 2025.

Continuous learning and development remain central to Ittihad's culture and strategy. The Company assesses employee needs and provides targeted training to maintain high performance standards, supported by structured mid-year and annual performance reviews. In 2025, training covered areas including Code of Conduct, Health & Safety, ESG, IT, and cybersecurity, alongside annual leadership programs aligned with business priorities.

Health and safety are embedded across the Group through clear policies and adherence to international and local standards, including OHSAS 18001 and ISO 45001. A dedicated Committee oversees implementation and continuous improvement, supported by annual internal and external audits. Further details are available in the 2023 Sustainability Report.

Ittihad provides competitive compensation, comprehensive benefits, and performance-driven incentives to support and reward its people."

PEOPLE, CULTURE, AND VALUES *CONTINUED*

Living our values

People-centered from the start

At Ittihad, our people are the driving force behind our success. The Group is strongly committed to developing local talent through internship and apprenticeship programs delivered in collaboration with universities and colleges. By engaging individuals early in their careers, we identify high-potential talent and support their growth through structured development pathways, practical experience, and continuous learning opportunities. Many of these individuals progress into leadership roles within the organization.

As the Group continues to expand, leadership development remains a strategic priority. Ittihad has invested in comprehensive training initiatives and specialized leadership programs that provide future leaders with focused coaching and mentorship, creating a defined career pathway.

The Company's philosophy is rooted in the belief that empowering talent from within strengthens professional capability and drives long-term business success. Today, over 70 per cent. of management roles are filled through internal promotions, reinforcing a culture where employees feel valued, trusted, and equipped to contribute at higher levels. This commitment is reflected in stronger engagement, improved productivity, and a more resilient talent pipeline.

Ittihad's dedication to fostering an inclusive and empowering workplace was recognized with the prestigious Great Place to Work® certification for 2024 and 2025. More than an accolade, this recognition affirms a culture where people are genuinely at the center, fueling innovation, performance, and sustainable growth. We are immensely proud of this achievement and remain committed to building on this success.



STAKEHOLDER ENGAGEMENT

Stakeholder engagement

Delivering sustainable value through stakeholder engagement

During the reporting year, Ittihad actively engaged with all key stakeholder groups, enabling the Company to gather regular feedback, understand stakeholder concerns, and gain clear insight into their priorities. These insights are reviewed at both Executive and Board levels, ensuring that they are carefully considered and integrated into the Group's overall business strategy.

Stakeholder engagement was further enhanced through the inaugural materiality assessment conducted in 2023. This process helped identify the most significant risks and opportunities facing the business, reinforcing Ittihad's commitment to informed decision-making and long-term value creation.

The table below highlights Ittihad's key stakeholder groups, the methods used to engage with them, and the topics that matter to them.

The table below highlights Ittihad's key stakeholder groups, the methods used to engage with them, and the topics that matter to them.

Stakeholder	What matters to them	Engagement methods	Outcomes of engagement
Employees (holding company and subsidiaries)	<ul style="list-style-type: none"> • Career progression • Training and development • Workplace safety • Fair compensation • Recognition and belonging 	<ul style="list-style-type: none"> • Meetings • Internal communications • Recognition and rewards • Social gatherings • Team-building events and wellbeing initiatives 	<ul style="list-style-type: none"> • Recognized as a 'Great Place to Work®' • Increased engagement and retention rates* • Strengthened workplace culture
Communities	<ul style="list-style-type: none"> • Supporting underprivileged communities • Promoting health, education, security, sports, and culture • Environmental initiatives 	<ul style="list-style-type: none"> • Community outreach programs • Philanthropic initiatives • Sustainable development projects • Partnerships • Social welfare campaigns 	<ul style="list-style-type: none"> • Investments in education, healthcare, environmental conservation, and social welfare programs
Customers and suppliers	<ul style="list-style-type: none"> • Market-leading products and services • Innovation and sustainability • Value for money • Efficient and proactive communication • Friendly and responsive service 	<ul style="list-style-type: none"> • Engagement concerning responsible sourcing practices • In-person meetings • Supplier Code of Conduct 	<ul style="list-style-type: none"> • Enhancing operational efficiency, minimizing risks, and driving growth • Improved working relationships and stronger partnerships
Partners	<ul style="list-style-type: none"> • New business opportunities • Timely payments • Transparent bidding and tendering processes 	<ul style="list-style-type: none"> • Procurement processes • Supplier feedback surveys 	<ul style="list-style-type: none"> • Strengthened supplier relationships and improved collaboration • Enhanced trust through greater transparency in selection and contracting • Identification and implementation of process improvements based on feedback • Improved on-time payment performance and customer satisfaction
Investors	<ul style="list-style-type: none"> • Financial returns and stable cash flow • Capital discipline and governance 	<ul style="list-style-type: none"> • Semi-annual financial reporting • Investor roadshows and one-on-one meetings • Non-deal roadshows and conferences 	<ul style="list-style-type: none"> • Strengthened investor confidence • Diversified investor base • Enhanced capital market access

STAKEHOLDER ENGAGEMENT *CONTINUED*

Stakeholder	What matters to them	Engagement methods	Outcomes of engagement
Sukuk investors	<ul style="list-style-type: none"> Financial returns and stable cash flow Capital discipline and governance 	<ul style="list-style-type: none"> Semi-annual financial reporting Investor roadshows and one-on-one meetings Non-deal roadshows and conferences 	<ul style="list-style-type: none"> Strengthened investor confidence Diversified investor base Enhanced capital market access
Government and regulators	<ul style="list-style-type: none"> Compliance with applicable laws and regulations Alignment with federal and local government strategies Protecting the interests of investors and shareholders Consumer protection Environmental protection 	<ul style="list-style-type: none"> Close and collaborative relationships with government agencies and regulatory authorities Regulatory disclosures Annual reports Public-private business forums Direct relationships Legal and Compliance Department 	<ul style="list-style-type: none"> Facilitates compliance with evolving regulatory frameworks and underscores the Company's commitment to responsible corporate citizenship
Shareholders	<ul style="list-style-type: none"> Strong balance sheet and cash flows Ambitious expansion vision Robust governance and risk management Transparency and disclosure Strong market position 	<ul style="list-style-type: none"> Annual General Meetings (AGM) Investor relations Reporting (Annual, Corporate Governance, ESG) Board of Director meetings 	<ul style="list-style-type: none"> Reinforced shareholder trust Increased alignment with corporate strategy and performance goals
NGOs and industry associations	<ul style="list-style-type: none"> Knowledge sharing and policy collaboration Advancing shared sustainability and social goals 	<ul style="list-style-type: none"> Participation in industry forums, conferences and working groups 	<ul style="list-style-type: none"> Addressing common challenges, sharing best practices and advocating for policies that promote environmental sustainability, social equity, and economic development
Portfolio companies	<ul style="list-style-type: none"> Access to growth capital and operational support Strategic direction and network access Governance support 	<ul style="list-style-type: none"> Strategic and financial reviews Site visits and executive mentoring Talent identification and succession planning 	<ul style="list-style-type: none"> A culture of open communication Stronger leadership pipelines Culture of collaboration and aligned value creation

Ittihad is committed to open and transparent engagement with all stakeholders, placing strong emphasis on sustainability, responsible governance, and long-term value creation. By fostering collaborative partnerships and aligning its efforts with both global and national priorities, the Company strives to generate meaningful impact for the business and the communities it serves.

Governance with purpose: from the boardroom to the workplace

At Ittihad, responsible growth is fundamental to our long-term success, underpinned by a strong and effective corporate governance framework.

Ittihad upholds the highest standards of business ethics and integrity, supported by a well-established governance structure that promotes transparency, accountability, and the protection of stakeholder interests. Comprehensive systems are in place to ensure robust internal controls and effective risk management, enabling sound and informed decision-making across the organization.

Ittihad and its portfolio companies are overseen by a Board of Directors that provides strategic leadership and guidance to the Group and its operating entities. The Board comprises members with a diverse mix of experience and expertise to effectively discharge their responsibilities, ensuring governance aligned with global best practices and full compliance with applicable laws and regulations. Chaired by the Chairman, who is also the primary shareholder, the Board includes two executive directors and two independent directors. All Board decisions require at least one affirmative vote from an independent director.

To support effective oversight, the Board delegates specific responsibilities to dedicated committees. Two standing committees are currently in place: the Audit, Risk and Compliance Committee (ARCC) and the Nomination, Remuneration & Governance Committee (NRGC). The Board retains overall accountability for the decisions and actions of these committees and may establish additional committees or subcommittees as needed. Each committee reviews subsidiary operations and reports to the Board of Directors or the CEO, as appropriate.

Ittihad is committed to advancing diversity, equity, and inclusion at every level of the organization, including the Board and senior management. As of the end of the reporting year, women represented 20 per cent. of the Board and 25 per cent. of senior management, reflecting the Group's continued progress toward greater inclusivity and balanced leadership representation.



BOARD OF DIRECTORS

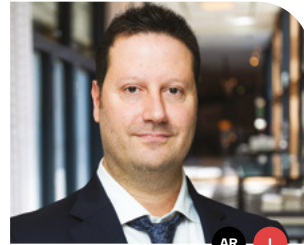
Fostering excellence through experience and expertise



Jawaan Al Khaili
Chairman of the Board



Amer Kakish
Chief Executive Officer



Zahi Abu Hamze
Chief Financial Officer



Raja Al Mazrouei
Independent Director



Ahmad Al Khayyat
Independent Director

Appointment

Has served as Chairman since the Group's inception in 2008

Has led the Ittihad team since inception in 2008

Member of the Ittihad team since 2012

Joined the Board in 2023

Joined the Board in 2023

Skills and experience

Mr Al Khaili is a distinguished UAE entrepreneur renowned for his exceptional track record in steering large-scale ventures toward becoming prominent regional conglomerates. In addition to his pivotal role as Chairman and founder of the Company, Mr Al Khaili has served as Chairman of Abu Dhabi Islamic Bank since 2008, demonstrating his profound influence in the financial sector. Furthermore, he holds the distinction of founding EILC and National Holding, underscoring his visionary leadership and entrepreneurial acumen in shaping the business.

Mr Kakish is a Board Member of the Abu Dhabi Chamber of Commerce and Industry. As a private sector representative, he is the Chairman of the Industry Working Group and a member of the Arbitration Committee, formed by the Abu Dhabi Chamber. He is a member of the Khalifa University of Science and Technology's Industrial and Systems Engineering Department Advisory Board, and the Research Center on Digital Supply Chain and Operations Management Steering Committee Board respectively. Mr Kakish has over 30 years of experience in managing industrial conglomerates. Mr Kakish holds a Bachelor's degree in Industrial Engineering from the University of Jordan and a Master's degree in Engineering Management from the American University of Beirut. He is a Chartered Engineer from The Institution of Engineering and Technology.

Mr Abu Hamze has over 20 years of experience in Corporate Finance and Treasury. Mr Abu Hamze has a Master's degree in International Securities Investment and Banking from ICMA Centre Henley Business School and previously led the Treasury and Debt and Capital Advisory team of Dubai Holding.

Ms Al Mazrouei is CEO of Etihad Credit Insurance (ECI). Since 2022, she has revitalized ECI, reshaping trade credit insurance and bolstering the UAE's global trading status. With a focus on innovation, she drives ECI's transformative goals, supporting exporters and national development while emphasizing sustainable trade.

Her career spans executive roles at prestigious organizations, including Dubai Holding and DIFC. Educated at UAEU, Harvard, and others, she is recognized as one of the region's top CEOs and influential women. She serves on various boards, including Zand Digital Bank, Al Masraf Bank, and Al Ansari Financial Services, contributing to the UAE's economic growth and technological advancement.

Dr Al Khayyat is an industrial engineer and energy veteran with more than 40 years of experience. He previously held various executive positions including CEO of Emaar Industries and Investments and Exeed Industries, Chief Manufacturing Officer of DEPA, GM of Dubai Investments Park, and Senior Projects Manager of Dubai Investments. Dr Al Khayyat is a Member of the Board of Fujairah Building Industries (Chairman), National Port Said (Chairman), AIG, Multifarm Aluminum Industries, Mammut Building Systems, and Three Eight Six. Dr Al Khayyat holds a Ph.D. in Chemical Engineering from the University of Aston, Birmingham, UK.

Key to Committees

- Audit, Risk & Compliance Committee**
- Nomination, Remuneration & Governance Committee**
- Investment Committee**
- ESG Committee**
- Committee Chair**

Current notable commitments reflect other listed company directorships and full-time or executive roles.

BOARD OF DIRECTORS *CONTINUED*

Board and Executive Committees

The Board of Directors provides strategic leadership to Ittihad and its portfolio companies, ensuring effective governance across the Group and its operating entities. To ensure robust oversight and strategic alignment, the Board of Directors has established several committees, each with a defined mandate. Authority over specific matters is delegated to these committees, while the Board retains exclusive powers over core governance functions, such as Board composition and senior officer appointments.

Audit, Risk & Compliance Committee (ARCC)

The ARCC is responsible for overseeing the Company's financial reporting, statutory audits, and the effectiveness of the Internal Audit function. It provides critical oversight of the Group's risk management framework, including risk strategy, appetite, and tolerance, and reviews compliance with all applicable laws, regulations, and internal policies. This includes the Code of Ethics and Business Conduct and anti-fraud measures. The Committee guides the Board on risk-related matters and oversees risk reporting. The ARCC is composed of three members, at least two of whom must be independent. The Committee is chaired by Independent Director Raja Al Mazrouei, who reports directly to the Board. It meets quarterly, or more frequently as needed, and all decisions require a majority vote, including at least one affirmative vote from an independent member.

Nomination, Remuneration & Governance Committee (NRGC)

The NRGC ensures that the Group's remuneration policies are strategically aligned with its long-term objectives. The Committee assists the Board by evaluating, recommending, and reviewing compensation arrangements, plans, and programs for the Executive Management team. It also oversees nomination processes and governance practices. The Committee comprises at least three Board members, including an independent member who serves as Chair and reports to the Board; the current Chair is Dr. Ahmad Al Khayyat. While a member of Executive Management may be assigned to the Committee, they are recused from deliberations and voting on matters pertaining to their own responsibilities. The Committee meets at least once a year and more frequently as required. Decisions are passed by a majority vote inclusive of at least one independent member.

Investment Committee (IC)

The Investment Committee is mandated to oversee due diligence, transaction structuring, and negotiations related to the Company's acquisitions, expansions, and other strategic investments. The Committee is chaired by CEO Amer Kakish.

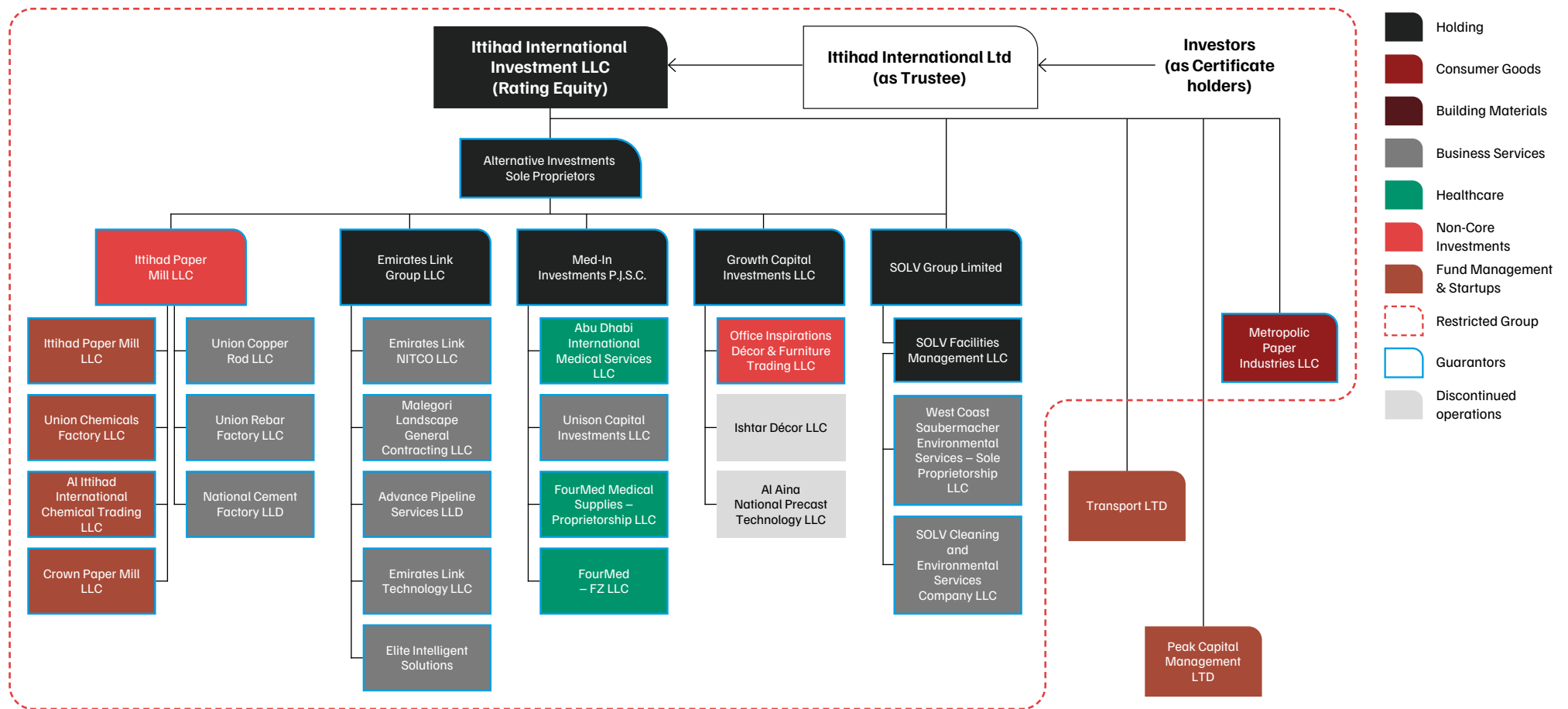
Sustainability Executive Committee (SEC)

The SEC is tasked with embedding ESG principles throughout the Company's activities. Its responsibilities include setting ESG goals, monitoring adherence and impact on performance, and developing strategic recommendations for leadership. The Committee is chaired by Qais Saif, Head of PMO and ESG.

Comprehensive systems are in place to ensure robust internal controls and effective risk management, enabling sound and informed decision-making across the organization.”

CORPORATE GOVERNANCE

Corporate structure and governance framework⁽¹⁾



1. Simplified corporate structure, only reflecting the most significant companies. ECA Facilities and RCF will be ranked pari passu with the Certificate.

CORPORATE GOVERNANCE CONTINUED

Senior management



Amer Kakish (2008)
Chief Executive Officer



Zeina Kanaan (2010)
Director Human Capital and CSR



Zahi Abu Hamze (2012)
Chief Financial Officer



Ayman Makarem (2010)
General Counsel



Gigi Thomas (2018)
Head of IT and Digital Transformation



Balkrishna Mishra (2022)
Head of Risk, FP&A



Danai Petropolou (2020)
Head of Internal Audit



Qais Saif (2016)
Group Operations Head/
Sustainability & ESG Director

(Year joined Ittihad)

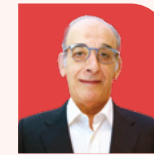
Corporate governance framework



Jawaan Al Khaili
Chairman of the Board



Raja Al Mazrouei (2023)
Independent Director



Ahmad Al Khayyat (2023)
Independent Director



Amer Kakish (2008)
Chief Executive Officer



Zahi Abu Hamze (2012)
Chief Financial Officer

Corporate governance principles

- Rights of shareholders
- Equitable treatment of shareholders
- Recognition of the role of stakeholders
- Disclosure and transparency
- Effective Board and directors
- Corporate social responsibility
- Robust systems
- Process automation
- Technology and AI adoption (where relevant)

(Year joined Ittihad)

CORPORATE GOVERNANCE CONTINUED

Engagement, ethics and oversight – what our Board builds

Ittihad maintains an unwavering commitment to the highest standards of corporate governance. By embedding transparency, accountability, and ethical conduct into everything we do, we drive long-term success and safeguard trust and value for all our stakeholders.

The Board recognizes that fostering a positive corporate culture is fundamental to Ittihad's long-term success. Beyond safeguarding workforce wellbeing and ensuring every employee feels welcome and valued, a strong culture directly supports the Group's strategic objectives.

The Board plays an active role in establishing and monitoring the Group's values and Code of Conduct, leading by example and adhering to these principles both individually and collectively.

The Board views regular employee engagement as a vital tool for obtaining feedback that informs strategic initiatives and ensures alignment with workforce expectations. During 2025, the Company conducted its first Group-wide employee survey and plans to conduct these regularly moving forward. The Board monitored both the survey's implementation and its results, and will continue to do so.

The Board is also committed to promoting diversity across the Group, including at the Board level, alongside strong ethical standards and a transparent culture. As part of its responsibility to cultivate a positive culture, the Board regularly reviews Group-wide targets, including those related to diversity, and assesses the effectiveness of existing policies and procedures.

Board stakeholder engagement

The Board recognizes that stakeholders play an indispensable role in shaping the Company's trajectory and pursues active engagement through multiple channels.

Board members regularly conduct site visits and hold meetings with the management teams of subsidiary companies. These engagements provide firsthand insights into operations, foster a culture of open communication, and serve as a platform for talent development within the organization.

Furthermore, the Board places strong emphasis on fostering collaborative relationships with government agencies and maintaining close cooperation with regulatory authorities. This proactive engagement ensures compliance with evolving regulatory frameworks and underscores Ittihad's commitment to responsible corporate citizenship.

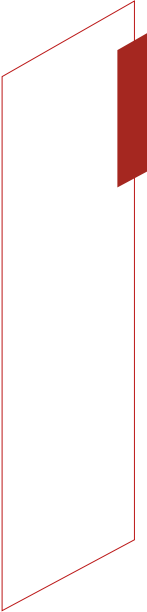
Please see the Stakeholder Engagement section on page 56 for more details.

Ethics

Ittihad's Code of Ethics and Business Conduct outlines the Group's commitment to conducting all business activities with honesty, integrity, and in full compliance with applicable laws and regulations. The standards outlined in the Code apply to all employees, representatives, and third parties associated with the Group.

The Board of Directors, through the oversight of the ARCC, supervises management's adherence to the Code and enforces appropriate disciplinary measures for any violations. To ensure widespread understanding and compliance, Ittihad conducts regular training sessions and workshops for all employees. Every Board member, director, employee, consultant, and supplier receives a copy of the Code upon commencing their relationship with the Company and is periodically required to review and sign an acknowledgement of its contents. New hires are introduced to the Code during their orientation.

The Company is committed to the ongoing review and enhancement of its ethical practices and corporate policies to ensure alignment with current standards and regulatory requirements. This includes regular audits and assessments conducted by the ARCC.



The Board plays an active role in establishing and monitoring the Group's values and Code of Conduct, leading by example and adhering to these principles both individually and collectively."

Report of the board of directors

31 DECEMBER 2025

The Directors have pleasure in submitting their report and the audited consolidated financial statements for the year ended 31 December 2025.

Principal activities

The main activities of Ittihad International Investment LLC (the “Company”) and its subsidiaries (the “Group”) are manufacturing of papers, ready to use printing and writing papers, tissue paper, LABSA and SLES used in the production of cleaning detergents, producing and supplying copper rod, distributing straight steel bars, cut and bend services, manufacturing of cement, 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, technical and specialised services for maintenance and operation of medical equipment.

Results for the year

Revenue for the year from continuing operations amounted to AED 12,785,239 thousand (2024: AED 12,258,049 thousand), operating profit for the year from continuing operations amounted to AED 473,826 thousand (2024: AED 375,475 thousand), and net profit before tax for the year from continuing operations amounted to AED 136,722 thousand (2024: AED 93,169 thousand). The Group recorded a net loss for the year from discontinued operations amounting to AED 9,142 thousand (2024: AED 453 thousand).

Auditors

A resolution proposing the appointment of Ernst & Young as the auditors of the Group for the year ending 31 December 2026 will be put to the shareholders at the annual general meeting.

Signed on behalf of the Board of Directors



Chairman

Independent auditor's report to the shareholders of Ittihad International Investment LLC

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Ittihad International Investment LLC (the "Company") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025 and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the *International Code of Ethics for Professional Accountants* (including International Independence Standards) (the "IESBA Code") applicable for audits of financial statements of public interest entities together with the ethical requirements that are relevant to our audit of the consolidated financial statements of public interest entities in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue recognition

Revenue recognition is considered to be a key area of focus given there are multiple revenue streams associated with the Group which come from various decentralized operational locations. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group has a variety of customer contracts and revenue arrangements that require careful consideration and judgement to determine the appropriate revenue recognition. Further, revenue is also a key performance indicator for the Group's performance. During the year ended 31 December 2025, total revenue of the Group amounted to AED 12,785,239 thousand (2024: AED 12,258,049 thousand) (note 5).

We reviewed the revenue recognition policies applied by the Group to assess their compliance with IFRS requirements. For each material operational location with significant revenue streams, we obtained, or involved component auditors:

- to obtain understanding of the design and operating effectiveness of the controls relating to the revenue recognition process; and
- to perform substantive audit procedures which included overall analytical procedures, at the Group and subsidiary level, and testing on transactions throughout the year, to assess whether revenues were properly recognised.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ITTIHAD INTERNATIONAL INVESTMENT LLC *CONTINUED*

Auditor's responsibilities for the audit of the consolidated financial statements *continued*

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

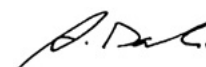
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Law No. (32) of 2021, as amended, we report that for the year ended 31 December 2025:

- i. the Company has maintained proper books of accounts;
- ii. we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- iii. the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021 as amended;
- iv. the financial information included in the report of the Board of Directors is consistent with the books of account and records of the Group;
- v. investments in shares and stocks are included in note 13, and note 2.3 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2025;
- vi. note 16 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- vii. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 as amended or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2025; and
- viii. no social contribution was made during the year.

For Ernst & Young



Ahmad Al Dali
Registration No 5548

15 April 2026

Abu Dhabi, United Arab Emirates

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Revenue	5	12,785,239	12,258,049
Direct costs	6	(11,936,597)	(11,514,104)
GROSS PROFIT		848,642	743,945
Administrative expenses	7	(363,716)	(355,343)
Provision for expected credit losses	15	(11,100)	(13,127)
OPERATING PROFIT		473,826	375,475
Other income		17,814	12,553
Share of profit from associate	2.2	6,601	1,707
Gain on disposal of subsidiary	2.1	18,671	–
Net foreign exchange gain (loss)		5,178	(4,451)
Finance costs, net	8	(293,131)	(287,004)
Cost on redemption of non-convertible Sukuk, net	23.3	(86,255)	–
Change in fair value of financial assets		(14,756)	–
Reclassification of cash flow hedge reserve to profit or loss	18	(839)	(839)
Change in fair value of derivative financial instruments		9,613	(4,272)
PROFIT BEFORE TAX FOR THE YEAR		136,722	93,169
Income tax expense	26	(25,365)	(18,759)
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		111,357	74,410
Discontinued operations			
Loss for the year from discontinued operations	27	(9,142)	(453)
PROFIT FOR THE YEAR		102,215	73,957

	Notes	2025 AED '000	2024 AED '000
Attributable to:			
Equity holders of the parent company:			
Continuing operations		113,928	75,409
Discontinued operations		(9,142)	(453)
		104,786	74,956
Non-controlling interest:			
Continuing operations		(2,571)	(999)
Discontinued operations		–	–
		(2,571)	(999)
		102,215	73,957

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***Consolidated statement of comprehensive income**

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
PROFIT FOR THE YEAR		102,215	73,957
Other comprehensive loss			
Items that may subsequently be reclassified to profit or loss			
Reclassification of cash flow hedge reserve to profit or loss	18	839	839
Foreign exchange difference on translation of foreign operations		2,492	(11,067)
		3,331	(10,228)
Items that will not be subsequently reclassified to profit or loss			
Changes in fair value of investment carried at fair value through other comprehensive income		(11,176)	(8,550)
Other comprehensive loss for the year		(7,845)	(18,778)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		94,370	55,179
Attributable to:			
Equity holders of the parent company:			
Continuing operations		106,083	56,631
Discontinued operations	27	(9,142)	(453)
		96,941	56,178
Non-controlling interest:			
Continuing operations		(2,571)	(999)
Discontinued operations		-	-
		(2,571)	(999)
		94,370	55,179

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***Consolidated statement of financial position**

As at 31 December 2025

	Notes	2025 AED '000	2024 AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	10	2,055,547	1,876,373
Right of use assets	11	109,417	91,575
Intangible assets	9	38,160	42,932
Goodwill	12	3,417	3,417
Investments carried at fair value through other comprehensive income	13	30,431	27,003
Amounts due from related parties	16	20,961	23,961
Accounts receivable and prepayments	15	53,656	46,532
Investment in an associate	2.2	11,118	4,517
Derivative financial instruments	18	1,236	11,164
		2,323,943	2,127,474
Current assets			
Inventories	14	1,646,199	940,655
Investment carried at fair value through profit or loss	13	13,241	–
Accounts receivable and prepayments	15	2,026,122	1,813,933
Bank balances and cash	17	791,007	630,960
Amounts due from related parties	16	22,884	42,863
Derivative financial instruments	18	4,584	1,437
		4,504,037	3,429,848
Disposal group held for sale	27	3,875	7,103
		4,507,912	3,436,951
TOTAL ASSETS		6,831,855	5,564,425

	Notes	2025 AED '000	2024 AED '000
EQUITY AND LIABILITIES			
Equity			
Share capital	19	500	500
Shareholders' accounts	20	75,311	85,329
Statutory reserve	21	9,443	9,443
Retained earnings		695,208	606,927
Foreign currency translation reserve		(15,466)	(17,958)
Fair value reserve		(24,813)	(25,642)
Cash flow hedges reserve		(4,327)	(5,166)
Equity attributable to the owners of the Company		735,856	653,433
Non-controlling interest		2,631	5,202
Net equity		738,487	658,635
Non-current liabilities			
Warranty provisions	22	3,915	4,029
Term loans	23.1	218,282	303,764
Employees' end of service benefits	24	94,852	87,591
Lease liabilities	11	103,586	96,937
Derivative financial instruments	18	9,186	26,354
Non-convertible Sukuk	23.3	1,985,857	1,630,079
Deferred tax liability	26	1,353	1,260
		2,417,031	2,150,014

CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***Consolidated statement of financial position *continued***

As at 31 December 2025

	Notes	2025 AED '000	2024 AED '000
Current liabilities			
Accounts payable and accruals	25	2,989,447	2,133,759
Income tax payable	26	25,127	18,073
Term loans	23.1	90,158	54,243
Bank financing facilities	23.2	543,074	527,888
Derivative financial instruments	18	7,789	6,473
Lease liabilities	11	15,711	6,938
Amounts due to related parties	16	1,516	178
Bank overdrafts	17	–	5,000
		3,672,822	2,752,552
Liabilities directly associated with disposal group held for sale	27	3,515	3,224
		3,676,337	2,755,776
Total liabilities		6,093,368	4,905,790
TOTAL EQUITY AND LIABILITIES		6,831,855	5,564,425

The attached notes 1 to 34 form part of these consolidated financial statements.



Chairman

CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***Consolidated statement of changes in equity**

For the year ended 31 December 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	Cashflow 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	500	97,637	9,443	(12,619)	527,498	(6,005)	(6,891)	609,563	5,823	615,386
Profit / (loss) for the year	–	–	–	–	74,956	–	–	74,956	(999)	73,957
Other comprehensive (loss) income	–	–	–	(8,550)	–	839	(11,067)	(18,778)	–	(18,778)
Total comprehensive (loss) income for the year	–	–	–	(8,550)	74,956	839	(11,067)	56,178	(999)	55,179
Realised gain on disposal of investments carried at fair value through other comprehensive income	–	–	–	(4,473)	4,473	–	–	–	–	–
Movement in minority interest account	–	–	–	–	–	–	–	–	378	378
Net movement in shareholders' accounts	–	(12,308)	–	–	–	–	–	(12,308)	–	(12,308)
Balance at 31 December 2024	500	85,329	9,443	(25,642)	606,927	(5,166)	(17,958)	653,433	5,202	658,635
Balance at 1 January 2025	500	85,329	9,443	(25,642)	606,927	(5,166)	(17,958)	653,433	5,202	658,635
Profit / (loss) for the year	–	–	–	–	104,786	–	–	104,786	(2,571)	102,215
Other comprehensive (loss) income	–	–	–	(11,176)	–	839	2,492	(7,845)	–	(7,845)
Total comprehensive (loss) income for the year	–	–	–	(11,176)	104,786	839	2,492	96,941	(2,571)	94,370
Realised gain on disposal of investments carried at fair value through other comprehensive income	–	–	–	12,005	(12,005)	–	–	–	–	–
Dividends declared (note 33)	–	–	–	–	(4,500)	–	–	(4,500)	–	(4,500)
Movement in minority interest account	–	–	–	–	–	–	–	–	–	–
Payments to the shareholders	–	(10,018)	–	–	–	–	–	(10,018)	–	(10,018)
Balance at 31 December 2025	500	75,311	9,443	(24,813)	695,208	(4,327)	(15,466)	735,856	2,631	738,487

The attached notes 1 to 34 form part of these consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***Consolidated statement of cash flows**

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
OPERATING ACTIVITIES			
Profit before tax for the year from continuing operations		136,722	93,169
Loss for the year from discontinued operations		(9,142)	(453)
		127,580	92,716
Adjustments for:			
Finance costs		293,419	286,459
Cost on redemption of non-convertible Sukuk, net	23.3	86,255	–
Amortisation of interest rate swap charges		839	839
Amortisation of intangible assets	9	7,265	6,753
Share of result on investment in an associate	2.3	(6,601)	(1,707)
Allowance for expected credit losses, net		11,100	13,127
Depreciation on property, plant and equipment	10	148,566	140,074
Depreciation of right of use of asset	11	8,587	8,060
Provision for warranty	22	8,329	1,748
Provision for slow moving inventories, net	14	4,889	6,080
Provision for employees' end of service benefits	24	18,146	15,940
Gain on sale of property, plant and equipment		(9,393)	(1,055)
Write-off of property, plant and equipment	10	–	1,434
Net changes in fair value of investments through profit and loss		14,756	–
Gain on disposal of subsidiary	2.1	(18,671)	–
Net changes in fair value of derivative financial instruments	18	(9,613)	4,272
		685,453	574,740

	Notes	2025 AED '000	2024 AED '000
Working capital changes:			
Inventories		(710,433)	(81,034)
Accounts receivable and prepayments		(235,590)	(340,183)
Accounts payable and accruals, net of current portion of warranty provision		812,488	526,406
Amounts due from related parties		19,659	9,869
Amounts due to related parties		1,332	(70)
Cash generated from operations		572,909	689,728
Employees' end of service benefits paid	24	(10,885)	(6,411)
Income tax paid	26.3	(17,682)	–
Warranty paid	22	(9,136)	(5,545)
Net cash flows from operating activities		535,206	677,772
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(331,632)	(126,977)
Purchase of intangible assets	9	(488)	(7,666)
Proceeds from disposal of a subsidiary	2.1	29,380	–
Net movement in investments carried at fair value through other comprehensive income		(8,037)	6,271
Proceeds from sale of property, plant and equipment		11,054	1,171
Net movement in loan to an associate		3,684	720
Net cash (used in) generated from investing activities		(296,039)	(126,481)

CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***Consolidated statement of cash flows *continued***

For the year ended 31 December 2025

	Notes	2025 AED '000	2024 AED '000
FINANCING ACTIVITIES			
Proceeds from term loan		176,933	21,786
Repayment of term loans		(241,345)	(160,254)
Net movement of bank financing facilities		19,948	(398,777)
Proceeds from Sukuk issuance		367,250	370,790
Payment of Sukuk issuance transaction costs		(25,118)	–
Payment of Sukuk redemptions		(68,620)	–
Payments to the shareholders	20	(10,018)	(12,308)
Payment of lease rentals	11	(18,269)	(13,116)
Capital injection by non-controlling interest		–	378
Finance costs paid		(277,407)	(276,410)
Net cash used in financing activities		(76,646)	(467,911)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Foreign currency translation adjustment		2,493	(8,872)
Cash and cash equivalents at 1 January		626,342	551,834
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	791,356	626,342
* Significant non cash transaction excluded from the consolidated statement of cash flows is as follows:			
Dividend declared and not paid	4,500	–	

The attached notes 1 to 34 form part of these consolidated financial statements.

Notes to the consolidated financial statements

31 December 2025

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, ready to use printing and writing papers, tissue paper, LABSA and SLES used in the production of cleaning detergents, producing and supplying copper rod, distributing straight steel bars, cut and bend services, manufacturing of cement, 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, 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 consolidated financial statements of the Group for the year ended 31 December 2025 were authorised for issue on 15 April 2026.

2. BASIS OF PREPARATION

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by International Accounting Standards Board (IASB), and the applicable requirements of the UAE Federal Law No. (32) of 2021, as amended.

These consolidated financial statements are presented in the 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 except otherwise stated.

The 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 profit and loss and investments carried at fair value through other comprehensive income.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2025. The financial statements of the subsidiaries are prepared for the same reporting year 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.

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:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***2. BASIS OF PREPARATION** *continued*

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

Subsidiaries & shareholding companies	Country of incorporation	Activities	Percentage of holding	
			2025 %	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
Papyrus LLC (i)	United Arab Emirates	Invest in private companies and establishments	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
Crown Paper Mill LLC – Sole Proprietorship (KSA) (i)	Kingdom of Saudi Arabia	Tissue manufacturing and cutting	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
Malegori Landscape General Contracting LLC	United Arab Emirates	Irrigation and environmental services, civil works, afforestation, electromechanical works, landscape, works and facility management.	100	100

Subsidiaries & shareholding companies	Country of incorporation	Activities	Percentage of holding	
			2025 %	2024 %
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	Supply of manpower	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	Healthcare services	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 of printing and writing paper	100	100

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***2. BASIS OF PREPARATION** *continued*

Subsidiaries & shareholding companies	Country of incorporation	Activities	Percentage of holding	
			2025 %	2024 %
Ittihad Investments Company LLC	Kingdom of Saudi Arabia	Investment company	100	100
Ittihad Venture Holding	United Arab Emirates	Invest in private companies and establishments	100	100
Transportr LTD	United Arab Emirates	Logistics, transport and freight services provider	100	100
Peak Capital Management Ltd	United Arab Emirates	Investment management	100	100
Metropolc Paper Industries LLC	United Arab Emirates	Tissue converting	100	100
Union Modular Industries LLC (i)	Kingdom of Saudi Arabia	Manufacturer of hygiene and tissue converting products	100	–
Solv Group Limited	United Arab Emirates	Cleaning and waste management services	100	100
Solv Cleaning & 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 Advance Maintenance LLC	United Arab Emirates	Building maintenance	100	100
Solv Facilities Management LLC	United Arab Emirates	Cleaning and waste management services	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

Subsidiaries & shareholding companies	Country of incorporation	Activities	Percentage of holding	
			2025 %	2024 %
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 II	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				
AI 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	100
Ittihad Investment Central Asia Holding LTD (ii)	United Arab Emirates	Special purpose vehicle	–	100
Chorsu Real Estate Development LLC (ii)	Uzbekistan	Construction of residential building	–	100

On 31 December 2022, the Group resolved.

- to discontinue all commercial operations of Ishtar Décor LLC (“Ishtar”) as of the date of resolution,
- take necessary actions to transfer the employment contracts of consenting employees who will be retained by the Group to a different subsidiary; and
- arrange payments for pending supplier invoices and resolve any outstanding balances, and continue to pursue and collect the receivables of the respective companies and take any necessary legal actions in that regard.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***2. BASIS OF PREPARATION** *continued*

Accordingly, the results of operations and cashflows of Ishtar have been presented as “discontinued operations” in these consolidated financial statements.

- i. Subsidiaries incorporated during the current period
- ii. Subsidiaries disposed off during the current period

2.1 DISPOSAL OF A SUBSIDIARY**Ittihad Investment Central Asia Holding Ltd (“Central Asia”)**

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:

	AED '000
Assets	
Property, plant and equipment	6,820
Amount due from related parties	294
Total assets	7,114
Liabilities	
Amount due to related parties	(75)
Total liabilities	(75)
Net assets directly associated with disposal group	7,039
Consideration received	29,380
Transaction costs	(3,670)
Net consideration	25,710
Gain on disposal	18,671

2.2 INVESTMENT IN ASSOCIATE

During 2023, the Group incorporated Fatorah Insurance Claims Settlement LLC (“Fatorah”) for a consideration amounting to AED 60 thousand representing 40% interest in equity. Fatorah is a limited liability company, registered in the Emirate of Abu Dhabi. Its principal activity is management of insurance arrangements.

	2025 AED '000	2024 AED '000
At 1 January	4,517	2,810
Share of profit for the year	6,601	1,707
At 31 December	11,118	4,517

Summarised financial information in respect of the Group's associate is set out below:

	2025 AED '000	2024 AED '000
Non – current assets	3,259	–
Current assets	39,750	41,804
Non – current liabilities	(1,384)	–
Current liabilities	(13,831)	(30,511)
Equity attributable to the owner of the equity (100%)	27,794	11,293
Group's share of net assets (40% of ownership interest)	11,118	4,517
Revenue	80,333	40,000
Profit for the year	16,503	4,268
Group's share of profit	6,601	1,707

2.3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES**New standards, interpretations and amendments adopted by the company**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations 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 material impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

2. BASIS OF PREPARATION *continued*

2.4 STANDARDS ISSUED BUT NOT YET EFFECTIVE

New and amended standards and interpretations

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's 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 the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7
- Annual Improvements to IFRS Accounting Standards – Volume 11
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

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.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Useful lives of property, plant and equipment

Management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Management has performed their annual goodwill impairment test and determined that no impairment was required to be recorded during the year (2024: impairment of AED nil).

Impairment of trade receivables, contract assets and retention receivables

The Group uses a provision matrix to calculate ECLs for trade receivables, contract assets and retention receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

At the consolidated statement of financial position date, gross trade receivables were AED 1,726,511 thousand (2024: AED 1,551,358 thousand) with a provision for expected credit losses of AED 62,575 thousand (2024: AED 81,128 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

continued

Estimation uncertainty *continued*

Impairment of trade receivables, contract assets and retention receivables *continued*

Contract assets include gross contract work in progress of AED 4,885 thousand (2024: AED 59,992 thousand), retention receivables of AED 30,527 thousand (2024: AED 25,709 thousand) and accrued income of AED 75,918 thousand (2024: AED 82,925 thousand). At 31 December 2025, provision for expected credit losses on contract assets, retention receivables and accrued income amounted to AED 13,910 thousand (2024: AED 17,560 thousand).

Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Impairment of non-financial assets

Management determines at each reporting date whether there are any indicators of impairment relating to the Group's cash generating units. A broad range of internal and external factors is considered as part of the indicator review process, where necessary, an impairment assessment is performed. Impairment testing requires an estimation of the fair values less cost to sell and value in use of the cash generating units. The recoverable amounts require the Group to estimate the amount and timing of future cash flows, terminal value of the assets and choose a suitable discount rate in order to calculate the present value of the cash flows. The net carrying amounts of non-financial assets affected by the above estimations are mainly property, plant and equipment, goodwill, customer contract, and other intangible assets. Goodwill is tested for impairment on an annual basis. Goodwill is allocated to respective cash generating units.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the consolidated statement of financial position date, gross inventories were AED 1,656,231 thousand (2024: AED 952,423 thousand) with a provision for slow moving and obsolete items of AED 10,032 thousand (2024: AED 11,768 thousand). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of comprehensive income.

Revenue recognition on contracts

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of allowances and rebates. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below:

- **Identifying performance obligations**

The Group provides certain services that are either sold separately or bundled. The services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer. Where the Group determines that performance obligations are capable of being distinct, transaction price is allocated to each performance obligation based on relative stand-alone selling prices.

- **Satisfaction of performance obligations**

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. The Group concluded that revenue is to be recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group. The Group recognises revenue on the basis of total costs expended relative to the total expected costs to complete the service.

The Group recognises revenue either at a point in time or over time upon the assessment of each contract to determine when the performance obligation of the Group under the contract is satisfied.

- **Determination of transaction prices**

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

- **Transfer of control in contracts with customers**

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

continued

Revenue recognition on contracts *continued*

Warranty provisions

Warranty provisions are those liabilities that require a payment to be made to reimburse the customer or repair for a loss it incurs for purchase of goods from the Group in accordance with the terms of the sale agreement. After initial recognition and measurement, warranty liabilities are subsequently measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised. Best estimate is based on management assessment as a result of past experience and vendor quotations for repair against warranty claims.

Leases – estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right of use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

4. MATERIAL ACCOUNTING POLICY INFORMATION

Revenue recognition

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1: Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligations in the contract: A performance obligation is a unit of account and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation: The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as and when the Group performs; or
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where none of the above conditions are met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent.

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Sale of goods

The Group contracts with customers for the sale of industrial and consumer products (copper, cement, tissue, detergents, steel, paper and pharmaceutical products). Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer. The normal credit terms are 30 to 90 days upon delivery.

Rendering of services

The Group contracts with customers for providing services for infrastructure networks, water systems, sewage, treatment plants, solid municipal waste management and cleaning services for government and commercial buildings. Revenue from services is recognized over the period of the contract as customers simultaneously receive and consume the benefits as the Group performs the service. The normal payment terms for the service contracts include milestone billings allocated over the period of the contract.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Revenue recognition *continued*

Supply and installation of equipment

The Group provides installation services that are either sold separately or bundled together with the sale of equipment to a customer. The installation services do not significantly customize or modify the equipment.

Contracts for bundled sales of equipment and installation services are comprised of two performance obligations because the equipment and installation services are both sold on a stand-alone basis and are distinct within the context of the contract. Accordingly, the Group allocates the transaction price based on the relative stand-alone selling prices of the equipment and installation services.

The Group recognises revenue from installation services at a point of time when the installation service is completed and certificate of completion is issued by the customer.

Warranty obligations

The Group typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for as warranty provisions.

The Group provides a warranty beyond fixing defects that existed at the time of sale. These service-type warranties are sold either separately or bundled together with the sale of fire prevention equipment. Contracts for bundled sales of equipment and service-type warranty comprise two performance obligations because the equipment and service-type warranty are both sold on a stand-alone basis and are distinct within the context of the contract. Using the relative stand-alone selling price method, a portion of the transaction price is allocated to the service-type warranty and recognised as a contract liability. Revenue for service-type warranties is recognised over the period in which the service is provided based on the time elapsed.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section of Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful lives of assets as follows:

Leasehold improvements	10 years
Buildings and containers	3 – 30 years
Furniture, computers and IT equipment	2 – 7 years
Machinery and equipment	2 – 25 years
Motor vehicles	2 – 10 years

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated statement of comprehensive income in the year when the asset is sold or retired.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell their value in use.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated statement of comprehensive income as the expense is incurred.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any change in estimate accounted for on a prospective basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Capital work in progress

Capital work in progress is included in property, plant and equipment at cost, on the basis of the percentage completed at the reporting date. The capital work in progress is transferred to the appropriate asset category and depreciated in accordance with the Group's policies when construction of the asset is completed and the asset commissioned.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in consolidated statement of comprehensive income in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life as follows:

Customer contracts	2 – 8 years
Computer software	3 – 10 years
Trade license	22 years
Trade name	10 years

Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income when the asset is derecognised.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through the consolidated statement of comprehensive income.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9 in the consolidated statement of comprehensive income. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash generating unit retained.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Acquisition of entities under common control

Transactions giving rise to a transfer of interest in entities that are under common control are accounted for in accordance with the pooling of interest method of accounting at the date the transfer without restatement of prior periods. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the books of transferor entity. The equity of the acquired entities is added to the retained earnings. Any transaction costs paid for the acquisition are recognised directly in equity.

Borrowing costs

Borrowing costs that are directly attributable to the design, development, procurement and construction of each part of a plant up to the date when all activities necessary to prepare each part of the plant for its intended use are complete, are capitalised as part of capital work in progress. Borrowing costs in respect of completed parts of the plant are recognised as an expense in the period in which they are incurred.

Fair value measurement

The Group measures financial instruments, such as, derivatives and investment securities, at fair value at each consolidated statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Foreign currency translation

The consolidated financial statements are presented in UAE Dirham (AED), which is the functional currency of Company and most of its subsidiaries. Functional currency is the currency of the primary economic environment in which an entity operates. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Group companies

The assets and liabilities of foreign operations are translated into AED at the rate of exchange ruling at the reporting date and their statements of comprehensive income are translated at the weighted average exchange rates for the year. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators. Impairment losses of continuing operations are recognised in the consolidated statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the assets' or cash-generating units' recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of comprehensive income.

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually during the fourth quarter of each year and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating unit, or group of cash generating units, to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying amount an impairment loss is recognised.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments, cash and cash equivalents and trade receivables)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets include bank balances and cash, derivative financial instruments, amounts due from related parties, investments at fair value through profit and loss, investments at fair value through other comprehensive income and certain portion of trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents consist of cash at hand and bank balances, and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Financial assets *continued*

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in consolidated statement of comprehensive income when the asset is derecognised, modified or impaired.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated statement of comprehensive income. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets designated at fair value through profit and loss

Financial asset at fair value through profit or loss are carried in the financial statements of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in the consolidated statement of profit or loss when the right of payment has been established.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Financial assets *continued*

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include certain portion of accounts payable, term loans, short term financing facilities, lease liabilities, sukuk payable, amounts due to related parties, bank overdrafts and derivative financial instruments.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in the consolidated statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, forward currency contracts, to hedge its foreign currency risks.

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated statement of profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to the consolidated statement of profit or loss when the hedge item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment;
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Derivative financial instruments and hedge accounting *continued*

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

Fair value hedges

The change in the fair value of a hedging instrument is recognised in the consolidated statement of profit or loss as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the consolidated statement of profit or loss as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method.

The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI in the cash flow hedge reserve, while any ineffective portion is recognized immediately in the consolidated statement of profit or loss as finance costs.

Amounts recognized as OCI are transferred to the consolidated statement of profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Hedge effectiveness testing

To qualify for hedge accounting, the Group requires that at the inception of the hedge and on an ongoing basis:

- The hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- At inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge;
- The hedging relationship meets all of the hedge effectiveness requirements;
- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognised immediately in the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition, as follows:

Raw materials	– purchase cost on a weighted average basis.
Consumables and spare parts	– purchase cost on a weighted average basis.
Finished goods and work in progress	– costs of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Warranty provisions

Warranty provisions are those liabilities that require a payment to be made to reimburse the customer or repair for a loss they incur for purchase of goods or services from the Group in accordance with the terms of the sale agreement. After initial recognition and measurement, warranty liabilities are subsequently measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised. Best estimate is based on management assessment as a result of past experience and vendor quotations for repair or reimbursement against warranty claims.

Provisions

Provisions are recognised when the Group has present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Staff terminal benefits

The Group provides end of service benefits for its employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its UAE national employees, the Group makes contributions to the relevant government pension scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Leases *continued*

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right of use assets representing the right to use the underlying assets.

i. Right of use assets

The Group recognises right of use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right of use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right of use assets are depreciated on a straight-line basis over the lease term. Right of use assets are subject to impairment. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right of use assets are also subject to impairment. The useful lives of right of use assets are 8–20 years.

ii. Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

iii. Lease liabilities continued

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iv. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Non-current assets held for sale and discontinued operations *continued*

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the consolidated statement of comprehensive income.

All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

Investment in associates

An associate is an entity over which the Group has significant influence that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has no control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The results and assets and liabilities of the associates are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement consolidated of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within "share of loss from investment in associate" in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Taxation

Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

4. MATERIAL ACCOUNTING POLICY INFORMATION *continued*

Taxation *continued*

Deferred tax

Deferred tax is recognized on all temporary differences at the reporting date between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognized only to the extent that it is probable that a taxable profit will be available against which the deductible temporary differences and carried forward tax credits or tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the reporting date.

Current and deferred tax is charged or credited directly to other comprehensive income or equity if it relates to items that are credited or charged to, respectively, other comprehensive income or equity. Otherwise, income tax is recognized in the consolidated statement of comprehensive income.

Zakat

The Group is subject to zakat in accordance with the regulations of the Zakat, Tax and Customs Authority ("ZATCA"). Zakat, computed in accordance with ZATCA, is accrued and charged to the statement of comprehensive income. Additional amounts, if any, are accounted for when determined to be required for payment.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of VAT, except:

- When VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

5. REVENUE

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

5.1 Type of revenue

	2025 AED '000	2024 AED '000
Sale of industrial products (copper, cement, tissue, detergents, steel, paper)	11,545,427	11,160,846
Operation and maintenance of sewerage network and related services	426,114	341,693
Waste collection and cleaning	353,628	246,906
Sale of medical equipment and pharmaceutical products	182,501	262,997
Medical services	162,429	151,490
Sale of furniture	62,457	49,999
Landscaping services	1,350	12,922
Others	51,333	31,196
	12,785,239	12,258,049

5.2 Timing of revenue recognition

	2025 AED '000	2024 AED '000
Revenue recognized at a point in time	11,790,575	11,452,068
Revenue recognized over time	994,664	805,981
	12,785,239	12,258,049

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***5. REVENUE** *continued***5.3 Geographical markets**

	2025 AED '000	2024 AED '000
Within UAE	4,965,267	3,865,374
Outside UAE	7,819,972	8,392,675
	12,785,239	12,258,049

6. DIRECT COSTS

	2025 AED '000	2024 AED '000
Materials and related costs	11,315,418	10,959,769
Staff costs	469,853	411,005
Depreciation on property, plant and equipment (note 10)	138,453	130,370
Provision for slow moving inventories (note 14)	4,889	6,080
Amortization of intangible assets (note 9)	1,607	957
Depreciation on right of use assets (note 11)	6,377	5,923
	11,936,597	11,514,104

7. ADMINISTRATIVE EXPENSES

	2025 AED '000	2024 AED '000
Staff costs	145,787	127,550
Freight, insurance and outbound logistics	128,805	151,038
Legal and professional fees	18,076	13,979
Depreciation on property, plant and equipment (note 10)	10,113	9,635
Amortisation of intangible assets (note 9)	5,658	5,796
Travel	4,772	3,402
Short term lease expense (note 11)	2,893	3,257
Utilities	2,464	2,985
Depreciation on right-of-use assets (note 11)	2,210	2,137
Others	42,938	35,564
	363,716	355,343

8. FINANCE COSTS, NET

	2025 AED '000	2024 AED '000
Sukuk profit cost	161,633	144,057
Interest on bank loans	49,524	80,484
Bank charges and commissions	46,670	29,925
Interest expense from suppliers	29,857	27,213
Amortisation of transaction cost of non-convertible sukuk	7,520	6,347
Interest on lease liabilities (note 11)	7,261	6,541
Interest on bank overdrafts	378	1,134
Amortisation of non-convertible sukuk premium on issuance	(1,437)	(1,111)
Interest income	(8,275)	(7,586)
	293,131	287,004

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

9. INTANGIBLE ASSETS

	Trade name	Service agreement	Trade License	Customer contracts	Computer software	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
2025						
Cost:						
At 1 January 2025	4,709	7,666	10,305	37,013	44,988	104,681
Additions	–	–	85	–	403	488
Transfers / reclassifications	–	–	–	–	2,005	2,005
At 31 December 2025	4,709	7,666	10,390	37,013	47,396	107,174
Amortization:						
At 1 January 2025	942	1,100	1,084	37,013	21,610	61,749
Amortisation during the year	471	1,104	646	–	5,044	7,265
At 31 December 2025	1,413	2,204	1,730	37,013	26,654	69,014

	Trade name	Service agreement	Trade License	Customer contracts	Computer software	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Net carrying amount:						
At 31 December 2025	3,296	5,462	8,660	–	20,742	38,160
2024						
Cost:						
At 1 January 2024	4,709	–	10,305	37,013	44,988	97,015
Additions	–	7,666	–	–	–	7,666
At 31 December 2024	4,709	7,666	10,305	37,013	44,988	104,681
Amortization:						
At 1 January 2024	471	–	542	36,736	17,247	54,996
Amortisation during the year	471	1,100	542	277	4,363	6,753
At 31 December 2024	942	1,100	1,084	37,013	21,610	61,749
Net carrying amount:						
At 31 December 2024	3,767	6,566	9,221	–	23,378	42,932

The amortisation charge for the year has been allocated as follows:

	2025 AED '000	2024 AED '000
Direct costs (note 6)	1,607	957
Administrative expenses (note 7)	5,658	5,796
	7,265	6,753

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***10. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold Improvements AED '000	Land, buildings and containers AED '000	Capital work in progress AED '000	Furniture, computers and IT equipment AED '000	Machinery and equipment AED '000	Motor vehicles AED '000	Total AED '000
2025							
Cost:							
At 1 January 2025	13,188	705,880	27,698	84,727	1,902,487	301,434	3,035,414
Additions	685	4,479	254,728	3,386	45,712	22,642	331,632
Transfers / reclassifications	–	10,245	(14,711)	–	2,276	185	(2,005)
Exchange differences	6	–	–	11	286	–	303
Disposals	–	–	–	(11)	(942)	(64,370)	(65,323)
At 31 December 2025	13,879	720,604	267,715	88,113	1,949,819	259,891	3,300,021
Depreciation:							
At 1 January 2025	5,250	207,613	–	66,200	637,452	242,526	1,159,041
Charge for the year	870	30,020	–	5,582	88,829	23,265	148,566
Relating to disposals	–	–	–	(11)	(942)	(62,180)	(63,133)
At 31 December 2025	6,120	237,633	–	71,771	725,339	203,611	1,244,474
Net carrying amount:							
At 31 December 2025	7,759	482,971	267,715	16,342	1,224,480	56,280	2,055,547

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***10. PROPERTY, PLANT AND EQUIPMENT** *continued*

	Leasehold Improvements AED '000	Land, buildings and containers AED '000	Capital work in progress AED '000	Furniture, computers and IT equipment AED '000	Machinery and equipment AED '000	Motor vehicles AED '000	Total AED '000
2024							
Cost:							
At 1 January 2024	16,412	680,254	24,060	80,189	1,844,245	276,050	2,921,210
Additions	5	7,084	43,662	4,653	42,981	28,592	126,977
Transfers / reclassifications	(3,157)	18,542	(40,000)	612	18,979	5,024	–
Write-offs	–	–	–	–	(1,300)	(134)	(1,434)
Exchange differences	(72)	–	–	(95)	(2,028)	–	(2,195)
Disposals	–	–	(24)	(632)	(390)	(8,098)	(9,144)
At 31 December 2024	13,188	705,880	27,698	84,727	1,902,487	301,434	3,035,414
Depreciation:							
At 1 January 2024	6,167	176,979	–	60,219	555,180	229,450	1,027,995
Charge for the year	1,027	30,634	–	6,612	82,616	19,185	140,074
Relating to disposals	–	–	–	(631)	(344)	(8,053)	(9,028)
Transfers / reclassification	(1,944)	–	–	–	–	1,944	–
At 31 December 2024	5,250	207,613	–	66,200	637,452	242,526	1,159,041
Net carrying amount:							
At 31 December 2024	7,938	498,267	27,698	18,527	1,265,035	58,908	1,876,373

The depreciation charge for the year has been allocated as follows:

	2025 AED '000	2024 AED '000
Direct costs (note 6)	138,453	130,370
Discontinued operations	–	69
Administrative expenses (note 7)	10,113	9,635
	148,566	140,074

Property, plant and equipment with carrying value of AED 29,903 thousand (2024: AED 30,499 thousand) are mortgaged as security against a term loan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES****Group as a lessee**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	2025 AED '000	2024 AED '000
At 1 January	91,575	95,554
Additions	23,524	3,709
Depreciation expense	(8,587)	(8,060)
Modification of lease term	2,866	372
Exchange differences	39	–
At 31 December	109,417	91,575

Set out below, is the carrying amount of the Group's lease liabilities and the movement during the year:

	2025 AED '000	2024 AED '000
As at 1 January	103,875	106,369
Additions	23,524	3,709
Accretion of interest	7,261	6,541
Payments	(18,269)	(13,116)
Modification of lease term	2,866	372
Exchange differences	40	–
As at 31 December	119,297	103,875

Lease liabilities are analysed in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Current	15,711	6,938
Non-current	103,586	96,937
	119,297	103,875

Set out below, are the amounts recognised in the consolidated statement of comprehensive income related to leases:

	2025 AED '000	2024 AED '000
Depreciation expense of right-of-use assets	8,587	8,060
Interest expense on lease liabilities (note 8)	7,261	6,541
Operating lease expenses (note 7)	2,893	3,257

The depreciation on right of use assets has been allocated as follows:

	2025 AED '000	2024 AED '000
Direct costs (note 6)	6,377	5,923
Administrative expenses (note 7)	2,210	2,137
	8,587	8,060

12. GOODWILL

	2025 AED '000	2024 AED '000
At 31 December	3,417	3,417

Company	Date of acquisition	Business activity	2025 AED '000	2024 AED '000
Emirates Link NITCO LLC	2008	Water desalination and water treatment	2,890	2,890
Advanced Pipeline Services LLC	2017	Cleaning and maintenance of sewerage pipes and water desalination and treatment plants operation and maintenance	204	204
Abu Dhabi International Medical Services LLC	2005	Provider of pharmaceutical products	40	40
Mqayes Aldeqaa Company Maintenance Co	2023	Provider of waste collection services	283	283
			3,417	3,417

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***12. GOODWILL** *continued*

			2025 AED '000	2024 AED '000
At 31 December			3,417	3,417
Company	Date of acquisition	Business activity	2025 AED '000	2024 AED '000
Emirates Link NITCO LLC	2008	Water desalination and water treatment	2,890	2,890
Advanced Pipeline Services LLC	2017	Cleaning and maintenance of sewerage pipes and water desalination and treatment plants operation and maintenance	204	204
Abu Dhabi International Medical Services LLC	2005	Provider of pharmaceutical products	40	40
Mqayes Aldeqaa Company Maintenance Co	2023	Provider of waste collection services	283	283
			3,417	3,417

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to individual cash generating units for impairment testing. The recoverable amount is determined based on a value in use calculation using discounted cash flows projections. The cash flow projections are based on financial budgets approved by senior management covering a period of 3 years with a growth rate of 5% (2024: 5%). The weighted average capital cost rate applied to cash flow projections is 10% (2024: 10%).

13. INVESTMENTS IN FINANCIAL ASSETS

	2025 AED '000	2024 AED '000
Quoted and outside the UAE		
Investments carried at fair value through other comprehensive income*	30,431	27,003
Investment carried at fair value through profit or loss	13,241	–

* The investment in equity instrument is not held for trading. Instead, it is held for long-term strategic purpose. Accordingly, management of the Group has elected to designate the investment as equity instrument at FVTOCI, as they believe that recognising short-term fluctuations would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising the performance potential in the long run. The investments are recorded at fair value using the valuation techniques as disclosed in note 30.

14. INVENTORIES

	2025 AED '000	2024 AED '000
Raw materials	1,086,591	463,794
Finished goods	347,006	300,661
Spare parts and other consumables	142,541	133,234
Inventory work in progress	59,767	54,734
Goods in transit	20,326	–
	1,656,231	952,423
Provision for slow moving and obsolete inventories	(10,032)	(11,768)
	1,646,199	940,655

Movement in the provision for slow moving and obsolete inventories is as follows:

	2025 AED '000	2024 AED '000
At 1 January	11,768	10,672
Provided during the year (note 6)	4,889	6,080
Write off	(6,625)	(4,984)
At 31 December	10,032	11,768

The cost of inventories recognised as an expense in the consolidated income statement is AED 11,315,418 thousand (2024: AED 10,959,769 thousand).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***15. ACCOUNTS RECEIVABLE AND PREPAYMENTS**

	2025 AED '000	2024 AED '000
Trade receivables	1,726,511	1,551,358
Provision for expected credit losses	(62,575)	(81,128)
	1,663,936	1,470,230
Contract work in progress	4,885	59,992
Accrued income	75,918	82,925
Retention receivable	30,527	25,709
Provision for expected credit losses	(13,910)	(17,560)
	1,761,356	1,621,296
Advances to suppliers	134,799	94,403
Prepaid expenses	55,418	38,399
Margin on guarantees	13,791	16,292
Deposits	40,450	29,241
Staff receivables	5,032	5,760
VAT receivable	45,118	25,277
Other receivables	23,814	29,797
	2,079,778	1,860,465
Less: non-current retention, deposits and other receivables	(53,656)	(46,532)
	2,026,122	1,813,933

Movement in the provision for expected credit losses was as follows:

	2025 AED '000	2024 AED '000
At 1 January	98,688	110,937
Written off	(41,381)	(25,376)
Charge for the year	19,178	13,127
At 31 December	76,485	98,688

Charge for the year for expected credit losses included charge relating to discontinued operations of AED 8,078 thousand (2024: reversal for expected credit losses of AED 396 thousand) (note 27) which is presented as part of the discontinued operations in the statement of profit or loss.

16. RELATED PARTY TRANSACTIONS AND BALANCES

These represent transactions and balances 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 consolidated statement of comprehensive income, are as follows:

	2025 AED '000	2024 AED '000
Entity under common control		
Revenue	20,402	26,596

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***16. RELATED PARTY TRANSACTIONS AND BALANCES** *continued*

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

	2025 AED '000	2024 AED '000
Entities under common control		
Amounts due from related parties		
West Coast Waste Collection Co. LLC ²	24,370	27,237
Emirates Link Maltauro ³	15,794	19,320
Crown Décor Factory LLC	1,252	–
Emirates Link Contracting ¹	35	8,233
Etihad Link Contracting LLC – KSA	–	4,795
Others	2,394	3,555
Associate		
Short-term loan to an associate		
Fatorah Insurance claims settlement LLC ⁴	–	3,684
	43,845	66,824

1. Amounts due from Emirates Link Contracting mainly represent funding provided by the Group and expenses paid on behalf of the related party.
2. This represents receivable from a related party to be received in annual installments of AED 3,000 thousand (2024: 3,000 thousand) carrying a prevailing market interest rate.
3. This represents balance receivable in respect of sales to the related party in the ordinary course of business.
4. 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.

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

	2025 AED '000	2024 AED '000
Non-current portion	20,961	23,961
Current portion	22,884	42,863
	43,845	66,824
Other balances with related parties	12	178
Amounts due to related parties:	1,516	178
Etihad Link Contracting LLC – KSA	1,504	–
Others	12	178
	1,516	178

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

	2025 AED '000	2024 AED '000
Current assets:		
Bank balance	29,355	12,114
Current liabilities:		
Bank financing facilities	–	112,687

Compensation of key management personnel

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

	2025 AED '000	2024 AED '000
Short-term benefits	32,490	32,054
Employees' end of service benefits	3,304	3,772
	35,794	35,826

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***17. BANK BALANCES AND CASH**

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

	2025 AED '000	2024 AED '000
Bank balances and cash	791,007	630,960
Add: cash under assets held for sale (note 27)	349	382
Less: bank overdrafts	–	(5,000)
Cash and cash equivalents	791,356	626,342

18. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives not designated as hedging instruments:

	Notional amount AED '000	Assets AED '000	Liabilities AED '000
31 December 2025			
• Foreign exchange derivatives	1,658,572	3,188	12,031
• Interest rate swaps	232,585	2,632	4,944
		5,820	16,975
31 December 2024			
• Foreign exchange derivatives	1,881,114	1,437	14,144
• Interest rate swaps	322,550	11,164	18,683
		12,601	32,827

Derivative financial instruments are disclosed in the consolidated statement of financial position as follows:

	Assets		Liabilities	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Current	4,584	1,437	7,789	6,473
Non-current	1,236	11,164	9,186	26,354
	5,820	12,601	16,975	32,827

Derivative financial instruments carried at fair value through profit or loss**Foreign exchange derivatives**

The Group enters into foreign exchange derivatives with banks for the purposes of buying and selling USD, SAR, AED and EUR at specific dates.

Interest rate swaps

During the prior years, the Group entered into an interest rate swap agreement with a bank under a “pay fixed receive variable” interest rate arrangement. The interest rate swap is classified as derivative carried at fair value through profit or loss.

Derivative financial instruments designated under cash flow hedges**Interest rate swaps**

In prior years, the Group entered into interest rate swap arrangements with banks to fix its variable interest exposure on certain term loans and short-term bank financing facilities. The derivatives were designated as a hedge on initial recognition and accordingly any changes in fair value are reported in the other comprehensive income.

There was an economic relationship between the hedged items and the hedging instruments as the terms of the interest rate swaps match the terms of the interest due under the term loan. The Group hedged a portion of its term loans and bank financing facilities. To test the hedge effectiveness, the Group used the hypothetical derivative method and compared the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risk.

* During 2022, the Group settled a loan and accordingly, the hedging relationship was terminated and the derivative financial instrument was classified at fair value through profit or loss. Additionally, a portion of the hedge reserve relating to the interest rate swaps against the term loan of AED 839 thousand (2024: AED 839 thousand) was reclassified to profit and loss.

19. SHARE CAPITAL

Authorised, issued
and fully paid
AED '000

500 shares of AED 1,000 each. (2024: 500 shares of AED 1,000 each)

500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***20. SHAREHOLDERS' ACCOUNTS**

The shareholders' accounts are unsecured, interest free and payable at the discretion of the Company. The movement in the shareholders' account during the year is as follows:

	2025 AED '000	2024 AED '000
Balance at 1 January	85,329	97,637
Payments to the shareholders	(10,018)	(12,308)
Balance at 31 December	75,311	85,329

21. STATUTORY RESERVE

In accordance with the Group companies' Articles of Association and the UAE Federal Decree Law No. (32) of 2021, as amended, 5% of the profit for the year is to be allocated annually to a non-distributable statutory reserve account and such appropriation shall be suspended when the reserve balance reaches an amount equal to 50% of the respective companies' paid-up capital. Such appropriation will be resumed whenever the reserve balance becomes less than 50% of the respective companies' paid-up capital.

22. WARRANTY PROVISIONS

	2025 AED '000	2024 AED '000
Non-current	3,915	4,029
Current (note 25)	483	1,176
	4,398	5,205

The movement in warranty provisions during the year was as follows:

	2025 AED '000	2024 AED '000
Balance at 1 January	5,205	9,002
Provision made during the year	8,329	1,748
Amount paid during the year	(9,136)	(5,545)
Balance at 31 December	4,398	5,205

23. LOANS AND BORROWINGS

	2025 AED '000	2024 AED '000
Term loans (note 23.1)	308,440	358,007
Bank financing facilities (note 23.2)	543,073	527,889
Non-convertible sukuk (note 23.3)	1,985,857	1,630,079
	2,837,370	2,515,975

23.1 Term loans

	2025 AED '000	2024 AED '000
Term loans	335,055	399,466
Unamortised transaction costs	(26,615)	(41,459)
	308,440	358,007

Unamortised transaction costs movement

	2025 AED '000	2024 AED '000
At 1 January	41,459	20,719
Paid during the year	4,204	28,004
Reclassified to non-current prepaid loan fees	(11,629)	–
Amortised during the year	(7,419)	(7,264)
At 31 December	26,615	41,459

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***23. LOANS AND BORROWINGS** *continued***23.1 Term loans** *continued*

	2025 AED '000	2024 AED '000
Term loans	335,055	399,466
Unamortised transaction costs	(26,615)	(41,459)
	308,440	358,007

Unamortised transaction costs movement

	2025 AED '000	2024 AED '000
At 1 January	41,459	20,719
Paid during the year	4,204	28,004
Reclassified to non-current prepaid loan fees	(11,629)	–
Amortised during the year	(7,419)	(7,264)
At 31 December	26,615	41,459

Disclosed in the consolidated statement of financial position as follows:

	2025 AED '000	2024 AED '000
Current	90,158	54,243
Non-current	218,282	303,764
	308,440	358,007

	2025 AED '000	2024 AED '000
Term loan 1	65,848	87,254
Term loan 2	44,788	73,573
Term loan 3	–	182,418
Term loan 4	197,804	14,762
	308,440	358,007

Term loan 1

During 2017, a subsidiary of the Group entered into a credit facility agreement with the Swedish Export Credit Agency via a commercial bank for an amount of EUR 52.9 million to finance the supply and installation of tissue paper mill machinery and related services in Abu Dhabi. The principal portion of the facility is repayable in semi-annual instalments over a period of 10 years. The loan carries a fixed interest rate to be charged from 6 months after the first utilisations of the loan being 12 June 2017. The loan is secured by the corporate guarantee of the Company.

Term loan 2

During 2017, the Company obtained a loan from a commercial bank to finance the construction of printing and writing paper mill machinery and related services. The facility is secured by personal guarantee of the Owner and mortgage over property, plant and equipment. The loan carries interest at fixed rate and is repayable in 16 semi-annual installments starting June 2019.

Term loan 3

On 22 December 2023, the company entered into a facility letter for a term loan amounting to AED 183.65 million from a commercial bank in the UAE for general corporate purposes and settlement of certain working capital indebtedness of another commercial bank. The facility is repayable as a bullet payment in December 2026. The loan carries variable interest of 3 months SOFR plus a margin for the first year and the remaining years carry a fixed interest rate. The facility includes a Negative Pledge over the Group's property, plant and equipment. During the year the entire term loan amount was paid in the month of November 2025 from the proceeds of Sukuk.

Term loan 4

During 2024, a subsidiary of the Group entered into a credit facility agreement with the Swedish Export Credit Agency via a commercial bank to finance the construction of a tissue paper manufacturing facility, including procurement of related machinery and local infrastructure works. The loan is denominated in USD and carries a fixed interest rate, repayable in equal semi-annual instalments over a 12-year term commencing six months after the successful commissioning of the project or 30 November 2025, whichever is earlier. As such, the first instalment is due in May 2026. The facility is supported by a buyer credit guarantee issued by the Swedish Export Credit Agency (EKN) and is further backed by corporate guarantees from certain group entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***23. LOANS AND BORROWINGS** *continued***23.2 Bank financing facilities**

	2025 AED '000	2024 AED '000
Revolving credit facilities ¹	389,221	–
Bank facilities	153,852	527,889
	543,073	527,889

1. Revolving credit facilities.

***Revolving credit facilities**

	2025 AED '000	2024 AED '000
Gross revolving credit facilities	393,986	–
Unamortised transaction costs ²	(4,765)	–
	389,221	–

2. Unamortised transaction costs movement.

	2025 AED '000	2024 AED '000
At 1 January	–	–
Paid during the year	13,676	–
Reclassified to non-current prepaid loan fees	(4,495)	–
Amortised during the year	(4,416)	–
At 31 December	4,765	–

These facilities were obtained by the Group from commercial banks to finance working capital. They carry interest at variable market rate plus a spread and are secured by corporate guarantees of the Company and its subsidiaries.

The bank financing facilities are classified as current liabilities in the consolidated statement of financial position.

23.3 Non-convertible Sukuk

	2025 AED '000	2024 AED '000
Opening balance of Non-convertible Sukuk	1,630,079	1,285,375
Less: Redemption of Non-convertible Sukuk during the year ¹	(1,630,079)	–
Add : Issue of new Non-convertible Sukuk during the year ²	2,019,875	367,250
Add: Non-convertible Sukuk premium upon issuance	–	6,652
Less: unamortised transaction costs ³	(34,018)	(29,198)
Closing balance of Non-convertible Sukuk	1,985,857	1,630,079

- During November 2025, the Group redeemed existing non-convertible Sukuk with a principal amount of US\$450 million, originally issued in 2023 and 2024. The redemption was completed at a redemption premium of AED 68,620 thousand (US\$18.7 million). As a result of this redemption, the Group wrote-off unamortised non-convertible Sukuk processing fees amounting to AED 22.8 million and unamortised premium of AED 5.2 million.
- During the year, the Group issued trust certificates (non-convertible Sukuk) of US\$ 550 million (2024: a tap of US\$ 100 million) which are listed on the International Stock Exchange in the Channel Islands. The non-convertible sukuk carries profit rate of 7.375% payable semi-annually. The non-convertible sukuk are repayable on 13 November 2030. The proceeds of the sukuk were utilized to repay a portion of the Group's existing term loans and short term facilities.
- The Sukuk are stated net of transaction costs incurred in connection with the Sukuk arrangements, amounting to AED 34,018 thousand (2024: AED 29,198 thousand), which are amortised to the consolidated statement of profit or loss over the repayment period of the Sukuk using the effective interest rate method.

The following are the costs incurred by the Group towards the Non-convertible Sukuk:

	2025 AED '000	2024 AED '000
Cost on redemption of non-convertible Sukuk	68,620	–
Write-off of unamortised non-convertible Sukuk transaction cost	22,851	–
Write-off of non-convertible Sukuk premium upon issuance	(5,216)	–
	86,255	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***24. EMPLOYEES' END OF SERVICE BENEFITS**

Movement in the provision recognised in the consolidated statement of financial position is as follows:

	2025 AED '000	2024 AED '000
At 1 January	87,591	78,062
Provided during the year	18,146	15,940
Paid during the year	(10,885)	(6,411)
At 31 December	94,852	87,591

25. ACCOUNTS PAYABLE AND ACCRUALS

	2025 AED '000	2024 AED '000
Trade payables	1,573,479	1,028,787
Supplier financing arrangements ¹	925,962	762,012
Advances from customers	105,517	126,889
Accrued bonus	45,288	34,036
Accrued salaries, wages and others	35,294	33,433
Accrued interest	30,447	33,780
Contract liabilities	19,863	–
Retentions payable	8,397	7,159
Dividend payable	4,500	–
Warranty provision (note 22)	483	1,176
Other accruals or payables	240,218	107,487
	2,989,448	2,133,759

1. The Group has established supplier finance arrangements offered to a number of its key suppliers within and outside the UAE, in order to guarantee payment on the maturity dates of their invoices. Under these arrangements, suppliers may choose to receive early payment on their approved invoices through the Group's external finance provider. Suppliers electing this option pay a fee directly to the finance provider, to which the Group is not party. In order for the finance provider to pay the invoices, the goods must have been received or supplied and the invoices approved by the Group. Payments to suppliers ahead of the invoice maturity date are processed by the finance provider and, in all cases, the Group settles the original invoice by paying the finance provider in line with the original invoice maturity date. Payment terms with suppliers have not been renegotiated in conjunction with the arrangement. The Group provides no security to the finance provider on any early payments made to the supplier.

26. INCOME TAX

The Group calculates the income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major component of income tax expense in the consolidated statement of comprehensive income are:

26.1 Amount recognized in the consolidated statement of comprehensive income

The major components of income tax expense for the year ended 31 December 2025:

	2025 AED '000	2024 AED '000
Consolidated profit or loss		
Current income tax expense for entities forming the Tax Group (note 26.2)	25,127	18,073
Current income tax expenses for entities outside of Tax Group	331	922
	25,458	18,995
Deferred income tax benefit relating to origination and reversal of temporary differences	(93)	(236)
Income tax expense reported in the consolidated statement of comprehensive income	25,365	18,759

26.2 Reconciliation of accounting income

	2025 AED '000	
Consolidated accounting profit before tax reported in the consolidated statement of profit or loss	127,580	92,716
Add / (Less): Accounting profit / (loss) before tax for the year for entities outside of tax group	7,061	(814)
Accounting profit before tax for the year of the tax group	134,641	91,902
At United Arab Emirates' statutory income tax rate of 9%	12,118	8,271
Effect of standard exemption	(34)	(34)
Non-deductible expenses	235	–
Others	(594)	–
Not recognised Deferred Tax Asset – Interest Deduction Limitation rule	13,402	9,836
Income tax expense for the year	25,127	18,073
Effective tax rate	18.66%	19.66%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***26. INCOME TAX** *continued***26.3 Income tax payable**

The movement in the current taxation account is as follows:

	2025 AED '000	2024 AED '000
At the beginning of the year	18,073	–
Charge during the current year – UAE	25,127	18,073
Income tax paid during the year	(17,682)	–
Other adjustments	(391)	–
At the end of the year	25,127	18,073

26.4 Deferred tax liability

Deferred tax liability relates to the following:

	2025 AED '000	2024 AED '000
Goodwill	307	307
Other intangible assets	1,283	1,283
As of 31 December 2025	1,590	1,590
Reconciliation of deferred tax liabilities, net:		
Deferred tax expense recognized during the year	(1,590)	(1,590)
Deferred tax benefit due to amortization during the year	237	330
Net deferred tax liability balance at the end of the year	(1,353)	(1,260)

26.5 Deferred tax liability International Tax Reform – Pillar Two model rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) has published the Pillar Two Anti Global Base Erosion Rules (“GloBE Rules”), which are designed to address the tax challenges arising from the digitalisation of the global economy, and the Company is part of a Group that falls within the scope of Pillar Two legislation as its consolidated revenue exceeds the €750 million threshold and it operates in a jurisdiction that has enacted and substantively enacted Pillar Two legislation.

Due to uncertainty regarding whether the Pillar Two model rules give rise to additional temporary differences, require the remeasurement of deferred taxes, or affect the applicable tax rate, the IASB issued amendments to IAS 12 on 23 May 2023 introducing a mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to the Pillar Two model rules.

UAE, where the head quarters of the Group are based, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses on 24 November 2023, as part of its commitment to the OECD guidelines.

The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar 2 Rules. The implementation of these rules in the UAE is still pending additional Cabinet Decisions, and the specific form and manner of implementation are yet to be determined.

On 11 February 2025, the Ministry of Finance of the United Arab Emirates (UAE) released Cabinet Decision No. 142 of 2024 regarding the Imposition of Top-Up Tax on Multinational Enterprises on its website. This decision provides further details on the UAE Domestic Minimum Top-up Tax (UAE DMTT), which will apply to fiscal years starting on or after 1 January 2025. The UAE DMTT aims to ensure that certain in-scope UAE entities of a multinational enterprise (MNE) meet a 15% effective tax rate (ETR) on profits derived in the UAE.

The UAE meets the Transitional Safe Harbour ETR test. Accordingly, the UAE jurisdiction is treated as low risk for Pillar Two purposes for the relevant fiscal year, and no Top-up Tax is required during the transitional period as the Group meets the minimum ETR of 15%.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows beginning.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***27. DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATIONS**

In 2022, the shareholders resolved to discontinue the operations of its subsidiary, 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 consolidated statement of profit or loss in accordance with IFRS 5.

	2025 AED '000	2024 AED '000
Revenues	–	–
Direct costs	–	(353)
Gross loss	–	(353)
General and administrative expenses	(950)	(5,185)
Provision for expected credit losses	(8,078)	396
Finance costs	(288)	(294)
Other income	174	4,983
Loss for the year from discontinued operations	(9,142)	(453)

The net cash flows incurred by the subsidiaries, were as follows:

	2025 AED '000	2024 AED '000
Operating	3,479	1,922
Investing	–	–
Financing	(3,512)	(1,934)
Net cash outflow	(33)	(12)

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:

	2025 AED '000	2024 AED '000
Assets		
Accounts receivable and prepayments	3,388	6,582
Amounts due from related parties	139	139
Bank balances and cash	349	382
Disposal group held for sale	3,876	7,103
Liabilities		
Accounts payable and accruals	(3,382)	(3,097)
Amounts due to related parties	(133)	(127)
Liabilities directly associated with disposal group held for sale	(3,515)	(3,224)
Net assets directly associated with disposal group	361	3,879

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED*

28. 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 cleaning detergents.

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, 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 decisions 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 consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***28. SEGMENT ANALYSIS** *continued*

	Consumer goods AED '000	Infrastructure and building material AED '000	Business services AED '000	Health care and others AED '000	Hold co's & Eliminations AED '000	Total from continuing operations AED '000	Discontinued operations AED '000	Total AED '000
2025								
Revenue from external customers	1,760,296	9,785,124	943,531	293,760	2,528	12,785,239	–	12,785,239
Inter-segment revenue	2,661	935	3,042	68,885	(75,523)	–	–	–
Direct costs	(1,499,377)	(9,452,817)	(734,982)	(323,691)	74,270	(11,936,597)	–	(11,936,597)
GROSS PROFIT	263,580	333,242	211,591	38,954	1,275	848,642	–	848,642
Administrative expenses	(119,288)	(96,496)	(45,378)	(50,381)	(52,173)	(363,716)	(950)	(364,666)
Provision for expected credit losses	(2,274)	321	(527)	(8,620)	–	(11,100)	(8,078)	(19,178)
Other income / (expense)	2,623	599	13,413	1,315	(136)	17,814	174	17,988
Gain on disposal of a subsidiary	–	–	–	–	18,671	18,671	–	18,671
Share of profit from associate	–	–	–	–	6,601	6,601	–	6,601
Net foreign exchange (loss)/gain	(151)	(106)	(25)	1,090	4,370	5,178	–	5,178
Finance costs	(40,034)	(42,959)	(9,364)	(8,439)	(192,335)	(293,131)	(288)	(293,419)
Cost on redemption of non-convertible Sukuk, net	–	–	–	–	(86,255)	(86,255)	–	(86,255)
Reclassification of cash flow hedge reserve to Profit and loss	–	–	–	–	(839)	(839)	–	(839)
Change in fair value of financial assets	–	–	–	–	(14,756)	(14,756)	–	(14,756)
Change in fair value of derivatives	–	–	–	–	9,613	9,613	–	9,613
PROFIT (LOSS) BEFORE TAX	104,456	194,601	169,710	(26,081)	(305,964)	136,722	(9,142)	127,580
Income tax expense, current and deferred	(9,726)	(17,522)	(16,119)	(273)	18,275	(25,365)	–	(25,365)
PROFIT (LOSS) FOR THE YEAR	94,730	177,079	153,591	(26,354)	(287,688)	111,357	(9,142)	102,215
TOTAL ASSETS	2,732,034	2,848,435	735,568	415,809	96,133	6,827,979	3,876	6,831,995
TOTAL LIABILITIES	1,154,179	2,240,909	519,045	381,702	1,794,017	6,089,852	3,515	6,093,367

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***28. SEGMENT ANALYSIS** *continued*

	Consumer goods AED '000	Infrastructure and building material AED '000	Business services AED '000	Health care and others AED '000	Hold co's & Eliminations AED '000	Total from continuing operations AED '000	Discontinued operations AED '000	Total AED '000
2024								
Revenue from external customers	1,801,548	9,359,298	753,010	341,941	2,252	12,258,049	–	12,258,049
Inter-segment revenue	3,003	639	3,773	84,471	(91,886)	–	–	–
Direct cost	(1,533,422)	(9,113,085)	(581,973)	(375,844)	90,220	(11,514,104)	(353)	(11,514,457)
GROSS PROFIT	271,129	246,852	174,810	50,568	586	743,945	(353)	743,592
Administrative expenses	(126,000)	(99,727)	(40,800)	(44,911)	(43,905)	(355,343)	(5,185)	(360,528)
Provision for expected credit losses	(5,143)	4,405	(1,149)	(11,240)	–	(13,127)	396	(12,731)
Other income / (expense)	2,675	1,620	5,174	3,143	(59)	12,553	4,983	17,536
Share of profit from associate	–	–	–	–	1,707	1,707	–	1,707
Gain on disposal of subsidiary								
Net foreign exchange (loss)/gain	(1,161)	(540)	(107)	(3,091)	448	(4,451)	–	(4,451)
Finance costs	(33,826)	(46,116)	(7,336)	(11,175)	(188,551)	(287,004)	(294)	(287,298)
Write-off of loan processing fees								
Reclassification of cash flow hedge reserve to Profit and loss	–	–	–	–	(839)	(839)	–	(839)
Change in fair value of derivatives	1,223	–	–	–	(5,495)	(4,272)	–	(4,272)
PROFIT (LOSS) BEFORE TAX	108,897	106,494	130,592	(16,706)	(236,108)	93,169	(453)	92,716
Income tax expense, current and deferred	(9,931)	(10,208)	(11,784)	(1,232)	14,396	(18,759)	–	(18,759)
PROFIT (LOSS) FOR THE YEAR	98,966	96,286	118,808	(17,938)	(221,712)	74,410	(453)	73,957
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 CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***29. CONTINGENCIES AND COMMITMENTS**

	2025 AED '000	2024 AED '000
Contingencies and commitments	1,032,808	938,212

30. 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 and 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:

	Total AED	Current AED	0–30 days AED	31 – 60 days AED	61 – 90 days AED	> 90 days AED
31 December 2025						
Expected credit loss rate		0.34%	0.25%	0.47%	1.95%	35.21%
Estimated total gross carrying amount at default	1,837,841	1,251,965	190,099	165,046	30,639	200,092
Less: expected credit losses	(76,485)	(4,198)	(466)	(774)	(598)	(70,449)
	1,761,356	1,247,767	189,633	164,272	30,041	129,643
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	(98,688)	(67)	(1,112)	(420)	(3,580)	(93,509)
	1,621,296	1,167,610	190,138	98,298	8,496	156,754

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 31 December 2025 and 31 December 2024, based on contractual payment dates and current market interest rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***30. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**
*continued***Liquidity risk** *continued*

	On demand AED '000	Less than 3 months AED '000	3 to 12 months AED '000	1 to 5 years AED '000	> 5 years AED '000	Total AED '000
At 31 December 2025						
Trade payables and supplier financing arrangements	25,573	1,669,501	765,101	25,985	13,281	2,499,441
Amounts due to related parties	1,516	–	–	–	–	1,516
Bank financing facilities	–	534,277	14,479	–	–	548,756
Non-convertible sukuk	–	–	148,966	2,615,738	–	2,764,704
Lease liabilities	–	2,608	11,774	61,596	94,732	170,710
Derivative financial instruments	–	415	5,737	7,605	3,218	16,975
Term loans	–	16,288	109,725	110,495	109,781	346,289
Total	27,089	2,223,089	1,055,782	2,821,419	221,012	6,348,391
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	1,156,878	1,292,668	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.

Equity price risk

Equity price risk is the risk that the fair values of equities change as a result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure to the Group's equity and other comprehensive income arises from the Group's investments carried at fair value through other comprehensive income amounting to AED 43,672 thousand (2024: AED 27,003 thousand). The Group's profit or loss is not sensitive to equity price changes in its investment portfolio.

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 31 December 2025, after taking into account the effect of interest rate swaps, approximately 81% 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***30. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES**
*continued***Interest rate risk** *continued*

Effect on profit	AED '000
2025	(5,431)
+ 100 increase in basis points	(5,431)
- 100 decrease in basis points	5,431
2024	(7,251)
+ 100 increase in basis points	(7,251)
- 100 decrease in basis points	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 years ended 31 December 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 746,355 thousand as at 31 December 2025 (2024: AED 658,635 thousand).

	2025 AED '000	2024 AED '000
Bank overdrafts	–	5,000
Term loans	308,440	358,007
Non-convertible sukuk	1,985,857	1,630,079
Bank financing facilities	543,074	527,888
	2,837,371	2,520,974
Less: bank balances and cash	(791,007)	(630,960)
Net debt	2,046,364	1,890,014
Total capital	738,487	658,635
Capital and net debt	2,784,851	2,548,649
Debt to equity ratio	73.48%	74.2%

Changes in liabilities arising from financing activities

	1 January 2025 AED '000	Cash flows AED '000	Other AED '000	31 December 2025 AED '000
At 31 December 2025				
Term loans	358,007	(64,412)	14,845	308,440
Non-convertible sukuk	1,630,079	367,250	(11,472)	1,985,857
Bank financing facilities	527,889	19,950	(4,765)	543,074
Total	2,515,975	322,788	(1,392)	2,837,371
	1 January 2024 AED '000	Cash flows AED '000	Other AED '000	31 December 2024 AED '000
At 31 December 2024				
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	926,666	(398,777)	–	527,889
Total	2,669,280	(152,921)	(384)	2,515,975

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *CONTINUED***31. FAIR VALUES OF FINANCIAL INSTRUMENTS****Fair value of the Group's assets that are measured at fair value on recurring basis**

Some of the Group's financial assets are measured at fair value at the end of the reporting year. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these financial assets are determined.

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Derivatives are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include swap models, using present value calculations.
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 AED '000	Level 2 AED '000	Level 3 AED '000	Total fair value AED '000
Assets measured at fair value:				
Investments carried at FVTPL	–	13,241	–	13,241
Investments carried at FVTOCI	–	30,431	–	30,431
Derivative financial instruments	–	5,820	–	5,820
	–	49,492	–	49,492
Liabilities measured at fair value:				
Derivative financial instruments	–	16,975	–	16,975
31 December 2024				
Assets measured at fair value:				
Investments carried at FVTOCI	–	27,003	–	27,003
Derivative financial instruments	–	12,601	–	12,601
	–	39,604	–	39,604
Liabilities measured at fair value:				
Derivative financial instruments	–	32,827	–	32,827

During the year ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

32. DIVIDENDS

During 2025, the Company declared dividends amounting to AED 4,500 thousand (2024:AED Nil) to the owner.

33. COMPARATIVES

Certain comparative amounts have been reclassified to conform to current year's presentations. These reclassifications have no impact on previously reported profit or equity of the Group.

34. SUBSEQUENT EVENTS**Geopolitical tensions in Middle East**

Subsequent to the reporting date, geopolitical tensions in parts of the Middle East have increased. Public communications from government and regulatory authorities have continued to emphasise the resilience of the economy and the continuation of business operations across key sectors, supported by established business continuity and risk management frameworks.

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period. Accordingly, no adjustments have been made to the amounts recognised in the consolidated financial statements as at 31 December 2025, which reflect conditions existing at that date.

The Group has assessed the potential implications of these events on its operations, financial position and performance.

Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

Management has also considered the impact of these events on the Group's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.

Other information

Currencies

Unless otherwise indicated, in this Offering Memorandum, all references to:

- “dirham” and “AED” are to the lawful currency of the United Arab Emirates; and
- “U.S. dollars” and “U.S.\$” are to the lawful currency of the United States.

Unless otherwise indicated, the financial information contained in this annual report has been expressed in dirham. The Company’s functional currency is dirham and the Company prepares its consolidated financial statements in dirham. The dirham has been pegged to the U.S. dollar since 22 November 1980. The mid-point between the official buying and selling rates for the dirham is at a fixed rate of AED 3.6725 = USD 1.00. All U.S. dollar translations of dirham amounts appearing in this report have been translated for convenience purpose at this fixed exchange rate, unless otherwise stated. These U.S. dollar figures have not been subject to audit or review. The exchange rate used should not be construed as a representation that AED could have been, or could be, converted into U.S. dollars at the pegged rate or at any other rate, or that the dirham will continue to be pegged to the U.S. dollar at any time after the date of this Offering Memorandum.

Definitions

- references to “RMI” are to readily marketable inventories. Readily marketable inventories represent inventories held by the Company for operating activities which are classified as highly liquid in nature, readily convertible into cash (instantly or in the very short term), follow an international exchange or benchmark price index, are widely traded commodities, and have minimal price risk in operations due to natural hedge from contracts with customers and suppliers that pass through index price. This includes copper London Metal Exchange (“LME”) approved inventory, and pulp inventories where its major indexes are RISI (Europe) or CRIC (China). Given the highly liquid nature of these commodities, the Company consider them as cash equivalents and net off their value when calculating short term facilities used to procure those inventories to fairly present the adjusted leverage excluding RMI related debt.

Non-IFRS Financial Measures

This report presents certain financial measures that are not recognized by IFRS or any other generally accepted accounting principles and that may not be permitted to appear on the face of the Financial Statements or notes thereto, including operating profit margin excluding the impact of hedged copper, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA Margin excluding the impact of hedged copper (collectively, the “Non-IFRS Measures”). The Company uses such measures to assess the financial performance and liquidity of its business. The Company believes that these and similar measures are used widely by the investment community, securities analysts and other interested parties, as supplemental measures of performance and liquidity and are intended to assist in the analysis of its results of operations, profitability and ability to service debt.

The Company does not regard these Non-IFRS Measures as a substitute for, or superior to, the equivalent measures calculated and presented in accordance with IFRS or other generally accepted accounting principles or those calculated using financial measures that are calculated in accordance with IFRS.

The Company’s primary Non-IFRS Measures are defined as follows:

- “the impact of hedged copper” is calculated as follows: The copper hedge is a natural hedge as the pricing of copper cathodes (raw material) and copper rods (finished goods) are both based on LME copper “unknown price”. The “unknown price” is the market practice and refers to the LME closing price of copper at 17:50 London time on a particular trading date. The natural hedge in UCR operation is summarized as follow:
 - Procurement: LME copper unknown price multiplied by the volume (tonnage).
 - Sale: (LME copper unknown price plus the rod premium) multiplied by the volume (tonnage).

The sale and procurement process starts with a provisional invoice based on a pre-agreed, theoretical LME unknown price. Once the copper LME closing price is announced, a final invoice is issued and the difference between the theoretical price and the actual price is settled through a debit/credit note.

Impact of hedged copper on revenue represents direct material cost of copper included in revenue. Direct material costs of copper are AED 5,660.1 million, AED 7,095.3 million, and 6,372.6 million for the years ended 31 December 2021, 31 December 2022, 31 December 2023 respectively.

- “operating profit margin excluding the impact of hedged copper” is defined as the mathematical result of dividing operating profit by the result of subtracting the LME copper price impact on revenue from the Company’s total revenues.
- “Adjusted EBITDA” is defined as net profit (loss) for the year / period from continuing operations plus finance costs, tax, depreciation, amortization, impairment of goodwill, and changes in the fair value of derivative financial instruments.
- “Adjusted EBITDA margin” is defined as the ratio of Adjusted EBITDA to the revenue for the relevant period.
- “Adjusted EBITDA margin excluding the effect of hedged copper” is defined as the mathematical result of dividing Adjusted EBITDA by the result of subtracting the LME copper price impact on revenue from total revenues.

By eliminating potential differences in results of operations between periods or companies caused by factors such as depreciation and amortization, historical cost and age of assets, financing and capital structures and taxation positions or regimes, the Company believes Adjusted EBITDA-based measures and other Non-IFRS Measures can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. For these reasons, the Company believes Adjusted EBITDA based measures and other Non-IFRS Measures are regularly used by the investment community as a means of comparison of companies in its industry.

OTHER INFORMATION *CONTINUED*

Different companies and analysts may calculate Adjusted EBITDA based measures and other Non IFRS Measures differently, so comparisons among companies on this basis should be done carefully.

Adjusted EBITDA based measures and other Non IFRS Measures are not measures of performance under IFRS and should not be considered in isolation or construed as substitutes for operating profit or net profit as an indicator of the Company's operations in accordance with IFRS.

The Company's Non IFRS Measures and ratios are not measurements of its performance or liquidity under IFRS or any other generally accepted accounting principles and should not be considered as alternatives to performance measures derived in accordance with IFRS or any other generally accepted accounting principles. Neither the Company's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the presentation of any of the Non IFRS Measures and ratios contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, such presentation. Each of the Company's Non IFRS Measures is defined and reconciled to its closest comparable IFRS measure under "Summary Historical Financial Information and Other Data". The Company's Non IFRS Measures may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of its operating results as reported under IFRS or any other generally accepted accounting principles. Some of the limitations of Non IFRS Measures are that:

- they do not reflect the Company's cash expenditures or future requirements for capital investments or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Company's working capital needs;
- they do not reflect the significant interest expense or cash requirements necessary to service interest or principal payments on the Company's debt;
- they do not reflect any cash income taxes that the Company may be required to pay;
- they are not adjusted for all non-cash income or expense items that are reflected in the Company's consolidated income statement;
- they do not reflect the impact of earnings or charges resulting from certain matters the Company considers not to be indicative of its ongoing operations;
- assets are depreciated or amortized over differing estimated useful lives and often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and
- other companies in the Company's industry and analysts may calculate these measures differently than the Company does, limiting their usefulness as comparative measures.

Because of these limitations, the Company's Non IFRS Measures should not be considered as measures of discretionary cash available to it to invest in the growth of its business or as measures of cash that will be available to it to meet its obligations or as measures of performance in order to assist in the analysis of the Company's operating results and profitability. Potential investors should compensate for these limitations by relying primarily on the Financial Statements and using these Non IFRS Measures only supplementally to evaluate the Company's performance. See "Summary Historical and Certain Other Financial Data", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Financial Statements (including the related notes), included elsewhere in this Offering Memorandum.

Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA margin excluding the effect of hedged copper as used in this report are not calculated in the same manner as "Consolidated EBITDA" as described under "Terms and Conditions of the Certificates" or for purposes of any of the Company's other indebtedness. The information presented by Non IFRS Measures is unaudited and has not been prepared in accordance with IFRS.

Cautionary statement regarding forward-looking statements

Some statements in this Offering Memorandum may be deemed to be forward looking statements. The words "anticipate", "believe", "expect", "plan", "intend", "targets", "aims", "seeks", "estimate", "project", "will", "would", "may", "could", "continue", "should" and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical fact included in this report, including, without limitation, those regarding the financial position of the Group, or the business strategy, management plans and objectives for future operations of the Group, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. The Company has based these forward-looking statements on the current view of its management with respect to future events and financial performance. These forward-looking statements are based on numerous assumptions regarding the Company's present, and future, business strategies and the environment in which the Company expects to operate in the future. Forward-looking statements speak only as at the date of this report and, without prejudice to any requirements under applicable laws and regulations, the Trustee, the Company and the Original Subsidiary Guarantors expressly disclaim any obligation or undertaking to publicly update or revise any forward-looking statements in this report to reflect any change in the expectations thereof or any change in events, conditions or circumstances on which these forward-looking statements are based.

Given the uncertainties of forward-looking statements, the Trustee, the Company and the Original Subsidiary Guarantors cannot assure potential investors that projected results or events will be achieved and the Trustee and the Company caution potential investors not to place undue reliance on these statements.



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