National Cement Company
(Public Shareholding Co.)
UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 SEPTEMBER 2024

Grant Thornton

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Report on Review of Interim Condensed Financial Statements

To the Shareholders of National Cement Company (Public Shareholding Co.)

Introduction

We have reviewed the accompanying interim condensed financial statements of National Cement Company (Public Shareholding Co.) (the "Company") comprising the interim statement of financial position as at September 30, 2024, and the related interim condensed statement of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the related interim statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other Matters

i. The interim condensed financial statements of the Company for the nine-month period ended September 30, 2023 were reviewed by another auditor who expressed an unmodified conclusion on those statements on November 14, 2023.

ii. The financial statements of the Company for the year ended December 31, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2024.

Emphasis of a Matter

We draw attention to Note 11 to the interim condensed financial statements, which describes the current situation and environment in Sudan and the management's assessment thereon. Our conclusion is not modified in respect of this matter.

Grant Thornton

Grant Thornton Public Accountants P.O. Box: 1620 DUBAI-U.A.E.

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Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

November 5, 2024

National Cement Company (Public Shareholding Co.)

INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2024

		Nine months ended		*Three months ended*	
	Notes	***30 Sep 2024 AED'000 (Unaudited)***	*30 Sep 2023 AED'000 (Unaudited)*	***30 Sep 2024 AED'000 (Unaudited)***	*30 Sep 2023 AED'000 (Unaudited)*
Revenue		**133,156**	135,007	**41,884**	49,009
Direct costs	3	**(131,451)**	(138,809)	**(41,555)**	(47,596)
GROSS PROFIT/(LOSS)		**1,705**	(3,802)	**329**	1,413
Other operating income	4	**7,672**	6,224	**2,807**	2,023
Administration and general expenses	5	**(17,985)**	(47,233)	**(4,814)**	(24,097)
Selling and distribution expenses		**(3,350)**	(3,359)	**(1,155)**	(1,107)
OPERATING LOSS		**(11,958)**	(48,170)	**(2,833)**	(21,768)
Finance income	6	**3,047**	21,833	**2,426**	20,102
Finance cost		**(496)**	(5,109)	**(150)**	(1,562)
Dividend income from equity investments	9	**141,306**	84,342	**5,328**	13,914
Net change in fair value of debt instruments at FVTPL	9	**3,466**	1,197	**1,896**	(766)
Fair value of debt instruments at FVOCI recycled to profit and loss on derecognition		**-**	(3,749)	**-**	-
PROFIT FOR THE PERIOD BEFORE TAX		**135,365**	50,344	**6,667**	9,920
Income tax expense		**-**	-	**-**	-
PROFIT FOR THE PERIOD		**135,365**	50,344	**6,667**	9,920
Other comprehensive income					
Item that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Net change in fair value of equity instruments at FVOCI	9	**543,970**	348,916	**298,173**	45,785
Items that may be reclassified to profit or loss in subsequent periods (net of tax):					
Net change in fair value of debt instruments at FVOCI	9	**(576)**	(5,878)	**267**	269
Fair value of debt instruments at FVOCI recycled to profit and loss on disposal		**-**	3,749	**-**	-
Other comprehensive income for the period		**543,394**	346,787	**298,440**	46,054
Total comprehensive income for the period		**678,759**	397,131	**305,107**	55,974
Earnings per share					
Basic and diluted earnings per share (AED)	17	**0.38**	0.14	**0.02**	0.03

The attached notes 1 to 22 form part of these interim condensed financial statements.

National Cement Company (Public Shareholding Co.)

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 AED '000 (Unaudited)	31 December 2023 AED '000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	137,961	143,674
Intangible assets		474	1,006
Investment properties	8	2,924	2,924
Investments in financial assets	9	2,005,953	1,407,961
Loan receivable from an associate	11	288,213	288,213
Total non-current assets		2,435,525	1,843,778
Current assets			
Investments in financial assets	9	15,881	13,235
Inventories	12	72,393	69,419
Trade and other receivables	13	104,673	121,249
Advances and other receivables		7,406	2,105
Bank balances and cash	15	105,540	40,894
Total current assets		305,893	246,902
TOTAL ASSETS		2,741,418	2,090,680
EQUITY AND LIABILITIES			
Equity			
Share capital		358,800	358,800
Share application money		26	26
Statutory reserve		179,402	179,402
General reserve		313,323	313,323
Fair value reserve of financial assets at FVOCI		1,649,935	1,106,541
Retained earnings		138,166	56,621
Total equity		2,639,652	2,014,713
Non-current liabilities			
Employees' end of service benefits		18,480	18,788
Deferred tax liability	22	53,742	-
		72,222	18,788
Current liabilities			
Bank borrowings		-	20,000
Trade and other payables	16	29,544	37,179
		29,544	57,179
Total liabilities		101,766	75,967
TOTAL EQUITY AND LIABILITIES		2,741,418	2,090,680

These interim condensed financial statements were authorised for issue by the Board of Directors on 05 NOV 2024 and signed by:

Rashid Saif Ahmed Al Ghurair Al Suwaidi
Chairman

Mazin Mohammed Mohyelddin Alkathib
Vice - Chairman

The attached notes 1 to 22 form part of these interim condensed financial statements.

INTERIM STATEMENT OF CHANGES IN EQUITY
For the nine months ended 30 September 2024

	Share capital AED'000	*Share application money AED'000*	*Statutory reserve AED'000*	*General reserve AED'000*	*Fair value reserve of financial assets at FVOCI AED'000*	*Retained earnings AED'000*	*Total equity AED'000*
Balance as at 1 January 2023 (Audited)	358,800	26	179,402	313,323	803,726	(7,797)	1,647,480
Profit for the period	-	-	-	-	-	50,344	50,344
Other comprehensive income for the period	-	-	-	-	346,787	-	346,787
Total comprehensive income for the period	-	-	-	-	346,787	50,344	397,131
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	(2,184)	2,184	-
As at 30 September 2023 (Unaudited)	358,800	26	179,402	313,323	1,148,329	44,731	2,044,611
Balance as at 1 January 2024 (Audited)	358,800	26	179,402	313,323	1,106,541	56,621	2,014,713
Profit for the period	-	-	-	-	-	135,365	135,365
Other comprehensive income for the period	-	-	-	-	543,394	-	543,394
Total comprehensive income for the period	-	-	-	-	543,394	135,365	678,759
Dividends (Note 21)	-	-	-	-	-	(53,820)	(53,820)
As at 30 September 2024 (Unaudited)	**358,800**	**26**	**179,402**	**313,323**	**1,649,935**	**138,166**	**2,639,652**

The attached notes 1 to 22 form part of these interim condensed financial statements.

INTERIM CONDENSED STATEMENT OF CASH FLOWS
For the nine months ended 30 September 2024

	Notes	Nine months ended 30 September 2024 AED '000 Unaudited	2023 AED '000 Unaudited
OPERATING ACTIVITIES			
Profit for the period		**135,365**	50,344
Adjustments for:			
Depreciation and amortisation		**13,920**	13,707
Reduction in value of a financial asset at amortized cost	14	**-**	27,787
Change in fair value of financial assets at fair value through profit or loss	9	**(3,466)**	(1,197)
Loss on disposal of property, plant and equipment		**(2)**	-
Fair value of debt instruments at FVOCI recycled to profit and loss		**-**	3,749
Provision for employees' end of services benefits		**1,100**	2,420
Allowance for ECL on trade and other receivables		**-**	3,135
Dividend income	9	**(141,306)**	(84,342)
Finance income	6	**(3,047)**	(21,833)
Finance cost		**496**	5,109
Operating profit/(loss) before working capital changes		**3,060**	(1,121)
Working capital changes:			
Inventories		**(2,974)**	1,205
Trade and other receivables		**18,925**	(27,897)
Advances and other receivables		**(5,301)**	4,482
Trade and other payables		**(7,635)**	(5,012)
Cash from/(used in) operations		**6,075**	(28,343)
Employees' end of service benefits paid		**(1,408)**	(3,685)
Net cash flows from/(used in) operating activities		**4,667**	(32,028)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	**(7,679)**	(2,495)
Proceeds from sale of property, plant and equipment		**6**	-
Investments in financial assets	9	**(10,442)**	(3,671)
Proceeds from maturity/disposals of financial assets	9	**10,406**	11,143
Placement of fixed deposits		**(70,000)**	(25,000)
Dividend received	9	**141,306**	84,342
Interest received		**698**	21,833
Net cash flows from investing activities		**64,295**	86,152
FINANCING ACTIVITIES			
Proceeds from bank borrowings		**15,0000**	168,605
Repayment of bank borrowings		**(35,000)**	(218,605)
Finance cost paid		**(496)**	(5,109)
Dividend paid		**(53,820)**	-
Net cash flows used in financing activities		**(74,316)**	(55,109)
Net change in cash and cash equivalents		**(5,354)**	(985)
Cash and cash equivalents at the beginning of the period		**20,894**	16,976
Cash and cash equivalents at the end of the period	15	**15,540**	15,991

The attached notes 1 to 22 form part of these interim condensed financial statements.

1 BACKGROUND AND PRINCIPAL ACTIVITIES

National Cement Company (Public Shareholding Co.) ("the Company"), is registered in accordance with the decree issued by His Highness Ruler of Dubai on 10 April 1968 establishing a cement company in the Emirate of Dubai, United Arab Emirates and is governed in accordance with the provisions of the UAE Federal Law No 32. Of 2021. The Company is listed on the Dubai Financial Market ("DFM"). The registered address of the Company is P.O. Box 4041, Dubai, United Arab Emirates.

The principal activity of the Company is to manufacture and sell cement and cement related products

Federal Law by Decree no. 32 of 2021, which repeals and replaces Federal Law no. 2 of 2015 (as amended) on Commercial Companies, was issued on 20 September 2021, and is effective from 2 January 2022. The Company is still in the process of amending its Articles of Association in line with the new provisions as required by the Federal law by Decree no. 32 of 2021.

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements for the nine-month ended 30 September 2024 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2023. In addition, the results for the nine-month period ended 30 September 2024 may not be indicative of the results that may be expected for the financial year ending 31 December 2024.

The interim condensed financial statements have been prepared in United Arab Emirates Dirhams (AED), which is the Company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated.

The interim condensed financial statements have been prepared on a historical cost basis except for investments in financial assets at fair value through profit or loss and investments in financial assets at fair value through other comprehensive income, which have been measured at fair value.

When preparing the interim condensed financial statements, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

2.2 New standards, interpretations and amendments adopted by the Company

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024 where appropriate. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024 and have therefore been adopted by the Company. However, these amendments do not have any significant impact on the interim condensed financial statements of the Company, and therefore, further disclosures have not been made.

2.3 Fair value measurement

All financial assets and liabilities are stated at amortized cost or historical cost except for investments in financial assets that are measured at fair value. The fair values of other financial assets and the financial liabilities are not materially different from their carrying values at the reporting date.

3 DIRECT COSTS

	Nine months ended	
	30 September 2024 AED '000 Unaudited	*30 September 2023 AED '000 Unaudited*
Material cost	**73,706**	83,820
Utilities and other factory costs	**29,862**	27,579
Staff cost	**14,982**	14,773
Depreciation of property, plant and equipment	**12,901**	12,637
	131,451	138,809

4 OTHER OPERATING INCOME

	Nine months ended	
	30 September 2024 AED '000 Unaudited	*30 September 2023 AED '000 Unaudited*
Rental income from investment properties	**2,894**	2,488
Sale of scrap and other non-trading materials	**2,655**	2,065
Other rental income	**1,802**	1,476
Others	**321**	195
	7,672	6,224

5 ADMINISTRATION AND GENERAL EXPENSES

	Nine months ended	
	30 September 2024 AED '000 Unaudited	*30 September 2023 AED '000 Unaudited*
Staff cost	**10,448**	9,734
Directors' remuneration (Note 14)	**2,450**	-
Office expenses	**2,103**	3,049
Amortisation of intangible asset	**532**	531
Depreciation of property, plant and equipment	**487**	539
Bank charges	**99**	101
Reduction in value on financial assets at amortised cost (Note 14)	**-**	27,787
Expected credit loss on trade and other receivables	**-**	3,135
Others	**1,866**	2,357
	17,985	47,233

6 FINANCE INCOME

	Nine months ended	
	30 September 2024 AED '000 Unaudited	*30 September 2023 AED '000 Unaudited*
Interest income from bank fixed deposit	**2,349**	675
Interest income on investments in financial assets (debt instruments)	**698**	1,139
Interest income on loan to associate (Note 11)	**-**	20,019
	3,047	21,833

7 PROPERTY, PLANT AND EQUIPMENT

During the nine-month period ended 30 September 2024, additions to property, plant and equipment amounted to AED 7,679 thousand (2023: AED 2,495 thousand) and AED 12 thousand were disposed of during the period (2023: AED 39 thousand). Depreciation charge for the period amounted to AED 13.92 million (2023: AED 13.71 million).

8 INVESTMENT PROPERTIES

Investment properties comprise land and villas constructed thereon. No investment properties were acquired or sold during the current period and no depreciation was charged as the assets are fully depreciated. Land is not depreciated.

The fair value of investment properties is estimated to be AED 90 million based on a valuation performed by Dubai Land Department in March 2024 and AED 43 million as per an internal valuation carried out by management at 31 December 2023.

9 INVESTMENTS IN FINANCIAL ASSETS

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Current assets		
Investments at FVOCI	**12,957**	6,443
Investments at FVTPL	**2,924**	6,792
	15,881	13,235
Non-current assets		
Investments at FVOCI	**1,999,968**	1,403,400
Investments at FVTPL	**5,985**	4,561
	2,005,953	1,407,961
	2,021,834	1,421,196

The categories of investments in financial assets are as follows:

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Quoted equity instruments – at fair value	**1,999,968**	1,396,252
Debt instruments – at fair value	**21,866**	24,944
	2,021,834	1,421,196

9 INVESTMENTS IN FINANCIAL ASSETS (continued)

The Company has an investment, through an unquoted equity instrument, in a cement plant under construction outside the UAE. The investment is being carried at Fair Value through Other Comprehensive Income and is classified as Level 3 within the fair value hierarchy. The Company was not able to obtain a reliable fair valuation as per its accounting policies in order to determine the fair value of the investment due to the non-conducive situation in the country of investment. Accordingly, based on management's judgement, the fair value is fully written-down at 30 September 2024 (2023: fully written-down).

Investments in financial assets amounting to AED 1,342,640 thousand (31 December 2023: AED 861,073 thousand) are pledged with banks against loans and borrowings.

The Company has received dividend income amounting to AED 141,306 thousand from equity investments during the nine-month period ended 30 September 2024 (2023: AED 84,342 thousand).

The movement in investments in financial assets during the period was as follows:

	Nine months ended 30 September 2024 (Unaudited)			
	Debt instruments at FVOCI AED'000	***Debt instruments at FVTPL AED'000***	***Equity instruments at FVOCI AED'000***	***Total AED'000***
At the beginning of the period	**13,591**	**11,353**	**1,396,252**	**1,421,196**
Additions during the period	**-**	**4,495**	**5,947**	**10,442**
Matured/redeemed	**-**	**(10,406)**	**-**	**(10,406)**
Change in fair value	**(633)**	**3,466**	**597,769**	**600,602**
At the end of the period	**12,958**	**8,908**	**1,999,968**	**2,021,834**

	Nine months ended 30 September 2023 (Unaudited)			
	Debt instruments at FVOCI AED'000	*Debt instruments at FVTPL AED'000*	*Equity instruments at FVOCI AED'000*	*Total AED'000*
At the beginning of the period	19,095	13,917	1,092,477	1,125,489
Additions during the period	-	-	3,671	3,671
Matured/redeemed	-	(4,493)	(6,650)	(11,143)
Change in fair value	(5,878)	1,197	348,916	344,235
At the end of the period	13,217	10,621	1,438,414	1,462,252

The investments in financial assets by geography are as follows:

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
United Arab Emirates	**1,885,600**	1,268,110
Saudi Arabia	**131,601**	146,011
Other countries	**4,633**	7,075
	2,021,834	1,421,196

10 INVESTMENT IN AN ASSOCIATE

Investment in an associate represents 25.43% (2023: 25.43%) share in Berber Cement Company Ltd, a limited liability company registered in the Republic of Sudan. The principal activity of the associate is to manufacture and sell cement. The Company's interest in Berber Cement Company Ltd is accounted for using the equity method in interim condensed financial statements.

On 15 April 2023, an armed conflict between rival factions of the military government of Sudan began, from which the associate company is located, the impact of the economic environment remains unstable and may pose serious consequences, as well as the possibility of a prolonged economic downturn.

In prior periods, the Company had accounted for the investment after taking account of the effect of hyperinflationary economy and of using uniform accounting policies while preparing the financial statements of the associate. Furthermore, the Company has fully provided for the investment in the associate. The Company has no further obligation towards the losses exceeding the face value of equity shares held.

11 LOAN RECEIVABLE FROM ASSOCIATE

The loan of AED 288 million, net of AED 28 million reduction in value, as at 30 September 2024 and 31 December 2023 represents AED denominated loan given to the associate and was recoverable by October 2019. The interest rate on this loan is charged at the rate of 3-month EIBOR + 3% per annum. The suspended interest on the loan amounted to AED 69,741 thousand as at 30 September 2024 (2023: AED 44,325 thousand).

On 15 April 2023, an armed conflict between rival factions of the military government of Sudan began, from which the associate is located, the impact of the economic environment remains unstable and may pose serious consequences, as well as the possibility of a prolonged economic downturn.

At 31 December 2023, management had performed a remeasurement on the loan and evaluated the associate's ability to repay the loan based on the specific factors that includes the payment pattern during and subsequent to the reporting period, existence of adequate and sufficient securities against the loan, and proposed amendment of the loan agreement with revised repayment schedule, which is expected to be formalized in the near future. As per the Company's accounting policies, the management has considered the possible impact of the current conflict on delaying the future payments, and accordingly, disclosed the loan balance as a non-current asset in view of this consideration.

Management has taken into account all indicators, future events and developments and assessed the impact on its operations, cash flows, and financial condition. Management believes that these events had not changed the existence and valuation of the securities covering the loan amount as the factory is still operating and located far from the armed conflict area.

12 INVENTORIES

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Raw materials	**22,279**	19,241
Work in progress	**19,578**	19,739
Finished goods	**3,222**	2,377
Consumable and spare parts	**28,759**	29,507
Provision for slow moving inventories	**(1,445)**	(1,445)
	72,393	69,419

13 TRADE AND OTHER RECEIVABLES

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Trade receivables		
Receivables from third party customers	**105,824**	122,972
Less: allowance for expected credit losses	**(12,379)**	(12,379)
	93,445	110,593
Other related parties (Note 14)	**8,657**	8,330
	102,102	118,923
Other receivables	**2,571**	2,326
	104,673	121,249

14 RELATED PARTY TRANSACTIONS AND BALANCES

The Company, in the ordinary course of its business, enters into trading and financing transactions with entities which fall within the definition of "related party" as contained in International Accounting Standard 24. Management believes that the terms of the trading transactions are not materially different from those that could have been obtained from unrelated parties. The significant related party transactions during the period are as follows:

a. Significant transactions with related parties:

	Nine months ended	
	30 September 2024 AED '000 Unaudited	*30 September 2023 AED '000 Unaudited*
Associate		
Interest income	-	20,019
Suspended interest	**23,603**	1,889
Reduction in the value of loan to associate (Note 5)	-	27,787
Other related parties		
Sale of cement	**11,287**	7,858
Purchase of materials and services	**(18)**	(31)

b. Compensation of key management personnel

The remuneration of directors and other key members of management during the period was as follows:

	Nine months ended	
	30 September 2024 AED '000 Unaudited	*30 September 2023 AED '000 Unaudited*
Salaries and other short-term benefits	**1,827**	2,419
Directors' remuneration (Note 5)	**2,450**	-
End of service benefits	**100**	133
	4,377	2,552

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c. Due from related parties

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Loan to associate		
Non-current portion of the loan	**316,000**	316,000
Accrued interest	**67,930**	44,325
Less: suspended interest and reduction in value	**(95,717)**	(72,112)
	288,213	288,213

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Trade and other receivables		
Other related parties	**7,723**	7,396
Associate current account	**934**	934
	8,657	8,330

d. Due to related parties

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Associate (Note 16)	**-**	9,350

15 CASH AND CASH EQUIVALENTS

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Cash in hand	**162**	156
Cash at banks – fixed deposits	**90,000**	20,000
Cash at banks – current accounts	**15,378**	20,738
Bank balances and cash	**105,540**	40,894
Less: fixed deposits with initial maturity of more than 3 months	**(90,000)**	(20,000)
Cash and cash equivalents	**15,540**	20,894

* Fixed deposits carry interest at commercial rates and have an initial maturity of 1 year.

16 TRADE AND OTHER PAYABLES

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Trade payables	**17,260**	15,965
Accrued expenses and other payables	**5,932**	5,991
Accruals for employee benefits	**5,131**	5,131
Advances	**1,221**	717
Accrued interest	**-**	25
Due to related parties (Note 14)	**-**	9,350
	29,544	37,179

17 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Company of AED 135,365 thousand (2023: AED 50,344 thousand) by the weighted average number of shares outstanding during the period of 358,800 thousand shares (2023: 358,800 thousand shares).

The Company has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

18 SEGMENT REPORTING

The Company's activities comprise two main business segments: 1) manufacturing and selling cement and related products and 2) investments in financial assets, properties and associate. The details of segment revenue, result, assets and liabilities have been provided below:

30 September 2024 (Unaudited)

	Nine months ended 30 September 2024 (Unaudited)			*Nine months ended 30 September 2023 (Unaudited)*		
	Cement AED '000	***Investments AED '000***	***Total AED '000***	*Cement AED '000*	*Investments AED '000*	*Total AED '000*
Revenue	**133,156**	**-**	**133,156**	135,007	-	135,007
Direct costs	**(118,550)**	**-**	**(118,550)**	(126,172)	-	(126,172)
Depreciation & amortization	**(13,920)**	**-**	**(13,920)**	(13,707)	-	(13,707)
Administration, selling and general expenses	**(20,316)**	**-**	**(20,316)**	(21,735)	(27,787)	(49,522)
Other operating income	**4,778**	**2,894**	**7,672**	6,224	-	6,224
Finance cost	**(496)**	**-**	**(496)**	(5,109)	-	(5,109)
Finance income	**-**	**3,047**	**3,047**	-	21,833	21,833
Dividend income	**-**	**141,306**	**141,306**	-	84,342	84,342
Others	**-**	**3,466**	**3,466**	-	(2,552)	(2,552)
Segment (loss)/profit	**(15,348)**	**150,713**	**135,365**	(25,492)	75,836	50,344

18 SEGMENT REPORTING (continued)

	30 September 2024 (Unaudited)			*31 December 2023 (Audited)*		
	Cement AED '000	***Investments AED '000***	***Total AED '000***	*Cement AED '000*	*Investments AED '000*	*Total AED '000*
Segment assets*	**322,907**	**2,312,971**	**2,635,878**	337,453	1,712,333	2,049,786
Segment liabilities	**48,024**	**53,742**	**101,766**	75,967	-	75,967
Capital expenditure	**7,679**	-	**7,679**	3,312	-	3,312

* Cash and bank balances are not allocated to individual segments as these are managed and utilized as needed.

Additional information required by IFRS 8 *Segment Reporting*, is disclosed below:

a) Information about geographical segments

All the sales of the Company for the nine months period ended 30 September 2024 and nine-month period ended 30 September 2023 are within the UAE.

b) Major customers

During the nine months period ended 30 September 2024, there was one customer (2023: one customer) with revenues greater than 10% of the total revenue of the Company.

19 CONTINGENCIES LIABILITIES

	30 September 2024 AED '000 (Unaudited)	*31 December 2023 AED '000 (Audited)*
Bank guarantees	**2,165**	1,587

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

The following table provides the fair value measurement hierarchy of the Company's financial assets that are carried at fair value at the reporting date:

30 September 2024 (Unaudited)

	Level 1 AED'000	***Level 2 AED'000***	***Level 3 AED'000***	***Total AED'000***
Quoted equity instruments at FVOCI	**1,999,968**	-	-	**1,999,968**
Quoted debt instruments at FVOCI	-	**12,957**	-	**12,957**
Quoted debt instruments at FVTPL	-	**8,909**	-	**8,909**
Total	**1,999,968**	**21,866**	-	**2,021,834**

30 September 2023 (Unaudited)

	Level 1 AED'000	*Level 2 AED'000*	*Level 3 AED'000*	*Total AED'000*
Quoted equity instruments at FVOCI	1,396,546	-	-	1,396,546
Unquoted equity instruments	-	-	41,868	41,868
Quoted debt instruments at FVOCI	-	13,217	-	13,217
Quoted debt instruments at FVTPL	-	10,621	-	10,621
Total	1,396,546	23,838	41,868	1,462,252

21 DIVIDENDS

The shareholders, in their general assembly meeting on 25 April 2024, approved the Board of Directors' recommendation to distribute cash dividends of AED 53,820 thousand representing 0.15 fils per share (2023: Nil).

22 CORPORATE INCOME TAX

The Company became taxable effective 1 January 2024 at the rate of 9% applicable to taxable income exceeding AED 375,000. However, no current income tax expense has been recorded by the Company for the nine months ended 30 September 2024 on the basis that the Company incurred taxable losses.

The Company has recognized deferred tax liability of AED 53,742 thousand with relation to unrealized net gains on change in fair value of financial assets at FVOCI that have been recognized in other comprehensive income and continues to assess the impact of further deferred taxes, which are not expected to be material to the financial statements of the Company.