

**UNITED FOODS COMPANY (PSC)
AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2026

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UNITED FOODS COMPANY (PSC)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of United Foods Company (PSC) (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the interim condensed consolidated statement of financial position as at 31 March 2026, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the three-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

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

Ernst & Young Middle East (Dubai Branch)



Sanjay Khiara
Registration No. 5513

12 May 2026

Dubai, United Arab Emirates

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 31 March 2026 (Unaudited)

		<i>Three month ended</i>	
		<i>31 March 2026 AED</i>	<i>31 March 2025 AED</i>
	<i>Notes</i>		
Revenue from contracts with customers, gross		218,808,406	184,837,117
Less: Discounts and rebates		(10,536,951)	(8,073,339)
Revenue from contracts with customers, net	3	208,271,455	176,763,778
Cost of sales		(170,223,755)	(151,565,624)
GROSS PROFIT		38,047,700	25,198,154
Selling and distribution expenses		(13,366,082)	(12,343,239)
General and administrative expenses		(7,916,414)	(5,819,782)
Finance costs		(254,188)	(218,665)
Finance income		884,194	1,502,709
Other income, net		515,844	222,767
PROFIT BEFORE TAX FOR THE PERIOD		17,911,054	8,541,944
Income tax expense	4	(1,604,986)	(762,274)
PROFIT FOR THE PERIOD	5	16,306,068	7,779,670
Profit attributable to:			
Owners of the Group		16,306,068	7,779,670
Earnings per share:			
Basic and diluted in AED	13	0.54	0.26

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2026 (Unaudited)

		<i>Three month ended</i>	
		<i>31 March 2026 AED</i>	<i>31 March 2025 AED</i>
Profit for the period		16,306,068	7,779,670
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in fair value of equity securities measured at FVOCI	19	(112,080)	(367,455)
Deferred tax on net loss on equity securities measured at FVOCI	4	10,087	33,071
		(101,993)	(334,384)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Change in fair value of debt securities measured at FVOCI – Sukuk instruments	19	(958,162)	21,833
Deferred tax on net loss / (gain) on debt securities measured at FVOCI	4	86,141	(5,142)
		(872,021)	16,691
Other comprehensive loss		(974,014)	(317,693)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		15,332,054	7,461,977
Total comprehensive income attributable to:			
Owners of the Group		15,332,054	7,461,977

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	31 March 2026 AED (Unaudited)	31 December 2025 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	6	50,248,412	67,843,310
Investment property under development	7	16,252,411	-
Right-of-use assets	8	15,652,621	16,022,063
Intangible assets		552,069	641,724
Deferred tax asset	4	45,501	-
Financial assets at fair value through other comprehensive income (FVOCI)	19	17,941,115	20,021,167
		100,692,129	104,528,264
Current assets			
Inventories	9	113,652,326	132,452,123
Trade and other receivables	10	156,955,332	134,501,696
Amounts due from related parties	16	1,440,317	1,397,620
Bank balances and cash	11	93,829,519	85,798,953
		365,877,494	354,150,392
TOTAL ASSETS		466,569,623	458,678,656
EQUITY AND LIABILITIES			
Equity			
Share capital	12	30,250,000	30,250,000
Statutory reserve		15,125,000	15,125,000
Regular reserve		15,125,000	15,125,000
General reserve		65,314,980	65,314,980
Fair value reserve		(372,838)	601,176
Retained earnings		233,258,507	216,952,439
Total equity		358,700,649	343,368,595
Non-current liabilities			
Employees' end of service benefits		9,934,066	10,294,110
Lease liabilities	14	11,961,423	12,185,009
Deferred tax liability	4	-	50,727
		21,895,489	22,529,846
Current liabilities			
Trade and other payables	15	80,519,865	84,218,236
Bank borrowings		-	4,701,660
Income tax payable	4	4,343,598	2,738,612
Lease liabilities	14	1,110,022	1,121,707
		85,973,485	92,780,215
Total liabilities		107,868,974	115,310,061
TOTAL EQUITY AND LIABILITIES		466,569,623	458,678,656



Ali Bin Humaid Al Owais
Chairman
12 May 2026



Mohamed Itani
Chief Executive Officer
12 May 2026

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2026 (unaudited)

2026:	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>Regular reserve AED</i>	<i>General reserve AED</i>	<i>Fair value reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance as at 1 January 2026	30,250,000	15,125,000	15,125,000	65,314,980	601,176	216,952,439	343,368,595
Profit for the period	-	-	-	-	-	16,306,068	16,306,068
Other comprehensive loss	-	-	-	-	(974,014)	-	(974,014)
Total comprehensive income for the period	-	-	-	-	(974,014)	16,306,068	15,332,054
Balance as at 31 March 2026	30,250,000	15,125,000	15,125,000	65,314,980	(372,838)	233,258,507	358,700,649
2025:	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>Regular reserve AED</i>	<i>General reserve AED</i>	<i>Fair value reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance as at 1 January 2025	30,250,000	15,125,000	15,125,000	65,314,980	116,620	218,529,843	344,461,443
Profit for the period	-	-	-	-	-	7,779,670	7,779,670
Other comprehensive loss	-	-	-	-	(317,693)	-	(317,693)
Total comprehensive income for the period	-	-	-	-	(317,693)	7,779,670	7,461,977
Balance as at 31 March 2025	30,250,000	15,125,000	15,125,000	65,314,980	(201,073)	226,309,513	351,923,420

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2026 (Unaudited)

		<i>Three month ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2026</i>	<i>2025</i>
<i>Notes</i>		<i>AED</i>	<i>AED</i>
OPERATING ACTIVITIES			
		17,911,054	8,541,944
		Profit before tax for the period	
		Adjustments for:	
		2,098,414	2,799,714
		Depreciation on property, plant and equipment	
	8	424,404	479,239
		Depreciation on right-of-use assets	
		89,655	140,756
		Amortisation of intangible assets	
		254,188	218,665
		Finance costs	
	11	(514,110)	(1,022,048)
		Interest income on deposits	
		553,997	578,026
		Provision for employees' end of service benefits	
	10	49,000	-
		Provision for expected credit losses	
	9	1,218,748	120,786
		Provision for slow moving inventories	
		(92,242)	(82,753)
		Gain on redemption of financial assets at FVOCI	
		(189,294)	-
		Gain on disposal of property, plant and equipment	
		21,803,814	11,774,329
		Working capital changes:	
		17,581,049	10,191,491
		Inventories	
		(22,502,636)	(18,627,589)
		Trade and other receivables	
		(3,698,371)	7,876,936
		Trade and other payables	
		(42,697)	(224,505)
		Amounts due from related parties	
		13,141,159	10,990,662
		Cash generated from operations	
		(914,041)	(177,976)
		Employees' end of service benefits paid	
		12,227,118	10,812,686
		Net cash generated from operating activities	
INVESTING ACTIVITIES			
		(943,893)	(331,403)
		Purchase of property, plant and equipment	
	11	514,110	1,022,048
		Interest income received	
		1,102,052	3,122,475
		Redemption of financial assets at FVOCI	
		377,260	-
		Proceeds from disposal of property, plant and equipment	
		30,101,750	20,000,000
		Net change in bank deposits	
		31,151,279	23,813,120
		Net cash generated from investing activities	
FINANCING ACTIVITIES			
		(457,714)	(518,957)
		Payment of lease liabilities	
	14	(86,707)	(29,848)
		Finance costs paid	
		(4,701,660)	-
		Repayment of bank borrowings	
		(5,246,081)	(548,805)
		Net cash used in financing activities	
		38,132,316	34,077,001
		NET INCREASE IN CASH AND CASH EQUIVALENTS	
		19,826,953	34,878,126
		Cash and cash equivalents at 1 January	
		57,959,269	68,955,127
		CASH AND CASH EQUIVALENTS AT 31 MARCH	
	11		

The accompanying notes from 1 to 20 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

1 ACTIVITIES

United Foods Company (PSC) (the “Company”) is a Public Shareholding Company, incorporated on 1 November 1976 by a Decree issued by His Highness, The Ruler of Dubai. On 27 June 1994, the Company amended its status to a public shareholding company to comply with the provisions of the applicable UAE Federal Law at the time.

The Company’s shares are listed on the Dubai Financial Market (DFM) since July 2006.

The Company is primarily engaged in the manufacturing, processing and marketing of vegetable ghee, cooking oil, margarine, butter products and fat including trading of other food products. The registered address of the Company is P.O. Box 5836, Dubai, UAE.

The Company and its following subsidiaries form the “Group” and are together referred to as the “Group” in these interim condensed consolidated financial statements. The subsidiaries included in these interim condensed consolidated financial statements, their principal activities and legal and beneficial ownership are set out below:

<i>Name of the subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Ownership% 31 March 2026</i>	<i>Ownership% 31 December 2025</i>
Stratus General Trading LLC	General Trading -Wholesalers	U.A. E	100%	100%
PAL Foodstuff & Beverages Trading LLC	Food and Beverages Trading	U.A. E	100%	100%

2 BASIS OF PREPARATION, MATERIAL ACCOUNTING POLICY INFORMATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 2026 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2025.

In addition, results for the three-month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

When preparing the interim condensed consolidated financial statements, management undertakes 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.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards, amendments and interpretations effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several standards, amendments and interpretations apply for the first time in 2026, but do not have an impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

3 REVENUE FROM CONTRACTS WITH CUSTOMERS, NET

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

	<i>Three month ended</i>	
	<i>31 March 2026 AED (Unaudited)</i>	<i>31 March 2025 AED (Unaudited)</i>
Revenue from contracts with customer, gross	218,808,406	184,837,117
Less: Discounts and rebates	(10,536,951)	(8,073,339)
Revenue from contracts with customers, net	208,271,455	176,763,778
 <i>Timing of revenue recognition</i>		
At a point in time	208,271,455	176,763,778
 <i>Geographical market</i>		
United Arab Emirates	157,781,924	132,715,803
GCC other than UAE	26,161,266	25,487,737
Rest of the world	24,328,265	18,560,238
	208,271,455	176,763,778

4 INCOME TAX

Amount recognised in the interim condensed consolidated statement of profit or loss

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	<i>Three month ended</i>	
	<i>31 March 2026 AED (Unaudited)</i>	<i>31 March 2025 AED (Unaudited)</i>
Current income tax	1,604,986	762,274

Amount recognised in the interim condensed consolidated statement of comprehensive income

	<i>Three month ended</i>	
	<i>31 March 2026 AED (Unaudited)</i>	<i>31 March 2025 AED (Unaudited)</i>
Deferred tax on net loss on equity securities measured at FVOCI	10,087	33,071
Deferred tax on net loss / (gain) on debt securities measured at FVOCI	86,141	(5,142)
At 31 March	96,228	(27,929)

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

4 INCOME TAX (continued)

Amount recognised in the interim condensed consolidated statement of financial position

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Income tax payable	4,343,598	2,738,612

Deferred tax asset / liability

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Deferred tax asset / (liability)	45,501	(50,727)

5 PROFIT FOR THE PERIOD

Profit for the period is stated after charging:

	<i>Three month ended</i>	
	<i>31 March 2026 AED (Unaudited)</i>	<i>31 March 2025 AED (Unaudited)</i>
Inventories charged to cost of sales	159,613,668	143,528,179
Employee expenses	13,157,331	12,094,060
Short term leases*	414,648	129,805

*Short term leases expense relates to the lease contracts that have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

6 PROPERTY, PLANT AND EQUIPMENT

Additions and disposals

During the period ended 31 March 2026, the Group incurred costs in respect of additions in property, plant and equipment amounting to AED 809,442 (for the year ended 31 December 2025: AED 13,013,026).

As at 31 March 2026, capital work-in-progress of AED 257,020 (31 December 2025: AED 1,271,272) comprises of the expenditure incurred on plant and machinery in Jebel Ali Industrial Area.

During the period ended 31 March 2026, the Group reclassified land and capital work-in-progress amounting to AED 16,252,411 from property, plant and equipment to investment property following a change in use.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

7 INVESTMENT PROPERTY UNDER DEVELOPMENT

Additions and transfers

During the period ended 31 March 2026, the Group reclassified land amounting to AED 15,144,308 and capital work-in-progress of AED 1,046,853 from property, plant and equipment to investment property under development, following a change in use.

Accordingly, investment property under development is recognised at a total carrying amount of AED 16,252,411 as at 31 March 2026 (31 December 2025: Nil).

During the period ended 31 March 2026, the Group incurred costs in respect of additions in investment property under development amounting to AED 61,250 (for the year ended 31 December 2025: Nil).

8 RIGHT-OF-USE ASSETS

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
As at 1 January	16,022,063	18,030,417
Additions during the period/ year	54,962	44,393
Less: retirements during the period/ year	-	(215,363)
Less: depreciation for the period/ year	(424,404)	(1,837,384)
	<u>15,652,621</u>	<u>16,022,063</u>

The Group has lease contracts for various items of land, buildings, motor vehicles and printers.

9 INVENTORIES

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Raw materials	46,760,324	46,788,675
Finished goods	27,095,751	22,512,210
Packing materials	3,245,203	2,806,152
Work-in-progress	7,728,322	10,552,218
Spares and consumables	2,600,244	2,530,557
	87,429,844	85,189,812
Less: provision for slow moving inventories	(2,479,366)	(1,260,618)
	84,950,478	83,929,194
Goods-in-transit	28,701,848	48,522,929
	<u>113,652,326</u>	<u>132,452,123</u>

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

9 INVENTORIES (continued)

Movement of the provision for slow moving inventories is as follows:

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
At 1 January	1,260,618	706,162
Charge for the period/ year, net	1,218,748	554,456
	2,479,366	1,260,618

10 TRADE AND OTHER RECEIVABLES

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Trade receivables	152,322,619	127,491,302
Less: provision for expected credit losses	(1,496,687)	(1,447,687)
	150,825,932	126,043,615
Prepaid expenses	3,329,603	4,303,295
Advances to suppliers	1,661,091	1,836,963
Accrued interest receivable	338,571	1,139,450
Staff receivables	215,710	254,058
Other receivables	584,425	924,315
	156,955,332	134,501,696

Movement of the provision for expected credit losses is as follows:

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
At 1 January	1,447,687	1,482,687
Charge for/ (reversal) the period/ year	49,000	(35,000)
	1,496,687	1,447,687

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

11 CASH AND CASH EQUIVALENTS

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>	<i>31 March 2025 AED (Unaudited)</i>
Cash in hand	220,307	60,088	140,866
Bank balances	38,610,962	20,638,865	18,714,261
Term deposits	54,998,250	65,100,000	80,100,000
	<u>93,829,519</u>	<u>85,798,953</u>	<u>98,955,127</u>
Bank balances and cash			
Less: deposits with an original maturity of more than 3 months	(34,898,250)	(65,000,000)	(30,000,000)
Less: restricted cash	(972,000)	(972,000)	-
	<u>57,959,269</u>	<u>19,826,953</u>	<u>68,955,127</u>
Cash and cash equivalents	57,959,269	19,826,953	68,955,127

Term deposits are placed with local banks and accrue interest at prevailing market rates. During the period ended 31 March 2026, the Group earned interest income on these deposits of AED 510,587 (during the three-month period ended 31 March 2025: AED 1,022,048) which is included in other income in the interim condensed consolidated statement of profit or loss.

Bank balances include call deposits amounting to AED 16,000,000 (31 December 2025: Nil) which are placed with a local bank and accrue interest at prevailing market rates. During the period ended 31 March 2026, the Group earned interest income on these deposits of AED 3,523 (during the three-month period ended 31 March 2025: Nil).

Restricted cash represents bank balances withheld under a court order and not available for use by the Group. The amounts are expected to be settled with a third party and are therefore excluded from cash and cash equivalents

12 SHARE CAPITAL

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Authorised, issued and fully paid up:		
30,250,000 ordinary shares of 1 AED each		
(31 December 2025: 30,250,000 ordinary shares of 1 AED each)	30,250,000	30,250,000

13 EARNINGS PER SHARE

Basic and diluted earnings per share of AED 0.54 per share (for the three month period ended 31 March 2025: AED 0.26 per share) are calculated by dividing the profit for the period amounting to AED 16,306,068 (for the three month period ended 31 March 2025: AED 7,779,670) by the weighted average number of ordinary shares outstanding during the period ended 31 March 2026 of 30,250,000 shares (during the three month period ended 31 March 2025: 30,250,000 shares).

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

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

14 LEASE LIABILITIES

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
At 1 January	13,306,716	15,057,554
Add: Additions during the period/ year	54,962	44,393
Add: finance costs	167,481	724,243
Retirements during the period/ year	-	(231,917)
Less: payments during the period / year, net of prepayments and accruals adjustment	(457,714)	(2,287,557)
	13,071,445	13,306,716

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

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Current	1,110,022	1,121,707
Non-current	11,961,423	12,185,009
	13,071,445	13,306,716

15 TRADE AND OTHER PAYABLES

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Trade payables	21,674,155	19,938,909
Accrued expenses and other payables	20,257,407	14,185,018
Accrual for goods in transit	21,057,581	39,917,260
Advances from customers	12,820,670	5,628,470
Directors' remuneration payable (Note 16)	2,772,000	2,772,000
VAT payable	1,938,052	1,776,579
	80,519,865	84,218,236

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

16 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management in line with the Group's board of directors.

a) Significant transactions with related parties:

Significant transactions with related parties are as follows:

	<i>Three month ended</i>	
	<i>31 March 2026 AED (Unaudited)</i>	<i>31 March 2025 AED (Unaudited)</i>
<i>Entities under common control:</i>		
Revenue from contract with customers		
Modern Bakery LLC	923,700	557,820
Unikai and Company LLC (Oman)	990,660	1,145,100
Unikai Foods P.J.S.C	273,658	264,940
	2,188,018	1,967,860

Compensation of key management personnel

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

	<i>Three month ended</i>	
	<i>31 March 2026 AED (Unaudited)</i>	<i>31 March 2025 AED (Unaudited)</i>
Short-term benefits	436,075	865,838
Employees' end of service benefits	13,986	38,977
Bonus	267,300	170,044
Directors' sitting fees	45,000	60,000
	762,361	1,134,859

b) Amounts due from related parties:

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
<i>Entities under common directorship:</i>		
Modern Bakery LLC	532,245	650,753
Unikai and Company LLC (Oman)	620,730	592,517
Unikai Foods P.J.S.C	287,342	154,350
	1,440,317	1,397,620

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

16 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c) Amounts due to related parties:

	<i>31 March 2026 AED (Unaudited)</i>	<i>31 December 2025 AED (Audited)</i>
Directors' remuneration payable (Note 15)	<u>2,772,000</u>	<u>2,772,000</u>

17 CONTINGENCIES AND COMMITMENTS

Contingent liabilities

At 31 March 2026, the Group had contingent liabilities and guarantees in respect of banks amounting to AED 1,289,000 (31 December 2025: AED 1,289,000) from which it is anticipated that no material liabilities will arise.

Capital commitments

At 31 March 2026, the Group had capital commitments in respect of purchase of property, plant and equipment amounting to AED 2,962,968 (31 December 2025: AED 2,228,398).

18 SEGMENTAL REPORTING

The Group operates in a single reporting segment primarily engaged in manufacturing, processing and marketing of hydrogenated vegetable ghee, cooking oil, margarine, butter products and fat including trading of food products and other products. All the relevant information relating to this reporting/operating segment is disclosed in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated financial statements. IFRS also requires an entity to report its segment assets and revenues along geographical regions. All significant activities of the Group are performed on an integrated basis in the Middle East and the Directors do not consider an analysis by individual country would be meaningful.

Major customer

During the period ended 31 March 2026, revenue from no customer accounts for 10% or more of the Group's total revenue (31 March 2025: Revenue from no customer accounts for 10% or more of the Group's total revenue).

19 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, trade and other receivables, amounts due from related parties and investment securities at fair value through other comprehensive income. Financial liabilities consist of trade and other payables and lease liabilities.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026 (Unaudited)

19 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

As at 31 March 2026, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	<i>31 March 2026</i> <i>AED</i>	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>
Quoted equity securities				
Consumer Staples Sector	931,826	931,826	-	-
Investments and Financial Services Sector	350,000	350,000	-	-
	<u>1,281,826</u>	<u>1,281,826</u>	<u>-</u>	<u>-</u>
Total	<u>1,281,826</u>	<u>1,281,826</u>	<u>-</u>	<u>-</u>
Quoted debt securities				
Sukuk instruments	16,659,289	16,659,289	-	-
	<u>17,941,115</u>	<u>17,941,115</u>	<u>-</u>	<u>-</u>
Total (unaudited)	<u>17,941,115</u>	<u>17,941,115</u>	<u>-</u>	<u>-</u>

As at 31 December 2025, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	<i>31 December 2025</i> <i>AED</i>	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>
Quoted equity securities				
Consumer Staples Sector	981,406	981,406	-	-
Investments and Financial Services Sector	412,500	412,500	-	-
	<u>1,393,906</u>	<u>1,393,906</u>	<u>-</u>	<u>-</u>
Quoted debt securities				
Sukuk instruments	18,627,261	18,627,261	-	-
	<u>20,021,167</u>	<u>20,021,167</u>	<u>-</u>	<u>-</u>
Total	<u>20,021,167</u>	<u>20,021,167</u>	<u>-</u>	<u>-</u>

During the period ended 31 March 2026 and, year ended 31 December 2025, there were no transfers between the various levels of fair value measurements.

At 31 March 2026, the fair values of equity securities and debt securities were assessed which resulted in the fair value loss of AED 112,080 (31 March 2025: AED 367,455) and the fair value loss of AED 958,162 (31 March 2025: fair value gain of AED 21,833), respectively.

20 EVENT AFTER REPORTING DATE

- A. The Annual General Meeting held on 1 April 2026 approved a dividend of AED 0.5 per share, amounting to AED 15,125,000, in respect of the year ended 31 December 2025, which was paid on 17 April 2026 (2024: dividend of AED 1 per share amounting to AED 30,250,000, approved at Annual General Meeting held on 28 April 2025).
- B. The ongoing geopolitical situation in certain parts of the Middle East has contributed to heightened uncertainty, with potential macro-economic implications, including volatility in commodity prices, supply-chain disruptions, inflationary pressures, and logistics-related challenges affecting regional markets in which the Group operates.

Management has assessed the potential implications of these developments on the Group's operations, financial position and performance, including considerations relating to inventory recoverability, impairment of non-current assets, liquidity, and the going concern assessment. Based on this assessment, no material adverse impact has been identified on the Group's manufacturing, processing, or distribution activities during the period.

The Board of Directors and management continue to closely monitor evolving geopolitical developments and related market conditions and remain focused on proactively managing associated risks through diversified sourcing strategies, inventory management, pricing controls, and established business continuity and risk management frameworks to mitigate potential impacts on the Group's operations and assets.