

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

31 MARCH 2026

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 31 March 2026, and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-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 statements 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.

Basis for Qualified Conclusion

As disclosed in Note 11 to the accompanying interim condensed financial statements, the Company has a loan receivable from an associate with a carrying amount of AED 288,213 thousand as at 31 March 2026 (31 December 2025: AED 288,213 thousand). We were unable to obtain sufficient appropriate evidence to enable us to conclude on the existence and accuracy of this balance as at the reporting date. Accordingly, we were unable to determine whether any adjustments might have been necessary in respect of the carrying amount of the loan receivable, and the related elements of the interim condensed financial statements.

Our audit report on the financial statements of the Company as at and for the year ended 31 December 2025 was also modified in respect of this matter.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the *Basis for Qualified Conclusion* section of our report, 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.

GRANT THORNTON UAE

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



07 May 2026

National Cement Company (Public Shareholding Co.)

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the three months ended 31 March 2026

	Notes	<i>Three months ended</i>	
		<i>31 March 2026 AED'000 (Unaudited)</i>	<i>31 March 2025 AED'000 (Unaudited)</i>
Revenue		69,731	51,601
Direct costs	3	(49,283)	(47,131)
GROSS PROFIT		20,448	4,470
Other operating income	4	2,886	2,755
Administration and general expenses	5	(5,703)	(6,246)
Selling and distribution expenses		(1,905)	(1,450)
OPERATING PROFIT/(LOSS)		15,726	(471)
Finance income	6	4,037	7,994
Finance cost	6	(1,486)	-
Dividend income from equity investments	9	73,631	150,879
Net change in fair value of debt instruments at FVTPL	9	(6,598)	(448)
Net change in fair value of equity instruments at FVTPL	9	(8,585)	-
PROFIT FOR THE PERIOD BEFORE TAX		76,725	157,954
Income tax expense	17	(1,470)	(791)
PROFIT FOR THE PERIOD		75,255	157,163
<i>Other comprehensive (loss)/income</i>			
<i>Item that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net change in fair value of equity instruments at FVOCI	9	(270,726)	83,212
<i>Item that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Net change in fair value of debt instruments at FVOCI	9	(663)	370
Other comprehensive (loss)/income for the period		(271,389)	83,582
Total comprehensive (loss)/income for the period		(196,134)	240,745
Earnings per share			
Basic and diluted earnings per share (AED)	19	0.210	0.438

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

National Cement Company (Public Shareholding Co.)

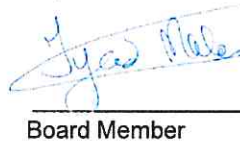
INTERIM STATEMENT OF FINANCIAL POSITION

As at 31 March 2026

	Notes	31 March 2026 AED '000 (Unaudited)	31 December 2025 AED '000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	126,400	126,435
Intangible assets		162	189
Investment properties	8	2,924	2,924
Investments in financial assets	9	1,917,583	2,063,542
Loan receivable from an associate	11	288,213	288,213
Total non-current assets		2,335,282	2,481,303
Current assets			
Investments in financial assets	9	84,648	7,194
Inventories	12	72,934	67,588
Trade and other receivables	13	109,561	117,688
Advances and other receivables		6,742	6,071
Bank balances and cash	15	108,300	256,847
Total current assets		382,185	455,388
TOTAL ASSETS		2,717,467	2,936,691
EQUITY AND LIABILITIES			
Equity			
Share capital		358,800	358,800
Share application money		26	26
Statutory reserve		179,402	179,402
General reserve	22	234,992	234,992
Fair value reserve of financial assets at FVOCI		1,432,211	1,703,600
Retained earnings		423,251	347,996
Total equity		2,628,682	2,824,816
Non-current liabilities			
Employees' end of service benefits		20,474	20,390
Deferred tax liability	17	31,069	59,066
Total non-current liabilities		51,543	79,456
Current liabilities			
Trade and other payables	16	31,372	28,019
Income tax provision	17	5,870	4,400
Total current liabilities		37,242	32,419
Total liabilities		88,785	111,875
TOTAL EQUITY AND LIABILITIES		2,717,467	2,936,691

These interim condensed financial statements were authorised for issue by the Board of Directors on 7 May 2026 and signed by:


Chairman


Board Member

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

National Cement Company (Public Shareholding Co.)

INTERIM STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2026

	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 2025 - <i>Audited</i>	358,800	26	179,402	313,323	1,473,955	137,664	2,463,170
Profit for the period	-	-	-	-	-	157,163	157,163
Other comprehensive income for the period	-	-	-	-	83,582	-	83,582
Total comprehensive income for the period	-	-	-	-	83,582	157,163	240,745
Transfer from general reserve (Note 22)	-	-	-	(78,331)	-	78,331	-
Dividends (Note 22)	-	-	-	-	-	(71,760)	(71,760)
As at 31 March 2025 - <i>Unaudited</i>	358,800	26	179,402	234,992	1,557,537	301,398	2,632,155
Balance as at 1 January 2026 - <i>Audited</i>	358,800	26	179,402	234,992	1,703,600	347,996	2,824,816
Profit for the period	-	-	-	-	-	75,255	75,255
Other comprehensive loss for the period	-	-	-	-	(271,389)	-	(271,389)
Total comprehensive loss for the period	-	-	-	-	(271,389)	75,255	(196,134)
As at 31 March 2026 - <i>Unaudited</i>	358,800	26	179,402	234,992	1,432,211	423,251	2,628,682

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

National Cement Company (Public Shareholding Co.)

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2026

		<i>Three months ended 31 March</i>	
		<i>2026</i>	<i>2025</i>
		<i>AED '000</i>	<i>AED '000</i>
		<i>Unaudited</i>	<i>Unaudited</i>
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit for the period before tax		76,725	157,954
<i>Adjustments for:</i>			
Depreciation and amortisation		4,686	4,424
Change in fair value of financial assets at fair value through profit or loss	9	15,183	448
Gain on disposal of property, plant and equipment		(21)	(19)
Provision for employees' end of services benefits		331	307
Dividend income from equity investments	9	(73,631)	(150,879)
Finance income	6	(4,037)	(7,994)
Finance cost	6	1,486	-
		<u>20,722</u>	<u>4,241</u>
<i>Working capital changes:</i>			
Inventories		(5,346)	1,464
Trade and other receivables		8,127	10,791
Advances and other receivables		(671)	(3,260)
Trade and other payables		3,353	3,230
		<u>26,185</u>	<u>16,466</u>
Cash from operations		26,185	16,466
Employees' end of service benefits paid		(247)	(341)
		<u>25,938</u>	<u>16,125</u>
Net cash flows from operating activities			
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(4,624)	(2,942)
Proceeds from disposal of property, plant and equipment		21	19
Investments in financial assets	9	(264,366)	-
Proceeds from maturity/disposals of financial assets	9	18,302	-
Fixed deposit released/(placed)		175,000	(175,000)
Dividend received	9	73,631	150,879
Interest received		4,037	7,994
		<u>2,001</u>	<u>(19,050)</u>
Net cash flows from/(used in) investing activities			
FINANCING ACTIVITY			
Finance cost paid		(1,486)	-
		<u>(1,486)</u>	<u>-</u>
Cash flows used in a financing activity			
Net change in cash and cash equivalents			
		26,453	(2,925)
Cash and cash equivalents at the beginning of the period		6,847	13,436
Cash and cash equivalents at the end of the period	15	<u>33,300</u>	<u>10,511</u>

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

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

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 (as amended). 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.

Federal Decree-Law No. 20 of 2025 was issued in October 2025, introducing amendments to Federal Decree-Law No. 32 of 2021, referred to collectively as Federal Decree-Law No. 32 of 2021 (amended). 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 (as amended).

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

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed financial statements for the three-month ended 31 March 2026 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 2025. In addition, the results for the three-month period ended 31 March 2026 may not be indicative of the results that may be expected for the financial year ending 31 December 2026.

The interim condensed financial statements have been prepared in United Arab Emirates Dirhams (AED), which is also the Company's functional 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.

On February 28, 2026, geopolitical tensions in the Middle East intensified following military actions involving the United States, Israel and Iran. These developments resulted in retaliatory actions that affected the wider region, including the United Arab Emirates, leading to certain security-related incidents and temporary restrictions on regional airspace and maritime activities.

As at the date of issuance of these interim condensed financial statements, management is not aware of any direct adverse impact on the Company's assets or operations as a result of this conflict. However, prolonged disruptions to regional trade, logistics, travel or markets could give rise to increased uncertainty and may have a potential impact on the Company's projects in future periods. Management continues to monitor developments closely and assess potential operational and financial implications on the Company.

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 2025, except for the adoption of new amendments effective as of 1 January 2026 as disclosed below. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.2 New standards, interpretations and amendments adopted by the Company (continued)

Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no impact on the Company's interim condensed financial statements.

Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments had no impact on the Company's interim condensed financial statements.

Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - *Contracts Referencing Nature-dependent Electricity*. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows

The amendments had no impact on Company's interim condensed financial statements.

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

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 March 2025 AED '000 (Unaudited)</i>
Material cost	28,090	27,333
Utilities and other factory costs	9,719	10,365
Staff cost	7,009	5,209
Depreciation of property, plant and equipment	4,465	4,224
	<u>49,283</u>	<u>47,131</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

4 OTHER OPERATING INCOME

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 March 2025 AED '000 (Unaudited)</i>
Rental income from investment properties	1,153	1,040
Sale of scrap and other non-trading materials	975	1,001
Other rental income	517	589
Others	241	125
	<u>2,886</u>	<u>2,755</u>

5 ADMINISTRATION AND GENERAL EXPENSES

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 March 2025 AED '000 (Unaudited)</i>
Staff cost	3,192	2,555
Directors' remuneration (Note 14)	791	1,950
Office expenses	954	647
Depreciation of property, plant and equipment	195	172
Utilities	29	30
Amortisation of intangible assets	27	28
Others	515	864
	<u>5,703</u>	<u>6,246</u>

6 FINANCE INCOME & FINANCE COST

6.1 FINANCE INCOME

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 March 2025 AED '000 (Unaudited)</i>
Interest income from loan to associate	-	6,416
Interest income from bank fixed deposit	2,135	1,504
Interest income on investments in financial assets (debt instruments)	1,902	74
	<u>4,037</u>	<u>7,994</u>

6.2 FINANCE COST

During the three months ended 31 March 2026, the Company utilized its short-term overdraft facilities obtained from a local bank at commercial rates for an amount of AED 250 million for the purpose of investing in financial assets. Finance cost on this facility amounted to AED 1,486 thousand and the withdrawn amount was fully settled during the period.

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

7 PROPERTY, PLANT AND EQUIPMENT

During the three-month period ended 31 March 2026, additions to property, plant and equipment amounted to AED 4,627 thousand (2025: AED 2,942 thousand) and proceeds from sale of property, plant and equipment during the period amounted to AED 21 thousand (2025: AED 19 thousand) with nil carrying amount (2024: Nil). Depreciation charge for the period amounted to AED 4,686 thousand (2025: AED 4,424 thousand).

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.

Management carried out an internal valuation to determine the fair value of investment properties at 31 December 2025. Accordingly, investment properties were valued at AED 56 million as of that date. Management assessed that the fair value of investment properties did not change significantly during the three-month period ended 31 March 2026.

9 INVESTMENTS IN FINANCIAL ASSETS

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
<i>Current assets</i>		
Investments at FVOCI	4,827	5,512
Investments at FVTPL	79,821	1,682
	<u>84,648</u>	<u>7,194</u>
<i>Non-current assets</i>		
Investments at FVOCI	1,761,731	2,059,276
Investments at FVTPL	155,852	4,266
	<u>1,917,583</u>	<u>2,063,542</u>
	<u>2,002,231</u>	<u>2,070,736</u>

The categories of investments in financial assets are as follows:

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Quoted equity instruments – at fair value	1,838,205	2,059,272
Debt instruments – at fair value	164,026	11,464
	<u>2,002,231</u>	<u>2,070,736</u>

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 31 March 2026 (2025: fully written-down).

Investments in financial assets amounting to AED 114,374 thousand (2025: AED 1,231,948 thousand) are pledged with banks against unutilized banking facilities.

The Company has received dividend income amounting to AED 73,631 thousand from equity investments during the three-month period ended 31 March 2026 (2025: AED 150,879 thousand).

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

9 INVESTMENTS IN FINANCIAL ASSETS (continued)

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

<i>Three months ended 31 March 2026 (Unaudited)</i>					
	<i>Debt instruments at FVOCI</i>	<i>Debt instruments at FVTPL</i>	<i>Equity instruments at FVOCI</i>	<i>Equity instruments at FVTPL</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
At the beginning of the period	7,642	5,949	2,057,145	-	2,070,736
Acquired during the period*	-	167,563	-	96,803	264,366
Matured/redeemed	-	(9,149)	-	(9,153)	(18,302)
Change in fair value	(728)	(7,251)	(297,501)	(9,089)	(314,569)
At the end of the period	6,914	157,112	1,759,644	78,561	2,002,231

* During the three-month period ended 31 March 2026, the Company entered into a Discretionary Investment Management Agreement with a local financial institution (the "Investment Manager"), under which the Investment Manager is authorised to buy, sell and manage financial assets, comprising equities and fixed income instruments, on behalf of the Company in accordance with the agreed investment objectives and risk parameters, with full discretionary authority subject to the approved investment guidelines. Financial assets acquired under this agreement are held for trading purposes and have been classified at fair value through profit or loss. All financial assets acquired during the period were made under this agreement.

<i>Three months ended 31 March 2025 (Unaudited)</i>				
	<i>Debt instruments at FVOCI</i>	<i>Debt instruments at FVTPL</i>	<i>Equity instruments at FVOCI</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
At the beginning of the period	13,386	9,245	1,805,986	1,828,617
Change in fair value	407	(448)	91,441	91,400
At the end of the period	13,793	8,797	1,897,427	1,920,017

The investments in financial assets by geography are as follows:

	<i>31 March 2026</i>	<i>31 December 2025</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
United Arab Emirates	1,879,538	1,970,433
Saudi Arabia	121,424	98,629
Other countries	1,269	1,674
	2,002,231	2,070,736

10 INVESTMENT IN AN ASSOCIATE

Investment in an associate represents 25.43% (2025: 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 the interim condensed financial statements.

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

10 INVESTMENT IN AN ASSOCIATE (continued)

The Company has accounted for the investment after taking account of the effect of hyperinflationary economy and 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.

Refer Note 11 for information about the conflict in the Republic of Sudan and its current economic environment.

11 LOAN RECEIVABLE FROM AN ASSOCIATE

The loan of AED 288 million, net of AED 28 million reduction in value, as at 31 March 2026 and 31 December 2025 represents AED denominated loan given to the associate and was recoverable by October 2019, however, the associate has defaulted on several payments. The interest rate on this loan is charged at the rate of 3-month EIBOR + 3% per annum.

On 15 April 2023, an armed conflict between rival factions of the military government of Sudan began, where the associate of the Company is located, the impact of which has been devastating on the nation's economy. At the date of issuance of these interim condensed financial statements, the economic environment remains unstable and may pose serious consequences, as well as the possibility of further prolonged economic downturn.

At 31 December 2025, 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 an assessment of the associate's financial performance, the expected future payment pattern during and subsequent to the reporting period, existence of adequate and sufficient securities against the loan in the form of the pledge over the assets of the associate with the total fair value sufficiently exceeding the carrying amount of the loan receivable, and proposed amendment of the loan agreement with revised repayment schedule, which is expected to be formalized in the near future and not to have any impact on the carrying amount of loan. As per the Company's accounting policies, 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. Based on this assessment, and given that the facts and circumstances remain unchanged at the date of the issuance of these interim condensed financial statements, management concluded that no further reduction in the value of the loan is required at 31 March 2026.

Moreover, management has taken into account all indicators, future events and developments and assessed their impact on the associate's 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

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Raw materials	15,830	9,777
Work in progress	27,684	26,131
Finished goods	2,055	1,981
Consumable and spare parts	28,810	31,144
Provision for slow moving inventories	(1,445)	(1,445)
	<u>72,934</u>	<u>67,588</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

13 TRADE AND OTHER RECEIVABLES

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Trade receivables		
Receivables from third party customers	110,383	115,196
Less: allowance for expected credit losses	(14,037)	(14,037)
	<u>96,346</u>	<u>101,159</u>
Other related parties (Note 14)	7,026	6,294
	<u>103,372</u>	<u>107,453</u>
Trade receivables, net	103,372	107,453
Other receivables	6,189	10,235
	<u>109,561</u>	<u>117,688</u>

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:

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 March 2025 AED '000 (Unaudited)</i>
<i>Associate</i>		
Interest income from loan to associate (Note 6)	-	6,416
Suspended interest	6,920	18
<i>Other related parties</i>		
Sale of cement	4,316	3,345

b. Compensation of key management personnel

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

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 March 2025 AED '000 (Unaudited)</i>
Key management remuneration (Note 5)	791	1,950
Salaries and other short-term benefits	796	772
End of service benefits	39	42
	<u>1,626</u>	<u>2,764</u>

On 16 April 2026, in their Annual General Assembly meeting, the shareholders approved total remuneration to the directors for the year 2025 of AED 3,165 thousand.

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

14 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

c. Due from related parties

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Loan receivable from an associate		
Non-current portion of the loan due from an associate	316,000	316,000
Accrued interest on loan to the associate	105,360	98,440
Less: suspended interest and reduction in value	(133,147)	(126,227)
	<u>288,213</u>	<u>288,213</u>
	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Trade and other receivables		
Other related parties	7,026	6,294
	<u>7,026</u>	<u>6,294</u>

15 CASH AND CASH EQUIVALENTS

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Cash in hand	178	144
Cash at banks – current accounts	27,410	6,703
Cash held with a financial institution (Note 9)	5,712	-
Cash at banks –fixed deposits*	75,000	250,000
	<u>108,300</u>	<u>256,847</u>
Bank balances and cash	108,300	256,847
Less: fixed deposits with initial maturity of more than 3 months	(75,000)	(250,000)
	<u>33,300</u>	<u>6,847</u>
Cash and cash equivalents	33,300	6,847

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

16 TRADE AND OTHER PAYABLES

	<i>31 March 2026 AED '000 (Unaudited)</i>	<i>31 December 2025 AED '000 (Audited)</i>
Trade payables	21,803	19,683
Accrued expenses and other payables	5,273	3,589
Accruals for employee benefits	1,131	1,131
Advances from customers	3,165	3,616
	<u>31,372</u>	<u>28,019</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

17 INCOME TAX

The major components of income tax expense for the period:

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 Unaudited</i>	<i>31 March 2025 AED '000 Unaudited</i>
<i>Current income tax</i>		
Current income tax expenses	1,470	516
<i>Deferred income tax</i>		
Deferred income tax expenses relating to origination and reversal of temporary differences	-	275
Income tax expense	<u>1,470</u>	<u>791</u>

Deferred tax related to items recognised in OCI during the period:

	<i>Three months ended</i>	
	<i>31 March 2026 AED '000 Unaudited</i>	<i>31 March 2025 AED '000 Unaudited</i>
Net (loss)/gain on financial instruments designated at fair value through OCI	<u>(27,997)</u>	<u>8,266</u>

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:

	<i>Three months ended 31 March 2026 (Unaudited)</i>			<i>Three months ended 31 March 2025 (Unaudited)</i>		
	<i>Cement AED '000</i>	<i>Investments AED '000</i>	<i>Total AED '000</i>	<i>Cement AED '000</i>	<i>Investments AED '000</i>	<i>Total AED '000</i>
Revenue	69,731	-	69,731	51,601	-	51,601
Direct costs	(44,818)	-	(44,818)	(42,478)	-	(42,478)
Depreciation and amortization	(4,686)	-	(4,686)	(4,224)	-	(4,224)
Administration, selling and general expenses	(7,385)	-	(7,385)	(8,125)	-	(8,125)
Other operating income	1,733	1,153	2,886	1,715	1,040	2,755
Finance cost	-	(1,486)	(1,486)	-	-	-
Finance income	-	4,037	4,037	-	7,994	7,994
Dividend income	-	73,631	73,631	-	150,879	150,879
Change in fair value of financial assets	-	(15,185)	(15,185)	-	(448)	(448)
Segment profit/(loss) before tax	<u>14,575</u>	<u>62,150</u>	<u>76,725</u>	<u>(1,511)</u>	<u>159,465</u>	<u>157,954</u>

National Cement Company (Public Shareholding Co.)

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

31 March 2026

18 SEGMENT REPORTING (continued)

	31 March 2026 (Unaudited)			31 December 2025 (Audited)		
	Cement AED '000	Investments AED '000	Total AED '000	Cement AED '000	Investments AED '000	Total AED '000
Segment assets*	315,799	2,293,368	2,609,167	317,971	2,361,873	2,679,844
Segment liabilities	51,846	-	51,846	48,409	-	48,409

* 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 three-month period ended 31 March 2026 and three-month period ended 31 March 2025 are within the UAE.

b) Major customers

During the three-month period ended 31 March 2026, there was one customer (2025: one customer) with revenue greater than 10% of the total revenue of the Company.

19 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 75,255 thousand (2025: AED 157,163 thousand) by the weighted average number of shares outstanding during the period of 358,800 thousand shares (2025: 358,800 thousand shares).

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

20 CONTINGENCIES LIABILITIES

	31 March 2026 AED '000 (Unaudited)	31 December 2025 AED '000 (Audited)
Bank guarantees	2,128	2,128

21 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:

31 March 2026 (Unaudited)	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
Quoted equity instruments at FVOCI	1,759,644	-	-	1,759,644
Quoted equity instruments at FVTPL	78,561	-	-	78,561
Debt instruments at FVOCI	-	6,914	-	6,914
Debt instruments at FVTPL	-	157,112	-	157,112
Total	1,838,205	164,026	-	2,002,231

National Cement Company (Public Shareholding Co.)
 NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
 31 March 2026

21 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

31 December 2025 (Audited)

	<i>Level 1</i> AED'000	<i>Level 2</i> AED'000	<i>Level 3</i> AED'000	<i>Total</i> AED'000
Quoted equity instruments at FVOCI	2,059,276	-	-	2,059,276
Debt instruments at FVOCI	-	5,512	-	5,512
Debt instruments at FVTPL	-	5,948	-	5,948
	<u>2,059,276</u>	<u>11,460</u>	<u>-</u>	<u>2,070,736</u>
Total	<u>2,059,276</u>	<u>11,460</u>	<u>-</u>	<u>2,070,736</u>

22 SUBSEQUENT EVENTS

Dividends

In their general assembly meeting on 16 April 2026, the shareholders approved the Board of Directors' recommendation to distribute cash dividends of AED 89,700 thousand representing 25 fils per share, which were paid in May 2026.

General reserve

In their general assembly meeting, the shareholders approved the Board of Directors' proposal to transfer an amount of AED 78,331 thousand from the general reserve to retained earnings.