GHITHA HOLDING PJSC

REPORTS AND
CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2025

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

DIRECTORS' REPORT
For the year ended 31 December 2025

The Directors have the pleasure to present their report, together with the audited consolidated financial statements of Ghitha Holding PJSC (the "Company") and its subsidiaries (together referred to as the "Group") for the year ended 31 December 2025.

Principal activities

The principal activities of the Group include;

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services;
- managing the production and sale of dairy products, which includes fresh milk and milk products, juices, long life products, camel milk and powder;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- providing food catering services, including meal preparation; and
- manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and plastic closure articles.

Results

Revenue for the year from continuing operations amounted to AED 5,580,160 thousand (2024: AED 4,915,873 thousand) and profit for the year from continuing operations was AED 212,656 thousand (2024: AED 2,860,828 thousand).

Release

The Directors release from liability the management and the external auditor in connection with their duties for the year ended 31 December 2025.

Auditors appointment

A resolution proposing the appointment of Deloitte and Touche (M.E) as auditors of the Company for the year ending 31 December 2026 will be put to the shareholders at Annual General Meeting.

for and on behalf of the Board of Directors

Signed by:

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Chairman

29 January 2026

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (continued)

Key Audit Matters (continued)

Key audit matter	**How our audit addressed the key audit matter**
Revenue recognition	
The Group reported revenue of AED 5,580 million during the year ended 31 December 2025. Revenue comprises a number of different revenue streams, such as sales of fresh, canned, preserved and frozen consumables food, dairy products, fruits, vegetables and oil. In addition, there are a number of different IT systems and applications in place for the recording of revenue transactions. The Group primarily recognises revenue at a point in time, reflecting the transfer of control of goods and services to customers. This requires management to exercise judgement in determining the point at which control of the goods has transferred to customers. Revenue recognition was assessed to be a key audit matter as a result of the following: • the quantitative significance of the amount to the consolidated financial statements; • the number of revenue streams; • the large transaction volume; • the susceptibility of revenue being fraudulently determined; and • the level of audit effort required. The Group's revenue recognition accounting policy is included in note 3 to the consolidated financial statements. Details about key estimates and judgements relating to revenue are disclosed in note 4 to the consolidated financial statements.	We performed the following procedures, inter alia, in respect of revenue recognition: • We obtained an understanding of the business process flows and performed walkthroughs to understand the key processes and identify key controls. • We assessed the key controls over revenue to determine if they had been designed and implemented appropriately and tested controls, for significant revenue streams and, where we planned to rely on controls, we determined if they were operating effectively. This included controls over the IT environment, for example controls over data processing and system access.; • We assessed the revenue recognition criteria adopted by the Group is appropriate against the requirements of IFRS Accounting Standards; • We reconciled the totals of the revenue register with the amounts reported in the consolidated financial statements. • We performed substantive audit procedures, which included an analytical review of revenue and gross margin trends at both the Group and subsidiary levels, comparing actual results to production volumes, budgets, and prior periods to identify any unusual fluctuations. • We selected recorded revenue transactions from the revenue register, on a sample basis, and agreed these amounts to supporting documentation, for example delivery notes. • We selected a sample of revenue transactions recorded before and after the reporting date and determined that these transactions had been recorded in the correct accounting period. • We utilised our data analytics specialists, where applicable, to reconcile and compare recorded revenue transactions with the amounts recorded in the revenue register. • We performed procedures to assess whether the revenue recognition criteria adopted by the Group is appropriate and is in accordance with the Group's accounting policy and the requirements of IFRS Accounting Standards;

Key Audit Matters (continued)

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td colspan="2">Revenue recognition (continued)</td></tr>
<tr><td></td><td>• We performed testing over manual journal entries posted to revenue to assist us in identifying unusual or irregular transactions; and
• We assessed the disclosure in the consolidated financial statements relating to revenue recognition against the requirements of IFRS Accounting Standards.</td></tr>
<tr><td colspan="2">Business acquisitions and purchase price allocation</td></tr>
<tr><td>The Group acquired Arabian Farming Investment LLC ("Arabian Farm") and Al Jazira Poultry Farm ("Al Jazira Poultry) with effect from 1 January 2025 and 1 May 2025 respectively. The total consideration for these acquisitions was AED 495 million.

IFRS Accounting Standards requires that the fair value of all assets acquired and liabilities assumed by the Group in a business combination be measured and recognised at the date of acquisition. The acquisition resulted in the goodwill and following intangible assets being recognised at acquisition which were not recognised in the accounting records of the acquirees:

• Customer relationships of AED 153.6 million
• Brand names of AED 26.6 million; and
• Goodwill, being the excess of the consideration over the fair value of the net assets acquired, of AED 83.4 million.
The Group engaged an independent external valuation specialist to assist in the determination of the fair value of the net assets acquired. This determination required the following significant judgements to be applied and estimates to be made in respect of the acquirees:

• Revenue projections;
• Growth rates;
• Royalty rates; and
• Discount rates</td><td>We performed the following procedures included, inter alia , in respect of the business combinations:

• We obtained an understanding of the process adopted by management over the accounting for the acquisitions, including the process over the determination of the fair value of the net assets acquired and the key controls within this process;
• We assessed the abovementioned controls to determine if they were appropriately designed and implemented;
• We reviewed the purchase agreements to obtain an understanding of the transactions and assess if the determination of the acquisition date was in accordance with the requirements of IFRS Accounting Standards.

As part of our audit procedures in respect of the determination of the fair values of the net assets acquired, we have:

• assessed the completeness and accuracy of the assets acquired and liabilities assumed;
• assessed management's estimates and judgements in the determination of fair values of assets acquired and liabilities assumed including the valuation methodologies, assumptions and discount rates used in the purchase price allocation with the support of our internal specialists;
• evaluated significant inputs used by the Group including the identification of intangible assets and the determination of the useful lives of the identified intangible assets;
• analysed the fair value adjustments recognised by management and evaluated whether the adjustments made were in accordance with the requirements of IFRS Accounting Standards.</td></tr>
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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (continued)

Key Audit Matters (continued)

Key audit matter	How our audit addressed the key audit matters
Business acquisitions and purchase price allocation (continued)	
We have considered these business combinations to be a key audit matter for the following reasons: • The quantitative significance of the amounts in the context of the consolidated financial statements; • The nature of the transactions, given that they are significant and outside the normal course of business; • The level of judgements applied and estimates made by management; and • The level of audit effort required Refer to note 3 in the consolidated financial statements for the accounting policy on business combinations, note 4 for more details on the key judgements and estimates and note 6 for further details on the acquisitions.	• reperformed the mathematical accuracy of the determination of the fair values of assets acquired and liabilities assumed; • agreed the fair values of assets acquired and liabilities assumed that were determined by the valuers to the amounts disclosed in the consolidated financial statements; • reviewed the terms of engagement between the valuers and the Group to determine if the scope of their work was sufficient for audit purposes and assessed their independence, competence, capability and objectivity; We assessed the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRS Accounting Standards.

Other Matter

The consolidated financial statements for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those statements on 30 January 2025.

Other Information

The Board of Directors and management are responsible for the other information. The other information comprises the Directors' report, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

i. We have obtained all the information and explanations we considered necessary for the purposes of our audit;
ii. The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021, as amended and the Company's Articles of Association;
iii. The Group has maintained proper books of account;
iv. The financial information included in the Directors' report is consistent with the books of account and records of the Group;
v. Investments in shares and stocks are included in note 18 to the consolidated financial statements and include purchases and investments made by the Group during the year ended 31 December 2025;
vi. Note 29 to the consolidated financial statements reflects the disclosures relating to related party transactions and balances, and the terms under which they were conducted;
vii. Note 1 to the consolidated financial statements discloses that the Group has made social contributions during the financial year ended 31 December 2025; and

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF GHITHA HOLDING PJSC (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

viii. Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021, as amended; or of its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025.

Deloitte & Touche (M.E.)

Haseeb Akram Muhammad Akram
Registration No. 5693
29 January 2026
Abu Dhabi
United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	14	**2,159,505**	2,028,742
Intangible assets and goodwill	15	**611,398**	369,128
Right-of-use assets	25	**164,978**	92,005
Biological assets	17	**215,079**	181,686
Investment in associates	16	**4,141,554**	4,098,665
Deferred tax assets	27	**36,281**	33,596
Total non-current assets		**7,328,795**	6,803,822
Current assets			
Inventories	19	**618,556**	540,083
Biological assets	17	**20,078**	8,654
Investments in financial assets	18	**3,773**	4,447
Trade and other receivables	20	**1,207,232**	955,258
Due from related parties	29	**101,321**	287,582
Cash and bank balances	21	**555,132**	605,007
Total current assets		**2,506,092**	2,401,031
Assets held for sale and associated with discontinued operations	32	**115,631**	122,747
		2,621,723	2,523,778
TOTAL ASSETS		**9,950,518**	9,327,600
EQUITY AND LIABILITIES			
Equity			
Share capital	22	**241,600**	241,600
Contributed capital	22	**37,294**	37,294
Merger and other reserves		**2,206,096**	2,127,585
Statutory reserve	23	**120,800**	120,800
Currency translation reserve		**(144,321)**	(150,417)
Hedging reserve		**(632)**	-
Retained earnings		**2,993,598**	2,944,512
Equity attributable to owners of the Company		**5,454,435**	5,321,374
Non-controlling interests		**1,414,048**	1,350,707
TOTAL EQUITY		**6,868,483**	6,672,081

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION continued

As at 31 December 2025

	Notes	2025 AED'000	2024 AED'000
EQUITY AND LIABILITIES continued			
Non-current liabilities			
Employees' end of service benefits	24	**93,800**	74,714
Lease liabilities	25	**158,445**	82,055
Bank borrowings	26	**792,925**	497,388
Trade and other payables	28	**35,713**	49,999
Deferred income		**12,227**	3,801
Deferred tax liabilities	27	**52,052**	35,261
Total non-current liabilities		**1,145,162**	743,218
Current liabilities			
Trade and other payables	28	**1,156,608**	1,159,086
Due to related parties	29	**53,023**	125,253
Loans from related parties	29	**205,000**	205,000
Lease liabilities	25	**24,797**	16,918
Deferred income		**3,378**	5,067
Derivative financial liabilities		**1,308**	-
Bank borrowings	26	**353,879**	338,230
Total current liabilities		**1,797,993**	1,849,554
Liabilities directly associated with the assets held for sale discontinued operations	32	**138,880**	62,747
		1,936,873	1,912,301
TOTAL LIABILITIES		**3,082,035**	2,655,519
TOTAL EQUITY AND LIABILITIES		**9,950,518**	9,327,600

Signed by:

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Chairman

Chief Executive Officer

Chief Financial Officer

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
CONTINUING OPERATIONS			
Revenue from contracts with customers	7	**5,580,160**	4,915,873
Cost of sales	8	**(4,380,321)**	(3,944,571)
Gross profit		**1,199,839**	971,302
Selling, general and administrative expenses	9	**(958,628)**	(812,543)
Share of profit from investment in associates	16	**49,324**	49,074
Other income, net	11	**28,142**	20,835
Operating profit		**318,677**	228,668
Decrease in fair value of investments carried at fair value through profit or loss	18.2	**(674)**	(23,415)
Gain on derecognition of a subsidiary	6.7	**-**	2,654,652
Gain on acquisition of subsidiaries	6.1/ 6.5	**567**	71,800
Finance income		**13,176**	21,375
Finance costs	10	**(88,317)**	(77,624)
Profit before tax from continuing operations		**243,429**	2,875,456
Taxation	27	**(30,773)**	(14,628)
Profit for the year from continuing operations		**212,656**	2,860,828
DISCONTINUED OPERATIONS			
Loss after tax for the year from discontinued operations	32	**(122,741)**	(188,089)
PROFIT FOR THE YEAR		**89,915**	2,672,739
Attributable to:			
Owners of the Company		**36,508**	2,556,135
Non-controlling interests		**53,407**	116,604
		89,915	2,672,739
BASIS AND DILUTED EARNINGS PER SHARE			
- from continuing operations		**0.44**	11.37
- from discontinued operations		**(0.29)**	(0.79)
	13	**0.15**	10.58

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
PROFIT FOR THE YEAR		**89,915**	2,672,739
Other comprehensive income/ (loss):			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange difference on translation of foreign operations, net of tax		**7,922**	(52,044)
Change in fair value of hedging instruments		**(1,308)**	-
Items that will not be reclassified subsequently to profit or loss:			
Share of other comprehensive income (loss) from investment in associates	**16**	**933**	(7,089)
Increase in fair value of investments at fair value through other comprehensive income	**18.1**	**-**	939
Total other comprehensive income/ (loss)		**7,547**	(58,194)
Total comprehensive income for the year		**97,462**	2,614,545
Attributable to:			
Owners of the Company		**42,905**	2,497,734
Non-controlling interests		**54,557**	116,811
		97,462	2,614,545

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

	Attributable to equity holders of the Company										
	Share capital AED '000	**Contributed capital AED '000**	**Merger and other reserves AED '000**	**Statutory reserve AED '000**	**Currency translation reserve AED '000**	**Cumulative changes on revaluation of investments AED '000**	**Hedging reserve AED '000**	**Retained earnings AED '000**	**Total AED '000**	**Non-controlling interest AED '000**	**Total equity AED '000**
Balance at 1 January 2024	241,600	37,294	2,171,025	38,697	(98,621)	(33,894)	-	380,083	2,736,184	1,678,622	4,414,806
Profit for the year	-	-	-	-	-	-	-	2,556,135	2,556,135	116,604	2,672,739
Other comprehensive (loss) income for the year	-	-	(7,089)	-	(51,796)	484	-	-	(58,401)	207	(58,194)
Total comprehensive (loss) income for the year	-	-	(7,089)	-	(51,796)	484	-	2,556,135	2,497,734	116,811	2,614,545
Derecognition of a subsidiary (note 6.7)	-	-	-	-	-	33,410	-	(33,410)	-	(946,626)	(946,626)
Acquisition of non-controlling interest (note 6.3)	-	-	-	-	-	-	-	30,607	30,607	(91,607)	(61,000)
Non-controlling interest share of newly allocated shares (note 6.5)	-	-	-	-	-	-	-	-	-	360,627	360,627
Disposal of partial interest in subsidiaries (note 6.6)	-	-	-	-	-	-	-	90,761	90,761	246,150	336,911
Acquisition of a subsidiary (note 6.5)	-	-	-	-	-	-	-	-	-	11,237	11,237
Dividend attributable to a non-controlling interest (note 22)	-	-	-	-	-	-	-	-	-	(63,345)	(63,345)
Transfer of unclaimed dividend to reserves	-	-	-	-	-	-	-	2,439	2,439	2,487	4,926
Other equity movement (note 6.4)	-	-	(36,351)	-	-	-	-	-	(36,351)	36,351	-
Transfer to statutory reserve (note 23)	-	-	-	82,103	-	-	-	(82,103)	-	-	-
Balance at 31 December 2024	241,600	37,294	2,127,585	120,800	(150,417)	-	-	2,944,512	5,321,374	1,350,707	6,672,081
Balance at 1 January 2025	241,600	37,294	2,127,585	120,800	(150,417)	-	-	2,944,512	5,321,374	1,350,707	6,672,081
Profit for the year	-	-	-	-	-	-	-	36,508	36,508	53,407	89,915
Other comprehensive income (loss) income for the year	-	-	933	-	6,096	-	(632)	-	6,397	1,150	7,547
Total comprehensive income (loss) income for the year	-	-	933	-	6,096	-	(632)	36,508	42,905	54,557	97,462
Disposal of partial interest in subsidiaries (note 6.2)	-	-		-	-	-	-	12,578	12,578	74,109	86,687
Waiver of a balance due to a related party (note 29)	-	-	76,480	-	-	-	-	-	76,480	-	76,480
Dividend attributable to a non-controlling interest (note 22)	-	-		-	-	-	-	-	-	(66,502)	(66,502)
Transfer of unclaimed dividend to reserves	-	-	1,098	-	-	-	-	-	1,098	1,177	2,275
Balance at 31 December 2025	**241,600**	**37,294**	**2,206,096**	**120,800**	**(144,321)**	**-**	**(632)**	**2,993,598**	**5,454,435**	**1,414,048**	**6,868,483**

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 AED'000	2024 AED'000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**243,429**	2,875,456
Loss before tax from discontinued operations		**(122,741)**	(187,654)
Profit before tax		**120,688**	2,687,802
Adjustments for:			
Depreciation of property, plant and equipment	14	**176,472**	153,885
Amortisation of intangible assets	15	**24,699**	17,281
Depreciation of right-of-use assets	25	**21,564**	15,841
Depreciation of biological assets	17	**54,243**	40,773
Changes in fair value of investments carried at fair value through profit or loss	18	**674**	23,415
Share of profit from investment in associates	16	**(49,324)**	(49,074)
Allowance for expected credit losses on trade receivables	20	**18,983**	16,908
(Reversal) allowance for expected credit losses on due from related parties	29	**(13,746)**	13,223
Allowance for slow moving inventories	19	**11,108**	7,335
Gain on disposal of property, plant and equipment	11	**(753)**	(804)
Change in valuation of biological assets, net of impairment	17	**(32,615)**	(15,247)
Gain on lease modifications		**(107)**	(56)
Gain on derecognition of a subsidiary	6.7	**-**	(2,654,652)
Gain on acquisition of subsidiaries	6.1/ 6.5	**(567)**	(71,800)
Impact of remeasurement of financial and non-financial assets of discontinued operations to net realizable value	32	**99,613**	183,481
Provision for employees' end of service benefits	24	**15,442**	9,279
Finance costs	10	**88,317**	77,624
		534,691	455,214
Working capital adjustments:			
Inventories		**(65,376)**	(152,831)
Trade and other receivables		**(117,083)**	(38,306)
Due from related parties		**107,881**	29,056
Trade and other payables, and deferred income		**(10,633)**	50,310
Due to related parties		**5,484**	29,692
Net cash generated from operations		**454,964**	373,135
Employees' end of service benefits paid	24	**(6,989)**	(2,848)
Tax paid		**(22,101)**	-
Net cash generated from operating activities		**425,874**	370,287
INVESTING ACTIVITIES			
Movement in term deposits with original maturities more than three months		**112,000**	20,346
Addition to property, plant and equipment		**(118,889)**	(114,393)
Addition to intangible assets	15	**(3,510)**	(1,109)
Net movement in biological assets		**(51,617)**	(41,757)
Net cash disposed on derecognition of a subsidiary	6.7	**-**	(468,280)
Cash paid on acquisition of non-controlling interest	6.3	**-**	(61,000)
Cash (paid)/ acquired on acquisition of subsidiaries, net of cash acquired	6.1/ 6.5	**(484,075)**	35,131
Sale proceeds from disposal of property, plant and equipment and intangible assets		**4,145**	3,173
Net movement in assets held for sale and discontinued operations		**(87,773)**	-
Cash received against disposal of partial interest in a subsidiary	6.2	**86,687**	-
Proceeds from sale of financial assets carried at fair value through profit or loss	18	**-**	84,035
Dividend received from an associate	16	**7,368**	10,044
Purchase of financial assets carried at fair value through profit or loss	18	**-**	(4,189)
Net cash used in investing activities		**(535,664)**	(537,999)

The attached notes 1 to 36 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS continued
For the year ended 31 December 2025

	Notes	**2025 AED'000**	2024 AED'000
FINANCING ACTIVITIES			
Repayment of lease liabilities	25	**(27,132)**	(16,661)
Finance costs paid		**(58,081)**	(65,643)
Dividend paid to non-controlling interests	22	**(47,233)**	(5,629)
Net movement in bank borrowings		**306,494**	(85,103)
Net cash generated from (used in) financing activities		**174,048**	(173,036)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR		**64,258**	(340,748)
Cash and cash equivalents at 1 January		**426,816**	771,841
Effect of foreign exchange rate changes		**767**	(4,277)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21	**491,841**	426,816

The attached notes 1 to 36 form part of these consolidated financial statements.

1 GENERAL INFORMATION

Ghitha Holding PJSC (the "Company") is a private joint stock company incorporated in the Emirate of Abu Dhabi, United Arab Emirates ("UAE"). The registered address of the Company is P.O. Box 53314, Abu Dhabi, United Arab Emirates. The Company's ordinary shares are listed on the Abu Dhabi Securities Exchange.

These consolidated financial statements include the results of operations and financial position of the Company and its subsidiaries (together referred to as the "Group"). The principal activities of the Group are:

- management services and investing in diversified projects;
- trading and importing of food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services;
- managing the production and sale of dairy products, which includes fresh milk and milk products, juices, long life products, camel milk and powder;
- rearing, hatching, feed processing and sale of poultry products and providing other farming and livestock related services;
- providing food catering services, including meal preparation; and
- manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and plastic closure articles.

During the year, IHC Food Holding LLC, the former Parent of the Company, transferred its entire shareholding in the Company in an extra ordinary general meeting to Two Point Zero Group PJSC ("2Point Zero") *(formerly, Multiply Group PJSC)*, as a result of which 2Point Zero became the Parent of the Company, effective 30 November 2025.

During the year, the Group has made social contributions of AED 1,468 thousand (2024: AED 408 thousand).

The consolidated financial statements of the Group for the year ended 31 December 2025 were approved and authorised for issue by the Board of Directors on 29 January 2026.

2 BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention, except for investments in financial assets and derivative financial instruments.

The consolidated financial statements have been presented in United Arab Emirates Dirhams ("AED"), which is the presentation currency of the Group and the functional currency of the Company. All values are rounded to the nearest thousand (AED '000) except where otherwise indicated.

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in compliance with the applicable provisions of the Company's Memorandum and Articles of Association and applicable requirements of the laws of the United Arab Emirates.

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

When the Group loses control of a subsidiary, a gain or loss is recognised in of profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Details of the Company's subsidiaries as at 31 December 2025 and 31 December 2024 were as follows:

Name of Subsidiaries	*Place of incorporation and operations*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2025	*2024*
Ghitha Enterprises Holding RSC Ltd.	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Subsidiary of Ghitha Enterprises Holding RSC Ltd.:				
Ghitha Companies Management LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Subsidiaries of Ghitha Companies Management LLC:				
Ghitha Trading Holding LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Ghitha Manufacturing Holding LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Ghitha Investment Holding LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Ghitha Agriculture Holding LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Ghitha Agencies and Distribution Holding LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Ghitha Fruits and Vegetables Holding LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Name of Subsidiaries	*Place of incorporation and operations*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2025	*2024*
Subsidiaries of Ghitha Trading Holding LLC:				
Zee Stores International LLC	UAE	Wholesale of food and non-food items, including fresh consumables, canned, preserved and frozen foods and providing re-packaging and wrapping services	**100%**	100%
Mega Logistics Park Warehouses Management - Sole Proprietorship LLC	UAE	Warehouses management and operations	**100%**	100%
Subsidiaries of Zee Stores International LLC:				
Royal Horizon Holding LLC	UAE	Holding Company	**60%**	60%
Delice Supermarket LLC	UAE	Supermarket	**100%**	100%
International Food Industries LLC	UAE	Processing, packaging, Import, and export of Legumes	**70%**	70%
Subsidiaries of Royal Horizon Holding LLC:				
Overseas Foodstuff Trading - Sole Proprietorship LLC	UAE	Importing and wholesale of canned and preserved foodstuff trading	**100%**	100%
Royal Horizon General Trading – Sole Proprietorship LLC	UAE	General trading, retail and wholesale of canned and preserved foodstuff trading, importing and exporting, packaging and wrapping of foodstuff	**100%**	100%
Royal Horizon Fazaa Stores LLC	UAE	Retail and wholesale consumer stores	**100%**	100%
Fazaa Express Stores LLC SP	UAE	Sale of fresh consumables	**100%**	100%
RH E Stores – Sole Proprietorship LLC	UAE	E-commerce through social media and websites	**100%**	100%
Subsidiaries of Ghitha Manufacturing Holding LLC:				
Alliance Foods Co. LLC	UAE	Trading, processing and packing of seafood products	**100%**	100%

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Name of Subsidiaries	*Place of incorporation and operations*	*Principal activities*	*Proportion of ownership interest and voting power held* 2025	2024
Subsidiaries of Ghitha Manufacturing Holding LLC (continued):				
Abu Dhabi Vegetable Oil Company LLC	UAE	Manufacturing and refining of vegetable oils, manufacturing of basic organic chemical acid, plastic bottles and plastic closures articles	**70%**	70%
WAS Commercial Investment – Sole Proprietorship LLC	UAE	Holding Company	**100%**	100%
Subsidiary of Abu Dhabi Vegetable Oil Company LLC:				
Cebag Middle East LLC	UAE	Food and beverage trading	**98%**	98%
Subsidiary of WAS Commercial Investment - Sole Proprietorship LLC:				
Al Ain Farms for Livestock Production PJSC	UAE	Production and sale of dairy and livestock	**48.3%**	48.3%
Subsidiaries of Al Ain Farms for Livestock Production PJSC:				
Al Ajban Poultry LLC	UAE	Rearing, hatching, feed processing and sale of poultry products	**100%**	100%
Al Ajban Fodders Factory LLC	UAE	Import, export and production of farm animals' feeds, its concentrates and supplements manufacturing	**100%**	100%
Marmum Dairy Farm LLC	UAE	Production and sale of dairy and livestock	**100%**	100%
United Sales Partners LLC	UAE	Dairy, poultry, livestock, food and beverages trading	**100%**	100%
Arabian Farms Investment LLC (i)	UAE	Investment in agricultural enterprises and management	**100%**	-
Al Jazira Poultry Farm LLC (i)	UAE	Production and sale of table eggs and farming of poultry	**100%**	-
Subsidiary of Marmum Dairy Farm LLC:				
Marmum Dairy LLC	UAE	Production and sale of dairy and livestock	**100%**	100%
Subsidiary of United Sales Partners LLC:				
United Sales Partners LLC	UAE	Dairy, poultry, livestock, food and beverages trading	**100%**	100%
Subsidiaries of Arabian Farms Investment LLC (i):				
Arabian Farms Development Co. LLC	UAE	Production and sale of table eggs and farming of poultry	**100%**	-
Arabian Farms Development – Sole proprietorship LLC	UAE	Production and sale of table eggs and farming of poultry	**100%**	-
Arabian Farms Development Co. LLC (KSA)	KSA	Production and sale of table eggs and farming of poultry	**100%**	-

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Name of Subsidiaries	*Place of incorporation and operations*	*Principal activities*	*Proportion of ownership interest and voting power held*	
			2025	*2024*
Subsidiaries of Ghitha Investment Holding LLC:				
Green Park Investment – Sole Proprietorship LLC	UAE	Commercial enterprises investment, institution and management	**100%**	100%
Ghitha Culinary RSC Ltd	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Tamween Companies Management LLC	UAE	Commercial enterprises investments, institution and management	**100%**	100%
Ghitha Aeroinvest Holding RSC Ltd	UAE	Special Purpose Vehicle	**100%**	100%
Subsidiaries of Ghitha Fruits and Vegetables Holding LLC:				
NRTC Food Holding LLC	UAE	Holding Company	**41%**	41%
NRTC International Investment LLC	UAE	Holding Company	**60%**	60%
Subsidiaries of NRTC Food Holding LLC:				
NRTC Dubai International Vegetables & Fruits Trading LLC	UAE	Fruits and vegetables, food and frozen trading	**100%**	100%
Nasser Al Refaee Vegetables & Fruits Trading LLC	UAE	Fruits and vegetables trading, food and beverage trading	**100%**	100%
Nasser Al Refaee Potatoes Trading LLC	UAE	Potatoes trading	**100%**	100%
Nasser Al Refaee Fruits & Vegetables & Legumes Canning & Packaging Co. LLC	UAE	Fruits and vegetables canning and packaging	**100%**	100%
Food Care LLC	UAE	Fruits and vegetables trading, food and beverage trading	**100%**	100%
Al Rifai Sons Vegetables & Fruits Trading LLC	UAE	Fruits and vegetables trading, food and beverage trading	**100%**	100%
Wholesale Market Fruits & Vegetables Trading LLC	UAE	Retail sale of fruits and vegetables, frozen foodstuff, canned and preserved foodstuff	**100%**	100%
NRTC International Fruits & Vegetables Trading LLC	UAE	Retail sale of fruits and vegetables, frozen food, canned fresh meat.	**100%**	100%
NRTC Investment SP LLC	UAE	Commercial Agricultural Enterprises Investment, Institution and Management	**100%**	100%
Mirak Royal Nature Fruit and Vegetable LLC	UAE	Trading of food and beverages, vegetables and fruits	**100%**	100%

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

2 BASIS OF PREPARATION continued

2.1 Basis for consolidation continued

Name of Subsidiaries	*Place of incorporation and operations*	*Principal activities*	*Proportion of ownership interest and voting power held* 2025	2024
Subsidiaries of NRTC Food Holding LLC (continued):				
AGRINV SPV RSC Limited (iii)	UAE	Investment Company	**100%**	100%
Ripe Fresh Trading LLC (i)	UAE	Trading of food and beverages, vegetables and fruits	**100%**	-
Subsidiary of AGRINV SPV RSC:				
Al-Hashemiya for Land Reclamation and Cultivation S.A.E.	Egypt	Land cultivation, land-reclaimed farming and providing other farming and livestock related services	**100%**	100%
Subsidiary of NRTC International Investment LLC				
NRTC Limited Company	KSA	Agriculture and fishing for wholesale and retail trade of fresh produce	**100%**	100%
Discontinued operations:				
Al Jaraf Fisheries LLC (“Fisheries Group”) (a subsidiary of Ghitha Manufacturing Holding LLC)	UAE	Wholesale of fresh fish and Marine animals Trading	**100%**	100%
Harv Est Foods General Trading LLC (“Trading Company”) (a subsidiary of Zee stores International LLC) (ii)	UAE	Warehouse management and operations, trading, repacking and wrapping services	**51%**	51%
Subsidiaries of Al Jaraf Fisheries LLC				
Pristine Caviar – Sole Proprietorship LLC	UAE	Wholesale of fresh fish and marine animals trading	**100%**	100%
Pristine Fish Farm – Sole Proprietorship LLC	UAE	Land-based Aquaculture	**100%**	100%
Pristine Seafood Production LLC	UAE	Fish and seafood processing and preserving	**100%**	100%
Emirates Fish Farm - Sole Proprietorship LLC	UAE	Wholesale of fresh fish and marine animals trading	**100%**	100%

(i) During the year ended 31 December 2025, the Group acquired Arabian Farms Investment LLC, including its subsidiaries, Al Jazira Poultry Farm LLC and Ripe Fresh Trading LLC, as detailed in note 6.1.

(ii) During the year ended 31 December 2025, the Group discontinued operations of Harv Est Foods General Trading LLC and accordingly, its results have been classified under discontinued operations (note 32).

(iii) During the year ended 31 December 2025, AGRIN V SPV RSC Limited (“Agrinv”) was transferred to NRTC Food Holding LLC from Ghitha Agriculture Holding LLC, resulting in the dilution of the Group’s ownership in Agrinv by 59% (note 6.2).

2 BASIS OF PREPARATION continued

2.2 Changes in Accounting Policies - New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new standards, interpretations and amendments effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendment to IAS 21— Lack of Exchangeability
The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The Group does not expect that the adoption of these new and amended standards and interpretations will have a material impact on its consolidated financial statements.

3 MATERIAL ACCOUNTING POLICY INFORMATION

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the consolidated statement of comprehensive income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the consolidated statement of comprehensive income.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Business combinations and goodwill continued

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the consolidated statement of comprehensive income.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

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

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Changes in the Group's ownership interest in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the Owner of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of comprehensive income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary.

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the initial carrying amount for the purposes of subsequent accounting for the retained interest as an investment in an associate or a joint venture or financial asset.

Acquisition of entities under common control

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

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

The results and assets and liabilities of the associates are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

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

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

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

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

When Group's share of losses in an associate equals or exceeds its interests in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Revenue recognition
Revenue is measured at an amount that reflects the considerations to which an entity expects to be entitled in exchange for transferring goods or services to customer, excluding amounts collected on behalf of third parties. Revenue is adjusted for expected discounts and volume discounts, which are estimated based on the historical data or forecast and projections. The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:

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

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

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

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

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Sale of goods
The Group recognises revenue from sale of food and non-food items at a point in time. Sales of goods to the customers mainly include one performance obligation, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over the manner of use of goods, has the primary responsibility when selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Dividend income
Dividend income from investments is recognised in the consolidated statement of profit and loss when the shareholders' rights to receive payment is established.

Interest income
Interest income is recognised as the interest accrues using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis at rates estimated to depreciate the assets concerned over their useful lives in the business as follows:

Building and leasehold improvements	3 - 40 years
Plant and machinery	3 - 25 years
Furniture, fixtures and equipment	2 - 10 years
Motor vehicles	2 - 10 years

Land is not depreciated.

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

Capital work in progress
Assets under construction ('capital work in progress') are stated at cost, net of accumulated impairment losses, and are not depreciated. All costs directly attribute to bringing the asset to the location and condition necessary for it to be used in the manner intended by management are included in the construction cost, including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Group's policies.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising in derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in the consolidated statement of comprehensive income in the year the asset is derecognised.

The asset's residual values, useful lives and methods of depreciation are reviewed, at each financial year end, and adjusted prospectively, if appropriate.

Bearer Plants
Bearer plants are the living plants that:

- are used in the production or supply of agricultural produce,
- are expected to bear produce for more than one period, and
- have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

IAS 41 - Agriculture, explicitly excludes the bearer plants from its scope and are accounted for in accordance with IAS 16 - property, plant and equipment. However, produce growing on a bearer plant is still within the scope of IAS 41.

Matured bearer plants are stated at cost less accumulated depreciation and any impairment in value. Immature bearer plants are measured at their accumulated cost. Capitalisation of costs ceases when the bearer plants reach maturity, which is when the bearer plants can be commercially harvested.

Depreciation is calculated on a straight-line basis at rates estimated to depreciate the bearer plants concerned over their useful lives in the business as follows:

Bearer plants	10 - 15 years

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of comprehensive income.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of comprehensive income.

Customer relationships

Customer relationships represent future economic benefits in the form of future business with customers beyond the amount secured by any current contractual arrangement. Customer relationships acquired in a business combination that do not arise from a contract may nevertheless be identifiable because the relationship is separable. These mainly represent non-contractual relationships, which were acquired in a business combination and meet the criteria for recognition as intangible assets under IAS 38. Customer relationships have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 6 to 20 years.

Brand names

Brand is a unique design, sign, symbol, words, or a combination of these, employed in creating an image that identifies a product and differentiates it from its competitors. Brand names represent future economic benefits in the form of future business linked with the brand names of subsidiaries acquired in business combination. Brand names identified as part of acquisitions have indefinite useful life.

Trademarks

Trademarks are words, names, symbols or other devices used in trade to indicate the source of a product and to distinguish it from the products of others. Trademarks represent future economic benefits in the form of future business linked with the trademarks under Royal Horizon Holding LLC, a subsidiary acquired during 2021. The trademarks identified as part of acquisition have indefinite useful lives.

Trade license

The license allows Royal Horizon Holding LLC to use “Fazaa” name for its retail stores, and was recognized on acquisition of Royal Horizon Holding LLC during 2021. The Fazaa license has a useful life of 8 years.

Lease benefits

Lease benefit represents the future economic benefits in the form of favorable lease arrangements the Group acquired under a business combination. Lease benefits have a finite useful life and are carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost over their estimated useful lives of 15 years.

Other intangible assets are amortised over a period of 2 to 7 years using a straight-line method.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

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

Goodwill and intangible assets with indefinite useful lives are tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Borrowings
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the consolidated statement of profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in the consolidated statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in consolidated statements of profit or loss in the period during which they are incurred.

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

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

i) Right-of-use assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Land	17 - 50
Warehouse, accommodation and buildings	3 - 24
Motor vehicle	5

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the ‘impairment of non-financial assets’ section.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
The Group as a lessee continued

ii) Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line ‘other expenses’ in the consolidated statement of comprehensive income.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

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

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

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

The Group as a lessor
The Group enters into lease agreements as a lessor with respect to some of its shops.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Leases continued
The Group as a lessor continued
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Biological assets
Biological assets are measured on initial recognition and at end of each reporting period at fair value less estimated costs to sell, unless at initial recognition that fair value cannot be measured reliably. In such cases, the entity measures the biological asset at historic cost less any accumulated depreciation and any accumulated impairment losses unless/until fair value becomes reliably measurable. The fair values are determined based on current market prices of similar type of assets. Costs to sell include commission to brokers and dealers.

A gain or loss on initial recognition of biological assets at fair value less estimated costs to sell and from a change in fair value less estimated costs to sell of biological assets is included in profit or loss in the period in which it arises.

Poultry livestock
Poultry livestock includes chicken and is carried at cost. There are no quoted market prices for chicken livestock in the Gulf Cooperation Council, and alternatives for measuring fair value are determined by management to be unverifiable. Accordingly, the cost of parent chicken, determined on the basis of monthly average expenditure, comprises purchase price of the day-old chicken ("DOC") and all expenses incurred in bringing the DOCs to the farm from overseas, together with costs such as feed costs, incurred in rearing and maintaining the flock until the egg production commences.

Depreciation is charged so as to write off the cost of biological assets over their estimated useful lives using the straight-line method on the following bases:

	Useful lives
Chicken	11 to 14 months

Dairy livestock
Dairy livestock includes dairy herd (cows) and camel herd and are stated at their cost of purchase or at the cost of rearing to the point of maturity, less any accumulated depreciation and any accumulated impairment losses, as there is no active market for dairy livestock in the Gulf Cooperation Council against which to measure fair value and the alternative estimates for the determination of the fair value are determined to be clearly unreliable.

The cost of immature livestock (dairy herd and small camels) represents the aggregate of costs incurred during rearing to their respective maturity age. To enhance the estimation of cost and the assessment of recoverable amount, management applies a replacement cost framework. This framework organizes existing cost components (e.g., acquisition, rearing, feed, veterinary and other costs) and applies market participant based adjustments for condition, age, productivity and costs to sell.

Depreciation is charged so as to write off the cost of biological assets over their estimated useful lives using the straight-line method on the following bases:

	Useful lives
Dairy herd	5 years
Camel herd	10 years

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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

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

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

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

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

The Group has the following financial assets:

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

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of comprehensive income when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade and other receivables, due from related parties and cash and bank balances.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes quoted equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Dividends on quoted and unquoted equity investments are recognised under investment and other income in the consolidated statement of comprehensive income when the right of payment has been established.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

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

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

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

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

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

The Group consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - the Group has transferred substantially all the risks and rewards of the asset, or
  - the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Financial instruments continued
Financial assets continued
Derecognition continued
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities and equity instruments
Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit of loss.

Classification as debt or equity
Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in consolidated statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense is charged to consolidated statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The financial liabilities of Group include lease liabilities, trade and other payables, loan from related parties, bank borrowings and due to related parties**.**

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

Derivative financial instruments
Initial recognition and subsequent measurement
The Group uses interest rate swaps, a derivative financial instrument, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Derivative financial instruments continued

Initial recognition and subsequent measurement continued

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below. As at 31 December 2025, the Group has only cash flow hedges.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit or loss. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

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

Offsetting of financial instruments

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

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits held with banks with the original maturity of three months or less, net of bank overdrafts.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Inventories
Inventories are stated at the lower of cost and net realisable value after adjusting allowance for any slow and non-moving items. Inventories are valued on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production, or conversion costs, and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

Allowance is made when necessary for obsolete, slow-moving and damaged items.

Deferred income
Deferred income represents government grants and advances received from customer by the Group during the year.

Government grants
Non-monetary government grants are recognised at nominal value where there is reasonable assurance that the asset will be received and the Company will comply with any attached conditions, where applicable.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to the consolidated statement of comprehensive income as other income on a systematic and rational basis over the useful lives of the related assets or over the period necessary to match them with the related costs.

Foreign currencies
The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to the consolidated statement of profit or loss reflects the amount that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Foreign currencies continued

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated into AED at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Employee benefits

An accrual is made for estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the end of the reporting period.

Provision is also made for the full amount of end of service benefits due to employees in accordance with the Group's policy, which is at least equal to the benefits payable in accordance with UAE Labour Law, for their period of service up to the end of the reporting period. The accrual relating to annual leave and leave passage is classified as a current liability, while the provision relating to end of service benefits is classified as a non-current liability.

Pension contributions are made in respect of UAE national employees to the UAE General Pension and Social Security Authority in accordance with the UAE Federal Law No. (2), 2000 for Pension and Social Security.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Taxation continued

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Fair value measurement
The Group measures financial instruments such as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at each consolidated statement of financial position date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on the basis as explained above, except for share-based payment transactions that are within the scope of IFRS 2; leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value, but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Value added tax ("VAT")
Expenses and assets are recognised net of the amount of VAT, except:

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

3 MATERIAL ACCOUNTING POLICY INFORMATION continued

Dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. A distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Discontinued operations and non-current assets held for sale

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

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

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

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

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

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

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

While applying the material accounting policies as stated in note 3, management of the Group has made certain judgments, estimates and assumptions that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period of the revision in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The significant judgments and estimate made by management are summarised as follows:

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

Useful lives of property, plant and equipment and intangible assets
The useful life of each item of property, plant and equipment and intangible assets is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset.

Impairment of non-financial assets
The Group determines whether property, plant and equipment, right-of-use assets, and intangible assets with finite lives as well as investments in associates are impaired when events or changes in circumstances indicate that the carrying amount may not be recoverable. If an indicator of impairment exists, the Group determines the value in use of the cash generating units, where an indicator has been identified. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash generating units and also choose a suitable discount rate in order to calculate the present value of those cash flows.

Management has determined no impairment indicators existed as of 31 December 2025 and 2024, and the carrying values of property, plant and equipment, right-of-use assets, and intangible assets with finite lives are fully recoverable.

Impairment of goodwill and intangible assets with infinite useful lives
Goodwill and intangible assets with infinite useful lives are assessed for impairment based on the assessment of cash flows on individual cash-generating units on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Management has concluded that there is no impairment as of 31 December 2025 and 2024, and the carrying values of goodwill and intangible assets with infinite useful lives are fully recoverable.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Key estimates and assumptions continued

Business combinations

Accounting for the acquisition of a business requires the allocation of the purchase price to the various assets and liabilities of the acquired business. For most assets and liabilities, the purchase price allocation is accomplished by recording the asset or liability at its estimated fair value. Determining the fair value of assets acquired and liabilities assumed requires judgement by management and often involves the use of significant estimates and assumptions, including assumptions with respect to future cash inflows and outflows, discount rates, the useful lives of assets and market multiples. The Group's management uses all available information to make these fair value determinations.

Estimation of net realisable value for inventories and allowance for slow moving inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and allowance for impairment applied according to the inventory type and the degree of ageing or obsolescence, based on Group's policy for inventory provisioning.

Allowance for slow moving inventories amounted to AED 29,583 thousand as at 31 December 2025 (31 December 2024: AED 24,954 thousand).

Allowance for Expected Credit Losses (ECLs) for trade receivables and due from related parties

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

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

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

In determining whether allowance for expected credit losses should be recorded in the consolidated statement of profit or loss, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the trade receivables and due from related parties. As per ECL model, the impairment loss allowance for trade receivables at 31 December 2025 amounted to AED 91,507 thousand (2024: AED 84,377 thousand) and impairment loss allowance for due from related parties amounted to AED 187 thousand (2024: AED 13,914 thousand).

The Group measures the expected credit losses of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Leases - estimating the incremental borrowing rate

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Key estimates and assumptions continued

Dairy herd - Average useful life cycle

Each cow within the dairy herd is depreciated over the average useful life of approximately 5 years. In order to maintain the size and health of the dairy herd, a significant proportion of the herd is culled or sold each year based on an assessment by management of the productivity, breeding and efficiency of each herd member and only those meeting predefined levels are retained. It is not possible to predict in advance which herd members will be culled early or late and accordingly the average useful life of approximately 5 years is applied across the whole of the dairy herd. Underperforming herd members are often sold in a secondary market where the value received for each herd member is generally not linked to the age of the herd member. Herd members culled or sold before 5 years will typically have a net book value higher than the expected realisable value and thus a loss on disposal will generally arise. Management believes that such loss on disposal broadly offsets the absence of depreciation on those herd members that survive beyond the average 5 years period and accordingly neither the profit for the year nor the net carrying cost of the dairy herd as reported in the consolidated statement of financial position is materially distorted.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See note 34 for further disclosures.

Critical accounting judgments in applying accounting policies

In the process of applying the Group’s accounting policies, which are described in note 3, management has made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements

Determining the lease term of contracts with renewal options

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

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

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Critical accounting judgments in applying accounting policies continued
Consolidation of entities in which the Group holds less than a majority of voting right
For assessing control, the Group has considered power over the investee, exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect its returns. In case, where the Group has less than majority of the voting or similar rights in an investee, the Group has considered all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other shareholders of the investee and de-facto control.

The Group considers that it has a controlling interest over NRTC Food Holding LLC through a contractual arrangement, even though it owns less than 50% of the voting rights:

- *NRTC Food Holding LLC ("NRTC")*
  The Group determined that it controls NRTC based on the following criteria:

  a) the Group has appointed three out of the total five members of NRTC's board ("Board") with effect from 1 October 2022 and such appointment is contractual as per the amended shareholders' agreement dated 1 October 2022;
  b) resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board; and
  c) the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of NRTC's business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing NRTC's senior management.

The Group considers that it has de-facto control over the following entities, even though it owns less than 50% of the voting rights:

- *Al Ain Farms for livestock Production ("Al Ain Farms")*
  The Group determined that it controls Al Ain Farms based on the following criteria:

  a) the Group has four out of the total seven members of Al Ain Farms' board ("Board") with effect from 1 April 2024;
  b) resolutions of the Board and therefore decisions, are issued based on a simple majority, thus giving the Group outright control over decision making by the Board; and
  c) the Board is fully empowered to manage and carry out all acts and transactions on behalf of the entity, including supervision of Al Ain Farms business affairs, ensuring the effectiveness of governance, overseeing management, as well as appointing and removing Al Ain Farms' senior management.

In making these judgement, the Group considered the absolute size of its holding in NRTC and Al Ain Farms, the existing shareholders' agreement and the ability of other shareholders to limit its nominations to the Board, and the Group's majority representation on the Board. Therefore, based on the above factors, the Group has clearly established that it has de facto control over NRTC and Al Ain Farms, as evidenced by its ability to control a majority of the Board and accordingly its results have been included in these consolidated financial statements.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS continued

Critical accounting judgments in applying accounting policies continued

Discontinued operations

- *Fisheries Group*

As of 31 December 2024, the Group classified the Fisheries Group as a disposal group held for sale and as a discontinued operation, following the approval of a plan to sell by the Board of Directors. As of 31 December 2025, Management is committed to dispose of the Group and has limited further expansion and scaled back operations.

- *Trading and distribution business*

Effective 30 June 2025, the Group classified one of its subsidiaries, engaged in the trading and distribution business, as a discontinued operation. This classification was made following a resolution by the subsidiary's Board of Directors to hold back on further expansion, scale back its operations and conclude ongoing business activities.

In making this assessment, management applied significant judgement to determine that the criteria under IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations were satisfied. The subsidiary was considered to constitute a separate major line of business, and given the cessation of its operations, the Group concluded that it met the definition of a discontinued operation.

For more details on the discontinued operations, refer to note 32.

5 STANDARDS ISSUED BUT NOT EFFECTIVE

New and amended standards and interpretations

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

New and revised IFRSs	**Effective for annual periods beginning on or after**
IFRS 18 Presentation and Disclosures in Financial Statements	1 January 2027

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the Notes to the condensed interim financial statements
- improve aggregation and disaggregation.

5 STANDARDS ISSUED BUT NOT EFFECTIVE continued

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	1 January 2026

The amendments address matters identified during the post-implementation review of the classification and measurement requirements of IFRS 9 *Financial Instruments*.

5 STANDARDS ISSUED BUT NOT EFFECTIVE continued

<u>**New and revised IFRSs**</u>	**Effective for annual periods <u>beginning on or after</u>**
Amendments IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity The amendments aim at enabling entities to include information in their financial statements that in the IASB's view more faithfully represents contracts referencing nature-dependent electricity.	1 January 2026
Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21) The amendments clarify how companies should translate financial statements from a non-hyperinflationary currency into a hyperinflationary one.	1 January 2027
Annual improvements to IFRS Accounting Standards — Volume 11 The pronouncement comprises the following amendments: • IFRS 1: Hedge accounting by a first-time adopter • IFRS 7: Gain or loss on derecognition • IFRS 7: Disclosure of deferred difference between fair value and transaction price • IFRS 7: Introduction and credit risk disclosures • IFRS 9: Lessee derecognition of lease liabilities • IFRS 9: Transaction price • IFRS 10: Determination of a 'de facto agent' • IAS 7: Cost method	1 January 2026
IFRS Sustainability Disclosure Standards	
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates
IFRS S2 Climate-related Disclosures IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	Effective date not yet decided by the regulator in the United Arab Emirates

The above stated new standards and amendments are not expected to have any significant impact, other than IFRS 18, will have a material impact on the consolidated financial statements. The Group is currently working to identify the impacts IFRS 18 will have on the consolidated financial statements and its notes.

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

6 BUSINESS COMBINATIONS

6.1 Acquisition under IFRS 3 Business Combination

Arabian Farms Investment LLC ("Arabian Farms")
Effective 1 January 2025, Al Ain Farms for Livestock Production PJSC ("Al Ain Farms"), a subsidiary under the Group, acquired a 100 per cent equity interest in Arabian Farms Investment LLC ("Arabian Farms") for a cash consideration of AED 240,000 thousand. Arabian Farms is a limited liability company, registered in the Emirate of Dubai and is engaged in the production and sale of table eggs, and farming of poultry.

From the date of acquisition, Arabian Farms contributed revenue and profit to the Group amounting to AED 219,697 thousand and AED 33,087 thousand respectively.

Al Jazira Poultry Farm LLC ("Al Jazira Poultry")
Effective 1 May 2025, Al Ain Farms for Livestock Production PJSC ("Al Ain Farms"), a subsidiary under the Group, acquired a 100 per cent equity interest in Al Jazira Poultry Farm ("Al Jazira Poultry") for a cash consideration of AED 255,000 thousand. Al Jazira Poultry is a limited liability company, registered in the Emirate of Dubai and is engaged in the production and sale of table eggs, and farming of poultry.

From the date of acquisition, Al Jazira Poultry contributed revenue and loss to the Group amounting to AED 81,682 thousand and AED 6,471 thousand respectively. If the acquisition had taken place at the beginning of the year, Al Jazira Poultry would have contributed revenue and loss to the Group amounting to AED 124,199 thousand and AED 10,682 thousand respectively.

Ripe Fresh Trading LLC ("Ripe")
Effective 1 December 2025, NRTC Food Holding LLC ("NRTC"), a subsidiary, acquired a 100 per cent equity interest in Ripe Fresh Trading LLC ("Ripe") for a cash consideration of AED 1,400 thousand. Ripe is a limited liability company, registered in the Emirate of Dubai and is engaged in the trading of food and beverages, vegetables and fruits.

From the date of acquisition, Ripe contributed revenue and profit to the Group amounting to AED 869 thousand and AED 59 thousand respectively. If the acquisition had taken place at the beginning of the year, Ripe would have contributed revenue and profit to the Group amounting to AED 10,033 thousand and AED 709 thousand respectively.

6 BUSINESS COMBINATIONS continued

6.1 Acquisition under IFRS 3 Business Combination continued

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Arabian Farms, Al Jazira Poultry and Ripe as at the date of acquisition were as follows:

	Arabian Farms	Al Jazira Poultry	Ripe	Total
	AED'000	AED'000	AED'000	AED'000
Assets				
Property, plant and equipment (note 14)	95,370	89,949	90	185,409
Intangible assets (note 15)	82,600	97,644	2	180,246
Right-of-use assets (note 25)	53,165	27,967	-	81,132
Biological assets (note 17)	13,059	-	-	13,059
Inventories	11,761	11,959	485	24,205
Trade and other receivables	49,988	28,499	2,843	81,330
Cash and bank balances	3,260	8,678	387	12,325
Total assets	**309,203**	**264,696**	**3,807**	**577,706**
Liabilities				
Employees' end of service benefits (note 24)	6,402	4,142	96	10,640
Lease liabilities (note 25)	56,889	32,414	-	89,303
Bank borrowings (note 26)	6,813	-	-	6,813
Deferred tax liabilities	4,119	9,693	-	13,812
Trade and other payables	28,228	13,585	1,744	43,557
Total liabilities	**102,451**	**59,834**	**1,840**	**164,125**
Total identified net assets at fair value acquired	**206,752**	**204,862**	**1,967**	**413,581**
Goodwill arising on acquisition (note 15)	33,248	50,138	-	83,386
Gain on bargain purchase	-	-	(567)	(567)
Purchase consideration - cash	**240,000**	**255,000**	**1,400**	**496,400**

Goodwill of AED 83,386 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates ranges from 14.3% to 17.5%; and
- A terminal value of 2%, calculated based on long-term sustainable growth rates for the industry, which has been used to determine income for the future years.

6 BUSINESS COMBINATIONS continued

6.1 Acquisition under IFRS 3 Business Combination continued

Analysis of cashflows on acquisitions is as follows:

	Arabian Farms	Al Jazira Poultry	Ripe	Total
	AED'000	AED'000	AED'000	AED'000
Cash paid for the acquisition	(240,000)	(255,000)	(1,400)	(496,400)
Cash acquired on business combination	3,260	8,678	387	12,325
Acquisition of operating business - net of cash acquired (included in cash flows from investing activities)	**(236,740)**	**(246,322)**	**(1,013)**	**(484,075)**
Transaction costs of the acquisition	(2,083)	(2,484)	(63)	(4,630)
Net cash paid on acquisition	**(238,823)**	**(248,806)**	**(1,076)**	**(488,705)**

Acquisition-related costs, amounting to AED 4,630 thousand were expensed during the year and are included in selling, general and administrative expenses.

Taaza Healthy Food Industries LLC and Taaza Quality Foodstuff Trading LLC
In 2025, NRTC Food Holding LLC ("NRTC"), have signed a share purchase agreement ('SPA') to acquire 70 percent shareholding of Taaza Healthy Food Industries LLC and Taaza Quality Foodstuff Trading LLC. The legal formalities will be completed within the first quarter of 2026.

6.2 Reduction in shareholding of subsidiaries without a loss of control

Effective 1 July 2025, NRTC Food Holding LLC ("NRTC"), a subsidiary, acquired a 100 per cent equity interest in AGRINV SPV RSC Limited ("Agrinv") for a consideration of USD 47,000 thousand, which diluted the Group's shareholding in Agrinv. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interest:

	Agrinv
Reduction in effective shareholding (%)	**59%**
Carrying value of the shareholding disposed-off *(AED'000)*	**74,109**
Less: consideration *(AED'000)*	**(86,687)**
Gain recognised directly to retained earnings	**(12,578)**

6 BUSINESS COMBINATIONS continued

6.3 Increase in shareholding of Al Ain Farms for Livestock Production ("Al Ain Farms") during 2024

In February 2024, the Group acquired an additional 12% shareholding in Al Ain Farms for Livestock Production ("Al Ain Farms") for a consideration of AED 61,000 thousand. Following is a summary of the increase in shareholding, with corresponding adjustment in non-controlling interest:

Increase in shareholding (%)	**12%**
Carrying value of the shareholding acquired (AED '000)	**91,607**
Less: consideration paid (AED '000)	**(61,000)**
Gain recognized directly to retained earnings (AED '000)	**30,607**

6.4 Equity contribution to Al Ain Farms during 2024

In March 2024, the Group made an equity contribution of AED 98,246 thousand to Al Ain Farms against which no contribution was made by the non-controlling interest. This transaction resulted in an increase in non-controlling interest by AED 36,351 thousand, representing 37% of the contribution made which was recorded as other equity movement under merger and other reserves in the consolidated statement of changes in equity.

6.5 Acquisition under IFRS 3 Business Combination during the prior year

Marmum Dairy Farm LLC ("Marmum") and United Sales Partners LLC ("USP")
In April 2024, Al Ain Farms for Livestock Production PJSC ("Al Ain Farms"), a subsidiary, acquired a 100% equity interest in Al Ajban Poultry LLC ("Ajban Poultry"), Al Ajban Fodders Factory LLC ("Ajban Fodders"), Marmum Dairy Farm LLC ("Marmum") and United Sales Partners LLC ("USP"), for a consideration in the form of 4,699,374 new shares of Al Ain Farms:

- 1,517,506 shares were allocated to Ghitha Manufacturing Holding LLC, a subsidiary, in return of acquiring its 100% ownership interest in Ajban Poultry and Ajban Fodders; and

- 3,181,868 shares were allocated to a third party in return of acquiring its 100% ownership interest in Marmum and USP.

Marmum Dairy Farm LLC ("Marmum")
Marmum Dairy Farm LLC ("Marmum") is a limited liability company registered in Abu Dhabi and is engaged in milk-producing cows raising and manufacturing raw milk, dairy products and fruit flavoured drinks.

United Sales Partners LLC ("USP")
United Sales Partners LLC ("USP") is a limited liability company registered in Dubai and is engaged in trading and distribution of dairy and juice products in the UAE.

From the date of acquisition, Marmum and USP contributed revenue and profit to the Group amounting to AED 297,294 thousand and AED 12,915 thousand respectively for the year ended 31 December 2024. If the acquisition had taken place at the beginning of 2024, Marmum and USP would have contributed revenue and profit to the Group amounting to AED 393,015 thousand and AED 19,065 thousand respectively for the year ended 31 December 2024.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

6 BUSINESS COMBINATIONS continued

6.5 Acquisition under IFRS 3 Business Combination during the prior year continued

International Food Industries LLC ("IFI")
In November 2024, Zee Stores International LLC ("Zee Stores"), a subsidiary, acquired a 70.09% equity interest in International Food Industries LLC ("IFI"), for a consideration of AED 41,000 thousand. The consideration was in the form of cash injection into the Company, against which new shares were issued to Zee Stores in accordance with the share subscription agreement. IFI is a limited liability company, registered in the Emirate of Fujairah and is engaged in processing, packaging, import, and export of Legumes.

From the date of acquisition, IFI contributed revenue and loss to the Group amounting to AED 768 thousand and AED 508 thousand respectively for the year ended 31 December 2024. If the acquisition had taken place at the beginning of 2024, IFI would have contributed revenue and loss to the Group amounting to AED 4,330 thousand and AED 5,757 thousand respectively for the year ended 31 December 2024.

Assets acquired and liabilities assumed
The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

	Marmum and USP			*IFI*	*Total*
	Marmum	*USP*	*Total*		
	AED '000	*AED '000*	*AED '000*	*AED '000*	*AED '000*
Assets					
Property, plant and equipment	616,038	15,277	631,315	24,629	655,944
Intangible assets	7	58	65	-	65
Right of use asset	-	-	-	515	515
Biological assets	71,468	-	71,468	-	71,468
Inventories	48,091	2,178	50,269	2,217	52,486
Due from related parties	15,148	-	15,148	-	15,148
Trade and other receivables	43,087	75,399	118,486	21,558	140,044
Cash and bank balances	42,393	5,579	47,972	12,159	60,131
Total assets	**836,232**	**98,491**	**934,723**	**61,078**	**995,801**
Liabilities					
Employees' end of service benefits	2,766	3,353	6,119	738	6,857
Lease liability	-	-	-	517	517
Bank borrowings	-	-	-	8,431	8,431
Due to related parties	471	15,286	15,757	2,208	17,965
Trade and other payables	120,310	23,199	143,509	11,614	155,123
Total liabilities	**123,547**	**41,838**	**165,385**	**23,508**	**188,893**
Total identified net assets at fair value (i)	**712,685**	**56,653**	**769,338**	**37,570**	**806,908**
Less: non-controlling interest on acquisition	-	-	-	(11,237)	(11,237)
Proportionate share of identified net assets acquired	**712,685**	**56,653**	**769,338**	**26,333**	**795,671**
Goodwill arising on acquisition			-	14,667	14,667
Gain on bargain purchase			(71,800)	-	(71,800)
Purchase consideration (ii)			**697,538**	**41,000**	**738,538**
Non-controlling interest on acquisition			**-**	**(11,237)**	**(11,237)**

6 BUSINESS COMBINATIONS continued

6.5 Acquisition under IFRS 3 Business Combination during the prior year continued

Assets acquired and liabilities assumed continued
During the year, the purchase price allocations for IFI was completed.

Goodwill of AED 14,667 thousand arising from the acquisitions comprises largely the value of expected synergies arising from the acquisitions, which are not separately recognised.

The fair value measurement is based on significant inputs that are not observable in the market, which IFRS 13 "Fair Value Measurement" refers to as level 3 inputs. The fair value estimate is based on:

- Assumed discount rates ranges from 10.8% to 12.2%; and
- A terminal value of 2%, calculated based on long-term sustainable growth rates for the industry, which has been used to determine income for the future years.

Details of purchase consideration on acquisitions is as follows:

	Marmum & USP *AED '000*	***IFI*** *AED '000*	***Total*** *AED '000*
Cash paid for the acquisition	-	25,000	25,000
Consideration Payable	-	16,000	16,000
Fair value of consideration transferred (i)	697,538	-	697,538
Total purchase consideration	**697,538**	**41,000**	**738,538**

(i) Al Ain Farms allocated 3,181,868 new shares at a fair value of AED 697,538 thousand to a third party as a form of consideration to acquire 100% ownership interest in Marmum and USP. The non-controlling interest share of the newly allocated shares amounted to AED 360,627 thousand.

Analysis of cashflows on acquisitions is as follows:

	Marmum & USP *AED '000*	***IFI*** *AED '000*	***Total*** *AED '000*
Cash paid for the acquisition	-	(25,000)	(25,000)
Cash acquired on business combination	47,972	12,159	60,131
Acquisition of operating business - net of cash acquired (included in cash flows from investing activities)	**47,972**	**(12,841)**	**35,131**
Transaction costs of the acquisition (included in cash flows from operating activities)	(1,891)	(594)	(2,485)
Net cash acquired (paid) on acquisition	**46,081**	**(13,435)**	**32,646**

Acquisition-related costs, amounting to AED 2,485 thousand were expensed during the year ended 31 December 2024 and are included in selling, general and administrative expenses.

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

6 BUSINESS COMBINATIONS continued

6.6 Reduction in shareholding of subsidiaries without a loss of control during 2024

In April 2024, Al Ain Farms for Livestock Production PJSC ("Al Ain Farms"), a subsidiary, allocated new shares to the Group and a third party as a consideration to acquire businesses (note 6.5), which diluted the Group's shareholding in Ajban Fodders, Ajban Poultry and Al Ain Farms. Following is a summary of the reduction in shareholding, with corresponding increase in non-controlling interest:

	Ajban Fodders	***Ajban Poultry***	***Al Ain Farms***	***Total***
Reduction in shareholding (%)	51.7%	51.7%	14.7%	
Carrying value of the shareholding disposed-off *(AED'000)*	351	140,569	105,230	246,150
Less: consideration received *(AED'000)*	(351)	(140,569)	(195,991)	(336,911)
Gain recognised directly to retained earnings	**-**	**-**	**(90,761)**	**(90,761)**

The decrease in shareholding of the above subsidiaries resulted in an increase in non-controlling interest by AED 246,150 thousand.

6 BUSINESS COMBINATIONS continued

6.7 Derecognition of a subsidiary – Apex Investment PSC during 2024

In January 2024, the Group lost control over Apex Investment PSC ("Apex") following the disposal of 3% shareholding against a cash consideration of AED 213,192 thousand and losing majority representation on the board of directors. The retained shareholding interest of 48.5% was recorded as an investment in an associate at its fair value on the date of loss of control (note 16).

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

	AED'000
Assets	
Property, plant and equipment	346,769
Intangible assets and goodwill	6,911
Right-of-use assets	16,065
Investment in associates and joint ventures	44,861
Investment in financial assets	587,821
Inventories	75,462
Due from related parties	186,413
Trade and other receivables	256,836
Cash and bank balances	681,472
Total assets	**2,202,610**
Liabilities	
Employees' end of service benefits	8,324
Due to related parties	61,692
Lease liabilities	1,532
Bank borrowings	14,142
Deferred tax liability	619
Trade and other payables	164,234
Total liabilities	**250,543**
Net assets	**1,952,067**
Less: non-controlling interest	(946,626)
Net assets attributable to the owner	**1,005,441**
Consideration received (i)	3,660,093
Gain on derecognition	**2,654,652**

(i) Consideration received consists of the following:

Cash consideration	213,192
Fair value of the 48.5% retained interest in Apex*	3,446,901
	3,660,093

*The fair value of the shares was calculated with reference to the quoted price of the shares of Apex on the date of disposal.

On derecognition of Apex as subsidiary, an amount of AED 33,410 thousand pertaining to cumulative changes on revaluation of investments carried at fair value through other comprehensive income has been transferred to retained earnings.

6 BUSINESS COMBINATIONS continued

6.7 Derecognition of a subsidiary – Apex Investment PSC during 2024 continued

Analysis of cashflows on derecognition of Apex is as follows:

	AED'000
Cash received from derecognition	**213,192**
Cash given up on derecognition	**(681,472)**
Net cash outflow (included in cash flows from investing activities)	**(468,280)**

The results of the operations of the above-mentioned disposed subsidiary were not segregated on the face of the consolidated statement of profit or loss, as the amounts are insignificant.

7 REVENUE FROM CONTRACTS WITH CUSTOMERS

	2025 AED'000	2024 AED'000
Types of goods or services		
Sale of goods (food and non-food items)	**5,580,160**	4,855,454
Catering services	**-**	33,277
Sale of cement	**-**	17,360
Facility management services	**-**	8,996
Contracting services	**-**	786
	5,580,160	4,915,873
Geographical concentration of revenue		
Within UAE	**4,610,219**	4,039,330
Outside UAE	**969,941**	876,543
	5,580,160	4,915,873
Timing of revenue recognition		
Revenue at a point in time	**5,580,160**	4,909,254
Revenue over time	**-**	6,619
	5,580,160	4,915,873

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

8 COST OF SALES

	2025 AED'000	2024 AED'000
Cost of goods sold	**4,099,572**	3,711,887
Staff costs (note 12)	**108,574**	93,151
Depreciation on property, plant and equipment (note 14)	**113,153**	95,162
Depreciation of biological assets (note 17)	**54,243**	40,773
Depreciation of right-of-use assets (note 25)	**4,778**	3,590
Amortisation of intangible assets (note 15)	**1**	8
	4,380,321	3,944,571

9 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2025 AED'000	2024 AED'000
Staff costs (note 12)	**438,468**	370,827
Rent, utilities and transportation	**169,164**	143,402
Sales promotion and marketing	**95,250**	47,857
Depreciation on property, plant and equipment (note 14)	**63,319**	58,423
Repair and maintenance expenses	**30,602**	27,000
Legal and professional expenses	**29,627**	33,076
Amortisation of intangible assets (note 15)	**24,698**	17,224
Depreciation of right-of-use assets (note 25)	**16,814**	11,625
Allowance for slow moving inventories	**10,574**	5,880
Allowance for expected credit losses on trade receivables and due from related parties (note 20 & 29)	**5,237**	30,131
Others	**74,875**	67,098
	958,628	812,543

10 FINANCE COSTS

	2025 AED'000	2024 AED'000
Interest expense on bank borrowings	**62,720**	54,438
Interest expense on loans from related parties (note 29)	**12,471**	12,505
Interest expense on lease liabilities (note 25)	**8,805**	5,121
Interest expense on other interest bearing payable	**1,833**	2,571
Bank charges	**2,323**	2,485
Others	**165**	504
	88,317	77,624

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

11 OTHER INCOME, NET

	2025 AED'000	2024 AED'000
Rental income	**23,118**	22,158
Loss on disposal of biological assets	**(11,976)**	(14,770)
Gain on disposal of property, plant and equipment and intangible assets	**753**	804
Dividend income	**209**	144
Miscellaneous income and others	**16,038**	12,499
	28,142	20,835

12 STAFF COSTS

	2025 AED'000	2024 AED'000
Salaries and other short-term benefits	**531,606**	454,755
Employees' end of service benefits	**15,436**	9,223
	547,042	463,978
Staff costs is allocated as follows:		
Cost of sales (note 8)	**108,574**	93,151
Selling, general and administrative expenses (note 9)	**438,468**	370,827
	547,042	463,978

13 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year as follows:

Diluted earnings per share is calculated by dividing the profit for the year attributed to the owners of the Company by the weighted average number of shares in issue throughout the year, adjusted for the effects of dilutive instruments.

	2025	2024
Profit attributable to the owners of the Company (AED '000)		
- Continuing operations	**106,208**	2,746,380
- Discontinued operations	**(69,700)**	(190,245)
	36,508	2,556,135
Weighted average number of shares (No. '000)	**241,600**	241,600
Basic and diluted earnings per share for the year (AED)		
- Continuing operations	**0.44**	11.37
- Discontinued operations	**(0.29)**	(0.79)
Basic and diluted earnings per share for the year (AED)	**0.15**	10.58

As of 31 December 2025, and 2024, the Company has not issued any instruments that have a dilutive impact on earnings per share when exercised.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

14 PROPERTY, PLANT AND EQUIPMENT

	Land AED '000	Building and leasehold improvements AED '000	Plant and machinery AED '000	Furniture, fixtures and office equipment AED '000	Motor vehicles AED '000	Capital work in progress AED '000	Bearer plants AED '000	Total AED '000
2025								
Cost:								
At 1 January 2025	192,787	1,824,355	1,085,333	77,125	237,235	52,662	57,554	3,527,051
Acquired in business combinations (note 6.1)	-	196,699	165,998	22,706	12,521	134	-	398,058
Additions during the year	-	23,285	21,685	8,175	14,547	30,794	25,135	123,621
Transfer from capital work in progress	-	24,274	4,160	2,302	172	(30,908)	-	-
Transfer to assets held for sale	-	-	-	(9)	-	-	-	(9)
Foreign currency translation adjustments	2,447	1,110	1,133	26	88	93	3,735	8,632
Disposals and write offs during the year	-	(100)	(4,248)	(547)	(8,691)	-	-	(13,586)
At 31 December 2025	**195,234**	**2,069,623**	**1,274,061**	**109,778**	**255,872**	**52,775**	**86,424**	**4,043,767**
Accumulated depreciation:								
At 1 January 2025	-	636,975	627,936	63,589	169,785	-	24	1,498,309
Acquired in business combinations (note 6.1)	-	95,723	89,808	17,715	9,403	-	-	212,649
Charge for the year	-	87,622	65,680	7,563	21,735	-	131	182,731
Related to assets held for sale	-	-	-	(2)	-	-	-	(2)
Foreign currency translation adjustments	-	105	504	111	49	-	-	769
Related to disposals and write offs	-	(94)	(1,664)	(423)	(8,013)	-	-	(10,194)
At 31 December 2025	**-**	**820,331**	**782,264**	**88,553**	**192,959**	**-**	**155**	**1,884,262**
Net carrying amount:								
31 December 2025	**195,234**	**1,249,292**	**491,797**	**21,225**	**62,913**	**52,775**	**86,269**	**2,159,505**

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

14 PROPERTY, PLANT AND EQUIPMENT continued

	Land AED '000	Building and leasehold improvements AED '000	Plant and machinery AED '000	Furniture, fixtures and office equipment AED '000	Motor vehicles AED '000	Capital work in progress AED '000	Bearer plants AED '000	Total AED '000
2024								
Cost:								
At 1 January 2024	114,261	1,454,742	1,839,041	78,248	197,465	55,468	64,958	3,804,183
Acquired in business combinations (note 6.5)	101,577	516,287	216,869	23,904	43,845	9,308	-	911,790
Additions during the year	-	18,962	15,374	5,743	21,462	36,536	19,335	117,412
Transfer from capital work in progress	-	34,908	12,095	550	314	(47,867)	-	-
Derecognition of a subsidiary (note 6.7)	-	(38,632)	(882,927)	(30,395)	(17,890)	(581)	-	(970,425)
Transfer to assets held for sale	-	(154,103)	(112,808)	(99)	(952)	-	-	(267,962)
Transfer to intangible assets (note 15)	-	-	-	(664)	-	-	-	(664)
Reclassifications	-	-	4,131	-	-	-	-	4,131
Foreign currency translation adjustments	(23,051)	(6,411)	(6,338)	(128)	(2,975)	(84)	(26,739)	(65,726)
Disposals and write offs during the year	-	(1,398)	(104)	(34)	(4,034)	(118)	-	(5,688)
At 31 December 2024	192,787	1,824,355	1,085,333	77,125	237,235	52,662	57,554	3,527,051
Accumulated depreciation:								
At 1 January 2024	-	517,997	1,072,263	61,666	133,027	-	-	1,784,953
Acquired in business combinations (note 6.5)	-	118,102	88,075	19,231	30,438	-	-	255,846
Charge for the year	-	75,750	68,985	6,363	19,984	-	24	171,106
Derecognition of a subsidiary (note 6.7)	-	(23,505)	(568,380)	(22,833)	(8,938)	-	-	(623,656)
Related to assets held for sale	-	(49,035)	(33,437)	(117)	(954)	-	-	(83,543)
Transfer to intangible assets (note 15)	-	-	-	(660)	-	-	-	(660)
Reclassifications	-	-	4,131	-	-	-	-	4,131
Foreign currency translation adjustments	-	(2,333)	(3,634)	(37)	(545)	-	-	(6,549)
Related to disposals and write offs	-	(1)	(67)	(24)	(3,227)	-	-	(3,319)
At 31 December 2024	-	636,975	627,936	63,589	169,785	-	24	1,498,309
Net carrying amount:								
31 December 2024	192,787	1,187,380	457,397	13,536	67,450	52,662	57,530	2,028,742

14 PROPERTY, PLANT AND EQUIPMENT continued

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

	2025	2024
	AED'000	AED'000
Cost of sales (note 8)	**113,153**	95,162
Selling, general and administrative expenses (note 9)	**63,319**	58,423
Assets held for sale	**2**	300
Capitalised to inventories	**1,713**	-
Capitalised to bearer plants	**2,775**	2,907
Capitalised to biological assets	**1,769**	14,314
	182,731	171,106

15 INTANGIBLE ASSETS AND GOODWILL

	Goodwill AED '000	Brand names AED '000	Customer relationship AED '000	Trademarks AED '000	Trade license AED '000	Lease benefits AED '000	Others AED '000	Total AED '000
At 1 January 2025	173,300	3,761	86,357	14,851	7,312	80,460	3,087	369,128
Acquired in business combinations (note 6.1)	83,386	26,600	153,600	44	-	-	2	263,632
Additions	-	-	-	-	-	-	3,510	3,510
Foreign currency translation adjustments	-	-	-	-	-	-	71	71
Amortisation during the year	-	-	(15,625)	-	(1,801)	(6,312)	(1,205)	(24,943)
At 31 December 2025	**256,686**	**30,361**	**224,332**	**14,895**	**5,511**	**74,148**	**5,465**	**611,398**
At 1 January 2024	165,516	3,761	94,509	14,851	9,011	86,772	3,952	378,372
Acquired in business combinations (note 6.5)	14,667	-	-	-	-	-	65	14,732
Additions	-	-	-	-	-	-	1,109	1,109
Derecognition of a subsidiary (note 6.7)	(6,883)	-	-	-	-	-	(28)	(6,911)
Transfer from property, plant and equipment (note 14)	-	-	-	-	-	-	4	4
Transfer to assets held for sale	-	-	-	-	-	-	(173)	(173)
Foreign currency translation adjustments	-	-	-	-	-	-	(612)	(612)
Amortisation during the year	-	-	(8,152)	-	(1,699)	(6,312)	(1,230)	(17,393)
At 31 December 2024	173,300	3,761	86,357	14,851	7,312	80,460	3,087	369,128

15 INTANGIBLE ASSETS AND GOODWILL continued

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

	2025 **AED'000**	2024 AED'000
Cost of sales (note 8)	**1**	8
Selling, general and administrative expenses (note 9)	**24,698**	17,224
Assets held for sale	**-**	49
Capitalised to biological assets	**244**	112
	24,943	17,393

During the fourth quarter of 2025 and 2024, management performed its annual impairment review of goodwill and intangible assets with indefinite useful lives, using the discounted cashflow model approach.

The recoverable amounts have been computed based on the value in use approach derived from financial projections made for a five-year period plus a terminal value thereafter. The methodology used for the estimation of fair value less cost to sell was the discounted cash flow approach.

The following key assumptions were used in the discounted cashflow review:

- Terminal growth rate: 2% (2024: 2%)
- Discount rate: 9.1% - 14.2% (2024: 9.3% - 14.3%)

Based on the impairment assessment the estimated recoverable amounts exceeded the carrying values and management concluded that no impairment loss is required to be recognised at the reporting date.

16 INVESTMENT IN ASSOCIATES

Details of the Group's associates are as follows:

Name of entity	*Principal activities*	*Ownership interest*	
		2025	*2024*
Invictus Investment Company PLC	Trading of agricultural commodities, food products, non-manufactured precious metal trading and other general items	**22.32%**	22.32%
Anina Culinary Art Ltd.	Development of a technology that prepares a nutritionally balanced meal from fresh ugly produce that otherwise would have been discharged.	**45%**	45%
Apex Investment PSC and its subsidiaries (i)	Holding Company	**48.5%**	48.5%

(i) Apex Investment PSC ("Apex")

Effective 30 January 2024, Apex, previously a subsidiary, became an associate of the Group due to loss of control (note 6.7). The Group retains significant influence in Apex, through its board representation (i.e. two out of five board members) and its participation in decisions over the relevant activities.

Movement in investment in associates is as follows:

	2025 **AED'000**	2024 AED'000
At 1 January	**4,098,665**	664,684
Share of profit for the year	**49,324**	49,074
Share of other comprehensive income (loss) for the year	**933**	(7,089)
Dividend received during the year	**(7,368)**	(10,044)
Additions during the year (note 6.7)	-	3,446,901
Derecognition of a subsidiary (note 6.7)	-	(44,861)
At 31 December	**4,141,554**	4,098,665

16 INVESTMENT IN ASSOCIATES continued

Summarised financial information in respect of the associates of the Group is set out below:

Summarised statements of financial position:

	2025 AED'000	2024 AED'000
Non-current assets	**2,389,080**	742,451
Current assets	**7,355,654**	5,518,236
Non-current liabilities	**(793,375)**	(704,165)
Current liabilities	**(5,327,373)**	(2,334,393)
Equity (100%)	**3,623,986**	3,222,129
Group percentage holding	**22.3% - 48.5%**	22.3% - 48.5%
Group's share in net assets	**1,379,830**	1,249,918
Group's carrying amount of the investments (including goodwill and intangible assets)	**4,141,554**	4,098,665

Summarised statements of Profit or loss:

	2025 AED'000	2024 AED'000
Revenue	**14,145,377**	9,526,777
Expenses, including other income (losses), net of tax	**(13,882,611)**	(9,333,947)
Profit for the year	**262,766**	192,830
Other comprehensive income (loss)	**8,409**	(14,863)
Total comprehensive income	**271,175**	177,967
Group percentage holding	**22.3% - 48.5%**	22.3% - 48.5%
Group's share of profit	**49,324**	49,074
Group's share of other comprehensive loss	**933**	(7,089)
Group's share of total comprehensive income	**50,257**	41,985

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

16 INVESTMENT IN ASSOCIATES continued

Contingencies and commitments:
The Group's share in material contingencies and commitments of the associates is as follows:

	2025 **AED'000**	2024 AED'000
Letters of guarantees and credits	**184,260**	193,392
Capital commitment	**71,425**	117,555

17 BIOLOGICAL ASSETS

	2025 **AED'000**	2024 AED'000
Immature livestock		
- Cows	**61,867**	34,921
- Camels	**5,617**	5,576
	67,484	40,497
Mature livestock		
- Cows	**128,945**	132,503
- Camels	**5,802**	5,781
	134,747	138,284
Chicken	**32,926**	11,559
Total	**235,157**	190,340

17 BIOLOGICAL ASSETS continued

Movement in biological assets is as follows:

	2025 AED‘000	2024 AED‘000
At 1 January	**190,340**	177,034
Acquired in business combinations (note 6.1 / 6.5)	**13,059**	71,468
Additions during the year, including capitalization of depreciation of property, plant and equipment	**97,160**	88,651
Depreciation for the year (note 8)	**(54,243)**	(40,773)
Disposals during the year	**(43,774)**	(32,580)
Change in valuation, net of impairment losses	**32,615**	15,247
Transfer to assets held for sale	**-**	(88,707)
At 31 December	**235,157**	190,340

Disclosed in the consolidated statement of financial position as follows:

	2025 AED‘000	2024 AED‘000
Current	**20,078**	8,654
Non-current	**215,079**	181,686
	235,157	190,340

18 INVESTMENTS IN FINANCIAL ASSETS

	Notes	2025 AED‘000	2024 AED‘000
Investments carried at fair value through other comprehensive income	18.1	**-**	-
Investments carried at fair value through profit or loss	18.2	**3,773**	4,447
		3,773	4,447

18.1 Investments carried at fair value through other comprehensive income

These investments in equity instruments were not held for trading. Instead, they were held for long-term strategic purposes. Accordingly, management of the Group had elected to designate these investments in financial instruments as FVTOCI as they believe that recognising short-term fluctuations in these investments’ fair value in profit or loss would not be consistent with the Group’s strategy of holding these investments for long-term purposes and realising their performance potential in the long run.

18 INVESTMENTS IN FINANCIAL ASSETS continued

18.1 Investments carried at fair value through other comprehensive income continued

The investments were recorded at fair value using the valuation techniques as disclosed in note 35. Movement in investments in financial assets carried at fair value through other comprehensive income is as follows:

	2025 **AED'000**	2024 AED'000
At 1 January	**-**	144,322
Changes in fair value	**-**	939
Derecognition of a subsidiary	**-**	(145,261)
At 31 December	**-**	-

18.2 Investments carried at fair value through Profit or loss

	2025 **AED'000**	2024 AED'000
Quoted equity investments and inside the UAE	**3,773**	4,447

These investments in equity instruments are held for trading with an intention of recognising short-term fluctuations in these investments. Fair values of the quoted investments are determined by reference to published price quotations in an active market.

The investments are recorded at fair value using the valuation techniques as disclosed in note 35. Movement in investments in financial assets carried at fair value through profit or loss is as follows:

	2025 **AED'000**	2024 AED'000
At 1 January	**4,447**	550,268
Additions during the year	**-**	4,189
Disposals during the year	**-**	(84,035)
Derecognition of a subsidiary	-	(442,560)
Changes in fair value	**(674)**	(23,415)
At 31 December	**3,773**	4,447

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

19 INVENTORIES

	2025 AED'000	2024 AED'000
Finished goods	**394,515**	306,729
Packaging and raw material	**140,296**	129,703
Spare parts and other consumables	**45,313**	36,377
Animal feed	**20,695**	38,567
Medical supplies	**6,613**	5,812
Work in progress	**5,592**	5,133
	613,024	522,321
Goods in transit	**35,115**	42,716
Less: allowance for slow moving inventories	**(29,583)**	(24,954)
	618,556	540,083

Movement in allowance for slow moving inventories is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**24,954**	17,355
Charge for the year	**11,108**	7,335
Acquired in business combination	**-**	8,051
Derecognition of a subsidiary	**-**	(5,976)
Reversals during the year	**(6,479)**	(1,811)
At 31 December	**29,583**	24,954

20 TRADE AND OTHER RECEIVABLES

	2025 AED'000	2024 AED'000
Trade receivables and unbilled receivables	**1,133,601**	884,974
Less: allowance for expected credit losses	**(91,507)**	(84,377)
	1,042,094	800,597
Deposits and other receivables	**28,335**	43,167
Advances to suppliers	**80,545**	69,323
Prepayments	**54,568**	37,449
Margin receivables	**1,690**	4,722
	1,207,232	955,258

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

20 TRADE AND OTHER RECEIVABLES continued

As at 31 December 2025, trade receivables of AED 91,507 thousand (2024: AED 84,377 thousand) were impaired. Movements in the allowance for expected credit losses were as follows:

	2025 AED'000	2024 AED'000
At 1 January	**84,377**	81,571
Acquired in business combinations	**8,152**	9,026
Charge for the year (note 9)	**18,983**	16,908
Derecognition of a subsidiary	**-**	(17,462)
Reclassification / transferred to assets held for sale	**2,636**	(852)
Foreign currency translation adjustment	**551**	-
Write off	**(23,192)**	(4,814)
At 31 December	**91,507**	84,377

The carrying amounts of the Group's trade receivables are denominated in the UAE Dirham and approximate their fair value as at 31 December 2025 and 2024.

The average credit period on sales of goods is 60 to 120 days (2024: 60-120 days). No interest is charged on the trade receivables. Before accepting any new customer, the Group assesses the potential credit quality of the customer. The Group has policies in place to ensure that credit sales are rendered to customers with an appropriate credit history. The maximum exposure to credit risk at the reporting date is the carrying value of each class of the receivables mentioned above. The Group does not hold any collateral as security.

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the customer base being large and unrelated.

Below is the information about the credit risk exposure on the Group's trade receivables:

		Past due					
	Not past due AED '000	**1-30 AED '000**	**31-60 AED '000**	**61-120 AED '000**	**121-360 AED '000**	**> 360 AED '000**	**Total AED '000**
31 December 2025							
Expected credit loss	0.44%	0.21%	0.86%	5.47%	21.12%	80.25%	
Estimated total gross carrying amount as default	506,839	311,434	101,486	62,716	62,474	88,652	1,133,601
Expected credit loss	2,205	659	875	3,432	13,194	71,142	91,507
31 December 2024							
Expected credit loss	0.11%	1.04%	0.90%	4.19%	22.65%	91.62%	
Estimated total gross carrying amount as default	399,394	272,462	60,188	35,089	41,868	75,973	884,974
Expected credit loss	441	2,835	539	1,471	9,482	69,609	84,377

21 CASH AND BANK BALANCES

	2025 AED'000	2024 AED'000
Cash in hand	**4,135**	13,205
Bank balances		
Current accounts	**274,664**	243,957
Term and wakala deposits	**276,350**	347,850
Less: allowance for expected credit losses	**(17)**	(5)
Cash and bank balances	**555,132**	605,007
Add:		
Cash and bank balances attributable to discontinued operations	**2,059**	1,280
Less:		
Term deposits with an original maturity of more than three months	**(65,350)**	(177,350)
Bank overdrafts (note 26)	**-**	(2,121)
Cash and cash equivalents	**491,841**	426,816

Term deposits are placed with commercial banks. These are mainly denominated in the UAE Dirhams and earn interest at market rates. These deposits have an original maturity of less than 12 months.

Balances with banks are assessed to have low credit risk since they are highly regulated by the central banks of the respective countries. Accordingly, the Group estimates the loss allowance on balances with banks at an amount equal to 12-month ECL. None of the balances with banks are past due and taking into account the historical default experience and the current credit ratings of the bank, impairment loss allowances of AED 17 thousand (2024: AED 5 thousand) is considered sufficient.

Significant non-cash transactions:
Significant non-cash transactions are disclosed under note 6 and 29.

22 SHARE CAPITAL

	2025 AED'000	2024 AED'000
Authorised, issued and fully paid shares		
241,600 thousand ordinary shares of AED 1 each (31 December 2024: 241,600 thousand ordinary shares of AED 1 each)	**241,600**	241,600

Contributed capital
Contributed capital of AED 37,294 thousand (2024: AED 37,294 thousand) represents a long-term interest free advance from shareholders with no fixed terms of repayment. The shareholders have confirmed that this will not be called in the foreseeable future, and that, on dissolution of the company, the rights, benefits and obligations in the residual net assets and liabilities, attached to the balance in the additional shareholder contribution account, shall rank pari passu with those attached to the share capital of the company. Therefore, this advance is more akin to an equity instrument rather than a liability, and accordingly the balance has been presented within equity.

22 SHARE CAPITAL continued

Dividend

During the year, dividend attributable to non-controlling interests amounting to AED 66,502 thousand (31 December 2024: AED 63,345 thousand) was declared, out of which AED 47,233 thousand (31 December 2024: AED 5,629 thousand) was paid to a non-controlling interest.

23 STATUTORY RESERVE

In accordance with the UAE Federal Law No. (32) of 2021, and the Company's Articles of Association, 10% of the profit for the year is transferred to legal reserve, which is non-distributable. Transfers to this reserve are required to be made until such time as it equals at least 50% of the share capital of the Company.

24 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2025 **AED'000**	2024 AED'000
At 1 January	**74,714**	70,879
Acquired in business combinations (note 6.1/ note 6.5)	**10,640**	6,857
Charge for the year	**15,442**	9,279
Derecognition of a subsidiary (note 6.7)	**-**	(8,324)
Transfer to assets held for sale	**(8)**	(897)
Foreign currency translation adjustment	**1**	(2)
Transfer to a related party	**-**	(230)
Paid during the year	**(6,989)**	(2,848)
At 31 December	**93,800**	74,714

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

25 RIGHT-OF-USE OF ASSETS AND LEASE LIABILITIES

Set out below are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the year:

Right-of-use assets:

	Land AED '000	Motor vehicles AED '000	Building, accommodation and warehouses AED '000	Total AED '000
2025				
At 1 January 2025	73,609	-	18,396	92,005
Acquired in business combinations (note 6.1)	73,288	5,249	2,595	81,132
Additions during the year	3,214	6,097	5,984	15,295
Depreciation expense	(12,397)	(2,101)	(7,066)	(21,564)
Lease modification	(1,563)	-	(159)	(1,722)
Foreign exchange translation adjustments	14	-	(182)	(168)
At 31 December 2025	**136,165**	**9,245**	**19,568**	**164,978**
2024				
At 1 January 2024	96,517	42	20,790	117,349
Acquired in business combinations (note 6.5)	515	-	-	515
Additions during the year	9,711	-	7,430	17,141
Derecognition of a subsidiary (note 6.7)	(16,065)	-	-	(16,065)
Transfer to assets held for sale	(12,421)	-	-	(12,421)
Depreciation expense	(5,975)	(42)	(9,824)	(15,841)
Lease modification	1,482	-	-	1,482
Foreign exchange translation adjustments	(155)	-	-	(155)
At 31 December 2024	73,609	-	18,396	92,005

25 RIGHT-OF-USE OF ASSETS AND LEASE LIABILITIES continued

Lease liabilities:

	2025	2024
	AED'000	AED'000
As at 1 January	**98,973**	107,396
Acquired in business combinations (note 6.1/ 6.5)	**89,303**	517
Additions during the year	**15,295**	17,141
Interest expense	**8,805**	6,308
Lease modification/cancellation	**(1,829)**	1,426
Payments made during the year	**(27,132)**	(16,661)
Derecognition of a subsidiary (note 6.7)	**-**	(1,532)
Transfer to assets held for sale	**-**	(15,457)
Foreign exchange translation adjustments	**(173)**	(165)
As at 31 December	**183,242**	98,973

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

	2025	2024
	AED'000	AED'000
Non-current	**158,445**	82,055
Current	**24,797**	16,918
	183,242	98,973

The Group does not face a significant liquidity risk with regard to its liabilities. Lease liabilities are monitored within the Group's treasury function. Maturity analysis of the undiscounted lease payments as at 31 December 2025 and 2024 is disclosed under note 34.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

25 RIGHT-OF-USE OF ASSETS AND LEASE LIABILITIES continued

Amounts recognised in the consolidated statement of profit or loss:

	2025 AED'000	2024 AED'000
Depreciation of right-of-use assets *(cost of sales)*	**4,778**	3,590
Depreciation of right-of-use assets *(selling, general and administrative expense)*	**16,814**	11,625
Depreciation of right-of-use assets *(assets held for sale)*	**-**	626
Gain on lease modification *(other income)*	**(28)**	(56)
Interest expense on lease liabilities *(assets held for sale)*	**-**	1,187
Interest expense on lease liabilities *(finance cost)*	**8,805**	5,121
	30,369	22,093

26 BANK BORROWINGS

	2025 AED'000	2024 AED'000
Long term loans	**992,388**	701,350
Short term loans	**154,416**	132,147
Bank overdrafts	**-**	2,121
	1,146,804	835,618

Disclosed in the consolidated statement of financial position as follows:

	2025 AED'000	2024 AED'000
Non-current	**792,925**	497,388
Current	**353,879**	338,230
	1,146,804	835,618

26 BANK BORROWINGS continued

Long term loans
These represents term loans, obtained by the Group from commercial and Islamic banks within United Arab Emirates to finance its acquisitions and other capital expenditures.

	Interest rates	Maturity	Instalments	2025 AED'000	2024 AED'000
Term loan 1	Fixed	Q4 2027	Annual	**200,000**	300,000
Term loan 2	EIBOR + margin	Q1 2028	Annual	**267,800**	353,000
Term loan 3	EIBOR + margin	Q4 2027	Quarterly	**12,300**	25,300
Term loan 4	EIBOR + margin	Q4 2028	Quarterly	**17,288**	23,050
Term loan 5 (i)	EIBOR + margin	Q4 2031	Quarterly	**240,000**	-
Term loan 6 (i)	EIBOR + margin	Q1 2032	Quarterly	**255,000**	-
				992,388	701,350

(i) During the year, the Group obtained two new term loan facilities from commercial and islamic banks within United Arab Emirates to finance its acquisitions, amounting to AED 495,000 thousand. The term loan facilities carry an interest rate of EIBOR plus margin, payable quarterly, with the principal repayable in 20 quarterly instalments commencing two years from the drawdown date.

The term loans are secured against mortgages over the certain assets, assignment of dividend proceeds, corporate guarantee of a subsidiary and pledge of shares of certain subsidiaries and associates.

Subsequent to the year end, the Group has entered into an agreement with a bank for the buyout of certain existing terms facilities. The buyout is subject to completion.

Short term loans
The short-term loans were obtained by the Group from commercial and Islamic banks within United Arab Emirates to meet the working capital requirements. The facilities carry interest rates which are linked to inter-banking lending rates and are repayable within one year. The loans are secured against the assignment of current assets.

Bank overdrafts
Bank overdrafts represent bank credit facilities from financial institutions in the United Arab Emirates up to a limit of AED 130 million (2024: AED 70 million). The interest rates payable on bank overdrafts are linked to the inter-bank lending rates.

Movement in bank borrowings during the year is as follows:

	2025 AED'000	2024 AED'000
At 1 January	**835,618**	959,439
Acquired in business combinations (note 6.1/ note 6.5)	**6,813**	8,431
Drawdowns	**972,282**	457,196
Derecognition of a subsidiary (note 6.7)	**-**	(14,142)
Repayments	**(667,909)**	(575,306)
At 31 December	**1,146,804**	835,618

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

27 TAXATION

	2025 AED'000	2024 AED'000
Taxation	**29,356**	14,924
Zakat	**1,417**	139
	30,773	15,063
Less: related to discontinued operations (note 32)	-	(435)
Tax expenses reported in the consolidated statement of profit or loss	**30,773**	14,628

Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the subsidiaries operate and any adjustment to tax in respect of previous years.

On 9 December 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax Law ("CT Law") to enact a new Corporate Tax (CT) regime in the UAE. The new CT regime became effective for accounting periods beginning on or after 1 June 2023. The taxable income of the entities that are in scope for UAE CT purposes are subject to the rate of 9% corporate tax.

Recently, in order to align with OECD's Global Minimum Tax effort (Pillar Two), the UAE Ministry of Finance (MoF) has introduced a Domestic Minimum Top-Up Tax of 15% for Multinational Enterprises (MNEs) with effect from financial years starting on or after 1st January 2025. The Group and its Ultimate Parent is in scope for Pillar Two legislation as it operates in certain jurisdictions that have enacted or substantively enacted Pillar Two legislation and its consolidated revenue exceeds €750 million threshold. The Group has applied mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar Two.

The major components of taxation, domestic minimum top-up tax related to Pillar Two, for the years ended 31 December 2025 and 2024 are:

	2025 AED'000	2024 AED'000
Consolidated statement of profit or loss:		
Income Tax		
- Current tax charge	**23,698**	17,371
- Domestic minimum top-up tax	**4,605**	-
- Related to prior year	**1,548**	-
Deferred tax:		
Relating to origination and reversal of temporary differences	**(495)**	(2,447)
Taxation	**29,356**	14,924

27 TAXATION continued

Consolidated other comprehensive income:

Deferred tax related to items recognized in OCI during the year:

	2025 AED'000	2024 AED'000
Foreign exchange difference on translation of foreign operations	**3,543**	(18,210)
Deferred expense (income) tax charged to OCI	**3,543**	(18,210)

The consolidated accounting profit has been reconciled to the accounting profit attributable to tax and the reconciliation between tax expense and the product of accounting profit attributable to tax multiplied by effective income tax rate of 8.7% for the year ended 31 December 2025 (2024: effective rate of 9%) as follows:

	2025 AED'000	2024 AED'000
Accounting profit subject to tax	**87,709**	2,683,408
At effective rate of 8.7% (2024: 9%)	**7,600**	240,466
Tax losses	**(103)**	(1,251)
Temporary differences	**12,635**	(3,000)
Permanent differences, including disallowances and exempt income	**9,224**	(221,291)
Tax expense	**29,356**	14,924
Add: zakat on accounting profit subject to zakat	**1,417**	139
Tax expense reported in the consolidated statement of profit or loss	**30,773**	15,063

Deferred tax

Reconciliation of deferred tax assets (liabilities):

	2025 AED'000	2024 AED'000
At 1 January	**(1,665)**	(16,742)
Foreign currency translation adjustment	**2,754**	(6,199)
Derecognition of a subsidiary (note 6.7)	**-**	619
Acquired in business combination (note 6.1)	**(13,812)**	-
Tax benefit recognised in profit or loss during the year	**495**	2,447
Tax (expense) benefit recognised in other comprehensive income during the year	**(3,543)**	18,210
At 31 December - liabilities	**(15,771)**	(1,665)

27 TAXATION continued

Deferred tax continued

Deferred tax assets (liabilities) relate to the following:

	2025 AED'000	2024 AED'000
Deferred tax assets		
Foreign exchange difference on translation of foreign operations	**28,096**	29,671
Provision and others	**4,157**	-
Losses available for offsetting against future taxable income and other provisions	**4,028**	3,925
	36,281	33,596
Deferred tax liabilities		
Goodwill and intangible assets related to business combinations prior to enactment of UAE CT Law	**(40,068)**	(30,488)
Accelerated depreciation for tax purposes	**(11,984)**	(4,773)
	(52,052)	(35,261)

28 TRADE AND OTHER PAYABLES

	2025 AED'000	2024 AED'000
Trade accounts payable	**650,064**	725,876
Provisions, accruals and other payables	**467,890**	442,741
Provision for taxation	**27,740**	17,005
Advances from customers	**46,627**	23,463
	1,192,321	1,209,085
Less: non-current portion	**(35,713)**	(49,999)
Current portion	**1,156,608**	1,159,086

The Group's trade accounts payables have usual credit terms of 30 to 90 days from the invoice date. No interest is charged on trade and other payables.

29 RELATED PARTY TRANSACTIONS AND BALANCES

The Group enters into transactions with companies and entities that fall within the definition of a related party as defined in the International Accounting Standard (IAS) 24 Related Party Disclosures. These represent transactions with related parties, i.e. shareholders, associates, affiliates, 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.

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

29.1 Balances

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

	2025 AED'000	2024 AED'000
Due from related parties:		
Entities under common control	**12,795**	45,449
Parent	**-**	3
Associates	**38,956**	16,011
Other related parties	**49,757**	240,033
	101,508	301,496
Less: allowance for excepted credit losses	**(187)**	(13,914)
	101,321	287,582

Set out below is the movement in the allowance for expected credit losses of due from related parties:

	2025 AED'000	2024 AED'000
At 1 January	**13,914**	10,390
Derecognition of a subsidiary	**-**	(9,699)
Transfer	**19**	-
(Reversal) charge for the year	**(13,746)**	13,223
At 31 December	**187**	13,914

	2025 *AED'000*	2024 *AED'000*
Balances and receivables from a financial institution *(other related party)*	**229,927**	334,194
Borrowings and payables to a financial institution *(other related party)*	**494,085**	662,000
Investments in financial assets		
Entities under common control	**3,486**	4,219
Parent	**287**	228
	3,773	4,447

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

29.1 Balances continued

Balances due to related parties included in the consolidated statement of financial position are as follows:

	2025 AED'000	2024 AED'000
Due to related parties:		
Entities under common control (i)	**40,983**	117,283
Other related parties	**12,040**	7,970
	53,023	125,253
Loans from related parties (**entities under common control) (ii)**	**205,000**	205,000

(i) During the year, AED 76,480 thousand was waived off by a related party under common control.

(ii) The loans carry interest rates which are linked to inter-banking lending rates.

Set out below is the movement in the loans from related parties:

	2025 AED'000	2024 AED'000
At 1 January	**205,000**	283,571
Reclassification*	**-**	(78,571)
At 31 December	**205,000**	205,000

*During 2024, a related party balance, amounting to AED 78,571 thousand, was reclassified to other payables as the counterparty ceased to qualify as a related party.

	2025 AED'000	2024 AED'000
Liabilities directly associated with assets held for sale and discontinued operations (note 15):		
Entity under common control	**250**	250
Other related party	**78,950**	-
	79,200	250

Trade and other payables:
As at 31 December 2025, trade payables include an amount of AED nil (31 December 2024: AED 55,644 thousand) payable to a related party (other related party).

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

29.2 Transactions

Transactions with related parties entered during the year were as follows:

	2025 AED'000	2024 AED'000
Revenues		
Entities under common control	**130,773**	152,538
Other related parties	**406,336**	485,871
	537,109	638,409
Cost of goods sold		
Entities under common control	**28,729**	34,304
Other related parties	**2,856**	3,692
	31,585	37,996
Selling, general and administrative expenses		
Entities under common control	**1,809**	2,148
Other related parties	**2,469**	907
	4,278	3,055
Interest expense on loans from related parties		
Entities under common control (note 10)	**12,471**	12,505
Interest expense on lease from a related party	**-**	44
Interest expense on borrowings from a financial institution (other related party)	**30,963**	43,208
Interest income on term deposits with a financial institution (other related party)	**7,816**	9,559

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

29 RELATED PARTY TRANSACTIONS AND BALANCES continued

29.2 Transactions

Compensation of key management personnel

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

	2025	2024
	AED'000	AED'000
Management and board remuneration	**28,643**	30,318
Employees' end of service benefits	**887**	683
	29,530	31,001

30 CONTINGENT LIABILITIES AND COMMITMENTS

	2025	2024
	AED'000	AED'000
Letters of guarantee	**25,291**	29,423
Commitment for capital expenditures	**6,905**	14,839

The above letter of guarantees has been issued from a local bank in the ordinary course of business on which the bank charges a fee at the market rate.

The Group in the normal course of business is involved from time to time in litigations and claims from third parties. The Group undertakes periodic review of its potential exposure to litigations and claims made against it. The Group believes that no material liability will result from those litigations and claims that require to be accrued for as of 31 December 2025.

The Group's share in contingencies and commitments of the associates is disclosed under note 16.

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31 MATERIAL PARTLY-OWNED SUBSIDIARIES

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2025	2024
Royal Horizon Holding LLC	United Arab Emirates	**40%**	40%
Abu Dhabi Vegetable Oil Company LLC	United Arab Emirates	**30%**	30%
NRTC Food Holding LLC	United Arab Emirates	**59%**	59%
Al Ain Farms for Livestock Production PJSC	United Arab Emirates	**51.7%**	51.7%
NRTC Limited Company (“NRTC KSA”)	Kingdom of Saudia Arabia	**40%**	40%

	2025 AED‘000	2024 AED‘000
Accumulated balances of material non-controlling interests:		
Royal Horizon Holding LLC	**27,634**	27,046
Abu Dhabi Vegetable Oil Company LLC	**30,055**	27,158
NRTC Food Holding LLC	**308,162**	226,406
Al Ain Farms for Livestock Production PJSC	**976,500**	952,182
NRTC Limited Company (“NRTC KSA”)	**111,538**	104,599
	1,453,889	1,337,391

Profit allocated to material non-controlling interests:

	2025 AED‘000	2024 AED‘000
Royal Horizon Holding LLC	**3,672**	3,044
Abu Dhabi Vegetable Oil Company LLC	**2,897**	211
Apex Investment PSC	**-**	1,841
NRTC Food Holding LLC	**17,759**	20,298
Al Ain Farms for Livestock Production PJSC	**75,517**	87,424
NRTC Limited Company (“NRTC KSA”)	**6,719**	1,703
	106,564	114,521

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss of material partly-owned subsidiaries:

	2025					
	Royal Horizon AED '000	**ADVOC AED '000**	**NRTC AED '000**	**Al Ain Farms AED '000**	**NRTC KSA AED '000**	**Total AED '000**
Revenue	**382,356**	**767,069**	**1,356,801**	**1,977,704**	**519,936**	5,003,866
Cost of revenue	**(303,894)**	**(707,853)**	**(1,180,954)**	**(1,287,474)**	**(448,315)**	(3,928,490)
Other operating expenses, net	**(67,558)**	**(47,856)**	**(130,429)**	**(530,811)**	**(54,361)**	(831,015)
Taxation	**(1,725)**	**(1,701)**	**(15,318)**	**(13,441)**	**(463)**	(32,648)
Profit for the year	**9,179**	**9,659**	**30,100**	**145,978**	**16,797**	**211,713**
Attributable to non-controlling interests	**3,672**	**2,897**	**17,759**	**75,517**	**6,719**	**106,564**

	2024						
	Royal Horizon AED '000	ADVOC AED '000	Apex AED '000	NRTC AED '000	Al Ain Farms AED '000	NRTC KSA AED '000	Total AED '000
Revenue	379,443	687,935	60,420	1,133,339	1,430,752	512,944	4,204,833
Cost of revenue	(309,090)	(643,683)	(47,840)	(977,213)	(948,656)	(460,288)	(3,386,770)
Profit share from associates and joint ventures	-	-	(176)	-	-	-	(176)
Other operating expenses, net	(62,025)	(44,313)	(8,244)	(118,341)	(299,078)	(48,262)	(580,263)
Taxation	(718)	766	(364)	(3,380)	(10,517)	(139)	(14,352)
Profit for the year	7,610	705	3,796	34,405	172,501	4,255	223,272
Attributable to non-controlling interests	3,044	211	1,841	20,298	87,424	1,703	114,521

Summarised statement of financial position of material partly-owned subsidiaries:

	2025					
	Royal Horizon AED '000	**ADVOC AED '000**	**NRTC AED '000**	**Al Ain Farms AED '000**	**NRTC KSA AED '000**	**Total AED '000**
31 December						
Non-current assets	**79,018**	**69,852**	**347,513**	**2,054,855**	**254,883**	**2,806,121**
Current assets	**136,922**	**222,611**	**410,335**	**1,088,876**	**193,786**	**2,052,530**
Non-current liabilities	**(24,218)**	**(29,803)**	**(24,243)**	**(702,431)**	**(1,410)**	**(782,105)**
Current liabilities	**(122,638)**	**(162,473)**	**(211,296)**	**(553,687)**	**(168,413)**	**(1,218,507)**
Total equity	**69,084**	**100,187**	**522,309**	**1,887,613**	**278,846**	**2,858,039**
Attributable to:						
Equity holders of parent	**41,450**	**70,132**	**214,147**	**911,113**	**167,308**	**1,404,150**
Non-controlling interests	**27,634**	**30,055**	**308,162**	**976,500**	**111,538**	**1,453,889**

	2024					
	Royal Horizon AED '000	ADVOC AED '000	NRTC AED '000	Al Ain Farms AED '000	NRTC KSA AED '000	Total AED '000
31 December						
Non-current assets	82,000	69,152	184,164	1,555,196	256,288	2,146,800
Current assets	115,324	176,839	358,043	973,164	162,073	1,785,443
Non-current liabilities	(34,251)	(32,847)	(5,886)	(118,252)	(754)	(191,990)
Current liabilities	(95,458)	(122,616)	(152,582)	(568,364)	(156,109)	(1,095,129)
Total equity	67,615	90,528	383,739	1,841,744	261,498	2,645,124
Attributable to:						
Equity holders of parent	40,569	63,370	157,333	889,562	156,899	1,307,733
Non-controlling interests	27,046	27,158	226,406	952,182	104,599	1,337,391

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

31 MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information of material partly-owned subsidiaries:

	2025				
	Royal Horizon AED '000	**ADVOC AED '000**	**NRTC AED '000**	**Al Ain Farms AED '000**	**NRTC KSA AED '000**
31 December 2025					
Operating	8,603	9,587	13,271	310,491	32,446
Investing	(8,550)	(10,064)	(98,061)	(544,335)	(16,154)
Financing	(3,627)	(5,818)	73,649	261,694	88
Net (decrease) increase in cash and cash equivalents	**(3,574)**	**(6,295)**	**(11,141)**	**27,850**	**16,380**

	2024				
	Royal Horizon AED '000	ADVOC AED '000	NRTC AED '000	Al Ain Farms AED '000	NRTC KSA AED '000
31 December 2024					
Operating	11,852	(19,592)	6,773	151,557	(4,161)
Investing	(7,562)	(8,684)	(5,821)	166,064	(17,863)
Financing	1,275	8,345	(1,028)	(69,074)	(426)
Net increase (decrease) in cash and cash equivalents	5,565	(19,931)	(76)	248,547	(22,450)

	2025				
	Royal Horizon AED '000	**ADVOC AED '000**	**NRTC AED '000**	**Al Ain Farms AED '000**	**NRTC II AED '000**
31 December 2025					
Operating	**11,852**	**(19,592)**	**6,773**	**151,557**	**(4,161)**
Investing	**(7,562)**	**(8,684)**	**(5,821)**	**166,064**	**(17,863)**
Financing	**1,275**	**8,345**	**(1,028)**	**(69,074)**	**(426)**
Net (decrease) increase in cash and cash equivalents	**5,565**	**(19,931)**	**(76)**	**248,547**	**(22,450)**

Notes to the consolidated financial statements
for the year ended 31 December 2025 (continued)

32 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

	2025 **AED '000**	2024 AED '000
Assets held for sale (i)	**114,260**	122,747
Discontinued operations (ii)	**1,371**	-
Assets held for sale and associated with discontinued operations	**115,631**	122,747
Liabilities directly associated with assets held for sale and discontinued operations	**138,880**	62,747

(i) As of 31 December 2024, the Group classified the Fisheries Group as a disposal group held for sale and as a discontinued operation, following the approval of a plan to sell by the Board of Directors. As of 31 December 2025, Management is committed to dispose of the Group and has limited further expansion and scaled back operations.

(ii) Effective 30 June 2025, the Group classified one of its subsidiaries, engaged in the trading and distribution business, as a discontinued operation. This classification was made following a resolution by the subsidiary's Board of Directors to hold back on further expansion, scale back its operations and conclude ongoing business activities.

The results of the assets held for sale and discontinued operations for 2025 and 2024 are presented below:

	2025 **AED'000**	2024 AED'000
Revenue from contracts with customers	**32,351**	59,421
Expenses, net of other income (losses)	**(54,388)**	(62,485)
Finance costs	**(1,091)**	(1,109)
Impact of remeasurement of financial and non-financial assets to net realizable value	**(99,613)**	(183,481)
Loss before tax from discontinued operations	**(122,741)**	(187,654)
Tax benefit	**-**	(435)
Loss for the year from discontinued operations	**(122,741)**	(188,089)

33 SEGMENT REPORTING

The Group's operating segments are established on the basis of those components that are evaluated regularly by the Chief Executive Officer, considered to be the Chief Operating Decision Maker ("CODM"). The CODM monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on revenues, gross profit, profit before tax and a broad range of key performance indicators in addition to segment profitability as management believes that such information is relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The Group is organised into five reportable segments namely, fruits and vegetables, dairy and protein, trading and distributions, edible oil and fats and, investments and others. The following summary describes the operations in each of the Group's reportable segments:

Fruits and vegetables	Mainly includes retail and wholesale trading of fresh fruits and vegetables
Dairy and protein	Mainly includes farming, manufacturing, packaging, distribution and trading of dairy, poultry and camel products, seafood and juices
Trading and distribution	Mainly includes retail and wholesale trading and distribution of food and non-food consumer products, including fresh consumables, canned, preserved and frozen food items
Edible oil and fats	Mainly includes manufacturing, refining, bottling and distribution of vegetable oils and fats
Investment and others	Mainly includes head office expenses, investments in associates, investment in financial assets, as well as income and expenses not allocated to any segment

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

33 SEGMENT REPORTING continued

	Fruits and vegetables		Dairy and protein		Trading and distribution		Edible oil and fats		Investment and others		Inter-segment eliminations		Total	
Particulars	**2025 AED '000**	2024 AED '000	**2025 AED '000**	2024 AED '000	**2025 AED '000**	2024 AED '000	**2025 AED '000**	2024 AED '000	**2025 AED '000**	**2024 AED '000**	**2025 AED '000**	2024 AED '000	**2025 AED '000**	2024 AED '000
Revenue from contract with customers	**1,529,982**	1,453,567	**2,353,994**	1,859,317	**1,006,801**	913,686	**767,069**	687,935	**-**	67,221	**(77,686)**	(65,853)	**5,580,160**	4,915,873
Cost of sales	**(1,280,510)**	(1,244,785)	**(1,621,728)**	(1,309,973)	**(848,099)**	(759,364)	**(707,853)**	(643,683)	**-**	(52,619)	**77,869**	65,853	**(4,380,321)**	(3,944,571)
Gross profit	**249,472**	208,782	**732,266**	549,344	**158,702**	154,322	**59,216**	44,252	**-**	14,602	**183**	-	**1,199,839**	971,302
Selling, general and administrative expenses	**(212,591)**	(196,006)	**(541,702)**	(423,238)	**(117,625)**	(98,051)	**(45,010)**	(41,909)	**(41,629)**	(53,356)	**(71)**	17	**(958,628)**	(812,543)
Share of profit from investment in associates	**-**		**-**		**-**		**-**		**49,324**	49,074	**-**	-	**49,324**	49,074
Changes in fair value of investments carried at fair value through profit or loss	**-**		**-**		**-**		**-**		**(674)**	(23,415)	**-**	-	**(674)**	(23,415)
Gain on derecognition of a subsidiary	**-**		**-**		**-**		**-**		**-**	2,654,652	**-**	-	**-**	2,654,652
Gain on bargain purchase	**567**		**-**		**-**		**-**		**-**	71,800	**-**	-	**567**	71,800
Other income (losses)	**26,737**	29,731	**(6,223)**	(11,832)	**7,345**	2,386	**184**	366	**117**	201	**(18)**	(17)	**28,142**	20,835
Finance income	**498**	-	**7,706**	10,098	**1,705**	1,889	**118**	69	**16,210**	9,319	**(13,061)**	-	**13,176**	21,375
Finance costs	**(4,782)**	(327)	**(38,257)**	(14,582)	**(12,562)**	(13,178)	**(3,147)**	(2,839)	**(42,630)**	(46,698)	**13,061**	-	**(88,317)**	(77,624)
Profit (loss) before tax and zakat	**59,901**	42,180	**153,790**	109,790	**37,565**	47,368	**11,361**	(61)	**(19,282)**	2,676,179	**94**	-	**243,429**	2,875,456
Segment assets	**1,278,769**	1,076,973	**3,511,620**	2,898,309	**716,519**	800,168	**293,126**	246,654	**4,610,399**	4,762,901	**(459,915)**	(457,405)	**9,950,518**	9,327,600
Segment liabilities	**297,786**	254,946	**1,500,344**	912,221	**530,832**	494,786	**193,434**	156,337	**703,839**	1,060,718	**(144,200)**	(223,489)	**3,082,035**	2,655,519

Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

34 FINANCIAL RISK MANAGEMENT

Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. There were no changes in the Group's approach to capital management during the year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as indebtedness as noted below less cash and bank balances. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2025 **AED'000**	2024 AED'000
Bank borrowings	**1,146,804**	835,618
Lease liabilities	**183,242**	98,973
Due to related parties	**53,023**	125,253
Deferred income	**15,605**	8,868
Trade and other payables	**1,192,321**	1,209,085
Loans from related parties	**205,000**	205,000
Derivative financial liabilities	**1,308**	-
Cash and bank balances	**(555,132)**	(605,007)
Net debt	**2,242,171**	1,877,790
Equity attributable to owners of the Company	**5,454,435**	5,321,374
Net debt and equity (capital)	**7,696,606**	7,199,164
Net debt/equity ratio	**0.29**	0.26

For the purpose of the Group's capital risk management, capital includes share capital, merger reserve, contributed capital, statutory reserve, merger and other reserves, currency translation reserve, cumulative changes on revaluation of investments and retained earnings attributable to the equity holders of the Company.

Financial risk management objectives

The Group's finance department monitors and manages the financial risks relating to the operations of the Group. The Group is exposed to the following risks related to financial instruments – market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk.

34 FINANCIAL RISK MANAGEMENT continued

Market risk management
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk, such as commodity price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Price risk
The Group is exposed to equity securities price risk because of quoted investments held by the Group. The Group's quoted investment portfolio amounted to AED 3,773 thousand (2024: AED 4,447 thousand). At the reporting date if the prices of investments were 5% higher/ lower with all other variables held constant, the Group's equity and profit or loss would have increased/decreased as follows:

	2025	2024
	AED'000	AED'000
Impact on the Group's profit for the year (increase/decrease)	**189**	222

Currency risk
Assets are typically funded in the same currency as that of the business being transacted to eliminate exchange exposures. Management believes that there is a minimal risk of significant losses due to exchange rate fluctuations in its UAE operations as most of its monetary assets and liabilities are denominated in UAE Dirhams and U.S Dollars. For its operations in Egypt, the subsidiary is subject to exchange risk relating to its liabilities denominated in UAE Dirhams as follows:

	2025	2024
	AED'000	AED'000
Impact of 5% increase/ decrease in the exchange rate on the Group's consolidated statement of comprehensive income for the year (increase/ decrease)	**12,810**	11,510

Interest rate risk
The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with floating interest rates. At 31 December 2025, if interest rates on the bank borrowings had been 100 basis points lower/higher with all other variables held constant, profit for the year would have been increased or decreased by AED 9,468 thousand (2024: AED 5,356 thousand).

Interest rate swap contracts
Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the curves at reporting date and the credit risk inherent in the contract.

34 FINANCIAL RISK MANAGEMENT continued

Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risks from its operating activities (primarily for trade and other receivable and due from related parties) and from its financing activities, including bank balance and cash.

There are no significant concentrations of credit risk within the Group. There are policies in place to ensure that services are rendered to customers with an appropriate credit history. The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk management
Liquidity risk is the risk that the Group will be unable to meet its funding requirements. The maturity profile of financial liabilities is monitored by management to ensure adequate liquidity is maintained. The Group limits its liquidity risk by ensuring funds from partners and bank facilities are available.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	1 year or less AED'000	1 to 5 years AED'000	Over 5 years AED'000	Total AED'000
At 31 December 2025				
Bank borrowings	398,861	770,241	115,901	1,285,003
Trade and other payables	1,082,732	37,346	-	1,120,078
Lease liabilities	27,006	80,812	169,488	277,306
Loan from related parties	205,000	-	-	205,000
Due to related parties	53,023	-	-	53,023
Derivative financial liabilities	1,308	-	-	1,308
Total	**1,767,930**	**888,399**	**285,389**	**2,941,718**
At 31 December 2024				
Bank borrowings	376,140	537,972	-	914,112
Trade and other payables	1,115,116	53,042	-	1,168,158
Lease liabilities	16,258	40,838	114,430	171,526
Loan from related parties	205,000	-	-	205,000
Due to related parties	125,253	-	-	125,253
Total	1,837,767	631,852	114,430	2,584,049

35 FAIR VALUE MEASUREMENT

Fair value of the Group’s assets that are measured at fair value on recurring basis
Some of the Group’s financial assets and biological assets are measured at fair value at the end of the reporting period. The following table provides an analysis of assets that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable and gives information about how the fair value of these assets are determined.

- **Level 1** fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2** fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3** fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group held the following assets measured at fair value:

	Fair value as at					
	2025 AED '000	*2024 AED '000*	***Fair value hierarchy***	***Valuation techniques and key inputs***	***Significant unobservable input***	***Relationship of unobservable inputs to fair value***
Financial assets:						
Quoted equity investments – investments carried at fair value through profit of loss	**3,773**	4,447	Level 1	Quoted bid prices in an active market	None	Not applicable
Financial liabilities:						
Derivative financial liabilities	**1,308**	-	Level 2	Significant observable inputs	None	Not applicable

There were no transfers between each of levels during the year. There are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from the financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings AED'000	**Lease liabilities AED'000**	**Loans from related parties AED'000**
At 1 January 2025	835,618	98,973	205,000
Acquired in business combinations (note 6.1)	6,813	89,303	-
Financing cashflows, net	304,373	(27,132)	-
Recognition of lease liabilities	-	15,295	-
Other movements	-	6,803	-
At 31 December 2025	**1,146,804**	**183,242**	**205,000**
At 1 January 2024	959,439	107,396	205,000
Acquired in business combinations (note 6.5)	8,431	517	-
Derecognition of a subsidiary (note 6.7)	(14,142)	-	-
Financing cashflows, net	(118,110)	(16,661)	-
Recognition of lease liabilities	-	17,141	-
Other movements	-	(9,420)	-
At 31 December 2024	835,618	98,973	205,000