



Q1 2026

**Management Discussion &
Analysis Report**

12 May 2026

Agthia Delivers Strong Q1 2026, with Net Profit Growth of 12.5%

Group Net Revenue +3.3% YoY
driven by strong performance in Water & Food and Agri-Business segments

Group Gross Profit +15.9% YoY;
margin at 31.6% (+341bps)

Group EBITDA +4.1% YoY;
margin at 14.6% (+11bps)

Group Net Profit +12.5% YoY;
margin at 7.3% (+59bps)



Khalifa Sultan Al Suwaidi, Chairman of Agthia's Board, commented: "The first quarter reinforced the importance of resilience, discipline and long-term perspective in navigating a more complex operating environment. Agthia's performance reflects the strength of the Group's fundamentals, the relevance of its role in supporting the broader food security agenda, and the focus with which it continues to execute against its strategic priorities."



Salmeen Alameri, Managing Director and Chief Executive Officer of Agthia Group, added: "Our first-quarter performance reflects disciplined execution across the business, the strength of our diversified portfolio, and the commitment of our teams across the Group. In a complex regional context, we responded with agility, maintained uninterrupted supply, and continued to manage our operations with focus and consistency. At the same time, the transformation actions underway across the Group are beginning to translate more clearly into performance, supporting improved operating efficiency, stronger margin delivery, and a more resilient earnings profile. We remain firmly focused on our long-term priorities and confident in our ability to continue strengthening Agthia's position as a leading food and beverage company."

Agthia Group PJSC (AGTHIA: UH) today announces its results for the period ending 31 March 2026.

Financial Highlights

Figure 1: Key Reported Financial Highlights

AED MN	Q1 2026	Q1 2025	YoY % Change
Revenue	1,326.8	1,283.8	3.3%
Gross Profit	419.1	361.7	15.9%
<i>Gross Profit Margin</i>	<i>31.6%</i>	<i>28.2%</i>	<i>341 bps</i>
EBITDA	193.3	185.7	4.1%
<i>EBITDA Margin</i>	<i>14.6%</i>	<i>14.5%</i>	<i>11 bps</i>
Net Profit	96.9	86.1	12.5%
<i>Net Profit Margin</i>	<i>7.3%</i>	<i>6.7%</i>	<i>59 bps</i>

Group Reported Revenue reached AED 1.3 billion, up 3.3% year-over-year. This includes AED 51.4 million of one-off sales in Agri-Business related to the UAE food security program. Excluding this activity, Group revenue declined by -0.7%.

Group Reported EBITDA totalled AED 193.3 million, representing 4.1% growth year-on-year, with reported EBITDA Margin at 14.6% (+11bps year-over-year). Excluding the one-off activity in Agri-Business EBITDA, declined by -2.6%, mainly reflecting underlying margin pressure in Agri-business amid intensified competition in the Flour sector, as well as an ongoing reset of the Protein & Frozen business.

Group Reported Net Profit grew 12.5% to AED 96.9 million, primarily driven by EBITDA growth and further supported by lower interest expenses and taxes. Net Profit Margin stood at 7.3% (+59bps year-over-year).

Financial Position

We maintain AED 462.3 million in cash and equivalents, with Net Debt at AED 1.3 billion and Net Debt-to-EBITDA ratio of 2.8x (down from 2.9x in December 2025). The improvement in leverage was mainly driven by the increase in LTM EBITDA. Our debt is USD and AED-denominated, and we continue to achieve favorable borrowing terms by leveraging our strong balance sheet and network of leading banks.

Group Cash Flow

In Q1 2026, the **net cash generated from operating activities** stood at AED 85.5 million, compared to AED 291.0 million cash used in operating activities in the same period last year.

The cash outflow related to changes in **working capital** was mainly attributable to higher receivables and lower trade and other payables, which was partially offset by lower inventory level. The cash conversion cycle improved from 55 days in Q1 2025 to 40 days Q1 2026.

Net Capital expenditure in Q1 2026 remained disciplined at AED 16.7 million (1.3% of revenue), aligned with our strategic investment priorities. Spending during the period was focused on capacity optimization, innovation, and efficiency enhancement across core production facilities.

Free cash flow for Q1 2026 stood at AED 82.2 million compared to negative AED -310.7 million in Q1 2025. Agthia continues to maintain a prudent capital allocation approach, with a clear focus on operational discipline, working capital optimization, and maintaining strategic flexibility to support long-term growth.

Regional Developments

During Q1 2026, regional developments created a more complex operating environment, particularly across logistics and supply chains. The extent of the impact varied across the Group's segments. Throughout the period, Agthia continued to operate normally, with no disruption to customer supply or commercial relationships.

The Group remains proactive in managing procurement, inventory positioning, and routing decisions, and maintains healthy inventory cover to support business continuity. In parallel, we continue to strengthen and diversify our supply chain to enhance resilience and mitigate potential volatility in freight and input costs.

Given the high level of uncertainty, the Group is not providing guidance at this stage and continues to monitor developments closely. The Company will update the market in due course should any material changes arise.

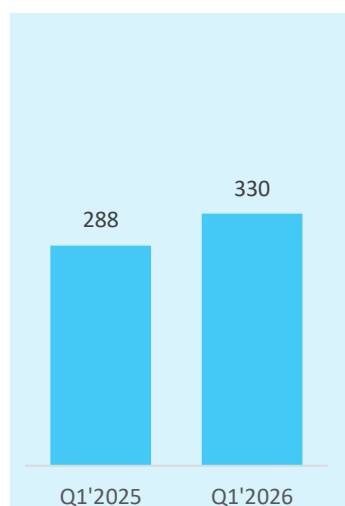
Segment Reporting

Sales Analysis

Group revenue grew 3.3% year-on-year in Q1 2026, with strong performance in Water & Food, support from one-off activity in Agri-Business, and improving trends in Protein & Frozen. This was partly offset by decline in Snacking as the segment progressed through its ongoing reset and transformation.

Figure 2: Reported Revenue by Segment

Revenue (AED MN)	Q1 2026	Q1 2025	YoY % Change
Water & Food	330.5	288.3	14.6%
<i>LFL Sales¹</i>	<i>305.1</i>	<i>288.3</i>	<i>5.8%</i>
Agri-Business	382.2	338.3	13.0%
Snacking	357.0	410.4	-13.0%
Protein & Frozen	257.1	246.9	4.1%
Total Group	1,326.8	1,283.8	3.3%

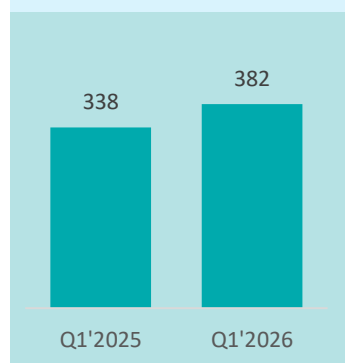


Water & Food: The Water & Food segment delivered strong revenue growth of 14.6% year-on-year in Q1 2026. Excluding Riviere, consolidated since May 2025, Water & Food LFL revenue grew 5.8% year-on-year in Q1 2026, reflecting sustained organic momentum.

Total UAE water revenue (excluding Riviere) increased 15.2% during the quarter, with Al Ain bottled water maintaining its market leadership. Our Home and Office Services (HOS) business (excluding Riviere) grew +10.4% in Q1 2026, supported by our continued focus on operational excellence and customer service.

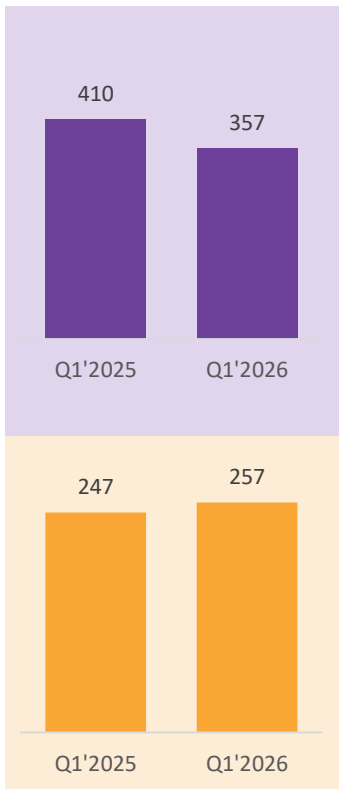
International water operations delivered positive volume growth (+5.5%) during the quarter, which was partially offset by pricing pressure in select markets, resulting in 0.7% year-on-year growth in revenue.

The food portfolio declined by 9.5% in Q1 2026, mainly reflecting the transfer of municipality store operations to a third-party operator from the start of the year. As a result, the Group is no longer supplying municipality stores with non-Agthia products and now participates through the supply of its own products on a non-exclusive basis.



Agri-Business: Revenue in Agri-Business increased 13.0% year-on-year in Q1 2026, supported by AED 51.4 million of one-off transaction related to the UAE food-security program. Excluding this activity, like-for-like sales were down -2.2%, mainly due to intensified competition in Flour.

¹ LFL Sales excludes recent Riviere acquisition, whose inclusion in consolidated financial statements began in May 2025



Snacking: Revenue declined by -13.0% year-on-year in Q1 2026. Abu Auf delivered strong growth of 27.3%, supported by solid consumer demand and its established position in Egypt. The brand further enhanced its retail presence by opening a net total of 20 additional stores since the beginning of the year, bringing its overall store count to 419 as of the end of Q1 2026.

This performance was offset by declines in Al Foah and BMB, as both businesses remained under pressure during the quarter amid the ongoing reset aimed at improving future growth and margins through portfolio rationalization and stronger route-to-market capabilities. BMB was additionally impacted by lower export sales due to logistics route disruptions in the region, as well as weaker travel retail sales in the UAE.

Protein & Frozen: The segment delivered revenue growth of 4.1% year-on-year in Q1 2026, reflecting continued improvement driven by the ongoing business transformation efforts. Strong performance in Nabil (+7.5%) and Atyab (+3.4%) was partially offset by softer results in Frozen Vegetables & Tomato Paste (-3.6%). In Q1 2026, Agthia commissioned Phase II of its KSA facility, adding incremental production capacity. KSA protein sales grew by 25.6%, supporting the continued ramp-up of the business.

Gross Profit and Gross Profit Margin

Group Gross Profit increased 15.9% year-on-year in Q1 2026, with Gross Profit Margin expanding by 341bps to 31.6%.

- **Water & Food:** Gross profit margin expanded by 466bps, supported by improved profitability in the HOS business and the UAE bottled water portfolio, driven by a favorable mix and continued expansion in the e-commerce channel.
- **Agri-Business:** Gross profit margin declined by -220bps, mainly due to the pressure from intensified competition.
- **Snacking:** Gross profit margin improved by 744bps, mainly driven by improved profitability of Al Foah, partially offset by margin pressure in BMB and Abu Auf, driven by volatility in key commodity inputs.
- **Protein & Frozen:** Gross profit margin improved by 249 bps to 22.2% in Q1 2026. Strong profitability expansion was recorded across the businesses with Al Ain Egypt gaining 614bps, Atyab 237bps and Nabil 86bps, while the segment gross profit margin was partially diluted by lower margin of KSA facility, where production volumes remain below the levels required to absorb the site's fixed cost base.

EBITDA (Earnings before Interest, Tax, Depreciation, and Amortization)

Group EBITDA increased 4.1% year-on-year in Q1 2026, with EBITDA margin expanding by 11bps. The EBITDA growth was driven by stronger performance in Water & Food and solid growth in Agri-Business, partly offset by continued pressure in Snacking as the Group progressed with its portfolio reset and transformation agenda.

Figure 3: Reported EBITDA and Margin by Segment

EBITDA (AED MN)		Q1 2026	Q1 2025	YoY % Change
Water & Food	EBITDA	59.2	51.2	15.7%
	<i>EBITDA Margin</i>	17.9%	17.8%	16 bps
Agri-Business	EBITDA	71.2	68.3	4.3%
	<i>EBITDA Margin</i>	18.6%	20.2%	-156 bps
Snacking	EBITDA	47.3	53.5	-11.6%
	<i>EBITDA Margin</i>	13.2%	13.0%	21 bps
Protein & Frozen	EBITDA	15.2	15.3	-0.6%
	<i>EBITDA Margin</i>	5.9%	6.2%	-28 bps
Head Office	EBITDA	0.3	-2.6	-
Total Group	EBITDA	193.3	185.7	4.1%
	<i>EBITDA Margin</i>	14.6%	14.5%	11 bps
	Underlying EBITDA	180.8	185.7	-2.6%
	<i>Underlying EBITDA Margin</i>	14.2%	14.5%	-29 bps

+15.7%

EBITDA Growth YoY

Water & Food: EBITDA increased 15.7% year-on-year in Q1 2026, while EBITDA margin expanded by 16bps. Gross profit margin expansion was offset by higher selling expenses.

+4.3%

EBITDA Growth YoY

Agri-Business: EBITDA increased 4.3% year-on-year, while EBITDA margin contracted by 156bps, reflecting gross profit margin pressure that was partly offset by lower general and administrative expenses.

-11.6%

EBITDA Decline YoY

Snacking: EBITDA stood at AED 47.3 million in Q1 2026, down -11.6% year-on-year. EBITDA margin expanded by 21bps, mainly driven by a strong improvement in Al Foah profitability following the business reset, offset by margin pressure in BMB and Abu Auf.

Abu Auf recorded higher marketing expenses in Q1 2026 as competition intensified and the business invested behind market share gains, with its ground coffee market share increasing by 3.0 percentage points.

BMB's EBITDA margin was affected by lower gross profit margin, further amplified by weaker fixed cost absorption as sales declined during the quarter.

-0.6%

EBITDA decline YoY

Protein and Frozen: EBITDA declined -0.6% year-on-year in Q1 2026, with EBITDA margin contracting by 28bps to 5.9%. Strong improvement in Nabil (+176bps) and Al Ain Egypt (+141bps) was offset by lower EBITDA margin in Atyab, reflecting elevated selling and distribution expenses, as well as costs related to the KSA ramp-up.

Expanding In-House Capabilities and Leveraging Efficiencies to Future Proof Our Growth

We continue to make strong progress in expanding our capabilities and driving efficiencies.

Investing in innovation: Innovation is central to our goal of becoming a leading food and beverage company in the MENA region. Notably, innovation contributed AED 61.6 million to Agthia's Q1 2026 growth. Here are some of our Q1 2026 innovation highlights:

- **Snacking:** Abu Auf expanded its convenience and indulgence range through single serve Turkish coffee sachets, Madjool Delights coated dates range, on-the-go date snacks and new flavors of Sweet Popcorn, while Al Foah broadened the Zadina portfolio through date-sweetened truffles, and choco-dates.
- **Protein & Frozen:** Innovation focused on expanding the segment's protein offering across both foodservice and retail channels. New launches included burger formats, appetizers, coated products, cooked and ready-to-eat chicken, as well as additional protein formats tailored to different consumption occasions and customer needs.
- **Agri-Business:** Innovation remained focused on specialized product development aligned with customer needs. Grand Mills expanded its specialized flour offering through the launch of Tortilla Flour.
- **Water & Food:** Segment innovation focused on premiumization and expanding category depth. Al Ain Water broadened its portfolio with the launch of Alkaline Water and glass bottle SKU extensions in 200ml and 250ml formats, while Al Ain Food introduced frozen mixed berries and French fries, strengthening its presence in high-growth frozen food categories.

Progressing on our sustainability agenda: Agthia continued to advance its sustainability priorities in Q1 2026, delivering a 19.9% reduction in Emissions Ratio, a 21.4% reduction in Electricity Ratio and a 13.6% reduction in Water Ratio year-on-year, alongside AED 2.9 million of savings through sustainable productivity projects. During Ramadan, the Group partnered with NE'MA and the Presidential Food Waste & Loss Initiative to support more than 10,000 families across the UAE, and with Emirates Red Crescent through the donation of 26,000 boxes of dates. Agthia also further strengthened governance and accountability by receiving the GRI mark for its 2025 Sustainability Report and aligning and cascading its 2026 Sustainability & HSE KPIs across Segments and Group functions.

Accelerating our digital roadmap: In Q1 2026, Agthia launched a Group-wide transformation program focused on defining the future digital operating model, including the migration toward one ERP platform and the development of scalable shared-service capabilities across the Group. Supported by leading external advisers, this work is intended to streamline operations, enhance transparency and controls, and improve master data quality to support better decision-making over time. The Group also maintained heightened focus on cybersecurity across its operating footprint, reflecting the broader regional risk environment and the importance of secure, resilient digital infrastructure.

Agthia has established a central E-Commerce Hub as a strategic growth engine for the Group's next phase of transformation, strengthening its ability to compete and win in an increasingly digital and fast-evolving market. The Hub is designed to enhance Agthia's competitive advantage by shifting from fragmented segment-level operations to a more integrated and specialized model, with access to dedicated talent, expert capabilities, and fit-for-purpose tools. In Q1 2026, Group delivered 22.5% increase in e-commerce revenue, now accounting for 7.2% of underlying revenue.

– End of announcement –



Khalifa Sultan Al Suwaidi

Chairman

12 May 2026

Conference Call Details

A conference call for analysts and investors will be held at 4:00pm UAE time on 14 May 2026. The presentation accompanying the call will be available on Agthia Group's website under the Investors section from 4:00pm on 14 May 2026: <https://www.agthia.com/investors/results-call-materials/>

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Forward Looking Statement

Agthia Group PJSC and its management may make certain statements that constitute "forward-looking statements" with respect to the financial condition, results of operations and business of the Group. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "anticipates," "targets," "expects," "hopes," "estimates," "intends," "plans," "goals," "believes," "continues" and other similar expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could." Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Agthia Group PJSC to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Examples of such statements include, but are not limited to, comments with respect to: 1. outlook for the markets for products; 2. expectations regarding future product pricing; 3. outlook for operations; 4. expectations regarding production capacity and volumes; 5. objectives; 6. strategies to achieve those objectives; 7. expected financial results; 8. sensitivity to changes in product prices; 9. sensitivity to key input prices; 10. sensitivity to changes in foreign exchange rates; 11. expectations regarding income tax rates; 12. expectations regarding compliance with environmental regulations; 13. expectations regarding contingent liabilities and guarantees; 14. expectations regarding the amount, timing and benefits of capital investments. Although Agthia Group PJSC believes it has a reasonable basis for making these forward-looking statements, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to: 1. assumptions in connection with the economic and financial conditions in the UAE, Middle East, and globally; 2. effects of competition and product pricing pressures; 3. effects of variations in the price and availability of manufacturing inputs; 4. various events which could disrupt operations, including natural events and ongoing relations with employees; 5. impact of changes to or non-compliance with environmental regulations; 6. impact of any product liability claims in excess of insurance coverage; 7. impact of future outcome of certain tax exposures; 8. effects of currency exposures and exchange rate fluctuations. The above list of important factors affecting forward-looking information is not exhaustive. Additional factors are noted elsewhere, and reference should be made to the other risks discussed in filings with UAE securities regulatory authorities. Except as required by applicable law, Agthia Group PJSC does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise, or to publicly update or revise the above list of factors affecting this information.

Figure 4: Underlying Revenue Reconciliation

AED MN	Q1 2026	Q1 2025
Reported Revenue	1,326.8	1,283.8
Agri-Business one-off activity	51.4	0.0
Underlying Revenue	1,275.5	1,283.8

Figure 5: Underlying EBITDA Reconciliation

AED MN	Q1 2026	Q1 2025
Reported EBITDA	193.3	185.7
Agri-Business one-off activity	12.5	0.0
Underlying EBITDA	180.8	185.7

Figure 6: Underlying Net Profit Reconciliation

AED MN	Q1 2026	Q1 2025
Reported NP	96.9	86.1
Agri-Business one-off activity	11.1	0.0
Underlying NP	85.8	86.1