SOCIETE LIBANAISE DES CIMENTS BLANCS SAL

FINANCIAL STATEMENTS

31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL

Adverse Opinion

We have audited the financial statements of Société Libanaise des Ciments Blancs SAL (the "Company"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, because of the significance of the matters discussed in the "Basis for Adverse Opinion" section of our report, the accompanying financial statements do not present fairly the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Adverse Opinion

1. As disclosed in Note 2.1 to the financial statements, the Company has not applied IAS 29 – Financial Reporting in Hyperinflationary Economies ("IAS 29") in the accompanying financial statements for the periods in which that economy was hyperinflationary, including the year ended 31 December 2025. The Company also did not reflect the effects of hyperinflation in the forecasts and discount rates used in accounting estimates. This is a material and pervasive departure from IFRS Accounting Standards. Had the Company applied IAS 29, the amounts and related disclosures in the financial statements, including the comparative information, would have been materially and pervasively different. Our opinion on the financial statements for the year ended 31 December 2024 was modified in respect of the same matter.

2. As disclosed in Note 21 to the financial statements, the Company recorded adjustments to the carrying amounts of tangible assets in Lebanon based on Law 330 dated 4 December 2024. These adjustments included remeasurement of land and buildings in Lebanon and other tangible assets, and were applied retrospectively, with corresponding figures restated and a third statement of financial position presented as at 1 January 2024.

    - Land, included in property and equipment, carried at LL (000) 1,910,684,933 in the statement of financial position as at 31 December 2025 (31 December 2024: LL (000) 1,910,684,933; 1 January 2024: LL (000) 1,750,488,435) was remeasured based on a valuation performed by an accredited independent external valuer in US Dollars and then translated into Lebanese Pounds at LBP 89,500; and

    - Tangible assets other than land and buildings, included in property and equipment, carried at LL (000) 192,366,352 in the statement of financial position as at 31 December 2025 (31 December 2024: LL (000) 231,352,388; 1 January 2024: LL (000) 275,323,048) were adjusted by retranslating historical cost and accumulated depreciation at LBP 89,500 to the US Dollar; and

    - The adjustments were applied retrospectively, with corresponding figures as at and for the year ended 31 December 2024 restated and, a third statement of financial position presented as at 1 January 2024.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL (continued)

Basis for Adverse Opinion (continued)

In our opinion, these accounting adjustments constitute a material and pervasive departure from IAS 16 – Property, Plant and Equipment and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Had these matters been accounted for in accordance with IFRS Accounting Standards, including the application of IAS 29 where relevant, amounts recognised in respect of property and equipment, equity, profit or loss, other comprehensive income, comparative information and related disclosures would have been materially and pervasively different.

3. As disclosed in Note 2.2 to the financial statements, the corresponding figures for the year ended 31 December 2024 have not been restated to reflect the effect of using exchange rates compliant with IAS 21 - The Effects of Changes in Foreign Exchange Rates for the translation of monetary assets and liabilities denominated in foreign currencies and foreign currency transactions during prior periods. As further disclosed in Note 2.2, from January 2024 the official published exchange rate was set at LBP 89,500 to the US Dollar, and the Company recorded the effect of that change in the income statement for the year ended 31 December 2024. The Company did not restate comparative amounts, which is a departure from IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"). Accordingly, the corresponding figures remain affected by the prior-year departures from IAS 21 and IAS 8, and our opinion on the current year financial statements is modified because of the effects of this unresolved matter on the comparability of the current year figures and the corresponding figures.

4. The Company has foreign currencies bank balances in Lebanon amounting to LL (000) 24,744,015 as at 31 December 2025 (2024: LL (000) 24,865,881). It is not possible to determine the future effects that the restructuring plan and the economic crisis could have on the expected credit losses and thus the carrying amount of these assets. The accompanying financial statements do not include adjustments that could result from the resolution of these uncertainties. Our opinion for the year ended 31 December 2024 was modified for same reasons.

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 Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended 31 December 2025. Except for the matters described in the "Basis for Adverse Opinion" section of our report, we have determined that there are no other key audit matters to communicate in our report.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL (continued)

Responsibilities of the Board of Directors and those Charged with Governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor 's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS
SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL (continued)

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

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company to cease to continue as a going concern.

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

We communicate with 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes 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.

The partner in charge of the audit resulting in this independent auditor's report is Sabine Doumit.

Ernst & Young

Ernst & Young

9 September 2026
Beirut, Lebanon

SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	*2025* *LL (000)*	*2024* *LL (000)* *Restated (*)*
Sales	3	**531,027,076**	487,309,744
Cost of sales	4	**(396,881,742)**	(416,062,600)
GROSS PROFIT		**134,145,334**	71,247,144
Distribution expenses	4	**(30,767,459)**	(24,696,440)
General and administrative expenses	4	**(21,207,077)**	(26,316,247)
Provision for slow moving and obsolete inventory	8	**(544,726)**	(1,365,156)
Interest income on loan to a shareholder	7	**-**	3,395,260
Finance charges, net		**(5,966,961)**	(2,240,803)
Foreign exchange, net		**(660,225)**	4,451,391
PROFIT BEFORE INCOME TAX		**74,998,886**	24,475,149
Income tax expense	5	**(7,271,160)**	(10,653,650)
PROFIT FOR THE YEAR		**67,727,726**	13,821,499
Other comprehensive income for the year:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit obligations	14	**(2,392,557)**	(34,511,885)
Revaluation of property and equipment	21	**-**	160,196,500
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**65,335,169**	139,506,114
Profit for the year		**67,727,726**	13,821,499
Number of ordinary shares in issue		**9,000,000**	9,000,000
Profit per share in LL		**7,525**	1,536

(*) Restated for the effects of the matter disclosed in Note 21

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

SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 LL (000)	2024 LL (000) Restated (*)	1 January 2024 LL (000) Restated (*)
ASSETS				
Non-current assets				
Property and equipment	6	2,105,090,144	2,144,206,320	2,025,811,485
Current assets				
Loan to the parent company		-	-	120,000,000
Inventories	8	252,783,454	295,858,687	241,292,516
Other assets	9	4,895,271	12,063,971	14,421,568
Accounts receivable	10	1,945,798	729,691	525,309
Bank balances	11	335,238,024	174,748,747	76,822,940
Total current assets		594,862,547	483,401,096	453,062,333
TOTAL ASSETS		2,699,952,691	2,627,607,416	2,478,873,818
EQUITY AND LIABILITIES				
Equity				
Capital	12	13,500,000	13,500,000	13,500,000
Share premium		2,656	2,656	2,656
Legal reserve	13	4,331,261	4,500,000	4,500,000
Revaluation reserve	13	2,142,684,702	2,142,684,702	1,982,488,202
Re-measurement of defined benefit obligations		(49,411,936)	(47,019,379)	(12,507,494)
Retained earnings		344,448,781	276,552,316	262,730,817
Total equity		2,455,555,464	2,390,220,295	2,250,714,181
Non-current liabilities				
Provision for risk and charges		45,225	45,225	45,225
Employees' end of service benefits	14	18,061,876	38,691,330	12,978,028
Deferred tax liability		445,632	445,632	445,632
Total non-current liabilities		18,552,733	39,182,187	13,468,885
Current liabilities				
Accounts payable	15	185,801,245	149,137,652	97,416,800
Accrued expenses and other liabilities	16	26,348,799	38,413,632	69,673,375
Current income tax liability	5 (a)	13,694,450	10,653,650	47,600,577
Total current liabilities		225,844,494	198,204,934	214,690,752
Total liabilities		244,397,227	237,387,121	228,159,637
TOTAL EQUITY AND LIABILITIES		2,699,952,691	2,627,607,416	2,478,873,818

(*) Restated for the effects of the matters disclosed in Note 21

The accompanying financial statements were approved for issue by the Board of Directors on 27 Aug 2026 and were signed on its behalf by

Jamil Bou Ibroun
Chairman

Mario Dib
Chief Financial Officer

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

SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Capital LL (000)	*Share premium LL (000)*	*Legal reserve LL (000)*	*Revaluation reserve LL (000)*	*Re-measurement of defined benefit obligations LL (000)*	*Retained earnings LL (000)*	*Total LL (000)*
Balance at 1 January 2024 as previously reported	13,500,000	2,656	4,500,000	4,010,692	(12,507,494)	287,975,500	297,481,354
Effect of restatement (note 21)	-	-	-	1,978,477,510	-	(25,244,683)	1,953,232,827
Balance at 1 January 2024 – restated	13,500,000	2,656	4,500,000	1,982,488,202	(12,507,494)	262,730,817	2,250,714,181
Total comprehensive income for the year – restated	-	-	-	160,196,500	(34,511,885)	13,821,499	139,506,114
Balance at 31 December 2024 - restated	13,500,000	2,656	4,500,000	2,142,684,702	(47,019,379)	276,552,316	2,390,220,295
Transfers	-	-	(168,739)	-	-	168,739	-
Total comprehensive income for the year	-	-	-	-	(2,392,557)	67,727,726	65,335,169
Balance at 31 December 2025	**13,500,000**	**2,656**	**4,331,261**	**2,142,684,702**	**(49,411,936)**	**344,448,781**	**2,455,555,464**

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

SOCIÉTÉ LIBANAISE DES CIMENTS BLANCS SAL

STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	*2025* *LL (000)*	*2024* *LL (000)* *Restated*
OPERATING ACTIVITES			
Profit for the year before income tax		**74,998,886**	24,475,149
Adjustments for:			
Depreciation	6	**39,116,177**	43,970,662
Provision for retirement benefit obligations	14	**2,856,029**	466,290
Provision for slow moving and obsolete inventory	8	**544,726**	1,365,156
		117,515,818	70,277,257
Working capital changes:			
(Decrease) Increase in inventories		**42,530,507**	(55,931,327)
Increase in accounts receivable		**(1,216,107)**	(204,382)
Decrease in other assets		**7,168,700**	2,357,597
Decrease in accounts payable		**(4,473,606)**	(17,165,768)
Decrease in accrued expenses and other liabilities		**(12,869,833)**	(31,300,193)
Net change in related parties balances		**41,137,198**	68,886,622
Increase in deferred income		**805,000**	40,450
Cash from operations		**190,597,677**	36,960,256
Income tax paid	5	**(4,230,360)**	(47,600,577)
End of service benefits paid	14	**(25,878,040)**	(9,264,873)
Net cash from operating activities		**160,489,277**	(19,905,194)
INVESTING ACTIVITY			
Loan to parent company		-	120,000,000
Purchase of property and equipment	6	-	(2,168,999)
Net cash used in investing activity		-	117,831,001
INCREASE IN CASH AND CASH EQUIVALENTS		**160,489,277**	97,925,807
Cash and cash equivalents at 1 January		**174,748,747**	76,822,940
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	11	**335,238,024**	174,748,747

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

1 CORPORATE INFORMATION

Société Libanaise des Ciments Blancs S.A.L. ("the Company") is a joint stock company registered at the Beirut Commercial Court on June 28, 1961 under commercial register number 3. The Company's head office is in Chekka, Lebanon and the plant is located on plots that are situated within the municipalities of Chekka, in the North of Lebanon.

The shares of the Company are listed on the Beirut Stock Exchange.

The principal activity of the Company consists of producing, selling and exporting white cement and related products.

As at 31 December 2025, the parent company is Societe des Ciment Libanais SAL (Previously Holcim Liban SAL). The ultimate parent company is Holcim Ltd. and the address of its registered office is Grafenauweg 10-6300 Zug-Switzerland.

Subsequent to 31 December 2025, the ultimate ownership interest was transferred to North Pine SAL Holding and BZL Cement Holding SAL.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis

The financial statements are presented in Lebanese Lira, which is the Company's functional currency, and all values are rounded to the nearest thousand LL (000), except when otherwise indicated. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

Non-application of International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies'
From periods ending on or after 31 December 2020, the Lebanese economy have been considered hyperinflationary based on the criteria established by International Accounting Standard 29, 'Financial Reporting in Hyperinflationary Economies' ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of a cumulative inflation rate of more than 100% over the previous three years. The Lebanese Central Administration of Statistics reported 3-year and 12-month cumulative increase of consumer of 287% and 12% respectively, as of December 2025 (2024: 666% and 18%, respectively)

IFRS requires that financial statements (including prior year comparatives) of any entity whose functional currency is the currency of a hyperinflationary economy be restated into the current purchasing power at the end of the reporting period. Such restatement shall be made as if the Lebanese economy has always been hyperinflationary; using a general price index that reflects the changes in the currency's purchasing power.

As of the date of the accompanying financial statements, management did not apply the above mentioned standard nor is it able of quantifying the effect that the application of IAS 29 would have on the presented financial statements as management believes such application would not provide the users with more relevant information. Management estimates such effects to be significant on several line items in the financial statements, without any significant impact on the reported equity as at 31 December 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Operating environment of the Company

Lebanon has been witnessing, since the last quarter of 2019, severe events that have set off an interconnected fiscal, monetary and economic crisis as well as deep recession that have reached unprecedent levels. Sovereign credit ratings have witnessed a series of downgrades by all major rating agencies and reached the level of default when, on 7 March 2020, the Lebanese Republic announced that it will withhold payment on the bonds due on 9 March 2020, which was followed by another announcement on 23 March 2020, for the discontinuation of payments on all of its USD denominated Eurobonds.

Throughout this sequence of events, the ability of the Lebanese government and the banking sector in Lebanon to borrow funds from international markets was significantly affected. Banks have imposed de-facto capital controls, restricted transfers of foreign currencies outside Lebanon, significantly reduced credit lines to companies and withdrawals of cash to private depositors, all of which added to the disruption the country's economic activity, as the economic model of Lebanon relies mainly on imports and consumption.

Lebanon's government foresees cancelling "a large part" of the central bank's foreign currency obligations to commercial banks and dissolving non-viable banks. It includes several measures that are prerequisites to unlock funds from a preliminary deal with the International Monetary Fund that could help pull the country out of a three-year financial meltdown.

Foreign currencies and exchange rates
Since the last quarter of 2019, several exchange rates have emerged that differ significantly from one another and from the officially published exchange rate. New terminology has emerged in the Lebanese market, including "local Dollars," which refers to local US Dollar bank accounts that are subject to de facto capital controls, and "fresh funds/accounts," which refers to foreign currency cash and foreign currency bank accounts that are exempt from capital controls (as they originate from foreign currency cash and/or incoming transfers from abroad.

In February 2023, the official exchange rate was changed from LBP 1,507.5 to LBP 15,000 per US Dollar, and then further changed to LBP 89,500 per US Dollar in January 2024. Parallel market rates and Sayrafa rates have remained highly volatile and inconsistent with the official published exchange rates from the last quarter of 2019 until the latest change in January 2024, leading to a convergence of these rates. The Company recorded the effect of that change in the income statement for the year ended 31 December 2024. The corresponding figures for the year ended 31 December 2024 have not been restated to reflect the effect of using exchange rates compliant with IAS 21 – The Effects of Changes in Foreign Exchange Rates.

Assets and liabilities in foreign currency and transactions in foreign currency were reflected in these financial statements at the exchange rates communicated by the Holcim Group Management:

	Rate as at 31 December 2025	***Average rate for the year ended 31 December 2025***	*Rate as at 31 December 2024*	*Average rate for the year ended 31 December 2024*
	LL	***LL***	*LL*	*LL*
US Dollar	**89,702**	**89,702**	89,702	89,702
Euro	**105,266**	**101,402**	93,452	97,057

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Operating environment of the Company (continued)

Law 330 dated 4 December 2024
Law 330 enacted on 4 December 2024 (amending Article 45 of Income Tax Law 144 and its subsequent amendments), authorized taxpayers to conduct a nontaxable exceptional revaluation of fixed assets and inventory, and an exceptional adjustment concerning the negative and positive foreign exchange differences resulting from receivables, payables, and financial accounts balances that are denominated in foreign currency. These accounts are classified under classes 4 and 5 of the Lebanese Chart of Accounts. On 12 March 2025, the Ministry of Finance issued the decisions 338, 339 and 340 related to the mechanism of application of Law 330. The Company applied the exceptional adjustments as disclosed in Note 21.

2.3 New and amended standards and interpretations

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the previous year, except for the adoption of the new and amended IFRS effective as of 1 January 2025:

- *Amendments to IAS 21 - Lack of Exchangeability*

The adoption of the above new and amended standard did not materially impact the financial position or performance of the Company.

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

- *IFRS 18 Presentation and Disclosure in Financial Statements*
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures*
- *Amendments to IFRS 9 and IFRS 7- Classification and Measurement of Financial Instruments*
- *Amendments to IFRS 9 and IFRS 7- Contracts Referencing Nature-dependent Electricity*
- *Amendments to IAS 21- Translation to a Hyperinflationary Presentation Currency*
- *Annual Improvements to IFRS Accounting Standards- Volume 11*

Except for IFRS 18, the Management does not expect these amendments to have a significant impact on the Company's financial statements. The Management is assessing the impact of IFRS 18.

2.5 Material accounting policies

Revenue recognition
Revenue from sale of goods is recognized when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements. Revenue is recognized at the point in time when the control of the asset is transferred to the customer, generally on delivery of the goods.

Contract liabilities, reflecting the Company's obligation to transfer to a customer goods or services for which the Company has already received consideration, relate mainly to advance payments from customers, which are disclosed in note 16. As of 31 December 2025, contract liabilities amounted to LL (000) 1,018,700 (2024: LL (000) 213,700).

A trade receivable is recognized when the products are delivered to a customer, as this is the point in time when the consideration becomes unconditional because only the passage of time is required before the payment is due. Interest income is recorded using the effective interest rate by reference to the net carrying amount of the financial assets.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

2.5 Material accounting policies (continued)

Accounts receivable
Accounts receivables are stated at original invoice amount less a provision for credit losses.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances with a maturity of three months or less.

Inventories
Inventories are stated at the lower of cost and net realizable value. Cost is determined on the basis of the weighted average cost method. The cost of finished and work in progress includes cost of materials, direct labor and manufacturing overheads. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling, and distribution.

Pensions and other post-employment benefits
The Company provides retirement benefits obligation to its employees under defined benefit plans which requires contributions to be made to separately administered funds. The cost of providing these benefits is determined using the projected unit credit method which involves making actuarial assumptions about discount rates and future salary increases. Those assumptions are unbiased and mutually compatible. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest and the return on plan assets (excluding net interest), are recognized immediately in the statement of financial position with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the income statement in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises restructuring-related costs.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation under "personnel expenses" in the statement of income:

- Service costs comprising and current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Taxes
Taxation is provided in accordance with Lebanese fiscal regulations.

Current income tax
Current income tax assets and liabilities for the current and prior periods 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 by the date of the statement of financial position.

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

2.5 Material accounting policies (continued)

Taxes (continued)

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the date of the statement of financial position.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position 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 utilized. Unrecognized deferred tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exits to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value added tax
Revenues, expenses and assets are recognized net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Impairment of financial assets
The Company recognizes an allowance for expected credit losses (ECLs) for all financial assets not held at fair value through profit or loss.

The Company always recognises lifetime ECL for trade and other receivables and contract assets. For all other financial instruments, such as bank balances, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

2.5 Material accounting policies (continued)

Impairment of financial assets (continued)

Measurement and recognition of expected credit losses
For trade receivables and other contract assets, the Company has chosen the simplified method approach. Short credit terms and settlement processes significantly limit the credit risk. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Property and equipment
Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Rate
Buildings	6%
Industrial machinery and equipment	8%
Vehicles	25%
Furniture, fixtures and office equipment	8%

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

Any item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

2.5 Material accounting policies (continued)

Impairment of non-financial assets
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and 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. Where the carrying amount of an asset or a CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generation unit's recoverable amount. A previously recognized 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 recognized. 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 recognized for the asset in prior years. Such reversal is recognized in the statement of income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

Accounts payable and accruals
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Foreign currencies
Transactions denominated in foreign currencies are translated into Lebanese Lira at the exchange rates as disclosed in note 2.2, prevailing at the dates of the transactions. Monetary assets and liabilities stated in foreign currencies are re-translated at the rates of exchange as disclosed in note 2.2, prevailing at the end of the year. The resulting exchange gain or loss is reflected in the statement of profit or loss and other comprehensive income. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Fair values
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.

2.6 Material accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, 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.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

2.6 Material accounting judgments, estimates and assumptions (continued)

Judgments
In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Going concern
The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Income tax
Significant judgment is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, 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:

The key assumptions concerning the future and other key sources of estimation uncertainty at the date of the statement of financial position, 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:

Expected credit losses
An impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about post events, current conditions and forecasts of future economic conditions.

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors and changes which can result in different levels of allowances. For trade receivables, the assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

The Company's historical credit loss experience and forecast of economic conditions may also not be representative of actual defaults in the future. It is the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary. Any difference between the amounts actually realized in future periods and the amounts expected will be recognized in the income statement.

Impairment of inventories
Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable 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 a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices. Any difference between the amounts actually realized in future periods and the amounts expected will be recognized in the statement of income.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)

2.6 Material accounting judgments, estimates and assumptions (continued)

Estimates and assumptions (continued)

Provision for employees' end of service benefits
The cost of defined end of service benefits as well as the present value of the obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return of assets, future salary increases and mortality rates. All assumptions are reviewed at each reporting date. Further details about the assumptions used are given in note 14.

3 SALES

	2025 LL (000)	*2024 LL (000)*
White cement	**531,027,076**	487,309,744
	531,027,076	487,309,744

4 EXPENSES BY NATURE

	2025			
	Cost of sales LL (000)	*Distributions expenses LL (000)*	*General and administrative expenses LL (000)*	*Total LL (000)*
Combustibles	**4,325,711**	-	-	**4,325,711**
Raw materials	**167,386,301**	-	-	**167,386,301**
Salaries and related charges	**50,610,034**	-	**592,034**	**51,202,068**
Spare parts, consumables and maintenance expense	**9,612,387**	**7,931,514**	-	**17,543,901**
Energy consumption	**58,438,542**	**2,693,790**	-	**61,132,332**
Technical assistance (note 7)	-	-	**13,268,493**	**13,268,493**
Depreciation charge (note 6)	**38,754,060**	**362,117**	-	**39,116,177**
Packing materials	-	**15,036,250**	-	**15,036,250**
Contractual employees	**5,499,145**	**1,342,778**	-	**6,841,923**
Other third party services	**1,625,601**	**3,285,205**	**4,786,207**	**3,701,405**
Other taxes	**12,489,481**	-	-	**12,489,481**
Changes in inventories of finished goods and work in progress	**37,234,227**	-	-	**37,234,227**
Other expenses - net	**10,906,253**	**115,805**	**2,560,343**	**13,582,401**
	396,881,742	**30,767,459**	**21,207,077**	**448,856,278**

4 EXPENSES BY NATURE (continued)

	2024 Restated			
	Cost of sales LL (000)	*Distributions expenses LL (000)*	*General and administrative expenses LL (000)*	*Total LL (000)*
Combustibles	45,688,475	-	-	45,688,475
Raw materials	168,248,140	-	-	168,248,140
Salaries and related charges	50,982,202	1,185,792	322,928	52,490,922
Spare parts, consumables and maintenance expense	10,492,478	4,565,654	-	15,058,132
Energy consumption	29,624,034	913,376	-	30,537,410
Technical assistance (note 7)	-	-	19,492,390	19,492,390
Depreciation charge (note 6)	43,970,662	-	-	43,970,662
Packing materials	-	14,038,629	-	14,038,629
Contractual employees	4,234,941	914,239	-	5,149,180
Other third party services	3,272,757	2,548,465	3,608,955	9,430,177
Other taxes	10,534,447	-	497,211	11,031,658
Changes in inventories of finished goods and work in progress	38,071,817	-	-	38,071,817
Other expenses - net	10,942,647	530,285	2,394,763	13,867,695
	416,062,600	24,696,440	26,316,247	467,075,287

Salaries and related charges consist of the following:

	2025 LL (000)	*2024 LL (000)*
Salaries	**23,292,456**	24,992,378
Costs recharged from a related party (note 7)	**15,168,022**	17,861,246
Transportation	**1,535,400**	1,595,200
National social security contributions	**3,370,740**	3,556,758
Other benefits	**7,835,450**	4,485,340
	51,202,068	52,490,922

5 INCOME TAX EXPENSE

The components of income tax expense for the year ended 31 December are detailed as follows:

	2025 LL (000)	*2024 LL (000)*
Current tax:		
Current income tax (a)	**13,694,450**	10,653,650
Adjustment in respect of current income tax relating to prior years	**(6,423,290)**	-
	7,271,160	10,653,650

5 INCOME TAX EXPENSE (continued)

(a) The income tax expense for the year is determined as follows:

	2025 *LL (000)*	*2024* *LL (000)*
Accounting profit before tax	**74,998,886**	24,475,149
Income tax expense at statutory rate of 17%	**12,749,811**	4,160,775
Effect of expense not deductible for tax purpose:		
Provision for obsolete inventory	**92,603**	232,077
Other expenses	**(340,572)**	388,972
Tax effect of revenue not taxable for tax purposes:		
Interest income from loan to a related party	**-**	(577,194)
Other income	**1,192,608**	-
Total current income tax	**13,694,450**	4,204,630
Income tax expense reported in the statement of comprehensive income	**13,694,450**	10,653,650
Surplus in income tax recognized	**-**	6,449,020

Movement in the current income tax liability is as follows:

	2025 *LL (000)*	*2024* *LL (000)*
Balance at 1 January	**10,653,650**	47,600,577
Provision for the year	**7,271,160**	10,653,650
Payments during the year	**(4,230,360)**	(47,600,577)
Balance at 31 December	**13,694,450**	10,653,650

6 PROPERTY AND EQUIPMENT

	Land *LL (000)*	*Buildings* *LL (000)*	*Installations and equipment* *LL (000)*	*Vehicles* *LL (000)*	*Furniture and fixtures* *LL (000)*	*Total* *LL (000)*
Cost:						
Balance at 1 January 2025 and 31 December 2025	1,910,684,933	530,735,000	616,143,396	1,929,888	274,393	3,059,767,610
Depreciation						
Balance at 1 January 2025	-	528,566,000	384,791,008	1,929,888	274,393	915,561,290
Charge for the year	-	130,140	38,986,037	-	-	39,116,177
Balance at 31 December 2025		528,696,140	423,777,045	1,929,888	274,393	954,677,466
Net book value						
At 31 December 2025	**1,910,684,933**	**2,038,860**	**192,366,351**	**-**	**-**	**2,105,090,144**

6 PROPERTY AND EQUIPMENT (continued)

	Land *LL (000)*	*Buildings* *LL (000)*	*Installations and equipment* *LL (000)*	*Vehicles* *LL (000)*	*Furniture and fixtures* *LL (000)*	*Total* *LL (000)*
Cost						
Balance 1 January 2024 as previously reported	4,456,890	7,193,423	91,756,862	322,527	274,393	104,004,095
Effect of restatement (note 21)	1,746,031,545	470,468,077	524,415,073	1,607,361	-	2,742,522,056
At 1 January 2024 - restated	1,750,488,435	477,661,500	616,171,935	1,929,888	274,393	2,846,526,151
Additions	-	2,168,999	-	-	-	2,168,999
Effect of restatement (note 21)	160,196,498	50,904,501	(28,539)	-	-	211,072,460
Balance at 31 December 2024 - restated	1,910,684,933	530,735,000	616,143,396	1,929,888	274,393	3,059,767,610
Accumulated depreciation						
At 1 January 2024 as previously reported	-	6,961,121	23,868,318	322,527	273,473	31,425,439
Effect of restatement (note 21)	-	470,700,379	317,037,268	1,553,785	(2,203)	789,289,229
At 1 January 2024- restated	-	477,661,500	340,905,586	1,876,312	271,270	820,714,668
Charge for the year (note 4)	-	13,530,003	30,383,960	53,576	3,123	43,970,662
Effect of restatement (note 21)	-	37,374,498	13,501,462	-	-	50,875,960
Balance at 31 December 2024 - restated	-	528,566,001	384,791,008	1,929,888	274,393	915,561,290
Net book value						
31 December 2024 - restated	1,910,684,933	2,168,999	231,352,388	-	-	2,144,206,320

7 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the statement of financial position are as follows:

	2025 Due to LL (000)	*2024 Due to LL (000)*
Current:		
Societe des Ciments Libanais SAL (Previously Holcim Liban SAL) – parent company	**151,530,849**	110,393,650
Societe Carrière de Jieh SAL - related party	**13,007**	13,007
	151,543,856	110,406,657

Transactions with related parties included in the statement of comprehensive income consist of transactions with the parent company and are as follows:

	2025 LL (000)	*2024 LL (000)*
Purchase of goods	**7,933,120**	5,767,629
Purchase of services	**-**	2,113,574
Interest income on loan	**-**	3,395,260
Technical assistance (note 4)	**13,268,493**	19,492,390
Recharged costs from a related party (note 4)	**15,168,022**	17,861,246

8 INVENTORIES

	2025 LL (000)	*2024 LL (000)*
Raw material and combustibles	**158,126,730**	154,237,083
Finished goods – white cement	**45,333,079**	34,720,438
Spare parts	**9,888,798**	13,458,624
Work in progress	**42,830,313**	96,293,282
	256,178,920	298,709,427
Less: provision for slow moving and obsolete inventory	**(3,395,466)**	(2,850,740)
	252,783,454	295,858,687

Provision for obsolete inventory is determined according to the Group policy defined as follows:

- 30% for inventory aging bracket between 365 and 729 days
- 50% for inventory aging bracket between 730 and 1,095 days
- 80% for inventory aging bracket more than 1,095 days

8 INVENTORIES (continued)

The movement of the provision for slow moving and obsolete inventory during the year was as follows:

	2025 LL (000)	*2024 LL (000)*
Balance at 1 January	**2,850,740**	1,485,584
Provided during the year	**544,726**	1,365,156
Balance at 31 December	**3,395,466**	2,850,740

9 OTHER ASSETS

	2025 LL (000)	*2024 LL (000)*
Advances to suppliers	**3,729,555**	7,025,543
Value added tax receivable	**1,147,834**	5,020,546
Other receivables	**17,882**	17,882
	4,895,271	12,063,971

Other assets are segregated into the following currencies:

	2025 LL (000)	*2024 LL (000)*
Lebanese Lira	**2,276,534**	9,450,434
Unrestricted US Dollar (fresh)	**1,768,285**	2,613,537
Unrestricted Euro (Offshore/Fresh)	**850,452**	-
	4,895,271	12,063,971

10 ACCOUNTS RECEIVABLE

	2025 LL (000)	*2024 LL (000)*
Trade receivables	**5,247,922**	837,184
Less: allowance for credit loss – credit impaired	**(3,302,124)**	(107,493)
	1,945,798	729,691

Trade receivables are interest free and mainly denominated in Lebanese Pounds and US Dollars. Credit impaired balances in restricted US Dollars subject to de-facto capital controls and related allowances for credit loss amounting to US Dollars 36,306 are translated to Lebanese Pounds at the rate of LL 89,500 to the US Dollar as at 31 December 2025 (2024: US Dollars 36,306 translated to Lebanese Pounds at the rate of LL 1,507.5 to the US Dollar).

10 ACCOUNTS RECEIVABLE (continued)

The aging of unimpaired trade receivables as at 31 December 2025 and 2024 is detailed as follows:

	2025 LL (000)	*2024 LL (000)*
Not due	**1,843,246**	729,266
0 – 30 days	**5,104**	425
31 – 60 days	**97,448**	-
	1,945,798	729,691

The movement of the allowance for expected credit losses is summarized as follows:

	2025 LL (000)	*2024 LL (000)*
Balance at 1 January	**107,493**	107,493
Difference of exchange	**3,194,631**	-
Balance as at December 31	**3,302,124**	107,493

11 BANK BALANCES

	2025 LL (000)	*2024 LL (000)*
Bank balances	**335,238,024**	174,748,747

Bank balances are segregated as follows by currency:

	2025 LL (000)	*2024 LL (000)*
Unrestricted US Dollar (fresh) – non-resident	**161,463,940**	17,021,075
Unrestricted US Dollar (fresh) - resident	**143,479,840**	53,541,626
Restricted US Dollar (local)	**24,744,015**	24,865,881
Lebanese Lira	**5,550,229**	79,320,165
	335,238,024	174,748,747

Restricted US Dollar (local) as at 31 December 2025 and 31 December 2024, consist of balances with Lebanese banks that are subject to de-facto capital controls and restricted transfers outside Lebanon. However, these balances are available for disbursement within Lebanon.

12 CAPITAL

As at 31 December 2025 and 2024, the Company's capital amounting to LL (000) 13,500,000 consists of 9,000,000 shares with a par value of LL 1,500 each, authorized and fully paid.

13 RESERVES

Legal reserve
In accordance with the Lebanese Code of Commerce and the Company's articles of association, 10% of the annual net income is required to be transferred to legal reserve until this reserve equals one third of the capital. This limit was attained in prior years and no further transfer is required. This reserve is not available for dividend distribution.

Revaluation reserve
Revaluation reserve of LL (000) 2,142,684,702 (2024: the same) represents the amount of the revaluation reserve that arose upon application of law 330 as disclosed in note 21.

14 RETIREMENT BENEFIT OBLIGATIONS

The Company has a defined benefit plan covering substantially all of its employees. The plan requires contributions to be made to the National Social Security Fund. The entitlement to and level of these end of service benefits provided depends on the employees' length of service, the employees' salaries, contributions paid to the National Social Security Fund and other requirements outlined in the Lebanese Labor Law. Movements in the provision for end service benefits recognized in the statement of financial position are as follows:

	2025 *LL (000)*	*2024* *LL (000)*
Balance at 1 January	**38,691,330**	12,978,028
Costs charged to the income statement:		
Current service cost	**147,934**	88,830
Interest expense	**2,708,096**	377,460
	2,856,029	466,290
Re-measurement gains in other comprehensive income:		
Experience adjustments	**2,392,557**	35,896,563
Charges in financial assumptions	**-**	(1,384,678)
	2,392,557	34,511,885
End of service benefits paid during the year	**(25,878,040)**	(9,264,873)
Balance at 31 December	**18,061,876**	38,691,330

The provisions at the respective reporting dates have been calculated based on the following actuarial assumptions:

	2025	*2024*
Discount rate	**13.6%**	13.6%
Expected rate of return on contribution	**5.0%**	5.0%
Salary growth rate	**4.0%**	4.0%
Mortality rate	**None**	None
Turnover rate	**1.0%**	1.0%
Retirement age	**Earliest of 64 or completion of 35 years of contributions**	Earliest of 64 or completion of 35 years of contributions

15 ACCOUNTS PAYABLE

	2025 *LL (000)*	*2024* *LL (000)*
Trade payables	**34,257,389**	38,730,995
Due to related parties (note 7)	**151,543,856**	110,406,657
	185,801,245	149,137,652

Trade payables consist of current trade suppliers' balances, are non-interest bearing and segregated into the following currencies. Trade payables are mainly unrestricted by nature.

	2025 *LL (000)*	*2024* *LL (000)*
Unrestricted US Dollar (onshore/fresh)	**31,677,966**	29,312,002
Unrestricted Euro (onshore/local)	**1,664,123**	2,018,546
Lebanese Lira	**915,300**	7,010,134
Restricted GBP (onshore/local)	-	185,794
Restricted US Dollar (local)	-	126,272
Restricted Euro (local)	-	78,247
	34,257,389	38,730,995

16 ACCRUED EXPENSES AND OTHER LIABILITIES

	2025 *LL (000)*	*2024* *LL (000)*
Advances from customers	**1,699,769**	1,220,963
Deferred income	**1,018,701**	213,700
Social security dues	**395,489**	469,529
Taxes withheld on salaries	**711,078**	259,288
Other accrued expenses	**22,523,762**	36,250,152
	26,348,799	38,413,632

17 COMMITMENTS AND CONTINGENCIES

The Company's books and records from the years 2018 to 2025 remain subject to review by the Department of Value Added Tax and Department of Income Tax. Management does not believe that the ultimate outcome of any such reviews can have a material effect on the financial statements.

The Company's books have not been reviewed by the National Social Security Fund since inception of the Company. Management does not believe that the ultimate outcome of any such reviews can have a material effect on the financial statements.

18 RISK MANAGEMENT

Interest rate risk
The Company's interest rate risk arises from the possibility that changes in market interest rates will affect the value of interest-earning assets and interest-bearing liabilities and related interest amounts. The Company has no significant liabilities subject to interest. The Company is not exposed to significant interest rate risk on its assets as at 31 December 2025.

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Financial assets which potentially subject the Company to credit risk consist mainly of cash at banks.

The Company's onshore liquid funds are placed with Lebanese banks and are subject to de-facto capital control imposed by banks. As a result of the current financial and economic crisis in Lebanon, credit rating agencies have downgraded the credit rating for Lebanon to default category with little recovery, which resulted in an increase in significant credit risk for the Company's exposure to Lebanese banks. The Company's offshore liquid funds with Lebanese banks are not subject to de-facto capital control and are placed with reputable banks.

Liquidity risk
Liquidity risk is the risk that an entity will be unable to meet its net funding requirements. The Company manages liquidity risk by maintaining adequate resources and ensuring the availability of necessary facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Currency risk
Currency risk arises from currency fluctuation effects on the monetary assets and liabilities denominated in foreign currencies. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company's monetary assets and liabilities are mostly denominated in Euro, US Dollar and Lebanese Lira. Management is taking steps to address currency risk by matching sources and applications of funds, as applicable.

Capital management
The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024. Equity comprises of paid capital, retained earnings, share premium, and reserves and is measured at a surplus of LL (000) 2,455,555,464 as at 31 December 2025 (2024: LL (000) 2,390,220,295).

19 FAIR VALUES

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and fair value estimates. The carrying book values of financial assets and liabilities are not materially different from their fair values applicable at the reporting date.

20 SEGMENT INFORMATION

For management purposes, the Company is organized into business units based on their geographical location and has one reportable operating segment "Local sales".

Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements. However, financing (including finance costs and interest income) and income taxes are managed on a Company basis and are not allocated to operating segments.

	2025 LL (000)	*2024 LL (000) Restated*
Sales	**531,027,076**	487,309,744
Cost of sales	**(396,881,742)**	(416,062,600)
GROSS PROFIT	**134,145,334**	71,247,144
Distribution expenses	**(30,767,459)**	(24,696,440)
General and administrative expenses	**(21,207,077)**	(26,316,247)
Provision for slow moving and obsolete inventory	**(544,726)**	(1,365,156)
Foreign exchange, net	**(660,225)**	4,451,391
Segment profit	**80,965,847**	23,320,692
Operating assets	**2,699,952,691**	2,627,607,416
Operating liabilities	**243,906,370**	236,896,264

Adjustments

1. Profit for each operating segment does not include interest income, finance costs or provisions for risks and charges as these are managed on a Company basis.

2. Segment liabilities do not include deferred tax or provisions for risks and charges, as these liabilities are managed on a Company basis.

Reconciliation of profit

	2025 LL (000)	*2024 LL (000)*
Segment profit	**80,965,847**	23,320,692
Finance costs, net	**(5,966,961)**	(2,240,803)
Income tax expense	**(7,271,160)**	(10,653,650)
Interest income on loan to a shareholder	-	3,395,260
Company profit	**67,727,726**	13,821,499

20 SEGMENT INFORMATION (continued)

Reconciliation of assets

	2025 LL (000)	*2024 LL (000)*
Segment assets	**2,699,952,691**	2,627,607,416
Company assets	**2,699,952,691**	2,627,607,416

Reconciliation of liabilities

	2025 LL (000)	*2024 LL (000)*
Segment liabilities	**243,906,370**	236,896,264
Provisions for risks and charges	**45,225**	45,225
Deferred tax liability	**445,632**	445,632
Company liabilities	**244,397,227**	237,387,121

21 RESTATEMENT OF COMPARATIVE FIGURES

a) Adjustments to the carrying amount of property and equipment

The Company recorded adjustments to the carrying amounts of investment properties and tangible assets based on Law 330 dated 4 December 2024. These adjustments included the following:

- Land was remeasured based on a valuation performed by an accredited independent external valuer in US Dollars and then translated into Lebanese Pounds at LBP 89,500; and
- Tangible assets other than land were adjusted by retranslating historical cost and accumulated depreciation at LBP 89,500 to the US Dollar.

The adjustments were applied retrospectively, with corresponding figures as at and for the year ended 31 December 2024 restated and, a third statement of financial position presented as at 1 January 2024. The effect of these adjustments on the financial statements is presented below.

Statement of Financial Position as at 1 January 2024:

	1 January 2024 as previously reported LL (000)	*Restatement LL (000)*	*1 January 2024 as restated LL (000)*
Assets			
Property and equipment	72,578,658	1,953,232,827	2,025,811,485
Equity			
Retained earnings	287,975,500	(25,244,683)	262,730,817
Revaluation reserve	4,010,692	1,978,477,510	1,982,488,202
	291,986,192	1,953,232,827	2,245,219,019

21 RESTATEMENT OF COMPARATIVE FIGURES (continued)

a) Adjustments to the carrying amount of property and equipment (continued)

	31 December 2024 as previously reported LL (000)	*Restatement LL (000)*	*31 December 2024 as restated LL (000)*
Assets			
Property and equipment	68,711,769	2,075,494,551	2,144,206,320
Equity			
Retained earnings	339,731,775	(63,179,459)	276,552,316
Revaluation reserve	4,010,692	2,138,674,010	2,142,684,702
	343,742,467	2,075,494,551	2,419,237,018
Income statement			
Depreciation	(6,035,886)	(37,934,776)	(43,970,662)
Other comprehensive income			
Revaluation gain	-	160,196,500	160,196,500

22 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date, geopolitical tensions in parts of the Middle East have increased. Starting February 2026, Lebanon experienced armed attacks that have escalated, causing widespread displacement and extensive damage to local establishments and infrastructure.

This armed conflict, along with its spillover effects, has further strained Lebanon's already crisis-affected economy, negatively impacting business operations, as well as the income and revenues of both the private and public sectors and individuals. A temporary partial ceasefire was declared on 16 April 2026 and has since been extended beyond the initial timeframe.

These developments arose after the reporting period and have therefore been assessed as non-adjusting events in accordance with IAS 10 Events after the Reporting Period.

Accordingly, no adjustments have been made to the amounts recognised in the financial statements as at 31 December 2025, which reflect conditions existing at that date.

The Company has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these non-adjusting events on future periods.

Management has also considered the impact of these events on the Company's ability to continue as a going concern and has concluded that the going concern basis of preparation remains appropriate.