

EMIRATES REFRESHMENTS (P.S.C.)

**Review report and condensed
consolidated financial information
for the three-month period ended
31 March 2022**

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF EMIRATES REFRESHMENTS (P.S.C.)

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Emirates Refreshments (P.S.C.) (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 31 March 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and certain explanatory notes. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim *Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information of the Group is not prepared, in all material respects, in accordance with IAS 34.

Deloitte & Touche (M.E.)



Mohammad Khamees Al Tah
Registration No. 717
12 May 2022
Abu Dhabi
United Arab Emirates

**Condensed consolidated statement of financial position
as at 31 March 2022**

	Notes	31 March 2022 AED	31 December 2021 AED
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,396,786	3,454,672
Investment properties	6	11,810,000	11,810,000
Right-of-use assets	7	5,308,795	5,708,055
Investment in financial assets	8	1,229,675	1,010,211
Total non-current assets		21,745,256	21,982,938
Current assets			
Inventories	9	4,002,642	4,790,308
Trade and other receivables	10	6,617,758	5,950,048
Due from related parties	11	679,554	660,179
Investment in financial assets	8	16,400,000	18,400,000
Cash and cash equivalent	12	15,787,661	15,657,061
Total current assets		43,487,615	45,457,596
Total assets		65,232,871	67,440,534
EQUITY AND LIABILITIES			
Equity			
Share capital	13	30,000,000	30,000,000
Statutory reserve	14	187,122	187,122
Fair value reserve		834,726	615,262
Accumulated losses		(12,976,629)	(9,672,967)
Net equity		18,045,219	21,129,417
Non-current liabilities			
Provision for employees' end of service benefits	15	1,674,091	1,717,587
Lease liabilities	16	7,612,082	7,855,270
Total non-current liabilities		9,286,173	9,572,857
Current liabilities			
Trade and other payables	17	9,243,922	10,150,395
Lease liabilities	16	2,130,874	2,093,793
Due to a related party	11	203,498	77,013
Short term loan from a related party	11	17,000,000	17,000,000
Bank overdrafts	12	9,323,185	7,417,059
Total current liabilities		37,901,479	36,738,260
Total liabilities		47,187,652	46,311,117
Total equity and liabilities		65,232,871	67,440,534

To the best of our knowledge, the financial information included in these interim condensed consolidated financial statements fairly presents in all material respects the financial condition, results of operations and cash flows of the Group as of, and for, the periods presented therein. The interim condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 12 May 2022.



Director



Chairman

The accompanying notes form an integral part of the condensed consolidated financial information.

**Condensed consolidated statement of profit or loss
for the three-month period ended 31 March 2022**

	Notes	Three months ended 31 March	
		2022 AED (unaudited)	2021 AED (unaudited)
Revenues		7,594,264	4,570,073
Less: Discount		(2,577)	(3,815)
		<hr/>	<hr/>
Revenue (net)		7,591,687	4,566,258
Cost of sales		(4,877,636)	(2,697,246)
		<hr/>	<hr/>
Gross profit		2,714,051	1,869,012
Selling and distribution expenses		(2,604,714)	(2,282,572)
General and administrative expenses		(1,201,191)	(3,124,312)
		<hr/>	<hr/>
Operating loss for the period		(1,091,854)	(3,537,872)
Finance cost		(330,490)	(138,639)
Finance income		41,077	41,110
Depreciation on leased plant and machinery	5	(69,009)	(125,372)
Loss on fair value of investment properties	6	-	(110,413)
Rental income	6	35,714	664,694
Fair value loss of investment in financial assets classified as fair value through profit or loss	8	(2,000,000)	-
Other income/(expenses)		110,900	(4,588)
		<hr/>	<hr/>
Net loss for the period		(3,303,662)	(3,211,080)
		<hr/> <hr/>	<hr/> <hr/>
Basic and diluted loss per share	18	(0.11)	(0.11)
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of the condensed consolidated financial information.

**Condensed consolidated statement of comprehensive income
for the three-month period ended 31 March 2022**

	Note	Three months ended 31 March	
		2022	2021
		AED	AED
		(unaudited)	(unaudited)
Loss for the period		(3,303,662)	(3,211,080)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Fair value gain on investments in equity Instruments designated as at FVTOCI	8	219,464	83,245
Total comprehensive loss for the period		(3,084,198)	(3,127,835)

The accompanying notes form an integral part of the condensed consolidated financial information.

**Condensed consolidated statement of changes in equity
for the three-month period ended 31 March 2022**

	Share capital AED	Statutory reserve AED	Fair value reserve AED	Accumulated losses AED	Total equity AED
Balance at 1 January 2021 (audited)	30,000,000	-	327,562	(11,357,066)	18,970,496
Loss for the period	-	-	-	(3,211,080)	(3,211,080)
Other comprehensive income for the period	-	-	83,245	-	83,245
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	83,245	(3,211,080)	(3,127,835)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021 (unaudited)	30,000,000	-	410,807	(14,568,146)	15,842,661
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Balance at 1 January 2022 (audited)	30,000,000	187,122	615,262	(9,672,967)	21,129,417
Loss for the period	-	-	-	(3,303,662)	(3,303,662)
Other comprehensive income for the period	-	-	219,464	-	219,464
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the period	-	-	219,464	(3,303,662)	(3,084,198)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2022 (unaudited)	30,000,000	187,122	834,726	(12,976,629)	18,045,219
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of the condensed consolidated financial information.

**Condensed consolidated statement of cash flows
for the three-month period ended 31 March 2022**

	Three months ended 31 March	
	2022	2021
	AED	AED
	(unaudited)	(unaudited)
Cash flows from operating activities		
Loss for the period	(3,303,662)	(3,211,080)
<i>Adjustments for:</i>		
Depreciation of property and equipment	309,948	414,715
Depreciation on right-of-use assets	399,260	479,676
Loss on fair value of investment properties	-	110,413
Provision for employees' end of service benefits	61,210	67,681
Finance expense	330,490	138,639
Finance income	(41,077)	(41,110)
Allowance for expected credit loss	23,338	30,378
Provision for obsolete inventories	10,887	112,433
Fair value loss of investment in financial assets classified as fair value through profit or loss	2,000,000	-
Operating cash flows before movements in working capital	(209,606)	(1,898,255)
Decrease/(increase) in inventories	776,779	(361,820)
(Increase)/decrease in trade and other receivables	(691,048)	386,239
Increase in due from related parties	(19,375)	(129,708)
Increase in due to a related party	126,485	-
(Decrease)/increase in trade and other payables	(906,473)	2,475,262
Cash generated (used in)/from operations	(923,238)	471,718
Employees' end of service benefits paid	(104,706)	(173,081)
Net cash (used in)/generated from operating activities	(1,027,944)	298,637
Cash flows from investing activities		
Purchase of property, plant and equipment	(252,062)	(129,523)
Finance income received	41,077	41,110
Net cash used in investing activities	(210,985)	(88,413)
Cash flows from financing activities		
Finance cost paid	(170,171)	(33,945)
Interest paid on lease liabilities	(160,319)	(104,694)
Repayment of principal portion of lease liability	(206,107)	(628,590)
Net cash used in financing activities	(536,597)	(767,229)
Net decrease in cash and cash equivalents	(1,775,526)	(557,005)
Cash and cash equivalents at beginning of the period	(7,089,493)	(6,709,913)
Cash and cash equivalents at end of the period (note 12)	(8,865,019)	(7,266,918)

The accompanying notes form an integral part of the condensed consolidated financial information.

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022****1 General information**

Emirates Refreshments (P.S.C.) (“the Company”) is a Public Shareholding Company, incorporated in Dubai, United Arab Emirates under a decree issued by His Highness the Ruler of Dubai. The Company is listed on the Dubai Financial Market. The Federal Decree-Law No. 26 of 2020 on the amendment of certain provisions of UAE Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and became effective on 2 January 2021. It requires companies to adjust their status in accordance with the provisions by 2 January 2022. The Group is in the process to assess the impact wherever applicable to ensure compliance with the changes in the law.

The principal activities of the Company are bottling and selling mineral water as well as manufacturing plastic bottles and containers. The Company has two plants located in Dibba and Hatta, UAE. The Company markets, distributes and sells its products across the UAE, other Middle East countries and Africa.

The registered address of the Company is P.O. Box 5567, Dubai, UAE.

The Company has two wholly owned subsidiaries; Jeema Refreshments LLC and Emirates Refreshments LLC in the UAE. These subsidiaries are engaged in the trading of mineral water, juice, soft drinks and carbonated drinks.

2 Application of new and revised International Financial Reporting Standards (IFRSs)**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated financial statements**

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in these condensed consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 3 *Business Combinations*: Reference to the Conceptual Framework.
- Amendments to IAS 16 *Property, Plant and Equipment* related to proceeds before intended use.
- Amendments to IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* related to Onerous Contracts - Cost of Fulfilling a Contract.
- Annual Improvements to IFRS Standards 2018-2020: The Annual Improvements include amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IFRS 16 *Leases* and IAS 41 *Agriculture*.

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)****2 Application of new and revised International Financial Reporting Standards (IFRSs)
(continued)****2.2 New and revised IFRS in issue but not yet effective**

The Group has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (effective from 1 January 2023)
- Definition of Accounting Estimates (Amendments to IAS 8) (effective from 1 January 2023)
- Amendments to IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current (effective from 1 January 2023).
- IFRS 17 *Insurance Contracts* (effective from 1 January 2023).
- Amendments to IAS 12 *Income Taxes* on accounting for deferred tax on transactions such as leases and decommissioning obligations (effective from 1 January 2023)
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet decided).

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the condensed consolidated financial statements of the Group in the period of initial application.

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 condensed consolidated financial statements of the Group.

3 Summary of significant accounting policies**3.1 Statement of compliance**

The condensed consolidated financial information is prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" and also comply with the applicable requirements of the laws in the U.A.E. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2021. In addition, results for three-month period ended 31 March 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

3.2 Basis of preparation

The condensed consolidated financial information is presented in UAE Dirhams (AED), which is the functional currency of the Group.

This condensed consolidated financial information has been prepared on the historical cost basis, except for financial asset carried at fair value through other comprehensive income (FVOCI), financial asset carried at fair value through profit or loss (FVPL) and investment property that carried at fair value.

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

3 Summary of significant accounting policies (continued)

3.3 Significant accounting policies

The accounting policies used in the preparation of this condensed consolidated financial information are consistent with those used in the preparation of the audited annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of the new and revised standards and interpretations effective 1 January 2022 that are mentioned in Note 2.1.

3.4 Going concern

The Group incurred loss of AED 3.30 million for the period ended 31 March 2022 (31 March 2021: AED 3.21 million) and has accumulated losses amounting to AED 12.98 million which represent 43.26% of share capital (31 December 2021: 31.62%). During the period, the Group had disclosed a detailed analysis of the accumulated losses, their amount and percentage of the capital, the main reasons that led to these accumulated losses, their date and the actions that will be taken to address them. The group has planned the mitigating actions to reduce costs and optimization.

The management assessed that the Group has sufficient liquidity for the foreseeable future and accordingly has adopted the going concern basis in preparing the condensed consolidated financial information which assumes that Group will be able to meet its liabilities due for a period of not less than twelve months from the date of this condensed consolidated financial information.

4 Use of judgements and estimates

The preparation of condensed consolidated financial information requires management to make judgement, estimates and assumptions that effect the application of the accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period 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 made by management in applying the Group's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the Group's annual financial statements as at and for the year ended 31 December 2021 except as mentioned in Note 3.

5 Property, plant and equipment

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Property, plant and equipment at net carrying amount	3,396,786	3,454,672

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

5 Property, plant and equipment (continued)

Additions:

During the three-month period ended 31 March 2022, the Group acquired assets amounting to AED 0.25 million (three-month period ended 31 March 2021: AED 0.13 million).

Depreciation:

The depreciation expense amounted to AED 0.31 million during the three-month period ended 31 March 2022 (three-month period ended 31 March 2021: AED 0.41 million).

Leased equipment:

On 9 April 2020, the Group leases out certain equipment of Dibba plant to Alpha Technologies Limited (related party). The lease term is one year with renewal option of one year. The Group has classified this lease as operating lease as they do not transfer substantially all the of the risks and rewards incidental to ownership of the underlying asset and the lessee does not have an option to purchase the equipment at the expiry of the lease period. The carrying value of the leased equipment as at 31 March 2022 amounted to AED 0.68 million (31 December 2021: AED 0.76 million) and the depreciation charges for the period ended 31 March 2022 amounted to AED 0.069 million (31 March 2021: AED 0.125 million).

6 Investment properties

Investment properties comprises of warehouses on leasehold land situated in Fujairah and factory building of Dibba plant.

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
At 1 January	11,810,000	12,085,461
Loss on fair value of investment properties	-	(275,461)
	<hr/> 11,810,000 <hr/>	<hr/> 11,810,000 <hr/>

The fair value of Group's investment properties was determined internally by the management based on DCF method; fair value is estimated based on significant unobservable inputs. These inputs include: future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows, and terminal value taking into account assumptions regarding maintenance costs, and market rents.

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

6 Investment properties (continued)

Based on management assessment, the investment properties' fair value as at 31 March 2022 is not materially different to its fair value as at 31 December 2021. For disclosure purposes, these investment properties are being considered as Level 3.

The Group has earned rental income during the three-month period ended 31 March 2022 is AED 35,714 (31 March 2021: AED 664,694).

7 Right-of-use of assets

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
At 1 January	5,708,055	2,481,732
Additions during the year	-	6,131,365
Depreciation for the period/year	(399,260)	(1,754,675)
Termination of lease contracts during the year	-	(1,150,367)
	<hr/> 5,308,795 <hr/>	<hr/> 5,708,055 <hr/>

The Group has lease contracts for various items of land and motor vehicles used in its operations. The average lease term is 2-5 years (2021: 2-5 years).

During December 2021, lease contract entered with head office lease was cancelled, thus resulting into write-off of the right of use asset and lease liabilities. There were no material termination penalties as a result of the cancellation of the agreement.

8 Investment in financial assets

Financial assets carried at fair value through profit or loss and financial assets carried at fair value through other comprehensive income are classified as follows:

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
<i>Financial assets carried at fair value through profit and loss ("FVTPL")</i>		
Equity instruments – quoted	16,400,000	18,400,000
	<hr/> 1,229,675 <hr/>	<hr/> 1,010,211 <hr/>
<i>Financial assets carried at fair value through other comprehensive income ("FVTOCI")</i>		
Equity instruments – quoted	1,229,675	1,010,211
	<hr/> 1,229,675 <hr/>	<hr/> 1,010,211 <hr/>

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

8 Investment in financial assets (continued)

The classification of the investments in financial assets are as follows:

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
<i>FVTPL investments</i>		
Current	16,400,000	18,400,000
	<hr/> <hr/>	<hr/> <hr/>
<i>FVTOCI investments</i>		
Non-current	1,229,675	1,010,211
	<hr/> <hr/>	<hr/> <hr/>
<u>Quoted securities</u>		
<i>FVTPL investments</i>		
At the beginning of the year	18,400,000	-
Additions during the year	-	11,123,310
Changes in fair value	(2,000,000)	7,276,690
	<hr/>	<hr/>
	16,400,000	18,400,000
	<hr/> <hr/>	<hr/> <hr/>
<i>FVTOCI investments</i>		
At 1 January	1,010,211	722,511
Changes in fair value	219,464	287,700
	<hr/>	<hr/>
	1,229,675	1,010,211
	<hr/> <hr/>	<hr/> <hr/>

These investments in equity securities are listed on Abu Dhabi Securities Exchange and Dubai Financial Markets Stock Exchanges. The fair value of the quoted equity securities is determined by reference to quoted market prices at the close of business at the end of the reporting date.

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

9 Inventories

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Raw materials	2,123,398	2,875,659
Finished goods	782,031	665,877
Spare parts	3,611,271	3,750,596
Others	191,430	192,777
	<hr/>	<hr/>
	6,708,130	7,484,909
Less: provision for slow moving inventories	(2,705,488)	(2,694,601)
	<hr/>	<hr/>
	4,002,642	4,790,308
	<hr/> <hr/>	<hr/> <hr/>

Movement in provision for slow moving inventories are as follows:

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Balance at 1 January	2,694,601	2,298,403
Charge for the period/year	10,887	629,899
Write-off during the period/year	-	(233,701)
	<hr/>	<hr/>
	2,705,488	2,694,601
	<hr/> <hr/>	<hr/> <hr/>

10 Trade and other receivables

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Trade receivables	7,450,662	6,809,922
Less : Allowance for expected credit losses	(2,199,788)	(2,176,450)
	<hr/>	<hr/>
Trade receivables, net	5,250,874	4,633,472
Prepayments	954,851	853,178
Other receivables	394,562	448,654
Advances to suppliers	17,471	14,744
	<hr/>	<hr/>
	6,617,758	5,950,048
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

10 Trade and other receivables (continued)

Movement in allowance for expected credit loss are as follows:

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Opening balance	2,176,450	3,546,552
Net remeasurement of loss allowance	23,338	160,076
Amounts written off	-	(1,530,178)
	<hr/> 2,199,788 <hr/>	<hr/> 2,176,450 <hr/>

11 Related parties

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

Balances with related parties reflected in the condensed consolidated statement of financial position are as follows:

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Due from related parties		
International Securities LLC	376,690	376,690
Al Ufuq Almalaki General Trading-Sole	203,600	160,836
Zee Store P.J.S.C	62,313	70,610
Trojan General Contracting L.L.C.	18,047	26,046
Somerian Health L.L.C.	15,793	-
Alliance Foods Co. L.L.C.	2,008	2,142
Cine Royal Cinema L.L.C.	1,103	3,308
Alpha Technologies Limited	-	20,547
	<hr/> 679,554 <hr/>	<hr/> 660,179 <hr/>
Due to a related party		
International Holding Company PJSC	203,498	77,013
	<hr/> 17,000,000 <hr/>	<hr/> 17,000,000 <hr/>
Short-term loan from a related party		
International Holding Company PJSC	17,000,000	17,000,000

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

11 Related parties (continued)

Significant transactions with related parties are as follows:

	Three month period ended 31 March	
	2022	2021
	AED	AED
	(unaudited)	(unaudited)
Sales to a related party	352,091	5,224
Payment of expenses on behalf of a related party	-	330,772
Rental income from a related party	-	630,000
Interest expense on the short-term loan	126,484	-

During September 2021, the Group entered into a loan agreement with International Holding Company PJSC amounting to AED 5,000,000. The loan bears annual interest of 3% per annum. In December 2021, the Group obtained additional AED 12,000,000 loan from the same related party with same annual interest of 3% per annum. The loan is payable on demand.

12 Cash and bank balances

For the purpose of the condensed consolidated statement of cash flows, cash and cash equivalents are comprised for the following:

	31 March	31 December
	2022	2021
	AED	AED
	(unaudited)	(audited)
Cash on hand	114,500	98,708
Other cash equivalents	68,914	64,890
Cash at bank – current accounts	274,752	163,968
Short-term deposits	15,329,495	15,329,495
Cash and bank balances	15,787,661	15,657,061
Less: fixed deposits with original maturity of more than three months	(15,329,495)	(15,329,495)
Bank overdrafts	(9,323,185)	(7,417,059)
Cash and cash equivalents in the statement of cash flows	(8,865,019)	(7,089,493)

Bank overdraft carry interest at prevailing market interest rate and are secured against fixed deposit with banks amounting to AED 15.33 million at 31 March 2022 (31 December 2021: AED 15.33 million).

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

13 Share capital

The share capital of the Parent Company consists of fully paid ordinary shares with a par value of AED 1 each. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of the Group.

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Issued and fully paid up		
30 million ordinary shares of AED 1 each	30,000,000	30,000,000

The shareholders in the general meeting held on 6 December 2020 approved to increase the Company's authorized capital to be AED 600,000,000 and it is in process, expected to be completed during first half of the year 2022.

14 Statutory reserve

In accordance with the UAE Federal Law No. (2) of 2015 and the Parent Company's Articles of Association, a minimum of 10% of the profit of the Group is to be allocated annually to a non-distributable statutory reserve. Such allocations may be ceased when the statutory reserve becomes equal to half of the share capital.

15 Provision for employees' end of service benefits

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
At 1 January	1,717,587	2,019,752
Charge for the period/year	61,210	266,578
Payments made during the period/year	(104,706)	(568,743)
	1,674,091	1,717,587

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

16 Lease liabilities

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Balance at the beginning of the period/year	9,949,063	7,312,364
Additions during the period/year	-	6,131,365
Finance cost	160,319	471,242
Termination of lease contracts during the period/year	-	(1,310,115)
Payments during the period/year	(366,426)	(2,655,793)
	9,742,956	9,949,063
Presented as:		
Current	2,130,874	2,093,793
Non-current	7,612,082	7,855,270

17 Trade and other payables

	31 March 2022 AED (unaudited)	31 December 2021 AED (audited)
Trade payables	6,843,517	8,492,611
Accrued expenses and other payables	2,225,862	1,499,103
Advances from customers	89,703	93,146
Value added tax payable	84,840	65,535
	9,243,922	10,150,395

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

18 Basic and diluted loss per share

Basic loss per share amounts are calculated by dividing the loss for the period by the weighted average number of shares outstanding during the period.

There are no dilutive securities, therefore diluted loss per share is the same as basic loss per share.

The following reflects the loss and share data used in the earnings per share computations:

	Three months ended 31 March	
	2022	2021
	(unaudited)	(unaudited)
Loss for the period (AED)	(3,303,662)	(3,211,080)
Weighted average number of shares in issue	30,000,000	30,000,000
Basic and diluted loss per share (AED)	(0.11)	(0.11)

19 Contingencies and commitments

	31 March	31 December
	2022	2021
	AED	AED
	(unaudited)	(audited)
Letter of guarantees	55,000	55,000
Capital commitments	27,477	120,853
Letters of credit	1,174,704	955,550

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)**

20 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies of the Company since year end.

Liquidity risk

Compared to the consolidated financial statements for the year ended 31 December 2021, there were no material changes in the contractual undiscounted cash outflows of the financial liabilities.

Fair value estimation

Fair value of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets of the Group include investment securities, trade and other receivables, cash and bank balances and amount due from a related party. Financial liabilities of the Group include trade and other payables and bank overdraft.

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

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
31 March 2022				
Investment in financial assets	17,629,675	-	-	17,629,675
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2021				
Investment in financial assets	19,410,211	-	-	19,410,211
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)****20 Financial risk management (continued)****Fair value measurement of non-financial assets**

Fair value of investment properties as disclosed in Note 6 has been determined internally by the management based on discounted cash flow (DCF) method; fair value is estimated based on significant unobservable inputs. These inputs include: future rental cash inflows based on the actual location, type and quality of the properties and supported by the terms of any existing lease; discount rates reflecting current market assessments of the uncertainty in the amount and timing of cash flows, and terminal value taking into account assumptions regarding maintenance costs, and market rents. For disclosure purposes, these investment properties are being considered as Level 3.

21 Seasonality of results

No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the three-month period ended 31 March 2022 and 2020.

22 Operating segment information

The Group has three reportable segments, as described below, which are aligned with the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Board of Directors review internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segment:

- Corporate segment, which involves investing activities of the Group.
- Land and building leasing segment, which involves the segment of leasing investment property warehouses; and
- Operations segment, which involves the segment of bottling, distribution and trading of mineral water, and evaporated milk.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit, as included in the internal management reports data reviewed by the Group's executive management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

- Corporate segment's total assets pertain mainly to the investments in financial securities of the Group, amounting to AED 17.63 (2021: 19.41 million) and total liabilities pertaining to short-term loan from related party of AED 17.0 million (2021: 17 million). The segment's loss pertains mainly to fair value loss on revaluation of AED 2 million (March 2021: nil) and interest expense of AED 0.13 million (March 2021: nil), resulting in segment net loss of AED 2.13 million (March 2021: nil).
- Land and building leasing segment's total assets pertain mainly to the investment properties of AED 11.81 million (2021: AED 11.81 million) and total liabilities pertain to lease liabilities related to the lease of land of AED 4.56 million (2021: AED 4.50 million). The segment's income pertains mainly to rental income of AED 0.04 million (March 2021: AED 0.67 million) and expenses incurred on the lease during the year is AED 0.24 million (March 2021 AED 0.36) million, which includes finance expense on lease liabilities of AED 0.06 million (March 2021 AED 0.07 million) and loss on fair value of investment properties of nil (March 2021: AED 0.11 million). The segment's net loss amounted to AED 0.20 million (March 2021: Profit of AED 0.31 million).

**Notes to the condensed consolidated financial information
for the three-month period ended 31 March 2022 (continued)****22 Operating segment information (continued)**

- Operations segment's total assets pertain to the Group's total assets excluding the investment in financial securities and investment properties, and total liabilities excluding the short-term loan from related party. The segment's revenue pertain to the Group's revenue of AED 7.60 million (March 2021: AED 4.57 million), and expenses pertain to the Group's total expenses excluding interest expense and expenses incurred for real estate leasing segment. The segment's net loss amounted to AED1.10 million (March 2021: AED 3.52 million).

There have been no intersegment revenue and expenses for the year-ended 31 March 2022 (2021: nil).

Additional information required by IFRS 8 Segment Reporting, is disclosed below:

Information about geographical segments

During the period ended 31 March 2022, revenue from customers located in the Company's country of domicile (UAE) is AED 7.30 million (period ended 31 March 2021: AED 4.51 million) and revenue from customers outside UAE (foreign customers) is AED 0.30 million (period ended 31 March 2021: AED 0.05 million).

Major customers

During the period ended 31 March 2022 and 2021, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.

23 Events after reporting period

On 27 April 2022, the shareholders have approved to increase the share capital of the Company from AED 30,000,000 to a maximum amount of AED 330,000,000 upon the issuance and conversion of the mandatory convertible bonds ("MCB"), at rate of AED 1.0 per MCB. The subscription and allocation to mandatory convertible bonds is limited to a shareholder's ownership in the Company, for each share owned by a shareholder, they can subscribe to 10 mandatory convertible bonds. Issue size will be limited to the subscriptions received from the existing shareholders and the remaining mandatory convertible bonds which are not subscribed for will be cancelled. The conversion date is immediately following the issuance date.

The issuance date is planned to be in quarter two of 2022.