

**EMIRATES REFRESHMENTS (P.S.C.)**

**Review report and condensed  
consolidated financial information  
for the nine-month period ended  
30 September 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 30 September 2022 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine-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  
10 November 2022  
Abu Dhabi  
United Arab Emirates

**Condensed consolidated statement of financial position  
as at 30 September 2022**

	Notes	30 September 2022 AED (Unaudited)	31 December 2021 AED (audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	9,213,585	3,454,672
Investment properties	6	3,380,000	11,810,000
Right-of-use assets	7	6,711,259	5,708,055
Investment in financial assets	8	1,180,909	1,010,211
<b>Total non-current assets</b>		<b>20,485,753</b>	<b>21,982,938</b>
<b>Current assets</b>			
Inventories	9	5,114,738	4,790,308
Trade and other receivables	10	9,180,385	5,950,048
Due from related parties	11	800,427	660,179
Investment in financial assets	8	30,700,000	18,400,000
Cash and cash equivalent	12	273,673,290	15,657,061
<b>Total current assets</b>		<b>319,468,840</b>	<b>45,457,596</b>
<b>Total assets</b>		<b>339,954,593</b>	<b>67,440,534</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	13	319,871,064	30,000,000
Statutory reserve	14	187,122	187,122
Fair value reserve		785,960	615,262
Accumulated losses		(1,658,836)	(9,672,967)
<b>Net equity</b>		<b>319,185,310</b>	<b>21,129,417</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	15	1,696,761	1,717,587
Lease liabilities	16	6,769,920	7,855,270
<b>Total non-current liabilities</b>		<b>8,466,681</b>	<b>9,572,857</b>
<b>Current liabilities</b>			
Trade and other payables	17	10,253,717	10,150,395
Lease liabilities	16	2,048,885	2,093,793
Due to a related party	11	-	77,013
Short term loan from a related party	11	-	17,000,000
Bank overdrafts	12	-	7,417,059
<b>Total current liabilities</b>		<b>12,302,602</b>	<b>36,738,260</b>
<b>Total liabilities</b>		<b>20,769,283</b>	<b>46,311,117</b>
<b>Total equity and liabilities</b>		<b>339,954,593</b>	<b>67,440,534</b>

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 10 November 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 nine-month period ended 30 September 2022**

	Notes	Nine months ended 30 September		Three months ended 30 September	
		2022	2021	2022	2021
		AED (unaudited)	AED (unaudited)	AED (unaudited)	AED (unaudited)
Revenues		<b>23,629,448</b>	15,905,916	<b>8,080,720</b>	6,122,328
Less: Discount		<b>(51,953)</b>	(34,221)	<b>(31,801)</b>	(28,387)
Revenue (net)		<b>23,577,495</b>	15,871,695	<b>8,048,919</b>	6,093,941
Cost of sales		<b>(16,098,266)</b>	(9,440,585)	<b>(5,855,245)</b>	(3,637,733)
<b>Gross profit</b>		<b>7,479,229</b>	6,431,110	<b>2,193,674</b>	2,456,208
Selling and distribution expenses		<b>(8,282,635)</b>	(7,957,485)	<b>(2,875,019)</b>	(2,890,007)
General and administrative expenses		<b>(3,148,041)</b>	(3,346,786)	<b>(2,316,839)</b>	(1,032,919)
Operating loss for the period		<b>(3,951,447)</b>	(4,873,161)	<b>(2,998,184)</b>	(1,466,718)
Finance cost		<b>(879,359)</b>	(513,996)	<b>(205,688)</b>	(234,767)
Finance income		<b>1,697,641</b>	169,372	<b>1,560,923</b>	43,682
Depreciation on leased plant and machinery	5	<b>(136,992)</b>	(353,192)	-	(104,155)
Loss on fair value of investment properties	6	-	(110,413)	-	-
Rental income	6	<b>107,143</b>	1,651,102	<b>35,714</b>	485,714
Fair value loss of investment in financial assets classified as fair value through profit or loss	8	<b>12,300,000</b>	-	<b>12,700,000</b>	-
(Other expenses)/income		<b>(1,122,855)</b>	590,880	<b>24,757</b>	951,403
<b>Net profit/(loss) for the period</b>		<b>8,014,131</b>	(3,439,408)	<b>11,117,522</b>	(324,841)
<b>Basic and diluted earnings/(loss) per share</b>	18	<b>0.063</b>	(0.115)	<b>0.088</b>	(0.011)

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

**Condensed consolidated statement of comprehensive income  
for the nine-month period ended 30 September 2022**

	Note	Nine months ended 30 September		Three months ended 30 September	
		2022 AED (unaudited)	2021 AED (unaudited)	2022 AED (unaudited)	2021 AED (unaudited)
<b>Profit/(loss) for the period</b>		<b>8,014,131</b>	(3,439,408)	<b>11,117,522</b>	(324,841)
<b>Other comprehensive income</b>					
<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	<b>8</b>	<b>170,698</b>	139,906	<b>75,862</b>	21,316
<b>Total comprehensive income/(loss) for the period</b>		<b>8,184,829</b>	(3,299,502)	<b>11,193,384</b>	(303,525)

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

**Condensed consolidated statement of changes in equity  
for the nine-month period ended 30 September 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	-	-	-	(3,439,408)	(3,439,408)
Other comprehensive income for the period	-	-	139,906	-	139,906
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income/(loss) for the period	-	-	139,906	(3,439,408)	(3,299,502)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021 (unaudited)	30,000,000	-	467,468	(14,796,474)	15,670,994
	<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
Additional share capital contribution (note 13)	289,871,064	-	-	-	289,871,064
Profit for the period	-	-	-	8,014,131	8,014,131
Other comprehensive income for the period	-	-	170,698	-	170,698
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	170,698	8,014,131	8,184,829
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2022 (unaudited)</b>	<b>319,871,064</b>	<b>187,122</b>	<b>785,960</b>	<b>(1,658,836)</b>	<b>319,185,310</b>
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The accompanying notes form an integral part of the condensed consolidated financial information.

**Condensed consolidated statement of cash flows  
for the nine-month period ended 30 September 2022**

	<b>Nine months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Cash flows from operating activities</b>		
Profit/loss for the period	<b>8,014,131</b>	(3,439,408)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	<b>1,167,763</b>	1,179,921
Depreciation on right-of-use assets	<b>1,229,296</b>	1,298,260
Loss on fair value of investment properties	-	110,413
Provision for employees' end of service benefits	<b>204,975</b>	241,187
Finance expense	<b>879,359</b>	513,996
Finance income	<b>(1,640,479)</b>	(131,265)
Dividend income from investment securities	<b>(57,162)</b>	(38,107)
Allowance for expected credit loss	<b>10,297</b>	132,808
Provision for obsolete inventories	<b>108,152</b>	497,820
Fair value gain of investment in financial assets classified as fair value through profit or loss	<b>(12,300,000)</b>	-
Gain on sale of property, plant and equipment	<b>(116,892)</b>	-
<b>Operating cash flows before movements in working capital</b>	<b>(2,500,560)</b>	365,625
(Increase) in inventories	<b>(324,430)</b>	(385,631)
(Increase) in trade and other receivables	<b>(3,230,337)</b>	(381,704)
(Increase) in amount due from related parties	<b>(140,248)</b>	(899,291)
(Decrease)/increase in amount due to a related party	<b>(77,013)</b>	8,630
Increase/(decrease) in trade and other payables	<b>103,322</b>	(1,505,530)
<b>Cash used in operations</b>	<b>(6,169,266)</b>	(2,797,901)
Employees' end of service benefits paid	<b>(225,801)</b>	(456,660)
<b>Net cash (used in) operating activities</b>	<b>(6,395,067)</b>	(3,254,561)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	<b>(731,539)</b>	(420,513)
Proceeds from sale of property, plant and equipment	<b>119,047</b>	-
Dividend income received	<b>57,162</b>	38,107
Finance income received	<b>1,522,238</b>	131,265
Increase in fixed deposits	<b>(250,000,000)</b>	-
<b>Net cash (used in) investing activities</b>	<b>(249,033,092)</b>	(251,141)
<b>Cash flows from financing activities</b>		
Additional share capital contribution from shareholders	<b>289,871,064</b>	-
Repayments of loan from a related party	<b>(17,000,000)</b>	-
Finance cost paid	<b>(879,359)</b>	(414,953)
Repayment of principal portion of lease liability	<b>(1,130,258)</b>	(1,746,602)
Proceeds from loan from a related party	-	5,000,000
<b>Net cash generated from financing activities</b>	<b>270,861,447</b>	2,838,445
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,433,288</b>	(667,257)
Cash and cash equivalents at beginning of the period	<b>(7,089,493)</b>	(6,709,913)
<b>Cash and cash equivalents at end of the period (note 12)</b>	<b>8,343,795</b>	(7,377,170)
<b>Non-cash transactions</b>		
Additions to right of use of assets	-	3,625,566
Transfer from investment properties		
To property, plant and equipment	<b>6,197,500</b>	-
To right of use of assets	<b>2,232,500</b>	-

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



**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 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 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 nine-month period ended 30 September 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 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 nine-month period ended 30 September 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 nine-month period ended 30 September 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.

**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**

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Property, plant and equipment at net carrying amount	<b>9,213,585</b>	3,454,672
Additions:		

During the nine-months period ended 30 September 2022, the Group acquired assets amounting to AED 0.73 million (nine-months period ended 30 September 2021: AED 0.42 million).

Transfers:

In June 2022, the Company changed its intention to use the Dibba Plant Warehouse, from leasing to a production facility. Accordingly, the building and right of use asset for land lease with fair value of AED 6.20 million and AED 2.23 million, respectively, were transferred from investment property to property plant and equipment and right of use asset. Fair value of the assets was determined internally by management as disclosed in note 6.

Depreciation:

The depreciation expense amounted to AED 1.17 million during the nine-months period ended 30 September 2022 (nine-months period ended 30 September 2021: AED 1.18 million).

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**6 Investment properties**

Investment properties comprises of warehouses on leasehold land situated in Fujairah.

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
At 1 January	<b>11,810,000</b>	12,085,461
Loss on fair value of investment properties	-	(275,461)
Transfer to property plant and equipment (note 5)	<b>(6,197,500)</b>	-
Transfer to right of use of an asset (note 7)	<b>(2,232,500)</b>	-
	<hr/> <b>3,380,000</b> <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.

Based on management assessment, the investment properties' fair value as of 30 September 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.

In June 2022, the Company changed its intention to use the Dibba Plant Warehouse, from leasing to a production facility. Accordingly, the building and right of use asset for land lease with fair value of AED 6.20 million and AED 2.23 million, respectively, were transferred from investment property to property plant and equipment and right of use asset.

The Group has earned rental income during the nine-month period ended 30 September 2022 is AED 0.11 million (30 September 2021: AED 1.65 million).

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**7 Right-of-use of assets**

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
At 1 January	5,708,055	2,481,732
Additions during the period/year	-	6,131,365
Depreciation for the period/year	(1,229,296)	(1,754,675)
Termination of lease contracts during the period/year	-	(1,150,367)
Transfer from investment property (note 6)	2,232,500	-
	<hr/> <b>6,711,259</b> <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:

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
<b><i>Financial assets carried at fair value through profit and loss ("FVTPL")</i></b>		
Equity instruments – quoted	30,700,000	18,400,000
	<hr/>	<hr/>
<b><i>Financial assets carried at fair value through other comprehensive income ("FVTOCI")</i></b>		
Equity instruments – quoted	1,180,909	1,010,211
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**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**8 Investment in financial assets (continued)**

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

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
<i><b>FVTPL investments</b></i>		
Current	<b>30,700,000</b>	18,400,000
	<hr/> <hr/>	<hr/> <hr/>
<i><b>FVTOCI investments</b></i>		
Non-current	<b>1,180,909</b>	1,010,211
	<hr/> <hr/>	<hr/> <hr/>
<b><u>Quoted securities</u></b>		
<i><b>FVTPL investments</b></i>		
At the beginning of the year	<b>18,400,000</b>	-
Additions during the year	-	11,123,310
Changes in fair value	<b>12,300,000</b>	7,276,690
	<hr/>	<hr/>
	<b>30,700,000</b>	18,400,000
	<hr/> <hr/>	<hr/> <hr/>
<i><b>FVTOCI investments</b></i>		
At 1 January	<b>1,010,211</b>	722,511
Changes in fair value	<b>170,698</b>	287,700
	<hr/>	<hr/>
	<b>1,180,909</b>	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.

Dividend income amounting to AED 0.06 million (2021: AED 0.04 million) is included in the consolidated statement of profit or loss under finance income.

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**9 Inventories**

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Raw materials	3,421,587	2,875,659
Finished goods	763,266	665,877
Spare parts	3,515,735	3,750,596
Others	216,903	192,777
	<hr/>	<hr/>
	7,917,491	7,484,909
Less: provision for slow moving inventories	(2,802,753)	(2,694,601)
	<hr/>	<hr/>
	<b>5,114,738</b>	4,790,308
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Movement in provision for slow moving inventories are as follows:

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Balance at 1 January	2,694,601	2,298,403
Charge for the period/year	108,152	629,899
Write-off during the period/year	-	(233,701)
	<hr/>	<hr/>
	<b>2,802,753</b>	2,694,601
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**10 Trade and other receivables**

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Trade receivables	7,947,178	6,809,922
Less : Allowance for expected credit losses	<b>(2,186,747)</b>	<b>(2,176,450)</b>
	<hr/>	<hr/>
Trade receivables, net	<b>5,760,431</b>	4,633,472
Prepayments	<b>566,708</b>	853,178
Other receivables	<b>1,541,743</b>	448,654
Advances to suppliers	<b>1,311,503</b>	14,744
	<hr/>	<hr/>
	<b>9,180,385</b>	5,950,048
	<hr/> <hr/>	<hr/> <hr/>

Movement in allowance for expected credit loss are as follows:

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Opening balance	<b>2,176,450</b>	3,546,552
Net remeasurement of loss allowance	<b>10,297</b>	160,076
Amounts written off	-	(1,530,178)
	<hr/>	<hr/>
	<b>2,186,747</b>	2,176,450
	<hr/> <hr/>	<hr/> <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.



**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**11 Related parties (continued)**

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

	<b>30 September 2022 AED (unaudited)</b>	<b>31 December 2021 AED (audited)</b>
<b>Due from related parties</b>		
<i>Subsidiaries of parent company:</i>		
International Securities LLC	376,690	376,690
Al Ufuq Almalaki General Trading-Sole	217,892	160,836
Zee Store P.J.S.C	113,789	70,610
Trojan General Contracting L.L.C.	72,631	26,046
Somerian Health L.L.C.	15,747	-
Alliance Foods Co. L.L.C.	1,473	2,142
Cine Royal Cinema L.L.C.	2,205	3,308
Alpha Technologies Limited	-	20,547
	<u>800,427</u>	<u>660,179</u>
<b>Due to a related party</b>		
<i>Subsidiary of parent company:</i>		
International Holding Company PJSC	-	77,013
	<u>-</u>	<u>77,013</u>
<b>Short-term loan from a related party</b>		
<i>Subsidiary of parent company:</i>		
International Holding Company PJSC	-	17,000,000
	<u>-</u>	<u>17,000,000</u>

Significant transactions with related parties are as follows:

	<b>Nine-month period ended 30 September</b>		<b>Three-month period ended 30 September</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>AED</b>	<b>AED</b>	<b>AED</b>	<b>AED</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Sales to a related party	<u>1,042,581</u>	<u>302,384</u>	<u>365,236</u>	<u>219,267</u>
Purchases of goods and services from a related party	<u>296,950</u>	<u>-</u>	<u>43,315</u>	<u>-</u>
Payment of expenses on behalf of a related party*	<u>-</u>	<u>4,900,005</u>	<u>-</u>	<u>1,197,481</u>

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**11 Related parties (continued)**

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.

On 26 July 2022, the Group have paid in full amount the short term loan from a related party.

**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:

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Cash on hand	<b>139,997</b>	98,708
Other cash equivalents	<b>69,534</b>	64,890
Cash at bank – current accounts	<b>8,134,264</b>	163,968
Short-term deposits	<b>265,329,495</b>	15,329,495
	<hr/>	<hr/>
Cash and bank balances	<b>273,673,290</b>	15,657,061
Less: fixed deposits with original maturity of more than three months but less than one year	<b>(265,329,495)</b>	(15,329,495)
Bank overdrafts	-	(7,417,059)
	<hr/>	<hr/>
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>8,343,795</b>	<b>(7,089,493)</b>
	<hr/> <hr/>	<hr/> <hr/>

Bank overdraft carry interest at prevailing market interest rate of 1.35% to 3.5% (2021: 1.35%) and are secured against fixed deposit with banks amounting to AED 15.33 million at 30 September 2022 (31 December 2021: AED 15.33 million). In August 2022, the Company have increased its short term fixed deposit by AED 250 million to earn an interest at prevailing market interest rate of 1.35% to 3.5%

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 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.

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
<b>Issued and fully paid up</b>		
319.87 million ordinary shares of AED 1 each (2021: 30 million ordinary shares of AED 1 each)	<b>319,871,064</b>	30,000,000

Movement in share capital is as follows:

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
As at 1 January	<b>30,000,000</b>	30,000,000
Additional capital contributed by shareholders*	<b>289,871,064</b>	-
<b>As at 31 December</b>	<b>319,871,064</b>	30,000,000

\*On 6 July 2022, SCA approved the increase in authorized share capital of the Company to 600 million ordinary shares of AED 1 each, and accordingly the company's issued capital has been increased from 30 million ordinary shares of AED 1 each to 319.87 ordinary shares of AED 1 each.

**14 Statutory reserve**

In accordance with the UAE Federal Law No. (32) of 2021 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.

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**15 Provision for employees' end of service benefits**

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
At 1 January	1,717,587	2,019,752
Charge for the period/year	204,975	266,578
Payments made during the period/year	(225,801)	(568,743)
	<u>1,696,761</u>	<u>1,717,587</u>

**16 Lease liabilities**

	<b>30 September 2022 AED (unaudited)</b>	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	467,814	471,242
Termination of lease contracts during the period/year	-	(1,310,115)
Payments during the period/year	(1,598,072)	(2,655,793)
	<u>8,818,805</u>	<u>9,949,063</u>
Presented as:		
Current	2,048,885	2,093,793
Non-current	6,769,920	7,855,270

**17 Trade and other payables**

	<b>30 September 2022 AED (unaudited)</b>	31 December 2021 AED (audited)
Trade payables	8,563,546	8,492,611
Accrued expenses and other payables	1,540,953	1,499,103
Advances from customers	71,341	93,146
Value added tax payable	77,877	65,535
	<u>10,253,717</u>	<u>10,150,395</u>

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**18 Basic and diluted earning/loss per share**

Basic loss per share amounts is 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:

	<b>Nine-month period ended 30 September</b>		<b>Three-month period ended 30 September</b>	
	<b>2022 (unaudited)</b>	<b>2021 (unaudited)</b>	<b>2022 (unaudited)</b>	<b>2021 (unaudited)</b>
Earning/(loss) for the period (AED)	<b>8,014,131</b>	(3,439,408)	<b>11,117,522</b>	(324,841)
Weighted average number of shares in issue	<b>126,623,688</b>	30,000,000	<b>126,623,688</b>	30,000,000
Basic and diluted earning/(loss) per share (AED)	<b>0.063</b>	(0.115)	<b>0.088</b>	(0.011)

**19 Contingencies and commitments**

	<b>30 September 2022 AED (unaudited)</b>	<b>31 December 2021 AED (audited)</b>
Letter of guarantees	<b>55,000</b>	55,000
Capital commitments	<b>711,953</b>	48,445
Letters of credit	<b>1,493,807</b>	1,727,095

**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.

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)**

**20 Financial risk management (continued)**

**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.

	<b>Level 1 AED</b>	<b>Level 2 AED</b>	<b>Level 3 AED</b>	<b>Total AED</b>
<b>30 September 2022</b>				
Investment in financial assets	<b>31,880,909</b>	-	-	<b>31,880,909</b>
	=====	=====	=====	=====
<b>31 December 2021</b>				
Investment in financial assets	19,410,211	-	-	19,410,211
	=====	=====	=====	=====

**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.

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 2022 (continued)****21 Seasonality of results**

No income of a seasonal nature was recorded in the condensed consolidated statement of profit or loss for the nine-month period ended 30 September 2022 and 2021.

**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, tissues, and juices trading.

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 31.88 million (2021: 19.41 million) and short-term fixed deposits amounting to AED 265.32 million (2021: 15.32 million) and total liabilities pertaining to short-term loan from related party of AED Nil (2021: 17 million). The segment's profit pertains mainly to fair value gain on revaluation of AED 12.3 million (September 2021: nil) and interest expense of AED 0.29 million (September 2021: 0.08 million), resulting in segment net gain of AED 12.01 million (30 September 2021: nil).
- Land and building leasing segment's total assets pertain mainly to the investment properties of AED 3.38 million (2021: AED 11.81 million). During the period, investment property of Dibba plant building amounting AED 8.43 million were transferred to property, plant & equipment and right of use asset (note 5 and 6).
- Land and building leasing's income pertain mainly to rental income of AED 0.11 million (30 September 2021: AED 1.65 million) and expenses incurred on the lease during the year is AED 0.019 million (30 September 2021 AED 0.39 million), and loss on fair value of investment properties of nil (30 September 2021: AED 0.11 million). The segment's net profit amounted to AED 0.091 million (30 September 2021: Profit of AED 1.26 million).

**Notes to the condensed consolidated financial information  
for the nine-month period ended 30 September 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 pertains to the Group's revenue of AED 23.58 million (September 2021: AED 15.87 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 AED 3.95 million (30 September 2021: AED 4.87 million).

There have been no intersegment revenue and expenses for the year-ended 30 September 2022 (2021: nil).

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

Information about geographical segments

During the period ended 30 September 2022, revenue from customers located in the Company's country of domicile (UAE) is AED 22.86 million (period ended 30 September 2021: AED 15.48 million) and revenue from customers outside UAE (foreign customers) is AED 0.77 million (period ended 30 September 2021: AED 0.42 million).

Major customers

During the period ended 30 September 2022 and 2021, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.

**23 Reclassification of comparative figures**

Comparative figures have been restated for the classification of the following line items in the statement of financial position and statement of cash flows to conform with current year presentation:

	<b>As previously reported 30 September 2021 AED</b>	<b>Reclassification 30 September 2021 AED</b>	<b>As reclassified 30 September 2021 AED</b>
<u>Statement of profit or loss</u>			
Administrative and general expenses	6,625,440	(3,278,654)	3,346,786
Operating Loss	8,151,815	(3,278,654)	4,873,161
Other Income/(Expenses)	3,869,354	(3,278,654)	590,700

Amounts in the statement of cash flows have been reclassified to conform with current year presentation.

The above reclassification had no effect on the net profit reported in the statement of profit or loss and other comprehensive income for the year ended 31 December 2021.

Therefore, the statement of financial position as at beginning of the year ended 31 December 2021 was not presented in these financial statements.