

**EMIRATES REEM INVESTMENTS P.J.S.C.  
(formerly Emirates Refreshments (P.S.C.))**

**Review report and condensed  
consolidated financial information  
for the nine-month period ended  
30 September 2023**

**EMIRATES REEM INVESTMENTS P.J.S.C.  
(formerly Emirates Refreshments (P.S.C.))**

**Review report and condensed consolidated financial information  
for the nine-month period ended 30 September 2023**

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## **REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF EMIRATES REEM INVESTMENTS P.J.S.C.**

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Emirates Reem Investments P.J.S.C. (formerly Emirates Refreshments (P.S.C.)) (the “Company”) and its subsidiaries (together referred to as the “Group”) as at 30 September 2023 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.)

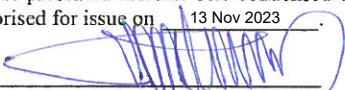


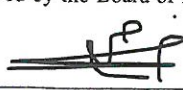
Mohammad Khamees Al Tah  
Registration No. 717  
13 November 2023  
Abu Dhabi  
United Arab Emirates

Condensed consolidated statement of financial position  
as at 30 September 2023

	Notes	30 September 2023 AED	31 December 2022 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	32,386,145	8,295,095
Goodwill	6	9,847,101	-
Investment properties	7	3,380,000	3,380,000
Right-of-use assets	8	7,011,685	6,252,742
Investment in financial assets	9	1,282,146	1,111,600
<b>Total non-current assets</b>		<b>53,907,077</b>	<b>19,039,437</b>
<b>Current assets</b>			
Inventories	10	11,080,654	6,454,206
Trade and other receivables	11	19,949,596	11,791,232
Due from related parties	12	10,389,239	795,287
Investment in financial assets	9	36,682,918	47,646,491
Cash and cash equivalent	13	234,231,224	270,489,854
<b>Total current assets</b>		<b>312,333,631</b>	<b>337,177,070</b>
<b>Total assets</b>		<b>366,240,708</b>	<b>356,216,507</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	319,871,064	319,871,064
Statutory reserve	15	2,727,146	2,727,146
Fair value reserve		887,197	716,651
Retained earnings		13,697,550	13,187,244
<b>Total equity</b>		<b>337,182,957</b>	<b>336,502,105</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	16	1,925,807	1,718,700
Lease liabilities	17	7,469,301	6,192,412
<b>Total non-current liabilities</b>		<b>9,395,108</b>	<b>7,911,112</b>
<b>Current liabilities</b>			
Trade and other payables	18	18,564,240	10,374,151
Lease liabilities	17	1,098,403	1,429,139
<b>Total current liabilities</b>		<b>19,662,643</b>	<b>11,803,290</b>
<b>Total liabilities</b>		<b>29,057,751</b>	<b>19,714,402</b>
<b>Total equity and liabilities</b>		<b>366,240,708</b>	<b>356,216,507</b>

To the best of our knowledge, the financial information included in these 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 condensed consolidated financial statements were approved by the Board of Directors and authorised for issue on 13 Nov 2023.

  
Director

  
Chairman

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

**Condensed consolidated statement of profit or loss  
for the nine-month period ended 30 September 2023**

	Notes	Nine months ended 30 September		Three months ended 30 September	
		2023	2022	2023	2022
		AED (unaudited)	AED (unaudited)	AED (unaudited)	AED (unaudited)
Revenues		<b>36,559,347</b>	23,629,448	<b>18,281,997</b>	8,080,720
Less: Discount		<b>(76,917)</b>	(51,953)	<b>(45,758)</b>	(31,801)
Revenue (net)		<b>36,482,430</b>	23,577,495	<b>18,236,239</b>	8,048,919
Cost of sales		<b>(25,403,398)</b>	(16,098,266)	<b>(13,495,940)</b>	(5,855,245)
<b>Gross profit</b>		<b>11,079,032</b>	7,479,229	<b>4,740,299</b>	2,193,674
Selling and distribution expenses		<b>(8,042,760)</b>	(8,282,635)	<b>(2,755,814)</b>	(2,875,019)
General and administrative expenses		<b>(3,912,098)</b>	(3,148,041)	<b>(1,600,028)</b>	(2,316,839)
Operating (loss)/profit for the period		<b>(875,826)</b>	(3,951,447)	<b>384,457</b>	(2,998,184)
Finance cost		<b>(424,110)</b>	(879,359)	<b>(153,930)</b>	(205,688)
Finance income		<b>7,182,591</b>	1,697,641	<b>2,540,683</b>	1,560,923
Depreciation on leased plant and machinery		-	(136,992)	-	-
Rental income	7	<b>107,143</b>	107,143	<b>35,714</b>	35,714
Loss on sale of investment		<b>(150,000)</b>	-	-	-
Fair value loss of investment in financial assets classified as fair value through profit or loss	9	<b>(5,164,019)</b>	12,300,000	<b>5,711,575</b>	12,700,000
(Other expenses)/income		<b>(165,473)</b>	(1,122,855)	<b>(119,187)</b>	24,757
<b>Net profit for the period</b>		<b>510,306</b>	8,014,131	<b>8,399,312</b>	11,117,522
<b>Basic and diluted earnings per share</b>	19	<b>0.002</b>	0.063	<b>0.026</b>	0.088

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

**Condensed consolidated statement of comprehensive income  
for the nine-month period ended 30 September 2023**

	Nine months ended		Three months ended		
	30 September		30 September		
	2023	2022	2023	2022	
Note	AED	AED	AED	AED	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
<b>Profit for the period</b>	<b>510,306</b>	8,014,131	<b>8,399,312</b>	11,117,522	
<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>9</b>	170,546	170,698	<b>69,830</b>	75,862
<b>Total comprehensive income for the period</b>	<b>680,852</b>	8,184,829	<b>8,469,142</b>	11,193,384	

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

**EMIRATES REEM INVESTMENTS P.J.S.C.**  
**(formerly Emirates Refreshments (P.S.C.))**

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**Condensed consolidated statement of changes in equity  
for the nine-month period ended 30 September 2023**

	Share capital	Statutory reserve	Fair value reserve	Retained earnings/ (accumulated losses)	Total equity
	AED	AED	AED	AED	AED
Balance at 1 January 2022 (audited)	30,000,000	187,122	615,262	(9,672,967)	21,129,417
Additional share capital contribution (note 14)	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
Balance at 30 September 2022 (unaudited)	319,871,064	187,122	785,960	(1,658,836)	319,185,310
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 January 2023(audited)	319,871,064	2,727,146	716,651	13,187,244	336,502,105
Profit for the period	-	-	-	510,306	510,306
Other comprehensive income for the period	-	-	170,546	-	170,546
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive loss for the period	-	-	170,546	510,306	680,852
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 30 September 2023 (unaudited)</b>	<b>319,871,064</b>	<b>2,727,146</b>	<b>887,197</b>	<b>13,697,550</b>	<b>337,182,957</b>
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The accompanying notes form an integral part of the condensed consolidated financial statements.

**Condensed consolidated statement of cash flows  
for the nine-month period ended 30 September 2023**

	<b>Nine months ended 30 September</b>	
	<b>2023</b>	2022
	<b>AED</b>	AED
	<b>(unaudited)</b>	(unaudited)
<b>Cash flows from operating activities</b>		
Profit/loss for the period	510,306	8,014,131
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,882,601	1,167,763
Depreciation on right-of-use assets	1,368,955	1,229,296
Provision for employees' end of service benefits	281,943	204,975
Finance expense	424,110	879,359
Finance income	(7,123,048)	(1,640,479)
Dividend income from investment securities	(59,543)	(57,162)
Allowance for expected credit loss	9,746	10,297
Provision for obsolete inventories	115,487	108,152
Fair value gain of investment in financial assets	150,000	-
Fair value loss of investment in financial assets classified as fair value through profit or loss	5,164,019	(12,300,000)
Gain on sale of property, plant and equipment	-	(116,892)
<b>Operating cash flows before movements in working capital</b>	<b>2,724,576</b>	<b>(2,500,560)</b>
Increase in inventories	(2,356,116)	(324,430)
Decrease/(Increase) in trade and other receivables	1,342,855	(3,230,337)
Increase in amount due from related parties	(1,343,952)	(140,248)
Decrease in amount due to a related party	-	(77,013)
Increase in trade and other payables	290,744	103,322
<b>Cash used in operations</b>	<b>658,107</b>	<b>(6,169,266)</b>
Employees' end of service benefits paid	(297,170)	(225,801)
<b>Net cash generated from/(used in) operating activities</b>	<b>360,937</b>	<b>(6,395,067)</b>
<b>Cash flows from investing activities</b>		
Acquisition of a subsidiary	(44,000,000)	-
Purchase of property, plant and equipment	(1,208,346)	(731,539)
Proceeds from sale of property, plant and equipment	-	119,047
Purchase of investment securities	(2,600,446)	-
Dividend income received	59,543	57,162
Finance income received	7,182,591	1,522,238
Decrease/(increase) in fixed deposits	49,790,178	(250,000,000)
Cash acquired from the new subsidiary	5,782,561	-
<b>Net cash generated from /(used in) investing activities</b>	<b>15,006,081</b>	<b>(249,033,092)</b>
<b>Cash flows from financing activities</b>		
Additional share capital contribution from shareholders	-	289,871,064
Repayments of loan from a related party	-	(17,000,000)
Finance cost paid	(424,110)	(879,359)
Payment of lease liabilities	(1,571,868)	(1,130,258)
<b>Net cash generated from financing activities</b>	<b>(1,995,978)</b>	<b>270,861,447</b>
<b>Net increase in cash and cash equivalents</b>	<b>13,371,040</b>	<b>15,433,288</b>
Cash and cash equivalents at beginning of the period	5,160,359	(7,089,493)
<b>Cash and cash equivalents at end of the period (note 13)</b>	<b>18,531,399</b>	<b>8,343,795</b>
<b>Non-cash transactions</b>		
Sold investment securities recorded as due from related party	8,250,000	-
Transfer from investment properties		
To property, plant and equipment	-	6,197,500
To right of use of an asset	-	2,232,500



**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023**

**1 General information**

Emirates Reem Investments P.J.S.C (“the Company”) (formerly Emirates Refreshments (P.S.C.)) 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 consolidated financial statements relate to the Company and its subsidiaries (together referred to as “the Group”).

Effective 16 August 2023, the shareholders resolved to change the legal name of the Company from Emirates Refreshments (P.S.C.) to Emirates Reem Investments PJSC. The legal formalities were completed on 16 August 2023.

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

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 Company has three wholly owned subsidiaries; Evergreen Plastic Products Manufacturing LLC, Jeema Refreshments LLC and Emirates Refreshments LLC in the UAE. These subsidiaries are engaged in the manufacturing plastic bottles, cups and trading of mineral water, juice, soft drinks and carbonated drinks.

Federal Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the “2015 Law”). The Company has applied the requirements New Companies Law during the year ended 31 December 2022.

**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 2023, have been adopted in these condensed consolidated interim financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior periods but may affect the accounting for future transactions or arrangements.

- IFRS 17 Insurance Contracts (effective from 1 January 2023).
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective from January 1, 2023)
- 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).
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (effective from 1 January 2023)

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**2 Application of new and revised International Financial Reporting Standards (IFRSs)  
(continued)**

**2.1 New and revised IFRSs applied with no material effect on the condensed consolidated  
financial statements (continued)**

- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (effective from 1 January 2023)
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12) (effective from 1 January 2023)

**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:

The following new and revised IFRSs, that have been issued but are not yet effective:

- 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)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) (effective from 1 January 2024)
- Non-current Liabilities with Covenants (Amendments to IAS 1) (effective from 1 January 2024)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) (effective from 1 January 2024)

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 period ended 31 December 2022. In addition, results for nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**3 Summary of significant accounting policies (continued)**

**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.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved where the Company has:

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

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

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including:

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.2 Basis of preparation (continued)**

**Basis of consolidation (continued)**

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

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

*Changes in the Group's ownership interests in existing subsidiaries*

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

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

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.2 Basis of preparation (continued)**

**Basis of consolidation (continued)**

These consolidated financial statements include the financial performance and position of the following subsidiary, which is incorporated in the UAE:

Name of subsidiaries	Effective ownership 2023	Principal activities
Evergreen Plastic Products Manufacturing LLC (a)	100%	Manufacturing of plastic caps, lids, bottles & containers

The Group includes the follow dormant subsidiaries, which had no operations in the current or prior year:

Name of subsidiaries	Effective ownership		Principal activities
	2023	2022	
Emirates Refreshments LLC	100%	100%	Trading of mineral water, juice, soft drinks and carbonated drinks.
Jeema Refreshments LLC*	100%	100%	Trading of mineral water, juice, soft drinks and carbonated drinks.

\*The Group did not renew the trade license of Jeema Refreshments LLC in 2022. Management's intention is not to renew the trade license, and the subsidiary has no transactions since its inception.

- a. Effective 1 August 2023, the Group acquired a 100% equity interest in Evergreen Plastic Products Manufacturing LLC (“Evergreen”), for a consideration of AED 44.0 million which was accounted for using the acquisition method under IFRS 3. Evergreen is a limited liability company, registered and incorporated in the Dubai and is engaged in manufacturing plastic bottles, containers, caps, and lids. From the date of acquisition, Evergreen contributed revenue and profit to the Group amounting to AED 6.67 million and AED 0.66 million, respectively.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (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 period ended 31 December 2022, except for the adoption of the new and revised standards and interpretations effective 1 January 2022 that are mentioned in Note 2.1 and new accounting policies adopted below:

**Business combinations**

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in the consolidated statement of profit or loss as incurred.

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

- Deferred tax assets or liabilities in accordance with IAS 12;
- Assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 19;
- Liabilities or equity instruments related to share-based payment arrangements measured in accordance with IFRS 2; and
- Assets (or disposal groups) that are classified as held-for-sale in accordance with IFRS 5.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), then the excess is recognised immediately in the consolidated statement of profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is re-measured to fair value at subsequent reporting dates with changes in fair value recognised in the consolidated statement of profit or loss.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**3 Summary of significant accounting policies (continued)**

**3.3 Significant accounting policies (continued)**

**Business combinations (continued)**

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are re-measured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in the consolidated statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in the consolidated statement of comprehensive income are reclassified to the consolidated statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

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

**Goodwill**

Goodwill is initially recognised and measured as mentioned in the business combination policy.

Goodwill is not amortised but is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**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 period ended 31 December 2022 except as mentioned in Note 3.

*Fair value of identifiable assets and liabilities*

As stated in Note 21, the identifiable assets acquired, and the liabilities assumed in business combination are recognised at their fair value. In estimating the fair value of an asset or a liability, the Group engaged third party valuation specialists to perform the valuation.

**5 Property, plant and equipment**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Property, plant and equipment at net carrying amount	<b>32,386,145</b>	8,295,096
Additions:		

During the nine-months period ended 30 September 2023, the Group acquired assets amounting to AED 1.21 million (nine-months period ended 30 September 2022: AED 0.73 million).

The Group acquired assets amounting to AED 24.77 million through business combination during the period (note 21).

Depreciation:

The depreciation expense amounted to AED 1.88 million during the nine-months period ended 30 September 2023 (nine-months period ended 30 September 2022: AED 1.17 million).



**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**6 Goodwill**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
At 1 January	-	-
Assets arising on acquisition of subsidiaries (Note 21)	<b>9,847,101</b>	-

**7 Investment properties**

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

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
At 1 January	<b>3,380,000</b>	11,810,000
Loss on fair value of investment properties	-	-
Transfer to property plant and equipment (note 5)	-	(6,197,500)
Transfer to right of use of an asset (note 8)	-	(2,232,500)
	<b>3,380,000</b>	3,380,000

Based on management assessment, the investment properties' fair value as of 30 September 2023 is not materially different to its fair value as at 31 December 2022. For disclosure purposes, these investment properties are being considered as Level 3.

Completed investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of investment properties being valued. The valuation techniques adopted comprise the investment value method (2022: investment value method). The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards.

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 6.2 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 2023 is AED 0.11 million (30 September 2022: AED 0.11 million).

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**8 Right-of-use of assets**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
At 1 January	6,252,742	5,708,055
Additions from business combination (note 21)	2,127,898	-
Depreciation for the period	(1,368,955)	(1,687,813)
Transfer from investment property (note 7)	-	2,232,500
	<hr/> <b>7,011,685</b> <hr/>	<hr/> <b>6,252,742</b> <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 (2022: 2-5 years).

**9 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 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
<i>Financial assets carried at fair value through profit and loss (“FVTPL”)</i>		
Equity instruments – quoted	<hr/> <b>36,682,918</b> <hr/>	<hr/> 47,646,491 <hr/>
<i>Financial assets carried at fair value through other comprehensive income (“FVTOCI”)</i>		
Equity instruments – quoted	<hr/> <b>1,282,146</b> <hr/>	<hr/> 1,111,600 <hr/>

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

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

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

	<b>30 September 2023 AED</b>	31 December 2022 AED
<i><b>FVTPL investments</b></i>		
Current	<b>36,682,918</b>	47,646,491
	<hr/> <hr/>	<hr/> <hr/>
<i><b>FVTOCI investments</b></i>		
Non-current	<b>1,282,146</b>	1,111,600
	<hr/> <hr/>	<hr/> <hr/>
	<b>30 September 2023 AED</b>	31 December 2022 AED
<u><b>Quoted securities</b></u>		
<i><b>FVTPL investments</b></i>		
At the beginning of the period	<b>47,646,491</b>	18,400,000
Additions during the period	<b>2,600,446</b>	284,232
Disposal during the period	<b>(8,250,000)</b>	-
Loss on sale of investment	<b>(150,000)</b>	-
Changes in fair value	<b>(5,164,019)</b>	28,962,259
	<hr/> <hr/>	<hr/> <hr/>
<b>At the end of the period</b>	<b>36,682,918</b>	47,646,491
	<hr/> <hr/>	<hr/> <hr/>
<i><b>FVTOCI investments</b></i>		
At 1 January	<b>1,111,600</b>	1,010,211
Changes in fair value	<b>170,546</b>	101,389
	<hr/> <hr/>	<hr/> <hr/>
	<b>1,282,146</b>	1,111,600
	<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 (2022: AED 0.06 million) is included in the consolidated statement of profit or loss under finance income.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**10 Inventories**

	<b>30 September 2023 AED</b>	31 December 2022 AED
Raw materials	7,086,925	4,860,580
Finished goods	3,001,800	646,780
Spare parts	3,534,975	3,515,676
Others	366,758	225,487
	<hr/>	<hr/>
	<b>13,990,458</b>	9,248,523
Less: provision for slow moving inventories	<b>(2,909,804)</b>	(2,794,317)
	<hr/>	<hr/>
	<b>11,080,654</b>	6,454,206
	<hr/> <hr/>	<hr/> <hr/>

Movement in provision for slow moving inventories are as follows:

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Balance at 1 January	2,794,317	2,694,601
Charge for the period	115,487	99,716
	<hr/>	<hr/>
Balance at 31 December	<b>2,909,804</b>	2,794,317
	<hr/> <hr/>	<hr/> <hr/>

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**11 Trade and other receivables**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Trade receivables	<b>17,478,478</b>	8,021,521
Less : Allowance for expected credit losses	<b>(2,130,223)</b>	(2,120,477)
	<hr/>	<hr/>
Trade receivables, net	<b>15,348,255</b>	5,901,044
Interest receivable	<b>1,860,538</b>	3,137,451
Prepayments	<b>992,062</b>	720,165
Advances to suppliers	<b>644,938</b>	15,768
Other receivables	<b>1,103,803</b>	2,016,804
	<hr/>	<hr/>
	<b>19,949,596</b>	11,791,232
	<hr/> <hr/>	<hr/> <hr/>

Movement in allowance for expected credit loss are as follows:

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Opening balance	<b>2,120,477</b>	2,176,450
Net remeasurement of loss allowance	<b>9,746</b>	(55,973)
	<hr/>	<hr/>
	<b>2,130,223</b>	2,120,477
	<hr/> <hr/>	<hr/> <hr/>

**12 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 statements  
for the nine-month period ended 30 September 2023 (continued)**

**12 Related parties (continued)**

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

		<b>2023</b>	2022
		<b>AED</b>	AED
<b>Due from related parties</b>	<b>Relationship</b>		
International Securities LLC	Common control	<b>8,257,512</b>	92,458
Invictus Investment Company PLC	Common control	<b>1,061,419</b>	-
Al Ufuq Almalaki General Trading-Sole Proprietorship LLC	Common control	<b>228,037</b>	389,889
Life Line Drug Store L.L.C	Common control	<b>467,309</b>	167,089
Trojan General Contracting L.L.C.	Other related party	<b>114,294</b>	116,049
Keita Catering L.L.C	Common control	<b>235,605</b>	6,300
Zee Store P.J.S.C	Other related party	<b>20,475</b>	20,444
Cine Royal Cinema L.L.C	Common control	<b>1,683</b>	1,102
Alliance Foods Co. L.L.C	Common control	<b>536</b>	1,956
Somerian Health L.L.C	Common control	<b>2,369</b>	-
		<hr/> <b>10,389,239</b> <hr/>	<hr/> 795,287 <hr/>
<b>(Advance)/receivables from related party</b>			
Quant Lase Lab L.L.C	Common control	<b>(2,105,802)</b>	1,694,960
		<hr/> <b>36,682,918</b> <hr/>	<hr/> 47,646,491 <hr/>
<b>FVTPL investments</b>	Common control	<b>36,682,918</b>	47,646,491

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>2023</b>	2022	<b>2023</b>	2022
	<b>AED</b>	AED	<b>AED</b>	AED
	<b>(unaudited)</b>	(unaudited)	<b>(unaudited)</b>	(unaudited)
Sales to a related party	<b>4,743,239</b>	1,042,581	<b>3,288,083</b>	365,236
Purchases of goods and services from a related party	<b>2,660,887</b>	296,950	58,276	43,315
Payment of expenses on behalf of a related party*	<b>4,956,335</b>	-	-	-
Sale of FVTPL investments	<b>8,250,000</b>	-	-	-

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**12 Related parties (continued)**

In June 2022, the Group signed an agreement with a joint venture company (“JV”) to provide supply of inventory to the latter. As part of the agreement, one of the owners of the JV, Quant Lase Lab L.L.C., a related party under common control, will provide financial support to the Group for its operational costs, purchase of raw materials and capital expenditures to be incurred in the first year of operation.

As at 30 September 2023, the sales transactions made to the JV amounted to AED 728,928.

**13 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 2023 AED</b>	31 December 2022 AED
Cash on hand	<b>96,042</b>	112,807
Other cash equivalents	<b>76,426</b>	75,523
Cash at bank – current accounts	<b>18,358,931</b>	4,972,029
Short-term deposits	<b>215,699,825</b>	265,329,495
	<hr/>	<hr/>
Cash and bank balances	<b>234,231,224</b>	270,489,854
Less: Fixed deposits with original maturity of more than three months	<b>(215,699,825)</b>	(265,329,495)
Bank overdrafts	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>18,531,399</b>	5,160,359
	<hr/> <hr/>	<hr/> <hr/>

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 5.8%.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**14 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 2022 AED (audited)
<b>Issued and fully paid up</b>		
319.87 million ordinary shares of AED 1 each (2022: 319.87 million ordinary shares of AED 1 each)	<b>319,871,064</b>	319,871,064
	<hr/> <hr/>	<hr/> <hr/>

Movement in share capital is as follows:

	<b>30 September 2023 AED</b>	31 December 2022 AED
As at 1 January	<b>319,871,064</b>	30,000,000
Additional capital contributed by shareholders*	-	289,871,064
	<hr/> <hr/>	<hr/> <hr/>
<b>As at 31 December</b>	<b>319,871,064</b>	319,871,064
	<hr/> <hr/>	<hr/> <hr/>

\*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 million ordinary shares of AED 1 each.

**15 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 statements  
for the nine-month period ended 30 September 2023 (continued)**

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

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
At 1 January	1,718,700	1,717,587
Additions from business combination (note 21)	222,334	-
Charge for the period	281,943	281,298
Payments made during the period	(297,170)	(280,185)
	<hr/> <b>1,925,807</b> <hr/>	<hr/> <b>1,718,700</b> <hr/>

**17 Lease liabilities**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Balance at the beginning of the period	7,621,551	9,949,063
Additions from business combination (note 21)	2,128,560	-
Finance cost	389,461	602,416
Payments during the period	(1,571,868)	(2,929,928)
	<hr/> <b>8,567,704</b> <hr/>	<hr/> <b>7,621,551</b> <hr/>
Presented as:		
Current	<b>1,098,403</b>	1,429,139
Non-current	<b>7,469,301</b>	6,192,412
	<hr/> <hr/>	<hr/> <hr/>

**18 Trade and other payables**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Trade payables	13,990,951	8,771,258
Accrued expenses and other payables	1,908,857	1,453,690
Advances from related party (note 12)	2,105,802	-
Advances from customers (note 12)	193,975	66,454
Value added tax payable	364,655	82,749
	<hr/> <b>18,564,240</b> <hr/>	<hr/> <b>10,374,151</b> <hr/>

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**19 Basic and diluted earnings per share**

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

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

The following reflects the earnings 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>2023 (unaudited)</b>	2022 (unaudited)	<b>2023 (unaudited)</b>	2022 (unaudited)
Earnings for the period (AED)	<b>510,306</b>	8,014,131	<b>8,399,312</b>	11,117,522
Weighted average number of shares in issue	<b>319,871,064</b>	126,623,688	<b>319,871,064</b>	126,623,688
Basic and diluted earnings per share (AED)	<b>0.002</b>	0.063	<b>0.026</b>	0.088

**20 Contingencies and commitments**

	<b>30 September 2023 AED (unaudited)</b>	31 December 2022 AED (audited)
Letter of guarantees	<b>55,000</b>	55,000
Capital commitments	<b>575,671</b>	45,303
Letters of credit	-	1,276,853

**21 Business combination under IFRS 3**

*Evergreen Plastic Products Manufacturing LLC (“Evergreen”)*

Effective 1 August 2023, the Group acquired 100% of Evergreen Plastic Products Manufacturing LLC (“Evergreen”), for a consideration of AED 44 million. From the date of acquisition, Evergreen contributed revenue and profit to the Group amounting to AED 6.67 million and AED 0.66 million, respectively. If the acquisition had taken place at the beginning of the year, Evergreen would have contributed revenue and profit to the Group amounting to AED 29.57 million and AED 4.45 million respectively.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**21 Business combination under IFRS 3 (continued)**

**Identifiable assets acquired and liabilities assumed**

The provisional amount of the identifiable assets and liabilities of the entities were as follows:

	<b>Notes</b>	<b>AED</b>
<b>Non-current assets</b>		
Property, plant and equipment	<b>5</b>	24,765,305
Right-of-use-assets	<b>8</b>	2,127,898
<b>Total non-current assets</b>		<hr/> 26,893,203 <hr/>
<b>Current assets</b>		
Inventories	<b>10</b>	2,385,819
Trade and other receivables	<b>11</b>	9,570,508
Cash and bank balances	<b>13</b>	5,943,069
<b>Total current assets</b>		<hr/> 17,899,396 <hr/>
<b>Total assets</b>		<hr/> 44,792,599 <hr/>
<b>Non-current liabilities</b>		
Provision for employees' end of service benefits	<b>16</b>	222,334
Lease liabilities	<b>17</b>	2,077,592
<b>Total non-current liabilities</b>		<hr/> 2,299,926 <hr/>
<b>Current liabilities</b>		
Trade and other payables	<b>18</b>	8,288,806
Lease liabilities	<b>17</b>	50,968
<b>Total current liabilities</b>		<hr/> 8,339,774 <hr/>
<b>Total liabilities</b>		<hr/> 10,639,700 <hr/>
<b>Identifiable net assets acquired</b>		34,152,899
<b>Purchase consideration</b>		(44,000,000)
<b>Provisional goodwill</b>	<b>6</b>	<hr/> 9,847,101 <hr/> <hr/>

The net assets recognised are based on a provisional assessment of their fair values as at the acquisition date. The Group will finalise the purchase price allocation ('PPA') within twelve months from the date of acquisition in accordance with the requirements of IFRS 3.

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**22 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 period ended 31 December 2022, 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.

	<b>Level 1 AED</b>	<b>Level 2 AED</b>	<b>Level 3 AED</b>	<b>Total AED</b>
<b>30 September 2023</b>				
Investment in financial assets	<b>37,965,064</b>	-	-	<b>37,965,064</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>31 December 2022</b>				
Investment in financial assets	48,758,091	-	-	48,758,091
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**22 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.

**23 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 2023 and 2022.

**24 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 and manufacturing plastic bottles, containers, caps and lids.

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 37.96 million (2022: AED 48.76 million) and short-term fixed deposits amounting to AED 215.70 million (2022: AED 265.33 million). The segment's loss pertains mainly to fair value (loss) on revaluation of AED 5.31 million (Sep 2022 Profit: 12.3 million) resulting in segment net loss of AED 5.31 million (30 September 2022: Net Gain 12.3 million).

**Notes to the condensed consolidated financial statements  
for the nine-month period ended 30 September 2023 (continued)**

**24 Operating segment information (continued)**

- Land and building leasing segment's total assets pertain mainly to the investment properties of AED 3.38 million (2022: AED 3.38 million). Land and building leasing's income pertain mainly to rental income of AED 0.11 million (30 September 2022: AED 0.11 million) and expenses incurred on the lease during the year is AED 0.019 million (30 Sep2023 AED 0.019million), and loss on fair value of investment properties of nil (30 Sep 2022: Nil). The segment's net profit amounted to AED 0.098 million (30 September 2022: Profit of AED 0.091 million).
- 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 36.48 million (September 2022: AED 23.58 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 0.88 million (30 September 2022 Net loss: AED 3.95 million).

There have been no intersegment revenue and expenses for the period ended 30 September 2023 (2022: nil).

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

Information about geographical segments

During the period ended 30 September 2023, revenue from customers located in the Company's country of domicile (UAE) is AED 31.76 million (period ended 30 September 2022: AED 22.86 million) and revenue from customers outside UAE (foreign customers) is AED 5.83 million (period ended 30 September 2022: AED 0.77 million).

Major customers

During the period ended 30 September 2023 and 2022, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.

**25 Corporate income tax**

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Group is in the process of assessing the potential impact of these laws and regulations.