

Dubai Refreshment (P.J.S.C.)

**Review report and condensed interim financial
statements for the three months ended
31 March 2025**

Dubai Refreshment (P.J.S.C.)

Condensed interim financial statements
for the three months ended
31 March 2025

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Independent Auditors' Report on Review of Condensed Interim Financial Statements

To the Board of Directors of Dubai Refreshment (P.J.S.C)

Introduction

We have reviewed the accompanying 31 March 2025 condensed interim financial statements of Dubai Refreshment (P.J.S.C) ("the Company"), which comprises:

- the condensed interim statement of financial position as at 31 March 2025;
- the condensed interim statement of profit or loss for the three-month period ended 31 March 2025;
- the condensed interim statement of other comprehensive income for the three-month period ended 31 March 2025;
- the condensed interim statement of changes in equity for the three-month period ended 31 March 2025;
- the condensed interim statement of cash flows for the three-month period ended 31 March 2025; and
- notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed interim financial statements 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 statements 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 31 March 2025 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Other Matter – Comparative information

The interim condensed financial statements of the Company for the three-month period ended 31 March 2024, were reviewed by another auditor who expressed an unmodified conclusion on those interim condensed financial statements on 13 May 2024 and the condensed financial statements of the Company for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 11 February 2025.

KPMG Lower Gulf Limited

Fawzi AbuRass
Registration No.: 968
Dubai, United Arab Emirates

Date: **29 APR 2025**

**Condensed statement of financial position
as at 31 March 2025**

	Notes	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Assets			
Non-current assets			
Property, plant and equipment	4	507,176	515,724
Investment property		14,946	14,946
Right-of-use assets		99,630	74,000
Intangible assets		2,960	3,088
Financial assets at FVOCI	5	65,978	72,566
Total non-current assets		690,690	680,324
Current assets			
Inventories		79,320	85,114
Trade and other receivables		218,842	195,887
Cash and bank balances	6	360,747	444,300
Total current assets		658,909	725,301
Total assets		1,349,599	1,405,625
Equity and liabilities			
Equity			
Share capital		90,000	90,000
Statutory reserve		45,000	45,000
General reserve		618,401	618,401
Fair valuation reserve		29,935	36,523
Cash flow hedge reserve		92	(23)
Retained earnings		216,895	276,725
Total equity		1,000,323	1,066,626
Non-current liabilities			
Employees' end of service benefits		33,901	35,242
Lease liabilities – non-current portion		97,687	75,406
Total non-current liabilities		131,588	110,648
Current liabilities			
Trade and other payables		188,206	205,562
Current tax liability	14	16,674	13,681
Lease liabilities – current portion		12,808	9,108
Total current liabilities		217,688	228,351
Total liabilities		349,276	338,999
Total equity and liabilities		1,349,599	1,405,625

The condensed interim financial statements are prepared in all material respects, in accordance with IAS 34. These condensed interim financial statements were approved by the Board of Directors on 29 April 2025 and were signed on its behalf by:

Mr. Ahmad Bin Eisa Alserkal
Chairman

Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri
Director

The notes set out on pages 8 to 16 form part of these condensed interim financial statements.
The independent auditors' report is set out on pages 1 to 2.

**Condensed statement of profit or loss
for the three months ended 31 March 2025**

	<i>Notes</i>	Three months ended 31 March	
		2025	2024
		AED'000	AED'000
		(Unaudited)	(Unaudited)
Revenue	10	178,154	167,448
Cost of sales		(108,425)	(110,352)
Gross profit		69,729	57,096
Other operating income		2,613	2,255
Selling and distribution expenses		(29,825)	(26,935)
General and administrative expenses		(16,094)	(14,673)
Amortisation of intangible assets		(128)	(264)
Operating income		26,295	17,479
Finance income, net		2,958	5,409
Dividend income		-	2,713
Other income		3,910	2,558
Profit for the period before tax		33,163	28,159
Corporate tax	14	(2,993)	(2,501)
Profit for the period after tax		30,170	25,658
Earnings per share in AED	8	0.34	0.27

The notes set out on pages 8 to 16 form part of these condensed interim financial statements.
The independent auditors' report is set out on pages 1 to 2.

**Condensed statement of other comprehensive income
for the three months ended 31 March 2025**

	<i>Notes</i>	Three months ended 31 March	
		2025	2024
		AED'000	AED'000
		(Unaudited)	(Unaudited)
Profit for the period after tax		30,170	25,658
		-----	-----
Other comprehensive (loss) / income			
<i>Other comprehensive (loss) / income not to be reclassified to profit or loss in subsequent periods:</i>			
Change in fair value of investment in equity instruments designated at fair value through other comprehensive income	5.a	(6,640)	7
<i>Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:</i>			
Change in fair value of financial assets at fair value through other comprehensive income	5.b	52	-
Change in fair value of cash flow hedges		115	(753)
		-----	-----
Total other comprehensive loss		(6,473)	(746)
		-----	-----
Total comprehensive income for the period		23,697	24,912
		=====	=====

The notes set out on pages 8 to 16 form part of these condensed interim financial statements.
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**Condensed statement of changes in equity
for the three months 31 March 2025**

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Fair valuation reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2024 (audited)	90,000	45,000	618,401	63,869	1,062	435,097	1,253,429
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	25,658	25,658
Other comprehensive loss for the period	-	-	-	7	(753)	-	(746)
	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income for the period	-	-	-	7	(753)	25,658	24,912
Dividend declared (Note 7)	-	-	-	-	-	(288,000)	(288,000)
Director Fees	-	-	-	-	-	(1,000)	(1,000)
	-----	-----	-----	-----	-----	-----	-----
At 31 March 2024 (unaudited)	90,000	45,000	618,401	63,876	309	171,755	989,341
	=====	=====	=====	=====	=====	=====	=====
At 31 December 2024 (audited)	90,000	45,000	618,401	36,523	(23)	276,725	1,066,626
Total comprehensive income for the period							
Profit for the period	-	-	-	-	-	30,170	30,170
Other comprehensive loss for the period	-	-	-	(6,588)	115	-	(6,473)
	-----	-----	-----	-----	-----	-----	-----
Total comprehensive income for the period	-	-	-	(6,588)	115	30,170	23,697
Dividend declared (Note 7)	-	-	-	-	-	(90,000)	(90,000)
	-----	-----	-----	-----	-----	-----	-----
At 31 March 2025 (unaudited)	90,000	45,000	618,401	29,935	92	216,895	1,000,323
	=====	=====	=====	=====	=====	=====	=====

The notes set out on pages 8 to 16 form part of these condensed interim financial statements.

**Condensed statement of cash flows
for the three months ended 31 March 2025**

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit for the period before tax	33,163	28,159
Adjustments for:		
Depreciation on property, plant and equipment	10,697	10,058
Depreciation on right-of-use assets	3,649	3,523
Provision for employees' end of service benefits	2,220	789
Interest on lease liabilities	1,264	574
Amortisation of intangible assets	128	264
Gain on sale of property, plant and equipment	(70)	(24)
Finance income	(4,222)	(5,983)
Dividend income	-	(2,713)
	-----	-----
	46,829	34,647
Changes in:		
- inventories	5,794	(22,857)
- trade and other receivables	(19,773)	(4,909)
- trade and other payables	(12,041)	(24,243)
	-----	-----
Cash generated from / (used in) operations activities	20,809	(17,362)
Employees' end of service benefits paid	(3,561)	(294)
	-----	-----
Net cash from / (used in) operating activities	17,248	(17,656)
	-----	-----
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,149)	(4,466)
Proceeds from sale of property, plant and equipment	70	24
Interest received	1,040	3,036
Net movement in deposits	214,542	(12,059)
	-----	-----
Cash generated from / (used in) investing activities	213,503	(13,465)
	-----	-----
Cash flows from financing activities		
Dividends paid	(90,000)	-
Director fees paid	(5,200)	(5,200)
Payment of principal portion of lease liabilities	(3,298)	(3,577)
Interest paid on lease liabilities	(1,264)	(574)
	-----	-----
Net cash used in financing activities	(99,762)	(9,351)
	-----	-----
Net increase / (decrease) in cash and cash equivalents	130,989	(40,472)
Cash and cash equivalents at beginning of the period	179,407	406,287
	-----	-----
Cash and cash equivalents at 31 March (Note 6)	310,396	365,815
	=====	=====

The notes set out on pages 8 to 16 form part of these condensed interim financial statements.
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**Notes to the condensed interim financial statements
for the three months ended 31 March 2025****1. Legal status and activities**

Dubai Refreshment (P.J.S.C) (the “Company”) was incorporated in Dubai in 1959 by a Decree issued by His Highness The Ruler of Dubai. The Company is listed on the Dubai Financial Market (“DFM”). The registered address of the Company is P.O. Box 420, Dubai, United Arab Emirates.

The Company is engaged in bottling and selling Pepsi Cola International products in Dubai, Sharjah and the other Northern Emirates of UAE. The Company also exports Pepsi Cola International products from time to time to foreign countries after obtaining authorization from Pepsi Cola International. The Company holds 7Up and Aquafina bottling and selling rights for the whole of the UAE.

2. Basis of preparation**2.1 Basis of preparation**

The interim financial statements for the three months ended 31 March 2025 have been prepared in accordance with IAS 34, *Interim Financial Reporting*, and should be read in conjunction with the Company’s annual financial statements as at and for the year ended 31 December 2024 (“last annual financial statements”).

The interim financial statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in Company’s financial position and performance since the last annual financial statements.

In addition, the results for the three months ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The financial statements have been prepared under the historical cost convention except for a financial asset at fair value through other comprehensive income (FVOCI) that have been measured at fair value.

3. Accounting policies

Except as described below, the accounting policies applied in these condensed interim financial statements are the same as those applied in the Company’s financial statements as at and for the year ended 31 December 2024

3.1 Use of judgements and estimates

In preparing these condensed interim financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the preparation of the financial statements of the Company as at and for the year ended 31 December 2024.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

3. Accounting policies (Continued)

3.2 New standards and interpretations issued and effective

Effective 1 January 2025, following new/ amended IFRS have become effective and have been applied in preparing these financial statements:

- Lack of Exchangeability (Amendments to IAS 21)

The application of these revised IFRS does not have any significant impact on the amounts reported for the current and prior year but may affect the accounting for future transactions or arrangements.

3.3 New standards and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. None of these new standards and amendments have been early adopted in preparing these condensed interim financial statements.

	Effective date
Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability Disclosures	1 January 2027

4. Property, plant and equipment

Additions and disposals

During the period ended 31 March 2025, the additions to property, plant and equipment amounted to AED 2,149 thousand (*period ended 31 March 2024: AED 4,466 thousand*).

Depreciation for the period ended 31 March 2025 amounting to AED 10,697 thousand (*period ended 31 March 2024: AED 10,058 thousand*).

During the period ended 31 March 2025, the Company disposed fully depreciated items of property, plant and equipment for proceeds amounted to AED 70 thousand (*period ended 31 March 2024: AED 24 thousand*). The gain on sale of property, plant and equipment for the period ended 31 March 2025 was AED 70 thousand (*period ended 31 March 2024: AED 24 thousand*).

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

5. Financial assets at fair value through other comprehensive income

a) Equity instrument

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Balance at 1 January	67,687	94,952
Change in market fair value	(6,640)	(27,265)
	<u>61,047</u>	<u>67,687</u>

b) Bonds

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Balance at 1 January	4,879	-
Additions	-	4,960
Change in market fair value	52	(81)
	<u>4,931</u>	<u>4,879</u>
Balance at reporting date	<u>65,978</u>	<u>72,566</u>

During the last year, the Company purchased Bonds with a tenure of 5 years at a price of AED 4.96 million carrying a yield of 4.86 % p.a. The investment in bond is measured at fair value through other comprehensive income.

The Company has made an irrevocable election to designate investment in Tier 1 Bank in UAE bond as FVTOCI at initial recognition as per IFRS 9 and subsequent changes in fair value are presented in Other Comprehensive Income ("OCI"). These are strategic investments not held for trading and the Company considers this classification to be more relevant.

6. Cash and bank balances

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Cash at bank and on hand	45,848	51,623
Bank deposits	314,899	392,677
	<u>360,747</u>	<u>444,300</u>
Less: Bank deposits with maturity of more than 3 months	(50,351)	(264,893)
Cash and cash equivalents	<u>310,396</u>	<u>179,407</u>

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

7. Dividends

During the period, based on annual general assembly meeting held on 12 March 2025, the Company declared and paid a cash dividend of AED 1.00 per share amounting to AED 90 million for the results of the year ended 31 December 2024 (2024: AED 3.2 per share amounting to AED 288 million for the results of the year ended 2023).

8. Basic earnings per share

Basic and diluted earnings per share is calculated by dividing the profit after tax for the period attributable to the shareholders of the Company, net of directors' fees by the weighted average number of ordinary shares in issue during the period. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation:

	Three months ended 31 March	
	2025	2024
	(Unaudited)	(Unaudited)
Profit for the period, net of directors' fee (AED'000)	30,170	24,658
Weighted average number of ordinary shares ('000)	90,000	90,000
	-----	-----
Earnings per ordinary share - Basic and diluted (AED)	0.34	0.27
	=====	=====

9. Related party transactions and balances

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management, which are substantially the same terms as those prevailing at the same time for comparable transactions with un-related parties.

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel.

The management decides on the terms and conditions of the transactions and of the services received/rendered from/to related parties, as well as on any other charges, which are substantially the same terms as those prevailing at the same time for comparable transactions with un-related parties.

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

9. Related party transactions and balances (Continued)

Significant transactions with related parties included in the condensed statement of profit or loss are as follows:

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Sales to a related party	456	-
Purchase from a related party	245	4,911
	=====	=====

Compensation of key management personnel

The remuneration of directors and other key members of management during the period was as follows:

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Short-term benefits	3,659	2,921
Employees' end of service benefits	1,301	125
Director's sitting fee	100	120
Director's remuneration	-	1,000
	-----	-----
	5,060	4,166
	=====	=====

Significant balances with related parties included in the condensed statement of financial position:

	31 March 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
<i>Due from a related party</i>		
<i>Other related party (included in trade and other receivables)</i>		
Oman Refreshments Company Limited	234	276
	=====	=====
<i>Due to a related party</i>		
<i>Other related party (included in trade and other payables)</i>		
Oman Refreshments Company Limited	1,670	1,147
	=====	=====

Amounts due from and due to a related party is not offset as management has assessed that these financial assets and liabilities do not meet the offset criteria described in *IAS 32 - Financial Instruments: Presentation*. Amounts due from a related party are interest free and payable on demand.

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

10. Revenue

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Unaudited)
<i>Local sales</i>		
Long term contracts	106,577	114,482
Transaction based contracts	50,266	35,280
	<u>156,843</u>	<u>149,762</u>
<i>Export sales</i>		
Long term contracts	8,840	4,931
Transaction based contracts	12,471	12,755
	<u>21,311</u>	<u>17,686</u>
Total revenue	<u>178,154</u>	<u>167,448</u>

11. Profit for the period after tax

The profit for the period after tax is stated after charging:

	Three months ended 31 March	
	2025	2024
	AED'000	AED'000
	(Unaudited)	(Unaudited)
Staff costs	29,980	27,598
Depreciation expense	14,249	13,581

12. Contingencies and capital commitments

	31 March 2025	31 December 2024
	AED'000	AED'000
	(Unaudited)	(Audited)
Bank guarantees	<u>5,691</u>	<u>6,560</u>

13. Fair valuation of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables, contract assets, derivatives and investment in equity instruments designated as at FVOCI. Financial liabilities consist of payables, contract liabilities and derivatives.

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

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

13. Fair valuation of financial instruments (Continued)

Fair value hierarchy

The Company 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.

As at reporting date, the Company held the following financial instruments measured at fair value:

31 March 2025	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<i>Investment securities</i>				
Quoted equity shares consumer products sector (Note 5)	61,047	61,047	-	-
<i>Investment in bonds, Quoted</i>				
Investment in Bonds at FVTOCI (Note 5)	4,931	4,931	-	-
Fair valuation of derivatives				
- held as cash flow hedge	92	-	92	-
31 December 2024	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
<i>Investment securities</i>				
Quoted equity shares consumer products sector (Note 5)	67,687	67,687	-	-
<i>Investment in bonds, Quoted</i>				
Investment in Bonds at FVTOCI (Note 5)	4,879	4,879	-	-
Fair valuation of derivatives				
- held as cash flow hedge	(23)	-	(23)	-

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (continued)**

14. Corporate tax

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
Corporate tax liability	16,674	13,681

a. Movement in provision for corporate tax

	31 March 2025 AED'000 (Unaudited)	31 December 2024 AED'000 (Audited)
At 1 January	13,681	-
Add: provision during the period / year	2,993	13,681
	16,674	13,681

The tax charge for period ended 31 March 2025 is AED 2,993 thousand (31 March 2024: AED 2,501 thousand).

As at 31 March 2025, the BEPS Pillar Two was not considered to be substantively enacted from the perspective of IAS 12 – *Income Taxes* since the corresponding regulations/ clarifications were yet to prescribed.

15. Operating segment information

The company operates in a single reporting segment of canning, bottling, distribution and trading of soft drinks and related beverage products. All the relevant information relating to this operating segment is disclosed in the condensed statement of financial position, condensed income statement and notes to the interim financial statements.

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

a) Information about geographical segments

During the period ended 31 March 2025, revenue from customers located in the Company's country of domicile (UAE) is AED 156,843 thousand (period ended 31 March 2024: AED 149,762 thousand) and revenue from customers outside UAE (foreign customers) is AED 21,311 thousand (period ended 31 March 2024: AED 17,686 thousand).

b) Major customers

During the period ended 31 March 2025 and 31 March 2024, there were no customers of the Company with revenues greater than 10% of the total revenue of the company

**Notes to the condensed interim financial statements
for the three months ended 31 March 2025 (*continued*)**

16. Approval of condensed interim financial statements

The condensed interim financial statements were approved by the Board of Directors and authorised for issuance on 29 April 2025.