



شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

# Integrated Report - 2025



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**EMIRATES REEM INVESTMENTS  
COMPANY P.J.S.C**

**Reports and consolidated financial statements  
for the year ended 31 December 2025**

**EMIRATES REEM INVESTMENTS COMPANY P.J.S.C**

**Reports and consolidated financial statements  
for the year ended 31 December 2025**

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# Directors' Report

## TO THE SHARE HOLDERS



شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

# Report Statement

Dear Shareholders,

On behalf of the Board of Directors of Emirates Reem Investments Company P.J.S.C Group, it is with great pride and gratitude that I present the Chairman's Report and financial statements for the year ending 31st December 2025.

This year has been marked by important achievements, robust operational performance, and strategic advancements that have strengthened our position in the market. Despite the challenges posed by the global economic environment, our company has demonstrated resilience, adaptability, and a commitment to delivering value to all stakeholders.

## Operational Highlights

### 1. Operational Profits:

In 2025, ERIC achieved a positive operational profit, while maintaining the effectiveness of our cost optimization strategies, enhanced operational efficiencies, and disciplined execution of expansion initiatives. Our strong financial performance positions us for sustained long-term growth, reinforcing our commitment to operational excellence.

### 2. Revenue Growth:

ERIC's total revenue for 2025 surged to AED 192 million, marking a 33% increase compared to the previous year. This impressive expansion was fueled by:

- Increased market demand for our diverse product and service portfolio.
- Launched a new Direct Trade business vertically, enabling direct international sourcing and margin-optimized trade models across coffee, seafood, and FMCG commodities
- Launched eco-friendly paper cups and rPET products to significantly reduce plastic usage and advance sustainability goals, it marked a strategic shift towards sustainable packaging solutions, positioning the Group for future regulatory alignment and environmentally responsible growth.

### 3. Cost Optimization:

Through rigorous cost control measures, process automation, and operational streamlining, ERIC successfully have seen slight increase in operational expenses by 3% only, significantly enhancing our profitability. Our unwavering commitment to efficiency continues to drive sustainable, high-margin growth.

### 4. Emiratization:

ERIC continues to support the UAE's national Emiratization objectives and has initiated efforts to provide employment and development opportunities for Emiratis across the organization.

## 5. Future Growth Strategy

ERIC's management remains firm in its strategic vision for expansion and value creation. We are actively pursuing new business opportunities while implementing targeted initiatives to increase market share and strengthen our position in the UAE. Our proactive approach ensures we capitalize on upcoming opportunities, laying the groundwork for sustained success

# Key Achievements

## 1. Strategic Partnerships

ERIC has successfully established a long-term strategic business partnership with key pillar dealers in the commodities market. This significant collaboration greatly enhances our access to a diverse portfolio of globally recognized brand products.

These agreements strengthen our market position, broaden and diversify our revenue streams, and significantly improve our capacity to seize emerging opportunities—solidifying ERIC's trajectory of sustained strategic growth.

This partnership marks a pivotal step forward in expanding our footprint and delivering greater value in the dynamic commodities landscape.

## 2. Product Innovation & Market Expansion

Innovation remains a cornerstone of our success. In 2025, we launched a range of new high-demand products, including:

- Tuna, Dairies, Frozen ...Etc. in addition to the existing portfolio: Water, Coffee, Tissue, Snacks, Plastic, premium food stuff ..etc. These products received overwhelming market acceptance, contributing 84% of ERIC's annual revenue. Our dedicated Research & Development (R&D) team continues to push the boundaries of innovation, ensuring our product portfolio remains at the forefront of market trends.

## 3. Sustainability & ESG Commitment

ERIC remains deeply committed to Environmental, Social, and Governance (ESG) principles, integrating sustainability as a core pillar of our corporate strategy. In 2025, we made significant progress towards our sustainability goals, reinforcing our long-term responsibility to ethical business practices, environmental stewardship, and social impact initiatives.

# Strategic Outlook – 2026 & Beyond

As we look ahead, ERIC remains resolute in its mission to drive sustainable growth, enhance operational efficiency and create long-term value for our stakeholders. Our strategic priorities for the This coming year includes:

- Pursuing strategic equity investments and targeted acquisitions to expand market reach.
- Broadening our product portfolio to meet evolving consumer and market demands.
- Strengthening partnerships and collaborations to unlock new growth opportunities.

- Accelerating digital transformation to enhance customer experience and operational agility.
- Deepening our commitment to sustainability through responsible corporate initiatives and ESG-driven strategies.

## Corporate Governance Excellence

ERIC remains fully compliant with the UAE’s corporate governance framework, ensuring transparency, accountability, and ethical business conduct. Our Corporate Governance Manual, endorsed by the Board, defines the structures and processes that govern ERIC, ensuring the highest standards of corporate integrity. This framework outlines the roles and responsibilities of key stakeholders, including:

- General Assembly of Shareholders
- Board of Directors & Board Committees
- Executive Management & Management Committees
- Internal & External Audit Functions
- Company Secretary & Governance Stakeholders

ERIC remains unwavering in its commitment to strong governance, ensuring long-term stability, investor confidence, and regulatory compliance

## Acknowledgments & Conclusion

On behalf of the Board of Directors, I extend my profound gratitude to:

- His Highness Sheikh Mohammed bin Zayed bin Sultan Al Nahyan, President of the UAE, for his visionary leadership and steadfast support in the economic sector.
- His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE, and Ruler of Dubai, for his continued guidance and contributions to national economic development.
- Our employees, customers, and shareholders are the driving force behind our achievements. None of these milestones would have been possible without their dedication, trust, and support. I extend my deepest appreciation to each of you for your contributions to ERIC’s success.

As we move forward, our strong foundation, clear strategic vision, and relentless pursuit of excellence will propel ERIC to even greater heights. Together, we will continue to build a prosperous, sustainable, and dynamic future for Emirates Reem Investments Company P.J.S.C.

Yours Faithfully,



**Mohamed Haji Abdulla Husain Al Khoori**

Ref: 023/122025/007115

## Independent auditor's report

To,  
The Shareholders  
Emirates Reem Investments Company P.J.S.C  
P.O. Box: 5567  
Dubai, United Arab Emirates

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Emirates Reem Investments company P.J.S.C (the "Parent Entity") and its subsidiaries (together referred to as "the Group"), Dubai, United Arab Emirates, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to audits of the consolidated financial statements of entities in the Dubai, United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other matter

The consolidated financial statements of the Group for the year ended 31 December 2024 which are shown as comparatives, were audited by another auditor who expressed an unmodified opinion on those statements on 18 March 2025.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Revenue recognition

Revenue is a material component of the Group's consolidated financial statements and is a key indicator of performance and profitability. This creates an inherent risk that revenue may be overstated to present improved financial results.

The Group recognizes revenue from the sale of goods when control is transferred to customers in accordance with its accounting policy. The determination of the timing of revenue recognition requires judgment, particularly around year-end cut-off.

Given the magnitude of revenue and the inherent risks associated with its recognition, we considered this area to be a key audit matter.

## Independent auditor's report (continued)

### To the Shareholders of Emirates Reem Investments company P.J.S.C Report on the Audit of Consolidated Financial Statements (continued)

#### Key Audit Matters (continued)

##### How our audit addressed the above key audit matter

- Evaluated the Group's revenue recognition policies and assessed whether they were applied consistently across subsidiaries with similar operations.
- Tested the design and implementation of controls over order processing, dispatch, delivery confirmation, invoicing.
- Focused specifically on the effectiveness of year-end cut-off controls given the high volume of transactions near the reporting date.
- Performed detailed substantive testing of sales recorded immediately before and after year-end by matching invoices to dispatch records, delivery notes, and shipping documents to assess whether revenue was recognized in the correct period.
- Reviewed credit notes issued after year-end to identify indicators of revenue recorded prematurely or requiring adjustment.
- Evaluated the Group's consolidation process, including the elimination of intra-group sales and alignment of cut-off procedures across entities.
- Assessed the adequacy of revenue-related disclosures in accordance with IFRS 15.

#### Other Information

Management is responsible for the other information. The other information comprises the Directors' report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and their preparation in compliance with the applicable provisions of the articles of association of the Parent Entity and the U.A.E. Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## Independent auditor's report (continued)

### To the Shareholders of Emirates Reem Investments company P.J.S.C Report on the Audit of Consolidated Financial Statements (continued)

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to error or fraud, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent auditor's report (continued)

### To the Shareholders of Emirates Reem Investments company P.J.S.C Report on the Audit of Consolidated Financial Statements (continued)

#### Report on Other Legal and Regulatory Requirements

Further, as required by U.A.E Federal Law No. 32 of 2021, we report that:

- (a) We have obtained all the information we considered necessary for the purpose of our audit.
- (b) The consolidated financial statements have been prepared and comply, in all material aspects, with the applicable provisions of the U.A.E. Federal Law No. 32 of 2021, and the Memorandum and Article of Association of the Parent Entity,
- (c) The Group maintained proper books of account.
- (d) The financial information included in the Directors' Report is consistent with the books of account and records of the Group.
- (e) Notes 10 reflects the disclosures relating to shares purchased or invested by the Group during the financial year ended 31 December 2025,
- (f) Note 13 to the consolidated financial statements reflects the disclosures relating to material related party transactions and the terms under which they were conducted, and
- (g) Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the year ended 31 December 2025 any of the applicable provisions of the U.A.E. Federal Law No. 32 of 2021, and the Memorandum of Association of the Parent Entity which would materially affect its activities or its consolidated financial position as at 31 December 2025.

Crowe Mak



Basil Naser  
Partner  
Registered Auditor Number: 5507  
Dubai, United Arab Emirates  
5 March 2026

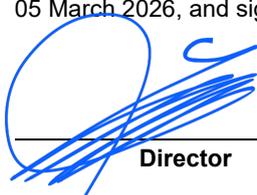


# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

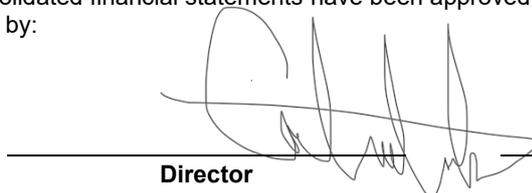
## Consolidated statement of financial position as at 31 December 2025

	Notes	31 December 2025 AED	31 December 2024 AED
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	34,249,499	29,715,238
Intangible assets	6	11,672,020	13,647,221
Goodwill	7	12,800,665	12,800,665
Investment properties	8	3,280,000	3,280,000
Right-of-use assets	9	3,355,629	3,302,845
Investment in financial assets classified as at FVOCI	10	1,916,433	1,137,863
Other receivables	12	-	2,250,000
<b>Total non-current assets</b>		<b>67,274,246</b>	<b>66,133,832</b>
<b>Current assets</b>			
Investment in financial assets classified as at FVTPL	10	25,262,688	20,912,687
Inventories	11	24,369,348	13,282,443
Trade and other receivables	12	106,391,054	44,623,402
Due from related parties	13	80,571,523	60,188,397
Cash and bank balances	14	110,439,081	207,743,767
<b>Total current assets</b>		<b>347,033,694</b>	<b>346,750,696</b>
<b>Total assets</b>		<b>414,307,940</b>	<b>412,884,528</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	15	319,871,064	319,871,064
Statutory reserve	16	4,555,190	3,719,750
Fair value reserve		1,521,484	742,914
Retained earnings		26,247,517	18,388,046
<b>Equity attributable to the Owners of the Company</b>		<b>352,195,255</b>	<b>342,721,774</b>
Non-controlling interests	28	6,665,460	6,566,018
<b>Total equity</b>		<b>358,860,715</b>	<b>349,287,792</b>
<b>Non-current liabilities</b>			
Provision for employees' end of service benefits	17	2,863,726	2,540,188
Lease liabilities	18	2,777,468	2,533,442
Bank borrowings	20	986,979	563,962
Deferred tax liability	32	897,479	1,006,522
<b>Total non-current liabilities</b>		<b>7,525,652</b>	<b>6,644,114</b>
<b>Current liabilities</b>			
Lease liabilities	18	864,761	1,111,124
Trade and other payables	19	45,192,917	54,041,372
Bank borrowings	20	627,782	423,017
Income tax liabilities	31	1,236,113	1,377,109
<b>Total current liabilities</b>		<b>47,921,573</b>	<b>56,952,622</b>
<b>Total liabilities</b>		<b>55,447,225</b>	<b>63,596,736</b>
<b>Total equity and liabilities</b>		<b>414,307,940</b>	<b>412,884,528</b>

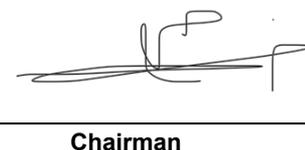
To the best of our knowledge, the consolidated financial statements included in the report fairly present in all material respects the financial condition, results of operations and cash flows of the Group as of 31 December 2025, and for the period presented in the report. The consolidated financial statements have been approved by the Board of Directors on 05 March 2026, and signed on its behalf by:



Director



Director



Chairman

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Consolidated statement of profit or loss for the year ended 31 December 2025

	Notes	2025 AED	2024 AED
Revenues	21	192,450,363	144,427,313
Less: Discount		<u>(765,707)</u>	<u>(808,950)</u>
Revenue, net		191,684,656	143,618,363
Cost of sales	22	<u>(151,631,672)</u>	<u>(109,738,054)</u>
<b>Gross profit</b>		40,052,984	33,880,309
Selling and distribution expenses	23	(20,999,188)	(13,151,036)
General and administrative expenses	24	<u>(17,201,475)</u>	<u>(10,490,090)</u>
<b>Operating profit</b>		1,852,321	10,239,183
Finance cost		(480,157)	(408,386)
Finance income		5,081,115	11,248,955
Gain on sale of property, plant and equipment		84,339	17,867
Rental income		142,857	142,857
Gain on sale of investment	10	-	64,962
Fair value gain / (loss) on investment in financial assets classified as at FVTPL	10	4,350,001	(10,349,176)
Other expenses		<u>(1,185,441)</u>	<u>(362,095)</u>
<b>Profit before tax</b>		9,845,035	10,594,167
Income tax	32	<u>(1,050,682)</u>	<u>(563,282)</u>
<b>Net profit for the year</b>		<u>8,794,353</u>	<u>10,030,885</u>
<b>Profit for the year attributable to:</b>			
Owners of the parent entity		8,694,911	9,926,044
Non-controlling interests		<u>99,442</u>	<u>104,841</u>
		<u>8,794,353</u>	<u>10,030,885</u>
<b>Basic and diluted earnings per share</b>	25	0.027	0.031
<b>Other comprehensive income that will not be reclassified to statement of profit or loss</b>			
Fair value gain / (loss) on investment in financial assets classified as at FVOCI	10	<u>778,570</u>	<u>(73,195)</u>
<b>Total comprehensive income for the year, net of tax</b>		<u>9,572,923</u>	<u>9,957,690</u>
<b>Total comprehensive income, net of tax, attributable to:</b>			
Owners of the parent entity		9,473,481	9,852,849
Non-controlling interests		<u>99,442</u>	<u>104,841</u>
		<u>9,572,923</u>	<u>9,957,690</u>

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Consolidated statement of changes in equity for the year ended 31 December 2025

	Share capital	Statutory reserve	Fair value reserve	Retained earnings	Non-controlling interests	Total equity
	AED	AED	AED	AED		AED
Balance at 31 December 2023	319,871,064	2,727,146	816,109	9,454,606	-	332,868,925
Profit for the year	-	-	-	9,926,044	104,841	10,030,885
Additions from business combination	-	-	-	-	6,461,177	6,461,177
Other comprehensive loss for the year	-	-	(73,195)	-	-	(73,195)
Total comprehensive income for the year	-	-	(73,195)	9,926,044	104,841	9,957,690
Transfer to statutory reserve	-	992,604	-	(992,604)	-	-
Balance at 31 December 2024	<u>319,871,064</u>	<u>3,719,750</u>	<u>742,914</u>	<u>18,388,046</u>	<u>6,566,018</u>	<u>349,287,792</u>
Profit for the year	-	-	-	8,694,911	99,442	8,794,353
Other comprehensive income for the year	-	-	778,570	-	-	778,570
Total comprehensive income for the year	-	-	778,570	8,694,911	99,442	9,572,923
Transfer to statutory reserve	-	835,440	-	(835,440)	-	-
<b>Balance at 31 December 2025</b>	<b><u>319,871,064</u></b>	<b><u>4,555,190</u></b>	<b><u>1,521,484</u></b>	<b><u>26,247,517</u></b>	<b><u>6,665,460</u></b>	<b><u>358,860,715</u></b>

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Consolidated statement of cash flows for the year ended 31 December 2025

	Notes	2025 AED	2024 AED
<b>Cash flows from operating activities</b>			
Profit before tax		9,845,035	10,594,167
Adjustments for:			
Gain on disposal of property, plant and equipment		(84,339)	(17,867)
Finance cost		338,538	408,386
Dividend income from investment securities		(85,743)	(59,543)
Depreciation of property, plant and equipment	5	4,664,113	3,316,183
Amortisation of intangible assets	6	1,975,201	1,176,216
Depreciation of right-of-use assets	9	1,213,132	1,511,932
Fair value loss on investment in financial assets classified as at FVTPL	10	(4,350,001)	10,349,176
Provision for obsolete inventories	11	241,101	108,717
Finance income	12	(5,081,115)	(11,248,955)
Provision for expected credit loss	12	75,000	227,500
Provision for employees' end of service benefits	17	534,633	637,203
Gain on disposal of investment in financial assets		-	(64,962)
<b>Operating cash flows before movements in working capital</b>		<b>9,285,555</b>	<b>16,938,153</b>
Decrease/(increase) in inventories		(11,328,006)	1,070,443
Increase in trade and other receivables		(60,220,646)	(5,338,075)
Decrease/(increase) in amount due from related parties		(20,383,126)	(52,133,050)
(Decrease)/increase in trade and other payables		(8,848,455)	10,995,780
<b>Cash used in operations</b>		<b>(91,494,678)</b>	<b>(28,466,749)</b>
Employees' end of service benefits paid	17	(211,095)	(290,880)
Income tax paid		(1,300,721)	-
<b>Net cash used in operating activities</b>		<b>(93,006,494)</b>	<b>(28,757,629)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(8,119,542)	(1,570,296)
Proceeds from sale of property, plant and equipment		84,339	96,763
Dividend income received		85,743	59,543
Finance income received		5,709,109	14,803,588
Decrease in fixed deposits	14	74,177,119	43,448,759
Acquisition of subsidiaries	27	-	(11,550,000)
Proceeds from disposal of investment	10	-	3,819,759
Purchase of investment	10	-	(1,678,692)
Cash acquired from a new subsidiary on acquisition		-	253,462
<b>Net cash generated from investing activities</b>		<b>71,936,768</b>	<b>47,682,886</b>
<b>Cash flows from financing activities</b>			
Finance cost paid		(338,538)	(408,386)
Repayment of lease liability	18	(1,268,253)	(1,406,016)
Repayment of short-term loan	20	(451,050)	(101,847)
<b>Net cash used in financing activities</b>		<b>(2,057,841)</b>	<b>(1,916,249)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(23,127,567)</b>	<b>17,009,008</b>
Cash and cash equivalents at the beginning of the year		35,482,701	18,473,693
<b>Cash and cash equivalents at the end of the year</b>	14	<b>12,355,134</b>	<b>35,482,701</b>
<b>Non-cash transactions</b>			
Property, plant and equipment acquired under bank borrowings		1,078,832	-
Additional right-of-use assets arising from new lease arrangement		1,265,916	-
Net assets acquired from the new subsidiaries	27	-	16,553,849
Unpaid portion of purchase price of new subsidiaries	19	-	3,850,000

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025

### 1 General information

Emirates Reem Investments Company P.J.S.C, Dubai (the "Parent Entity") is a public joint stock company registered and incorporated under license no. 300050 under a decree issued by His Highness the Ruler of Dubai. The Parent Entity is listed on the Dubai Financial Market.

The principal activities of the Group are bottling and selling mineral water as well as manufacturing plastic bottles and containers and trading in tissues, snacks, carbonated drinks, cereals, coffee, dates and juice. The Parent Entity has a plant located in Hatta, U.A.E. The Parent Entity markets, distributes and sells its products across the U.A.E., other Middle East countries and Africa.

The registered office of the Parent Entity is located at P.O. Box: 5567, Dubai, United Arab Emirates.

These consolidated financial statements incorporate the operating results of the commercial license no. 300050 and the following subsidiaries, which together comprise the Group:

Name of Subsidiaries	Effective Ownership		Country of Incorporation	Principal Activities
	2025	2024		
Evergreen Plastic Products Manufacturing L.L.C. Emirates Refreshments L.L.C.	100%	100%	U.A.E.	Manufacturing of plastic caps, lids, bottles and containers. Trading of mineral water, juice, soft drinks and carbonated drinks
Worldwide General Trading L.L.C. (a)	55%	55%	U.A.E.	Wholesale and retail sale of foodstuff trading and general trading
Pallets General Trading L.L.C. (a)	55%	55%	U.A.E.	Wholesale and retail sale of foodstuff trading and general trading
Jeema Refreshments L.L.C. (b)	0%	100%	U.A.E.	Trading of mineral water, juice, soft drinks and carbonated drinks

- a) Effective 1 October 2024, the Group acquired 55% equity interest in Worldwide General Trading LLC and Pallet General Trading LLC, for a total consideration of AED 15.4 million which was accounted for using the acquisition method under IFRS 3. The new acquisitions are limited liability companies, registered and incorporated in Abu Dhabi, United Arab Emirates.
- b) The Management intended not to renew the trade license of Jeema Refreshments L.L.C and canceled the same on 16 January 2025. The subsidiary has no transactions since its inception.

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

#### 2.1 New and revised IFRSs applied with no material effect on the consolidated financial statements

In the current year, the Group has applied the following amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

<u>New and revised Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 Lack of exchangeability	1 January 2025

#### 2.2 New and revised Standards in issue but not yet effective

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

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

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

#### 2.2 New and revised Standards in issue but not yet effective (continued)

<u>New and revised Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of assets between an Investor and its Associate or Joint Venture:	No effective date set
Annual Improvements to IFRS Accounting Standards - Volume 11	1 January 2026
Amendments to IFRS 9 Financial Instruments and IFRS 7 Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to the Classification and Measurement of Financial Instrument- Amendments to IFRS 9 and IFRS 7	1 January 2026
IFRS 18 Presentation and Disclosure in Consolidated Financial Statements	1 January 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027

Management anticipates that, apart from IFRS 18, the above-mentioned standards will not have any significant impact on these consolidated financial statements.

### 3 Material accounting policy information

#### 3.1 Statement of compliance

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

#### 3.2 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### *Current/Non-Current Classification*

The Group presents assets and liabilities in consolidated statement of financial position based on current/noncurrent classification. An asset is current when it is:

Expected to be realised or intended to sold or consumed in normal operating cycle or held primarily for the purpose of trading or expected to be realised within twelve months after the reporting year, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year.

All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle or it is held primarily for the purpose of trading or it is due to be settled within twelve months after the reporting year, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Group classifies all other liabilities as non-current.

##### *Fair value measurements*

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.2 Basis of preparation (continued)

the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

#### 3.3 Basis of consolidation

The consolidated financial statements of the Group comprise the financial information of the Company and its subsidiaries. Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; 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 the Group's voting rights in an investee are sufficient to give it power, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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.

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

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### 3.4 Business combination

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.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.4 Business combination (continued)

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 does 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. Another 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.

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.

#### 3.5 Functional currency

These consolidated financial statements are presented in Arab Emirati Dirham, which is the Group's functional currency.

#### 3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or the Groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is 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 its carrying amount, 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 based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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

#### 3.7 Revenue recognition

The Group has applied the following accounting policy in the preparation of its consolidated financial statements.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.7 Revenue recognition (continued)

For contracts determined to be within the scope of revenue recognition, the Group is required to apply a five-step model to determine when to recognise revenue, and at what amount.

The Group recognises revenue from contracts with customers based on the five-step model set out in IFRS 15:

Step 1: Identify the contract(s) with a customer:

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify the performance obligation in the contract

A performance obligation is a unit of accounts and a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price

The transaction price is the amount of consideration the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract

For a contract that has more than one performance obligation, the Group will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

The Group satisfies a performance obligation and recognises revenue over time, when the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

#### *Performance obligation*

##### Sale of goods

Sale of goods is recognised when the Group has transferred to the buyer the control over the goods supplied. Control is generally considered to be transferred to the buyer when the customer has taken undisputed delivery of the goods.

##### Rental income

Rental income from operating leases of the Group's investment properties is recognised on a straight-line basis over the term of the lease.

#### **3.8 Leases**

The Group leases various items of motor vehicle. Rental contracts are typically made for fixed periods of 2 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.8 Leases (continued)

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represents substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- it has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- it has the right to direct the use of the asset.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group's incremental borrowing rate can be used.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables,
- variable lease payment that is based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest in the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the year.

The lease liability is presented as a separate line in the statement of financial position.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.8 Leases (continued)

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated using straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant and equipment policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in the statement of profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

#### 3.9 Foreign currencies

In preparing the consolidated financial statements of the Group, transactions in currencies other than the Group's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in the consolidated profit or loss in the period in which they arise.

#### 3.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned from the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 3.11 Employee benefits

##### *End of service indemnity*

Provision is made for the full amount of end of service indemnity due to non-U.A.E. national employees in accordance with the applicable Labour Law and is based on current remuneration and their period of service at the end of the reporting year.

#### 3.12 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.12 Taxation (continued)

that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### *Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences, and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all the economic benefits embodied in the investment property over time, rather than through sale. The Director of the Group reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the Director has determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. As a result, the Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

##### *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

#### 3.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income when incurred.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.13 Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Depreciation is recognized on a straight-line basis to write-down the cost less estimated residual value of property and equipment other than freehold land. The following estimated useful lives are applied:

	<u>Useful lives</u>
Building and improvements	3 – 22 years
Plant, machinery and equipment	2 – 15 years
Furniture and fixtures	2 – 9 years
Transport vehicles	2 – 9 years

#### 3.14 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognise

#### 3.15 Intangible assets

##### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following useful life is used in the calculation of amortization:

	<u>Useful lives</u>
Customer relationships	5 – 10 years

#### 3.16 Impairment of tangible and intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.16 Impairment of tangible and intangible assets (continued)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 3.17 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

##### Raw materials

The cost of raw materials includes insurance, freight and other incidental charges incurred in acquiring the inventories and bringing them to their present location and condition. Valuation of the raw material is determined on a weighted average cost basis.

##### Finished goods

The cost of finished goods is arrived at on a weighted average cost basis and includes cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity.

##### Spares and consumables

Cost is determined on a weighted average cost basis and comprises the purchase cost of such materials.

#### 3.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.18 Provisions (continued)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### 3.19 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 3.20 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification of financial assets*

Financial instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

##### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, amounts due from customers under construction contracts, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Group always recognises lifetime ECL for trade receivables, amounts due from customers under construction contracts (contract assets) and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.20 Financial assets (continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

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

##### *(i) Write-off policy*

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### *Receivables*

Receivables were non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables (including trade and other receivables), bank balances and cash and others were measured at amortised cost using the effective interest method, less any impairment.

##### *Derecognition of financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and recognises a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity was recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that was no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income was allocated between the part that continues to be recognised and the part that was no longer recognised on the basis of the relative fair values of those parts.

#### 3.21 Financial liabilities and equity instruments

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 3 Material accounting policy information (continued)

#### 3.21 Financial liabilities and equity instruments (continued)

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of a Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities*

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

##### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

##### *Derecognition of financial liabilities*

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

### 4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, which are described in Note 3 to these consolidated financial statements, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 judgements and estimates made by management have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Critical accounting judgements and key sources of estimation uncertainty (continued)

#### 4.1 Critical judgements in applying accounting policies

##### Classification of property

In the process of classifying property, management has made various judgments. Judgment is needed to determine whether a property qualifies as an investment property, property and equipment and/or property held for resale. The Group develops criteria so that it can exercise that judgment consistently in accordance with the definitions of investment property, property and equipment and property held for resale. In making its judgment, management considered the detailed criteria and related guidance for the classification of property as set out in IAS 2 Inventories, IAS 16 Property and Equipment and IAS 40 Investment Property, in particular, the intended usage of property as determined by management.

##### Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries on which it sells its goods and services to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors. The Group has recognised a loss allowance rate for each ageing bucket against trade receivables.

##### *Business model assessment*

Classification and measurement of financial assets depend on the results of the SPPI and the business model test (please see financial assets sections of Note 3.19). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

#### 4.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

##### Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The lifetime ECL on trade receivables as of 31 December 2025 amounted to AED 4.06 million (2024: AED 3.99 million). ECL is not recognized for cash in bank and due from related parties as the ECL is deemed immaterial (2024: nil) (Note 12).

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Critical accounting judgements and key sources of estimation uncertainty (continued)

#### 4.2 Key sources of estimation uncertainty (continued)

##### Impairment of property, plant and equipment and right of use assets

Property, plant and equipment and right of use assets are assessed for impairment based on assessment of cash flows on individual cash generating units when there is indication of impairment. Cash flows are determined based on contractual agreements and estimations over the useful life of the assets and discounted using a range of discount rates representing the rate of return on such cash generating units. The net present values are compared to the carrying amounts to assess any probable impairment. Management is satisfied that no impairment provision is necessary on property, plant and equipment and right of use assets.

##### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, appropriate discount rates and working capital requirements. These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material.

The Group has conducted a sensitivity analysis of the impairment test by changing key assumptions used to determine the recoverable amount of cash-generating units to which goodwill is allocated. It concluded that any reasonably possible change in the key assumptions on which the recoverable amount of Goodwill is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash-generating units (Note 7).

##### Fair value of investment properties

The fair value of investment properties is determined by the management and by an independent professional valuer. The valuation techniques adopted comprise the income capitalization approach and discounted cash flow. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards. The determination of the fair value of investment properties requires the use of estimates such as future cash flows from assets (such as lettings, tenants' profiles, future revenue streams, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on local market conditions existing at the consolidated statement of financial position date.

Such estimation is based on certain assumptions, which are subject to uncertainty and may differ from the actual results. Following are the key valuation inputs and sensitivity analysis:

<b>Following are the key valuation inputs and sensitivity analysis:</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Assumptions and data</b>
<b>Year</b> 2025 and 2024	Investment value approach	Capitalisation rate, taking into account the capitalisation of rental income potential, nature of the property, and prevailing market condition, of 10.5% to 11% (2024: 10.5% to 11%)  Monthly market rent, taking into account differences in location, and individual factors, such as size, between the comparables and the property, at an average of AED 14 per square feet (2024: AED 14 per square feet).	A slight increase in the capitalisation rate used would result in a significant decrease in fair value, and vice versa.  A significant increase in the market rent used would result in a significant increase in fair value, and vice versa.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 4 Critical accounting judgements and key sources of estimation uncertainty (continued)

#### 4.2 Key sources of estimation uncertainty (continued)

##### Fair value of identifiable assets and liabilities

As stated in Note 27, 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. The underlying assumptions and estimates in assessing the fair values are as detailed within Note 29.

##### Provision for obsolescence on inventories

Management reviews the movement in ageing and movements of its inventory items to assess loss on account of obsolescence on a regular basis. In determining whether provision for obsolescence should be recorded in the consolidated statement of profit or loss, management makes judgements as to whether there is any observable data indicating that future stability of the product and the net realisable value for such product and expired or close to expiry raw material and finished goods. The provision for slow moving inventories as at 31 December 2025 amounted to AED 5.12 million (2024: AED 4.88 million) (Note 11).

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

Notes to the consolidated financial statements  
for the year ended 31 December 2025 (continued)

### 5 Property, plant and equipment

	Building and improvements	Plant, machinery and equipment	Furniture and fixtures	Transport vehicles	Capital work in-progress	Total
	AED	AED	AED	AED	AED	AED
<b>Cost</b>						
As at 31 December 2023	19,614,436	52,889,994	1,357,226	290,228	55,431	74,207,315
Additions from business combination (Note 27)	1,360,872	1,094,926	52,751	1,682,888	-	4,191,437
Additions during the year	133,002	1,172,954	103,686	-	160,654	1,570,296
Disposal during the year	-	-	(361,208)	(257,719)	-	(618,927)
As at 31 December 2024	21,108,310	55,157,874	1,152,455	1,715,397	216,085	79,350,121
Additions during the year	503,478	5,778,943	344,218	1,165,953	1,671,146	9,463,738
Disposals during the year	-	(984,053)	(54,704)	(228,738)	(216,085)	(1,483,580)
<b>At 31 December 2025</b>	<b>21,611,788</b>	<b>59,952,764</b>	<b>1,441,969</b>	<b>2,652,612</b>	<b>1,671,146</b>	<b>87,330,279</b>
<b>Accumulated depreciation</b>						
As at 31 December 2023	8,068,629	37,514,523	1,242,068	33,511	-	46,858,731
Charge for the year	754,654	2,323,737	45,997	191,795	-	3,316,183
Disposals during the year (Note 31)	-	-	(360,499)	(179,532)	-	(540,031)
As at 31 December 2024	8,823,283	39,838,260	927,566	45,774	-	49,634,883
Charge for the year	879,687	3,023,198	118,189	643,039	-	4,664,113
Disposals during the year (Note 31)	-	(984,053)	(54,472)	(179,691)	-	(1,218,216)
<b>At 31 December 2025</b>	<b>9,702,970</b>	<b>41,877,405</b>	<b>991,283</b>	<b>509,122</b>	<b>-</b>	<b>53,080,780</b>
<b>Carrying value as at 31 December 2025</b>	<b>11,908,818</b>	<b>18,075,359</b>	<b>450,686</b>	<b>2,143,490</b>	<b>1,671,146</b>	<b>34,249,499</b>
Carrying value as at 31 December 2024	12,285,027	15,319,614	224,889	1,669,623	216,085	29,715,238

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 5 Property, plant and equipment (continued)

Depreciation for the year has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 AED	2024 AED
Cost of sales (Note 22)	2,737,446	2,477,982
Selling and distribution expenses (Note 23)	824,367	182,405
General and administrative expenses (Note 24)	1,102,300	655,796
	<u>4,664,113</u>	<u>3,316,183</u>

During the year, the Group disposed of certain items of property, plant and equipment relating to the Hatta Plant. The assets were derecognized upon disposal, and the resulting gain/loss was recognized in profit or loss. The disposal did not have a material impact on the Group's operations.

### 6 Intangible assets

	2025 AED	2024 AED
<b>Cost</b>		
Balance at the beginning of the year	15,202,557	4,549,443
Additions from business combination (Note 27)	-	10,653,114
	<u>15,202,557</u>	<u>15,202,557</u>
	2025 AED	2024 AED
<b>Accumulated amortization</b>		
Balance at the beginning of the year	1,555,336	379,120
Amortization for the year (Note 24)	1,975,201	1,176,216
	<u>3,530,537</u>	<u>1,555,336</u>
<b>Carrying amount</b>	<u>11,672,020</u>	<u>13,647,221</u>

Customer relationships are intangible assets acquired through business combinations. The customer relationships intangible assets have useful life of 5-10 years (2024: 5-10 years).

### 7 Goodwill

	2025 AED	2024 AED
Balance at the beginning of the year	12,800,665	5,297,658
Additions from business combination (Note 27)	-	7,503,007
	<u>12,800,665</u>	<u>12,800,665</u>

The carrying amount of goodwill for each subsidiary acquired is as follows:

	2025 AED	2024 AED
Evergreen Plastic Products Manufacturing L.L.C.	5,297,658	5,297,658
Worldwide General Trading L.L.C.	5,537,613	5,537,613
Pallets General Trading L.L.C.	1,965,394	1,965,394
	<u>12,800,665</u>	<u>12,800,665</u>

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 7 Goodwill (continued)

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the cash generating units ("CGUs") has been determined based on their value in use calculated using cash flow projections based on financial budgets approved by management covering five-year period and discount rate of 16-19% (2024: 16-19.5%) per annum calculated by weighted average cost of capital ("WACC").

The key assumptions used by management in setting financial budgets for the five-year period for all the CGUs were as follows:

#### *Forecast sales growth rates*

Forecast sales growth rates area based on past experience adjusted for future trends in the relevant industries.

#### *Operating profits*

Operating profits are forecasted based on historical experience of operating margins, adjusted for the impact of for future trends in the relevant industries.

Cash flows beyond that five-year period have been extrapolated using a steady 5 - 7.8% (2024: 5-7%) growth rate per annum.

The steady growth rate of 5 - 7.8% (2024: 5-7%) is estimated by the Directors of the Group based on past performance of the CGU and their expectations of market development. The Directors estimate that a decrease in growth rate by 1.0% (2024: 1.0%) would not reduce the headroom in the CGU to nil and would not result in an impairment charge.

#### **Sensitivity analysis**

The Group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the cash generating unit ("CGU") to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the CGU.

### 8 Investment properties

Investment properties consist of warehouses located on leasehold land in Fujairah, with a carrying amount of AED 3,280,000 in 2025 and 2024, respectively.

Investment properties are stated at fair value, which have 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 (2024: investment value method). The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards.

Refer to Note 4 for the key assumptions used and sensitivity analysis. The investment properties are categorized under level 3 in the fair value hierarchy (Note 29). All investment properties are located in the United Arab Emirates. The Group earned rental income for the year of AED 0.14 million (2024: AED 0.14 million). Expenses incurred on the lease during the year is AED 0.03 million (2024: AED 0.03 million).

### 9 Right-of-use of assets

	2025	2024
	AED	AED
Balance at the beginning of the year	3,302,845	4,814,777
Additions during the year (Note 18)	1,265,916	-
Depreciation for the year	(1,213,132)	(1,511,932)
	<u>3,355,629</u>	<u>3,302,845</u>

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 9 Right-of-use of assets (continued)

The Group has lease contracts for various items of motor vehicles used in its operations. The average lease term is 2-5 years (2024: 2–5 years).

Depreciation for the year has been allocated in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 AED	2024 AED
Selling and distribution expenses (Note 23)	1,105,457	1,399,104
General and administrative expenses (Note 24)	107,675	112,828
	<u>1,213,132</u>	<u>1,511,932</u>

### 10 Investment in financial assets

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

	2025 AED	2024 AED
<b>Financial assets carried at fair value through profit and loss (FVTPL)</b>		
Equity instruments – quoted	<u>25,262,688</u>	<u>20,912,687</u>
<b>Financial assets carried at fair value through other comprehensive income (FVOCI)</b>		
Equity instruments – quoted	<u>1,916,433</u>	<u>1,137,863</u>

The current/non-current classification of the investments in financial assets is as follows:

	2025 AED	2024 AED
<b>FVTPL investments</b>		
Current	<u>25,262,688</u>	<u>20,912,687</u>
<b>FVOCI investments</b>		
Non-current	<u>1,916,433</u>	<u>1,137,863</u>
<b>Quoted securities</b>		
<b>FVTPL investments</b>		
Balance at the beginning of the year	20,912,687	33,337,968
Additions during the year	-	1,678,692
Disposal during the year	-	(3,819,759)
Gain on disposal of investment	-	64,962
Changes in fair value	<u>4,350,001</u>	<u>(10,349,176)</u>
	<u>25,262,688</u>	<u>20,912,687</u>
<b>FVOCI investments</b>		
Balance at the beginning of the year	1,137,863	1,211,058
Changes in fair value	<u>778,570</u>	<u>(73,195)</u>
	<u>1,916,433</u>	<u>1,137,863</u>

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 10 Investment in financial assets (continued)

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

Dividend income from the equity securities amounting to AED 0.09 million (2024: AED 0.06 million) is included in the consolidated statement of profit or loss under finance income.

### 11 Inventories

	2025 AED	2024 AED
Raw materials	4,418,611	7,496,131
Finished goods	21,637,522	7,296,177
Spare parts	3,085,525	2,918,762
Others	345,455	448,037
	<u>29,487,113</u>	<u>18,159,107</u>
Less: allowance for slow moving inventories	<u>(5,117,765)</u>	<u>(4,876,664)</u>
	<u>24,369,348</u>	<u>13,282,443</u>

Movement in provision for slow moving inventories are as follows:

	2025 AED	2024 AED
Balance at the beginning of the year	4,876,664	2,933,679
Charge for the year (Note 23)	241,101	108,717
Additions from business combination	-	2,332,561
Write-off for the year	-	(498,293)
	<u>5,117,765</u>	<u>4,876,664</u>

### 12 Trade and other receivables

	2025 AED	2024 AED
<b>Current</b>		
Trade receivables	61,360,610	34,506,127
Less : Allowance for expected credit losses	<u>(4,062,723)</u>	<u>(3,987,723)</u>
Trade receivables, net	<u>57,297,887</u>	<u>30,518,404</u>
Advances to suppliers	37,786,908	6,336,489
Prepayments	2,685,736	1,697,779
Refundable deposits	2,545,400	889,916
Accrued interest receivable	922,773	1,464,830
VAT receivables	-	273,988
Other receivables	<u>5,152,350</u>	<u>3,441,996</u>
	<u>106,391,054</u>	<u>44,623,402</u>
<b>Non-current</b>		
Other receivables	<u>-</u>	<u>2,250,000</u>

The average contractual credit period on rendering services is 60 days (2024: 60 days). No interest is charged on other current assets. The Group has determined the allowance for credit loss on the basis of past history and analysis of capacity of customers to make future payments.

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 12 Trade and other receivables (continued)

Before accepting any new customer, the Group assesses the potential credit quality of the customer. At the end of the year, an amount of AED 20.52 million (2024: AED 10.35 million), excluding the credit impaired customers, of total trade receivables is due from the Group's 10 major customers.

The following table shows the movement in lifetime ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9.

	Collectively assessed AED	Individually Assessed AED	Total AED
As at 31 December 2023	268,821	1,891,402	2,160,223
Additions from business combination	1,600,000	-	1,600,000
Net remeasurement of loss allowance	85,219	142,281	227,500
As at 31 December 2024	1,954,040	2,033,683	3,987,723
Net remeasurement of loss allowance (Note 24)	75,000	-	75,000
<b>As at 31 December 2025</b>	<b>2,029,040</b>	<b>2,033,683</b>	<b>4,062,723</b>

Other receivables include AED 2.25 million classified as current from the sale of Dibba Plant operations (2024: AED 4.50 million) (Note 31).

	Past Due					Total AED
	Current AED	31 - 60 AED	61 - 90 AED	>91 AED	Individually assessed AED	
<b>31 December 2025</b>						
Average expected credit loss rate	0%	0%	0%	27%	100%	7%
Estimated total gross carrying amount at default	46,563,819	3,212,122	2,112,914	7,438,072	2,033,683	61,360,610
Lifetime ECL	-	1,108	759	2,027,173	2,033,683	4,062,723
<b>31 December 2024</b>						
Average expected credit loss rate	-	0%	0%	33%	100%	10%
Estimated total gross carrying amount at default	11,554,081	6,576,373	7,873,511	6,468,479	2,033,683	34,506,127
Lifetime ECL	-	315	1,059	1,952,666	2,033,683	3,987,723

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

#### 13 Related parties

The Group, in the ordinary course of business, entered into a variety of transactions at agreed terms and conditions, with companies, entities or individuals that fall within the definition of a related party as defined in IAS 24 Related Party Disclosures. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related parties comprise major shareholders, key management personnel, Board of Directors and their related companies.

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 13 Related parties (continued)

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

	2025 AED	2024 AED
<b>Due from related parties under common control</b>	<b>80,571,523</b>	60,188,397
<b>FVTPL investments</b>	<b>25,262,688</b>	20,912,687

Significant transactions with related parties are as follows:

	2025 AED	2024 AED
Sales to related parties	33,278,694	66,617,239
Payment of expenses on behalf of a related party	1,440,801	716,090
Purchases of goods and services from a related party	149,403	3,069,698
Purchases of goods & services from related party	51,364	-
Disposal of FVTPL investments	-	3,819,759
Purchase of FVTPL investments	-	1,678,692

Key management personnel compensation for the year is as follows:

	2025 AED	2024 AED
Short-term benefits	600,000	574,000
Provision towards employees terminal benefits	25,750	174,243
Board remuneration & sitting fees	1,070,000	480,000
	<b>1,695,750</b>	<b>1,228,243</b>

#### 14 Cash and bank balances

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

	2025 AED	2024 AED
Short-term deposits	98,083,947	172,261,066
Cash at bank – current accounts	11,586,884	35,211,912
Cash on hand	589,966	162,715
Other cash equivalents	178,284	108,074
<b>Cash and bank balances</b>	<b>110,439,081</b>	<b>207,743,767</b>
Less: Fixed deposits with original maturity of more than three months but less than 1 year	(98,083,947)	(172,261,066)
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>12,355,134</b>	<b>35,482,701</b>

Finance income recognized for the year related to fixed deposits, and amounted to AED 4.92 million (2024: AED 11.25 million).

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 14 Cash and bank balances (continued)

In accordance with IFRS 9, balances with banks are assessed to have low credit risk of default, as these banks are highly regulated by the Central Bank of the U.A.E. Accordingly, management of the Group estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12-month ECL. None of the balances with banks at the end of the reporting period are past due and taking into account the historical default experience and the current credit ratings of the bank, the management of the Group has assessed that there is no impairment, and hence have not recorded any loss allowances on these balances.

### 15 Share capital

The share capital of the Parent Entity 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.

	2025 AED	2024 AED
<b>Issued and fully paid-up</b>	<b>319,871,064</b>	319,871,064
319.87 million ordinary shares of AED 1.00 each		

### 16 Statutory reserves

In accordance with the U.A.E. 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 50% of the share capital.

### 17 Provision for employees' end of service benefits

	2025 AED	2024 AED
Balance at the beginning of the year	2,540,188	1,899,171
Additions from business combination (Note 27)	-	294,694
Charge for the year	534,633	637,203
Payments made during the year	(211,095)	(290,880)
	<b>2,863,726</b>	2,540,188

### 18 Lease liabilities

	2025 AED	2024 AED
Balance at the beginning of the year	3,644,566	4,764,641
Additions during the year (Note 9)	1,265,916	-
Finance cost	232,437	285,941
Payments during the year	(1,500,690)	(1,406,016)
	<b>3,642,229</b>	3,644,566
<b>Presented as:</b>		
Current	864,761	1,111,124
Non-current	2,777,468	2,533,442
	<b>3,642,229</b>	3,644,566

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 19 Trade and other payables

	2025 AED	2024 AED
Trade payables	34,865,151	41,660,859
Accrued expenses and other payables	9,351,738	3,896,333
VAT Payable - net	797,474	-
Advances from customers	178,554	153,119
Due to non-controlling interest owner	-	8,331,061
	<u>45,192,917</u>	<u>54,041,372</u>

The average credit period taken is 90 days (2024: 90 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit frame. No interest is charged on trade and other payables.

Due to non-controlling interest owner as at 31 December 2024 pertains to AED 3.85 million payable relating to the acquisition of Worldwide General Trading L.L.C. and Pallets General Trading L.L.C. and AED 4.48 million advance received from such owner to support the operations of those subsidiaries.

### 20 Bank borrowing

Bank borrowing pertains to loans obtained from financial institutions to purchase transport vehicles, included under property, plant and equipment (Note 5). The vehicles are held as collateral against the borrowings. The movement is as follows:

	2025 AED	2024 AED
Balance at the beginning of the year	986,979	-
Additions from business combination (Note 27)	-	1,088,826
Additions during the year	1,078,832	-
Payments made during the year	(451,050)	(101,847)
	<u>1,614,761</u>	<u>986,979</u>
<b>Presented as:</b>		
Current	627,782	423,017
Non-current	986,979	563,962
	<u>1,614,761</u>	<u>986,979</u>

The bank borrowing interest, and had interest rates ranging from 3.69% to 3.99%, amounted to AED 0.11 million (2024: AED 0.21 million).

### 21 Revenue

	2025 AED	2024 AED
Income from sale of goods recognized at a point in time	192,450,363	144,427,313
	<u>192,450,363</u>	<u>144,427,313</u>

#### Geographical markets:

	2025 AED	2024 AED
U.A.E.	180,895,558	132,180,467
Outside the U.A.E.	11,554,805	12,246,846
	<u>192,450,363</u>	<u>144,427,313</u>

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 22 Cost of sales

	2025 AED	2024 AED
Direct materials	138,135,307	97,741,086
Staff costs	4,298,466	4,154,993
Utilities expenses	4,185,495	3,756,050
Depreciation of property, plant and equipment (Note 5)	2,737,446	2,477,982
Maintenance expenses	806,468	677,900
Legal and professional fees	93,512	23,885
Rental expenses	55,286	151,968
Other expenses	1,319,692	754,190
	<u>151,631,672</u>	<u>109,738,054</u>

#### 23 Selling and distribution expenses

	2025 AED	2024 AED
Staff cost	7,201,853	3,829,960
Rental expenses	4,892,134	3,624,604
Fuel and lubricant	1,630,877	1,175,128
Sales commissions	1,474,996	594,154
Marketing expense	1,141,314	503,812
Depreciation of right-of-use assets (Note 9)	1,105,457	1,399,104
Depreciation of property, plant and equipment (Note 5)	824,367	182,405
Transportation	801,801	555,821
Insurance	392,022	257,731
Allowance for slow-moving inventories (Note 11)	241,101	108,717
Maintenance	208,456	72,313
Utilities	177,235	140,638
Other expenses	907,575	706,649
	<u>20,999,188</u>	<u>13,151,036</u>

#### 24 General and administrative expenses

	2025 AED	2024 AED
Staff cost	10,351,488	5,975,067
Amortization of intangible assets (Note 6)	1,975,200	1,176,216
Legal and professional fees	1,270,808	506,673
Depreciation of property, plant and equipment (Note 5)	1,102,300	655,796
Rental expenses	601,466	-
IT expenses	399,804	281,192
Utilities	189,696	39,151
Licenses fees	126,889	299,905
Maintenance	121,950	35,830

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 24 General and administrative expenses (continued)

	2025 AED	2024 AED
Depreciation on right-of-use assets (Note 9)	107,675	112,828
Insurance	79,240	94,279
Expected credit loss for trade receivables (Note 12)	75,000	227,500
Other expenses	799,959	1,085,653
	<u>17,201,475</u>	<u>10,490,090</u>

#### 25 Basic and diluted earning per share

Basic earnings per share amounts are calculated by dividing the profit for the year by the weighted average number of shares outstanding during the year. There are no dilutive securities, therefore diluted earnings per share is the same as basic earnings per share.

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

	2025 AED	2024 AED
Number of shares in issue	<u>319,871,064</u>	<u>319,871,064</u>
Profit for the year attributable to Owners of the Parent Entity (AED)	<u>8,694,911</u>	<u>9,926,044</u>
Earnings from continuing operations for the purpose of basic earnings per share	<u>8,694,911</u>	<u>9,926,044</u>
Basic and diluted earnings per share (AED)	<u>0.027</u>	<u>0.031</u>

#### 26 Contingencies and commitments

	2025 AED	2024 AED
Letter of guarantees	<u>105,000</u>	<u>105,000</u>
Capital commitments	<u>64,010</u>	<u>291,504</u>

#### 27 Business combination under IFRS 3

##### *Worldwide General Trading LLC and Pallets General Trading LLC*

Effective 1 October 2024, the Group acquired 55% equity interest in Worldwide General Trading LLC ("Worldwide") and Pallets General Trading LLC ("Pallets") (the "acquired group"), which are engaged in the wholesale and retail sale of foodstuff trading and general trading, to expand its reach and capabilities in the fast moving consumer goods ("FMCG") sector. The total consideration for the acquisition was AED 15.4 million, which was accounted for using the acquisition method under IFRS 3, Business Combinations.

The goodwill recognised from this acquisition is primarily attributable to expected synergies from combining operations, including enhanced distribution networks, increased market penetration, and integration of complementary product lines. Additionally, it encompasses intangible assets that do not qualify for separate recognition, such as the assembled workforce and potential for future growth. Other factors contributing to the goodwill include the strategic value of entering new markets and leveraging the established customer base of the acquired group.

## EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

### Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

#### 27 Business combination under IFRS 3 (continued)

##### Identifiable assets acquired and liabilities assumed

The amount of the identifiable assets and liabilities of the acquired group were as follows:

	2024 AED
<b>Non-current assets</b>	
Property, plant and equipment	4,191,437
Identifiable intangible assets	10,653,114
<b>Total non-current assets</b>	<u>14,844,551</u>
<b>Current assets</b>	
Inventories	4,557,036
Trade and other receivables	12,770,594
Due from related parties	3,763,270
Fixed deposits	10,000
Cash and bank balances	253,462
<b>Total current assets</b>	<u>21,354,362</u>
<b>Total assets</b>	<u><u>36,198,913</u></u>
<b>Non-current liabilities</b>	
Provision for employees' end of service benefits	294,694
Deferred tax liabilities	1,033,783
<b>Total non-current liabilities</b>	<u>1,328,477</u>
<b>Current liabilities</b>	
Trade and other payables	16,168,443
Bank borrowings	1,088,826
Due to related party	2,843,760
Income tax payable	411,237
<b>Total current liabilities</b>	<u>20,512,266</u>
<b>Total liabilities</b>	<u><u>21,840,743</u></u>
<b>Identifiable net assets acquired</b>	14,358,170
<b>Less: non-controlling interests</b>	<u>(6,461,177)</u>
<b>Proportionate share of identifiable net assets acquired</b>	7,896,993
<b>Purchase consideration</b>	<u>(15,400,000)</u>
<b>Goodwill</b>	
Worldwide General Trading L.L.C.	5,537,613
Pallets General Trading L.L.C.	1,965,394
<b>Total Goodwill (Note 7)</b>	<u><u>7,503,007</u></u>
	2024 AED
Net cash outflow arising on acquisition:	
Total purchase consideration	15,400,000
Unpaid consideration as at 31 December 2024	(3,850,000)
Less: cash and cash equivalent balances acquired	(253,462)
	<u><u>11,296,538</u></u>
Increase in net assets acquired on completion of purchase price allocation (PPA)	<u><u>11,486,483</u></u>

In 2024, the fair value of the financial assets includes trade and other receivables with a fair value of AED 12.8 million and a gross contractual value of AED 14.4 million. The best estimate at acquisition date of the contractual cash flows not to be collected is AED 1.6 million.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 27 Business combination under IFRS 3 (continued)

Non-controlling interests are initially measured at proportionate share. 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.

### 28 Non-wholly owned subsidiaries that have material non-controlling interests

The table below shows the summarized financial position of the of non-wholly owned subsidiaries of the Group, being Worldwide and Pallets, that have material non-controlling interests.

The summarized financial information below represents amounts before intragroup eliminations.

	2025 AED	2024 AED
Current assets	<u>45,381,920</u>	<u>23,618,103</u>
Non-current assets	<u>4,448,078</u>	<u>3,235,588</u>
Current liabilities	<u>44,093,498</u>	<u>22,088,077</u>
Non-current liabilities	<u>1,380,211</u>	<u>289,726</u>
Profit for the year	<u>220,983</u>	<u>232,980</u>
Total comprehensive income for the year	<u>220,983</u>	<u>232,980</u>

The movement of non-controlling interest as at 31 December 2025 are as follows:

	2025 AED	2024 AED
<b>Non-controlling interest</b>		
Acquired from business combination (note 27)	6,566,018	6,461,177
Share of comprehensive income for the year	<u>99,442</u>	<u>104,841</u>
<b>Total non-controlling interest</b>	<u>6,665,460</u>	<u>6,566,018</u>

### 29 Financial risk management

#### Financial instruments classification

The Group's financial assets are classified at amortized cost pertaining to cash and bank balances, related party balances and trade receivables and investment in financial assets classified as FVPTL and FVTOCI. The Group's financial liabilities at amortised cost pertain to trade and other payables, bank borrowings and lease liabilities.

#### Capital risk management

The Group manages its capital to ensure it will be able to continue as a going concern through the optimization of the debt and equity balances. The Group does not have a formalized optimal target capital structure or target ratios in connection with its capital risk management objectives.

The capital structure of the Group consists of cash and cash equivalents and equity (comprising of share capital, additional paid in capital, legal reserve and retained earnings).

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 29 Financial risk management (continued)

#### Financial risk management objectives

The Group is exposed to the following risks related to financial instruments - credit risk, liquidity risk and market risks (equity price risk and interest rate risk). The Group has not framed formal risk management policies; however, the risks are monitored by management on a continued basis. The Group does not enter into or trade in financial instruments, derivative financial instruments, for speculative purposes.

The Group does not have any significant exposure to foreign currency risk as all of its assets are denominated in AED.

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's trade and other receivables and bank balances. The Group has adopted a policy of only dealing with creditworthy counterparties, however significant revenue is generated by dealing with high profile customers, for whom the credit risk is assessed to be low. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific non-related counterparties, and continually assessing the creditworthiness of such non-related counterparties. Bank balances are assessed to have low credit risk of default since these banks are highly regulated by the U.A.E Central Bank.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counter parties fail to perform their obligations generally approximates their carrying value. Trade and other receivables and balances with banks are not secured by any collateral.

As at 31 December 2025, the Group's maximum exposure to credit risk without taking into account any collateral held or other credit enhancements, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees provided by the Group arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimize credit risk, the Group has tasked its Management to develop and maintain the Group's credit risk grading to categorize exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Management uses other publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis on recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >91-365 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
In default	Amount is >365 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Group's financial assets, as well as the Group's maximum exposure to credit risk by credit risk rating grades.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 29 Financial risk management (continued)

	Notes	External credit ratings	Internal credit ratings	12 month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
					AED	AED	AED
<b>31 December 2025</b>							
Due from related parties	13	N/A	i	Lifetime ECL	80,571,523	-	80,571,523
Trade receivables	12	N/A	i	Lifetime ECL	61,360,610	(4,062,723)	57,297,887
Cash and bank balances	14	AA	N/A	12-month ECL	110,439,081	-	110,439,081
<b>31 December 2024</b>							
Due from related parties	13	N/A	i	Lifetime ECL	60,188,397	-	60,188,397
Trade receivables	12	N/A	i	Lifetime ECL	34,506,127	(3,987,723)	30,518,404
Cash and bank balances	14	AA	N/A	12-month ECL	207,743,767	-	207,743,767

- i. For trade receivables and due from related parties, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group always measures the loss allowance for trade receivables and due from related parties at an amount equal to lifetime ECL.

#### Liquidity risk management

Liquidity risk also referred to as funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared, and adequate utilisation of borrowing facilities are monitored, including the need for additional borrowings, as required. Based on the cash flow forecast prepared by the Group, which specifically take into account the forecast operating cash flows, and other strategic plans of the Group, management is of the view that the Group will meet its liabilities as and when they fall due.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables exceed the current cash outflow requirements. Cash flows from trade and other receivables are all due within three months.

	Less than 1 year AED	More than 1 year AED	Total AED
<b>31 December 2025</b>			
Trade and other payables (excluding advances from customers and tax payables)	44,216,889	-	44,216,889
Bank borrowing	627,782	986,979	1,614,761
Lease liabilities	864,761	2,777,468	3,642,229
	<u>45,709,432</u>	<u>3,764,447</u>	<u>49,473,879</u>

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 29 Financial risk management (continued)

#### Liquidity risk management (continued)

	Less than 1 year AED	More than 1 year AED	Total AED
31 December 2024			
Trade and other payables (excluding advances from customers and tax payables)	53,888,252	-	53,888,252
Bank borrowing	423,017	563,962	986,979
Lease liabilities	1,111,124	2,533,442	3,644,566
	<u>55,422,393</u>	<u>3,097,404</u>	<u>58,519,797</u>

#### Market risk

The Group's activities expose it primarily to the financial risks of changes in equity prices and interest rates.

During the year, there has been no change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

#### Equity price risks

The Group is exposed to equity price risks arising from quoted equity investments. Quoted equity investments are held for strategic purposes and trading purposes.

The Group monitors the risk of changes in equity prices by sensitivity analysis taking 100 basis points change due to the volatile nature of the market in which the securities are listed.

#### Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 100 basis points higher/lower, the Group's equity and the corresponding value of investment securities would increase/decrease by AED 0.22 million (2024: increase/decrease by AED 0.22 million) as a result of Group's investment in financial assets classified as FVTPL and FVTOCI.

The Group's sensitivity to equity prices has increased significantly from the prior year due to the increase in the quoted investments portfolio.

#### 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 amounts due from related parties. Financial liabilities of the Group include trade and other payables, lease liabilities and bank borrowing.

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.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 29 Financial risk management (continued)

#### Fair value estimation (continued)

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.

The following table shows the analysis of financial instruments recorded at fair value by level of the fair value hierarchy for the years ended 31 December 2025 and 31 December 2024.

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>31 December 2025</b>				
Investment in financial assets	<u>27,179,121</u>	<u>-</u>	<u>-</u>	<u>27,179,121</u>
<b>31 December 2024</b>				
Investment in financial assets	<u>22,050,550</u>	<u>-</u>	<u>-</u>	<u>22,050,550</u>

#### Fair value measurement of non-financial assets

Fair value of investment properties has been determined by an independent valuer (the "Valuer") using market value approach, based on the current property market condition in the UAE. The market has been assessed by the Expert and certain internal data has been provided by the management; therefore, the fair valuation falls under level 3. The following are the valuation technique and fair value hierarchy as at 31 December 2025 and 2024:

	Fair value AED	Fair value hierarchy	Valuation technique	Sensitivity Analysis
Investment properties	3,280,000 (2024: 3,280,000)	Level 3	Investment value approach (2024: Investment value approach)	A slight increase in the capitalization rate and estimated net operating income (NOI) would result in a significant decrease in fair value, and vice versa.

### 30 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 segments:

- Operations segment, which involves the segment of bottling, plastic manufacturing, distribution and trading of mineral water, tissues, snacks, carbonated drink, cereals and juices trading; and
- Corporate segment, which involves investing activities of the Group; and
- Land and building leasing segment, which involves the segment of leasing investment property warehouses

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 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 each segment relative to other entities that operate within these industries.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 30 Operating segment information (continued)

Consolidated statement of profit or loss for the year ended 31st December 2025:

	Operations	Corporate	Land and building leasing	Eliminations	Group
	AED	AED	AED	AED	AED
Revenue from external customers (net)	191,684,656	-	-	-	191,684,656
Intersegment revenue	15,049,655	-	-	(15,049,655)	-
Cost of sales	(166,645,986)	-	-	15,014,314	(151,631,672)
Gross profit	40,088,325	-	-	(35,341)	40,052,984
Selling and distribution expenses	(20,999,188)	-	-	-	(20,999,188)
General and administrative expenses	(17,201,475)	-	-	-	(17,201,475)
Finance costs	-	(480,157)	-	-	(480,157)
Finance income	-	5,081,115	-	-	5,081,115
Rental income	-	-	142,857	-	142,857
Gain on sale of property, plant and equipment	84,339	-	-	-	84,339
Fair value gain on investment in financial assets classified as at FVTPL	-	4,350,001	-	-	4,350,001
Other expenses	(1,185,441)	-	-	-	(1,185,441)
Profit before tax	786,560	8,950,959	142,857	(35,341)	9,845,035
Income tax	(1,050,682)	-	-	-	(1,050,682)
Net profit for the period	(264,122)	8,950,959	142,857	(35,341)	8,794,353

Consolidated statement of profit or loss for the year ended 31st December 2024:

	Operations	Corporate	Land and building leasing	Eliminations	Group
	AED	AED	AED	AED	AED
Revenue from external customers (net)	143,618,363	-	-	-	143,618,363
Intersegment revenue	3,433,869	-	-	(3,433,869)	-
Cost of sales	(113,171,923)	-	-	3,433,869	(109,738,054)
Gross profit	33,880,309	-	-	-	33,880,309
Selling and distribution expenses	(13,151,036)	-	-	-	(13,151,036)
General and administrative expenses	(10,490,090)	-	-	-	(10,490,090)
Finance costs	-	(408,386)	-	-	(408,386)
Finance income	-	11,248,955	-	-	11,248,955
Rental income	-	-	142,857	-	142,857
Gain on sale of property, plant and equipment	17,867	-	-	-	17,867
Gain on sale of investment	-	64,962	-	-	64,962
Fair value loss on investment in financial assets classified as at FVTPL	-	(10,349,176)	-	-	(10,349,176)
Other expenses	(362,095)	-	-	-	(362,095)
Profit before tax	9,849,955	556,355	142,857	-	10,594,167
Income tax	(563,282)	-	-	-	(563,282)
Net profit for the period	9,286,673	556,355	142,857	-	10,030,885

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 30 Operating segment information (continued)

Consolidated statement of financial position as at 31st December 2025:

	Operations	Corporate	Land and building leasing	Eliminations	Group
	AED	AED	AED	AED	AED
Total current assets	223,687,059	123,346,635	-	-	347,033,694
Total non-current assets	62,077,813	1,916,433	3,280,000	-	67,274,246
Total assets	<u>285,764,872</u>	<u>125,263,068</u>	<u>3,280,000</u>	<u>-</u>	<u>414,307,940</u>
Total liabilities	<u>55,447,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,447,225</u>

Consolidated statement of financial position as at 31 December 2024:

	Operations	Corporate	Land and building leasing	Eliminations	Group
	AED	AED	AED	AED	AED
Total current assets	159,851,492	193,173,753	-	(6,274,549)	346,750,696
Total non-current assets	61,715,969	1,137,863	3,280,000	-	66,133,832
Total assets	<u>221,567,461</u>	<u>194,311,616</u>	<u>3,280,000</u>	<u>(6,274,549)</u>	<u>412,884,528</u>
Total liabilities	<u>69,871,285</u>	<u>-</u>	<u>-</u>	<u>(6,274,549)</u>	<u>63,596,736</u>

During the year ended 31 December 2025, revenue from customers located in the Parent Entity's country of domicile (U.A.E.) is AED 180.9 million (2024: AED 132.2 million) and revenue from customers outside U.A.E. (foreign customers) is AED 11.6 million (2024: AED 12.2 million).

#### Major customers

The Group made sales of AED 33.3 million to a related party, which represents 16% of the total sales for the year ended 31 December 2025 (2024: AED 53.5 million). There were no other customers of the Group with revenues greater than 10% of the total revenue of the Company during the years ended 31 December 2025 and 2024.

### 31 Taxation

#### **Corporate income tax**

On 9 December 2022, the UAE Ministry of Finance (MOF) released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or 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. As the Group's accounting year ends on 31 December, the first tax period will be the period from 1 January 2024 to 31 December 2024, with the respective tax return to be filed on or before 30 September 2025.

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Group.

On the 6 February 2025, the UAE released the legislation introducing a Domestic Minimum Top-up Tax ("DMTT") for multinational enterprises ("MNEs"), through the publication of Cases, Provisions, Conditions, Rules, Controls, and Procedures on the Imposition of Top-up Tax on Multinational Enterprises which is applicable from 1 January 2025.

# EMIRATES REEM INVESTMENTS COMPANY P.J.S.C

## Notes to the consolidated financial statements for the year ended 31 December 2025 (continued)

### 31 Taxation (continued)

Tax expenses for the year ended 31 December 2025 are as follows:

	2025 AED	2024 AED
<b>Corporate Income tax:</b>		
Current year	1,159,725	965,872
Deferred tax	(109,043)	(402,590)
	<u>1,050,682</u>	<u>563,282</u>

The charge for the year can be reconciled to the profit before tax as follows:

	2025 AED	2024 AED
<b>Profit before tax from continuing operations</b>	<b>9,845,035</b>	10,594,167
Tax at the corporation tax rate of 9 %	886,053	953,475
Effect of fair value accounting and capital assets adjustments	70,072	-
Tax effect of income not taxable in determining taxable profit	(75,217)	(47,399)
Effect of expenses that are not deductible in determining taxable profit	85,130	-
Reversal of deferred tax liability	-	(375,329)
Changes in unrecognized deferred tax assets	84,644	32,535
<b>Tax expense for the year</b>	<b>1,050,682</b>	<b>563,282</b>

The following are the major deferred tax liabilities and assets recognised by the group and movements thereon during the current period.

#### Deferred tax liabilities relate to the following:

	2025 AED	2024 AED
<b>Intangible Assets</b>		
Beginning of the year	1,006,522	375,329
Acquired in business combination (Note 27)	-	1,033,783
Charged to profit or loss	(109,043)	(402,590)
	<u>897,479</u>	<u>1,006,522</u>

### 32 Reclass note

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications have no impact on the previously reported profit, total assets, total liabilities, or equity.

### 33 Events after the reporting period

There are no significant events after the reporting period which affect the financial statements or disclosures.

### 34 Approval of consolidated financial statements

The consolidated financial statements were approved by the Directors and authorized for issue on 05 March 2026.



شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

**Emirates Reem Investments Company (PJSC)**

**CORPORATE GOVERNANCE REPORT 2025**



شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

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## 1. Introduction

Emirates Reem Investments Company PJSC was established as a public shareholding company - in 1980 by Emiri Decree No. 11/1980 and under the Commercial License No. 300050 issued on 1/1/1980 by the Department of Economic Development in the Emirate of Dubai and the Ministry of Economy's Decision No. 367/2010. The purposes for which the company was founded are - manufacturing plastic bottles, bottling and marketing pure mineral water, manufacturing fruit juice and non-alcoholic malt beverages, and trading of foodstuffs and non-alcoholic beverages.

## 2. Implementation of Corporate Governance Principles

The Company is committed to the adoption of effective governance criteria and measures to execute operations with approved policies, procedures and delegation of authority that aim to achieve transparency, and ease to perform its daily operations.

The company is managed by the Board of Directors composed of five members elected by the ordinary general assembly through cumulative secret ballot for a period of three years.

The Board of Directors elects the Chairman and the Vice Chairman from among its members.

Taking into consideration, not to combine the position of the Chairman of the Board of Directors and the position of the Managing Director.

The Company amended the Articles of Association in accordance with Federal Law No. 32/2021 regarding commercial companies, and its amendments.

An Audit Committee, Nomination and Remuneration Committee and Insider transaction Supervision Committee have been established.

An Internal Control Department has been set up to perform internal control and risk assessment in relation to key operating entities based on COSO framework.

The Board has established and approved policies and guidelines for achieving robust corporate governance standards as follows:

- Code of Business Conduct to guide the conduct of Directors and Employees and prevent any influence on the employees' independence and objectivity addressing matters such as conflict of interest and integrity, gifts and confidentiality.
- An appropriate delegation of authority to ensure efficient and effective decision-making which balances empowerment against controls.
- The Board of Directors nominates the external auditor on the recommendation of the Audit Committee. The appointment and fees have been determined by the Company's General Assembly resolution.
- An invitation was made to all shareholders to attend the General Assembly meeting through announcement in two local daily newspapers published in Arabic, and through registered letters, 21 (Twenty-one) days before the scheduled date.
- The announcement of the invitation was included on the agenda and the financial statement and corporate governance report were presented on the website of Dubai Financial Market and the Company's website.

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### 3. The Board of Directors and Executive Management Transactions in Securities

Transaction's report of the members of the Board of Directors, their spouses and their children in the Company's securities during the year 2025:

S. No	Name	Position/Kinship	Owned shares as on 01/01/2025	Total Purchase	Total sale	Owned shares as on 31/12/2025
1	HE. Mohamed Haji Al Khoori	Chairman	Nil	Nil	Nil	Nil
2	Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	Vice Chairman	Nil	Nil	Nil	Nil
3	Mr. Rashed Mohammed Ahmed Dawra Alkaabi	Member	Nil	Nil	Nil	Nil
4	Mr. Falal Ameen	Member	Nil	Nil	Nil	Nil
5	Ms. Mona Saud Saud ALRasheedi	Member	Nil	Nil	Nil	Nil

Transaction's report of the members of the Board of Directors resigned during the year 2024, and their spouses and their children in the Company's securities:

S. No	Name	Position/Kinship	Owned shares as on 01/01/2025	Total Purchase	Total sale	Owned shares as on 31/12/2025
NIL	NIL	NIL	NIL	NIL	NIL	NIL

Transaction's report of the executive management, their spouses and their children in the Company's securities during the year 2025:

S. No	Name	Position/Kinship	Owned shares as on 01/01/2025	Total Purchase	Total sale	Owned shares as on 31/12/2025
1	Mrs. Eman Kapoor	CEO	Nil	Nil	Nil	Nil
2	Mr. Dan Rawat	Head of Finance	Nil	Nil	Nil	Nil

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شركة الامارات ريم للاستثمار (مساهمة عامة)  
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### 3.1 Rules and Procedures Governing the Transactions of Company Shares

The rules and procedures governing the transactions of the Board of Directors of the Company and its employees in securities issued by the parent Company or its affiliates or sister companies.

- The Company and its Board of Directors, Managers and employees shall abide by the resolution of the Authorities' Management Board of Directors No. (2)/2001 regarding the special system for trading, clearing, settlement, transfer of ownership and custody of securities.
- The Chairman and the members of the Board of Directors, directors and employees of the Company shall be prohibited from exploiting their company internal information to purchase or sell shares in the Market, and any transactions thereof shall be considered null and void.
- The chairman, members of the board of directors of the company, its general managers or any of the employees who are familiar with the basic data of the company may not act on their own or through others by dealing in the securities of the company itself or that of the parent company or affiliate or sister company during the following periods:
  - Ten (10) business days before the announcement of any material information that would affect the price of the share up or down, unless the information is the result of abrupt and sudden events.
  - Fifteen (15) days prior to the end of the quarterly, semi-annual and annual financial periods and until disclosure of its financial statements.

Considerations of the provisions of the law shall be taken, when the above-mentioned persons take action by themselves or through others to deal in the securities of the company itself or that of the parent company, affiliate or subsidiary or sister company, and any transaction contrary thereto shall be null and void.

In addition to the Board of Directors' commitment to DFM regulations relating to organization of transactions of the members of the listed companies' management, board of directors and other inside traders.

#### A. The extent to which the Board members are committed to comply with disclosure requirements prescribed by the provisions of the Law and the regulations and decisions issued pursuant thereto in respect of their transactions in securities.

Members of the Board of Directors have complied with the disclosure requirements prescribed by the provisions of the law, regulations and decisions issued pursuant thereto in respect of their transactions in securities issued by the Company.

### 4. Board of Directors Composition

Board of Directors	Role	Category	Member Since
HE. Mohamed Haji Al Khoori	Chairman	Independent, non-executive	2023
Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	Vice Chairman	Independent, non-executive	2020
Mr. Rashed Mohammed Ahmed Dawra Alkaabi	Member	Independent, non-executive	2020
Mr. Falal Ameen	Member	Independent, non-executive	2023
Ms. Mona Saud Saud ALRasheedi	Member	Independent, non-executive	2023



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The table below shows the names, roles and capacities of the members of the company's board of directors and its committees who were elected at the general assembly meeting held on 17/04/2023 for a period of three years.

S.#	Name	Role	Category	Duration as Member Board of Directors
1.	<b>Mr. Rashed Mohammed Ahmed Dawra Alkaabi</b>	- Chairman of Audit Committee	Independent-non-executive	Since June 2020 till April 2026
2.	<b>Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi</b>	- Chairman of Nomination and Remuneration Committee - Member of Audit Committee	Independent-non-executive	Since June 2020 till April 2026
3.	<b>Mr. Falal Ameen</b>	- Chairman of Follow-up and Insiders Transaction Supervision Committee - Member of Audit Committee - Member of Nomination and Remuneration Committee	Independent-non-executive	Since April 2023 till April 2026
4.	<b>Ms. Mona Saud Saud ALRasheedi</b>	- Board Member	Independent-non-executive	Since April 2023 till April 2026



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Emirates Reem Investments Company P.J.S.C

### The Board of Directors Membership and Positions in Other Companies /Establishments

The table below shows the names, roles, experience and capacities of the current Board of Directors.

	<p>1- HE. Mohamed Haji Al Khoori Title: Chairman Category: Independent – Non-executive Join Group: 17 April 2023</p>
<b>SKILLS AND EXPERIENCE</b>	<p>HE. Mohamed Haji Al Khoori , He is the current Director General of the Khalifa Bin Zayed Al Nahyan Foundation for Charitable Works since 2007 He held several executive positions, the most important of which is :</p> <ol style="list-style-type: none"><li>1- Chairman of the Finance Committee and Vice Chairman of the Marketing Council - UAE Football Association</li><li>2- Chairman of the Financial Committee of the Asian Football Confederation</li><li>3- Director of Private Affairs - Ministry of Presidential Affairs</li><li>4- Director of Private Affairs - Court of His Highness the Crown Prince</li><li>5- Director of the Treatment Department - Court of His Highness the Crown Prince</li><li>6- Financial Auditor - Court of the Crown Prince</li></ol> <p>He has 30 years of work experience which includes 15 years in Managing Public and Private joint-stock companies covering several sectors, including real estate investment and manufacturing sector.</p>
<b>OTHER POSITIONS CURRENTLY HELD</b>	<p><b>Board Directorships:</b></p> <ol style="list-style-type: none"><li>1. Chairman Al Khazna Tannery Factory</li><li>2. Vice-Chairman Emirates Driving Company</li><li>3. Vice-Chairman Al Jazira Investment Club</li><li>4. Board Member Abu Dhabi Cooperative Society</li><li>5. Board Member Aldar Real Estate Company</li><li>6. Board Member Abu Dhabi Housing Authority</li><li>7. Board Member Arab Bank for Investment and Foreign Trade</li><li>8. Board Member Thuraya Communications Company</li><li>9. Board Member Abu Dhabi National Company – Foodco</li></ol>

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شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

EDUCATIONAL BACKGROUND	<ul style="list-style-type: none"><li>• Holds a Bachelor Degree In Economics from California University . USA ( 1989)</li></ul>

**Ahmad Dabbos Al Suwaidi**

Title: Vice-Chairman

Category: Independent – Non-executive

Join Group: 22 June 2020

Nomination & Remuneration Committee Member since June 2020 up to now

Audit Committee Member since June 2020 up to now

SKILLS AND EXPERIENCE	Businessman having investments in various industries, equipped with 20+ years of experience in international business, finance, management, and investment inside and outside of United Arab Emirates.
OTHER POSITIONS CURRENTLY HELD	<b>Board Directorships:</b> <ul style="list-style-type: none"><li>- Manager in a private company</li><li>- Board of Directors member in several private companies.</li></ul>

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EDUCATIONAL  
BACKGROUND

Mr. Ahmad Dabbos Al Suwaidi is a businessman having several training and certification courses in Business administration and strategies.

**Mr. Falal Ameen** Title: Board Member  
Category: Independent – Non-executive

Join Group: 17 April 2023

- Chairman of Follow-up and Insiders Transaction Supervision Committee since April 2023 up to now
- Member of Audit Committee since April 2023 up to now
- Member of Nomination and Remuneration Committee since April 2023 up to now

SKILLS AND EXPERIENCE

A seasoned management professional with more than 22 years experience in many sectors with extensive experience in driving business excellence, achieving continuous, improved business performance and accelerating growth by transforming business ideas into real, tangible impact.  
Distinguished by creating entrepreneurial initiatives to steer companies through change and challenge to profitable evolution.  
Resourceful trailblazer providing leadership and oversight required to deliver excellent results/achieve P&L goals whilst facilitating innovation, customer value creation, organizational capability as well as team leadership development.  
Organizational architect, establishing strategic direction and ensuring financial, operational & reputational health .



شركة الامارات ريم للاستثمار (مساهمة عامة)  
Emirates Reem Investments Company P.J.S.C

<b>OTHER POSITIONS CURRENTLY HELD</b>	<p><b>Board Directorships:</b></p> <ol style="list-style-type: none"><li>1. Board Member and Chief Executive Officer Ghitha Holding Group P.J.S.C (a subsidiary of I. H.C Group) From Dec 2020 to date .</li></ol> <p><b>Previous and Other Executive Positions:</b></p> <ol style="list-style-type: none"><li>1. Office of H.H Sheikh Tahnoon Bin Zayed Al Nahyan, Abu Dhabi Business Manager From July 1995 to date</li><li>2. Zee Group Companies, Abu Dhabi C.E.O from Aug 2007 to Dec 2020</li><li>3. Cine Royal Cinema C.E.O from Aug 2009 to date</li><li>4. Private Office of H.H Sheikh Zayed Bin Sultan Al Nahyan . Accounts Manager from Jan 2000 to Nov 2006</li></ol>
<b>EDUCATIONAL BACKGROUND</b>	<p>Mr. Falal Ameen holds a Master's Degree in Business Administration from Staffordshire University, United Kingdom, Staffordshire in 2014</p>

**Ms. Mona Saud Saud ALRasheedi**

Title: Board Member

Category: Independent – Non-executive

Join Group: 17 April 2023

<b>SKILLS AND EXPERIENCE</b>	<p>Dr. Mona is distinguished by her mastery of the art of business leadership and the skills of development, innovation and problem solving. She also masters the tools of persuasion, negotiation and consultation.</p> <p>She has research skills in project management, collecting and analyzing information, and critical thinking.</p> <p>She has extensive experience in the academic field and Scientific research.</p>
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OTHER POSITIONS CURRENTLY HELD	<p><b>Current and previous Executive Positions :</b></p> <ol style="list-style-type: none"><li>1. Self-Employed Research Consultant</li><li>2. Proofreader and Editor (English/Arabic) Proofreader and Editor (English/Arabic)</li><li>3. Lecturer in Financial Management 02/2012 to 05/2014 Majmah University - Riyadh, Rummah, Saudi Arabia</li><li>4. Lecturer, Management Studies 01/2013 to 02/2014 Majmah University - Riyadh, Rummah, Saudi Arabia</li><li>5. CEO Manager 05/2006 to 02/2007 Sport Center - Hafer Albatin, Saudi Arabia</li></ol>
EDUCATIONAL BACKGROUND	<ul style="list-style-type: none"><li>• Doctor of Philosophy: Accounting &amp; Finance (Islamic Finance), 2022 University of Glasgow - Glasgow, UK, UK</li></ul>

**Rashed M. A. Alkaabi**

Title: Board Member

Category: Independent/Non-Executive

Join Group: 22 June 2020

Chairman of Audit Committee: From June 2020 up to now

SKILLS AND	<p>Mr. Rashid Al Kaabi joined the Abu Dhabi fund for development more than 16 years ago, where he worked as a project manager and supervised many pioneering development projects outside and inside the UAE. He had a primary role in formulating the strategies of the Abu Dhabi Fund for Development, and then was promoted to be the Director of the Investments Departments in the Fund to manage all financial resources in the Fund and employ them in various investment tools such as investing in companies, bonds, investment funds and others. He also assumed many executive and administrative tasks, for example, the managing director of Al Ain Farms for Livestock Production, the Chairman of the Board of Directors of the Abu Dhabi Uzbekistan Investment Company, and the Vice Chairman of the Board of Directors of the Abu Dhabi Tourism Investments Company, among others.</p>
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OTHER POSITIONS CURRENTLY HELD	Board Directorships:	
1.	Vice Chairman	ADTIC Company in EGYPT from 2016 to Date
2.	Board Member	Abu Dhabi Uzbekistan Investments Company (Uzbekistan) since 2020
3.	Managing Director	Managing Director of Al Ain Farms from 2014 to 2019
4.	Board Member	Rabab Company (Morocco)
5.	Board Member	Viola Company from 2018 to 2021
6.	Board Member	Delma Tourist Investments Company (Morocco) from 2007 to 2019
7.	Board Member	Belmar Touristic Investments Company (Morocco) from 2008 to 2018
8.	Board Member	North Sousse Company (Tunisia) from 2014 to 2017
9.	Vice Chairman	Misr Arabia Company (Egypt) since 2016

EDUCATIONAL BACKGROUND
<ul style="list-style-type: none"><li>- MBA. (Business.) - AACSB International accredited; UAE University 2009-2011</li><li>- Bachelor of Architecture, UAE University - 2005</li><li>- Master's Certificate in Project Management MCPM, University of Huston – Clear Lake 2007.</li><li>- Accredited Certificate in Global Project Management (CGM) - INSEAD, France 2017</li><li>- Certificate in “Building capabilities for execution and delivery” Harvard business school – 2009</li><li>- Certificate in Growth Enhancement Programme - INSEAD, France 2013.</li><li>- Certificate in Executing Strategy for Results- London Business School, England 2015</li><li>- Certificate in Management Skills for International Business - INSEAD, France 2017.</li><li>- EFQM Accredited Institutional Excellence Assessor since 2009</li></ul>

#### 5. Statement of the percentage of female representation in the Board of Directors in 2025

The company has woman representation at the Board level, and at the organizational level the Company

#### 6. The Board of Directors Other Statements

##### 6.1 Method of Determining the Remunerations of Board of Directors

The Board of Directors' remuneration shall be set forth in the Articles of Association of the Company, subject to the provisions of Federal Law No. (32)/2021 regarding commercial companies. The remuneration of the members of the Board of Directors shall consist of a percentage of the net profit.

The Company may also pay additional expenses or fees or monthly salary to the extent determined by the Board of Directors for any of its members, if this member is working in any committee, or exerts exceptional efforts or performs additional work to serve the company, beyond his or her normal duties as a member of the board of directors of the company. In all cases, directors' remuneration should not exceed 10% of the net profit after deducting depreciation and reserve.



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### 6.2 Total Remunerations Paid to the Members of Board of Directors in 2025

Members of the Board of Directors received remunerations for the year 2024 as followings “-

Name in English	Amount (AED)
Mohamed Haji Abdulla Husain Alkhoori	200,000.00
Ahmad Mohamed Abdulla Aldabboos	220,000.00
Rashed Mohammed Ahmed Dawra AlKaabi	225,000.00
Falal Ameen Valiyavalappil Kizhakeppurayil	225,000.00
AL Rasheedi ,Mona Saud S	200,000.00
Total	1,070,000.00

There is a proposal to pay annual Remuneration to board members for the year 2025

### 6.3 A statement of the details of the allowances for attending the sessions of the Board of Directors and the committees derived from the Board that were received by the members of the Board of Directors for the fiscal year 2025

Members of the Board of Directors received allowances to attend the meetings of the Board of Directors and the committees emanating from the Board for the fiscal year 2024. Included in the above table clause 6.2

There is a proposal to pay remuneration and sitting fees for the Board and its committees in coming AGM for the financial year 2025.

### 7. The Board Meetings

Statement of the number of meetings held by the Board of Directors during the fiscal year The Board of Directors had convened Five meetings during 2025 as follows:

The Board of Directors held (5) meetings during the year 2025:

No.	Meeting Date	Attendance	Proxy	Absent	Names of Absent Members
1.	Feb 14 <sup>th</sup> 2025	4	-	1	Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi
2.	Mar 17 <sup>th</sup> 2025	4	-	1	Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi
3.	May 13 <sup>th</sup> 2025	3	-	2	Ms. Mona Saud Saud ALRasheedi and Mr. Rashed Mohammed Ahmed Dawra Alkaabi
4.	August 13 <sup>th</sup> 2025	5	-	-	
5.	Nov 12 <sup>th</sup> 2025	4	-	1	and Mr. Rashed Mohammed Ahmed Dawra Alkaabi



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Below details of Board meetings attendance during the year 2025as follows:

Board of Directors	No. of Absence/ No. of Meetings	First Meeting 14/02/25	Second Meeting 17/03/25	Third Meeting 13/05/25	Forth Meeting 13/08/25	Fifth Meeting 12/11/25
HE. Mohamed Haji Al Khoori	-	✓	✓	✓	✓	✓
Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	2	-	-	✓	✓	✓
Mr. Rashed Mohammed Ahmed Dawra Alkaabi	2	✓	✓	-	✓	-
Mr. Falal Ameen	-	✓	✓	✓	✓	✓
Ms. Mona Saud Saud ALRasheedi	1	✓	✓	-	✓	✓

**8. Summary of Board Resolutions issued by circulation during the year 2025 that were disclosed:**

**Decisions disclosed in the Market during the year 2025:**

- Nil Decision disclosed in the year 2025

**Decisions that were not disclosed in the market during the year 2025:**

- There are no board decisions issued that were not disclosed during the year 2025

**9. Responsibilities Assigned to the Executive Management**

The Board of Directors and Executive Management have been designated to perform the functions as per following authorization:

S. No	Name of Authorized Person	Capacity of Authorization	Period of Authorization
1	Members Board of Directors	Members of Board directors authorized the Board Member Mr. Falal Ameen and General Manager Mrs.Eman Kapoor . to execute and perform set of disposals related to the Company and its subsidiaries and this power of attorney was attested by the notary public.	From 01/05/2023 till 30/04/2026



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**The powers of the board of directors remain in effect until the convening of the general assembly, which will include the clause of electing the board of directors, noting that the general assembly is expected to take place in April 2025**

#### 10. Related Parties Transactions

Summary of related parties' major transactions during the year 2025:

	<u>Due from a related party</u>		<u>Due to a related party</u>	
	2025	2024	2025	2024
	AED	AED	AED	AED
Entity under common control	80,571,524	60,188,397	-	-

#### \* Transactions with related parties

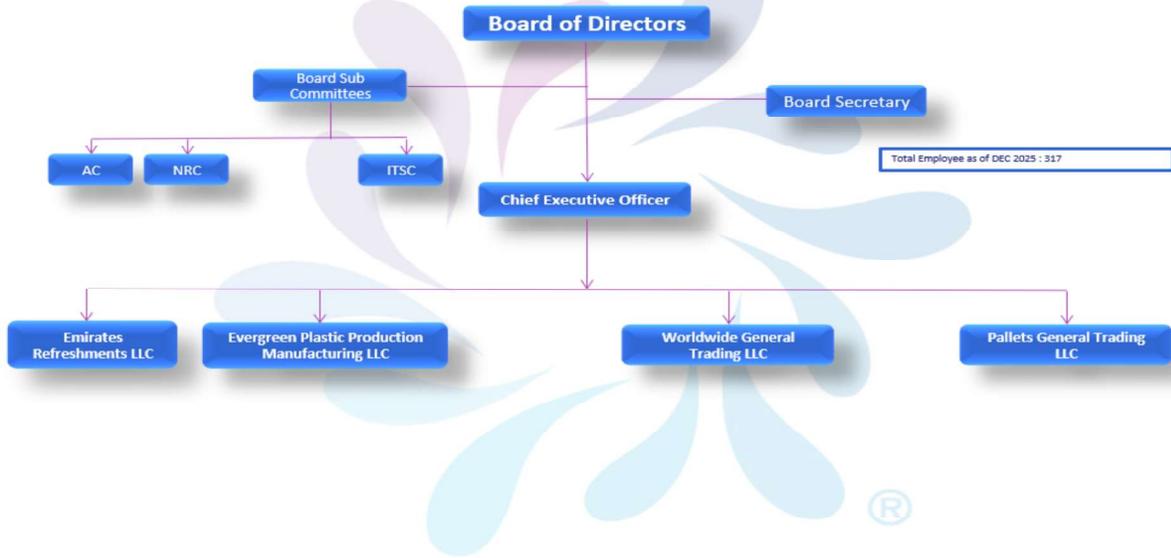
	2025	2024
	AED	AED
Rental income	-	-
Sales to a related party	42,242,392	66,617,239
Purchases from a related party	294,101	3,069,698
Payment of expenses by a related party	238,390	-
Payment of expenses on behalf of a related party	1,911,969	716,090



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## 11. Organizational Chart

### Emirates Reem Investments Company PJSC



## 12. Executive Management

The following chart shows senior executives in the Company, their designations, appointment dates and total salaries, allowances & bonuses paid to them during the year 2025:

Position	Appointment Date	Total salaries and allowances paid during the year 2025 - in dirham	Total bonuses paid during the year 2025- in dirham	Any other bonuses to be paid in the future for the year 2025 – in dirham
Chief Executive Officer	06/03/2011	600,000	-	-
Head Of Finance	01/08/2010	451,788	-	-
IT Manager	01/10/2018	237,520	-	-
HR & Admin Manager	03/07/2023	216,000	-	-
Plant Manager	13/10/2019	253,320	-	-
Procurement and Supply Chain Manager	19/10/2021	264,000	-	-
Head of Sales	07/02/2022	244,250	-	-

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### 13. External Auditor

#### 13.1 Brief About the Company's External Auditor

Crowe UAE is a part of Crowe Global's Key Economic Center member. With the global reach of Crowe Global, one of the top 10 accounting networks worldwide with over 42,000 partners and professionals in more than 130 countries, and 750 offices providing clients with access to international expertise and resources.

Our leaders work with governments, regulatory bodies, and industry groups to shape the future of the profession worldwide. Crowe professionals have exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects.

We provide global reach on a personal scale. Our firms are focused on the future and the client experience, working with clients to build something valuable, substantial, and enduring. Close working relationships are at the heart of our effective service delivery.

Crowe, our professionals all share one commitment, to deliver excellence.

We serve a diverse portfolio of clients, including some of the UAE's largest organizations across sectors such as financial services, real estate, construction, trading, and manufacturing, as well as entities within the public and government sectors

#### 13.2 List of Services Provided by the Company's External Auditor

The General Assembly held in April 2025 decided to appoint CROW UAE to perform external audit of the Company and its subsidiaries for the year 2025. Their fees were set at AED 229,000/-, including quarterly review fees (within the United Arab Emirates).

The scope of the audit for the financial year 2025 is as follows:

1. Provide an audit opinion on the annual consolidated financial statements in accordance with International Financial Reporting Standards.
2. Provide an audit opinion on the financial statements of all subsidiaries of the company in accordance with International Financial Reporting Standards; and
3. Provide a review of quarterly interim condensed consolidated financial statements in

#### \*Statement of fees and costs for auditing or services provided by the external auditor:

Name of the audit office and partner auditor	<b>Crowe UAE (Engagement Partner Mr. Bassil Nacer)</b>
Number of years served as an external auditor for the Company	One Year
Total fees for auditing the financial statements of 2025	AED 229,000/=
Total Fees for special services other than the audit of the financial statements for the year 2025	Nil
Other services provided 2025	Nil
Other services provided by another external auditor	Nil

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**Statement of clarification of the reservations made by the company's auditor, which were included in the interim and annual financial statements for the year 2025:**

No reservation was made by the company's external auditor on any of the items of the interim financial statements during the year 2025

**14. Board of Directors Committees**

**14.1 Audit Committee**

**Audit Committee Chairman's Acknowledgment**

Mr. Rashed Mohammed Ahmed Dawra Alkaabi (Chairman Audit Committee) acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Names of the audit committee members, it's terms of reference and the tasks assigned thereto:

Th audit committee consists of three non-executive and independent members of the board of directors, i.e.:

S. No	Name	Title	Category
1	Mr. Rashed Mohammed Ahmed Dawra Alkaabi	Chairman	Non-Executive/Independent
2	Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	Member	Non-Executive/Independent
3	Mr. Falal Ameen	Member	Non-Executive/Independent

**Audit Committee Functions**

- Review policies, financial and accounting procedures of the company.
- Monitor the integrity of the company's financial statements and reports (annual, semi- annual and quarterly) and review them as part of its normal work during the year, and should particularly focus on the following:
  - Any changes in accounting policies and practices.
  - Highlight areas subjugated to management's discretion.
  - Substantial adjustments resulting from the audit.
  - Assuming continuity of business.
  - Compliance with accounting standards determined by the Authority.
  - Compliance with management and disclosure rules and other legal requirements related to the preparation of financial reports.
- Coordinating with the company's board of directors, senior executive management, financial director and the existing manager with the same tasks in the company in order to perform its duties.
- Consider any important and unusual items that should be included in such reports and accounts and shall give due attention to any matters raised by the CFO of the company, the manager with the same functions, the compliance officer or the auditor.
- The Board of Directors has issued a recommendation on the selection or resignation of the auditor. If the Board of Directors does not approve the recommendations of the Audit Committee, the Board of Directors should include in its report a statement explaining the recommendations of the Audit Committee and the reasons for the Board of Directors, not to adopt it.



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- Develop and apply the contracting policy with the auditor and submit a report to the Board of Directors, identifying issues it considers important to take action about, recommending necessary steps to be taken.
- Ensure that the auditor fulfils the conditions stipulated in the laws, regulations and decisions in force and the company's articles of association, following up and monitoring his independence.
- Meeting with the company's auditor without the attendance of any of the senior executive management or its representatives, at least once a year, and discussing the nature and scope of the audit and its effectiveness in accordance with the approved auditing standards.
- Investigate all matters relating to the auditor's work, his work plan and correspondence with the company, his observations, suggestions and reservations, and any material questions raised by the auditor to senior executive management, regarding the accounting records, financial accounts or control systems, and follow up the response of the company management, providing necessary facilities to carry out his work.
- Ensuring that the Board of Directors responds in a timely manner to the clarifications and material issues raised in the auditor's letter.
- Review and evaluate the Company's internal control and risk management systems.
- Discuss the internal control system with the Board of Directors and ensure that it fulfils its duty to establish an effective internal control system.
- Consider the results of the main investigations in internal control matters assigned to them by the Board of Directors or are initiated by the Committee and approved by the Board of Directors.
- Review the auditor's assessment of the internal control procedures and ensure that there is coordination between the internal auditor and the external auditor.
- Ensure that resources are available for internal control management and to review and monitor the effectiveness of this department.
- Studying internal control reports and following up the implementation of the corrective measures of the observations contained therein.
- Establish controls that enable company employees to report any potential irregularities in financial reports, internal controls or other matters in secret, and steps to ensure independent and fair investigations of such violations.
- Monitor the company's compliance with the Code of Professional Conduct.
- Review the transactions of related parties with the company and ensure that there is no conflict of interest and recommend them to the Board of Directors before they are concluded.
- Ensure implementation of the work rules related to its functions and powers entrusted to it by the Board of Directors.
- Present reports and recommendations to the Governing Council on the above issues mentioned in this Article.
- Consider any other topics determined by the Board of Directors.

### Audit Committee's Annual Report

1. The important matters considered by the Committee in respect of the financial statements and the way of addressing such matters:

AREA OF FOCUS		ACTIONS TAKEN BY THE COMMITTEE
Nil		Nil

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2. An explanation of the mechanism used for assessing the independence and effectiveness of the external audit process and the approach followed in appointing or reappointing the external auditor, and information on the length of the current audit firm's term.

Crowe UAE an experienced external audit firm accredited by the Ministry of Economy, was appointed as the company's external auditor for the year 2025 with the approval of the annual general assembly. There are no partners or agents affiliated with the firm's founders, its directors, or their relatives. All work performed by the external auditor is free from any conflict of interest and includes professional services related to reviewing quarterly and annual financial reports in compliance with all terms and conditions outlined in Decision No. 3 of 2020. Crowe UAE 's term of appointment is one year approve that recommendation.

3. The mechanism is used for ensuring the independence of the external auditor when providing non-audit services.

Crowe USE provided only external audit services in 2025, and no special or additional services were obtained from them for the fiscal year 2025

4. Actions taken or to be taken by the Committee to address any deficiencies or weaknesses in the event of any failures in internal control or risk management.

The Audit Committee periodically assesses the adequacy of internal controls and risk management processes across all organizational functions, including, among others, an annual review of the internal audit charter, evaluation of the internal audit department's structure, approval and execution of the risk-based internal audit plan (spanning two years), and oversight of the recruitment and seniority of the department head. The committee also examines the reporting structure, audit coverage, and frequency to identify and address any deficiencies, gaps, or weaknesses noted/found within the auditable functions during the audits. Additionally, it collaborates with the Board of Directors, senior management, and the Internal Control Department to discuss necessary corrective actions and ensure effective implementation by the relevant department heads.

5. Evidence is that the committee has reviewed all reports of medium and high risks issued by the internal audit department to determine whether they arise from major failures or weaknesses in internal control, in addition to comprehensive information about the corrective remediation plan in the event of material deficiencies in the areas of risk management and internal control systems.

Since 2024, the Audit Committee has approved a risk-based internal audit plan covering a two-year period. Before 2024, the Committee had approved an annual audit plan and instructed the Internal Control Department to conduct special audits or investigations in specific areas as needed on a monthly basis in the monthly activity report and at the quarterly Audit Committee meetings, where the Head of Internal Control Department provides a status update on all ongoing and completed audits for that quarter, as well as the progress of the internal audit plan's implementation. Additionally, the Committee reviews the findings of all high-risk and medium-risk internal audit reports issued by the Internal Control Department, along with the status of agreed action plans. It also directs management to implement all audit recommendations within the agreed timeframes through the relevant

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department heads.

Evidence is that the Committee has reviewed all transactions carried out with related parties and the resulting observations or findings and the extent of compliance with applicable laws in this regard.

All transactions with related parties, including any material amendments to the transactions executed with the related parties, require the approval of the Audit Committee. The Committee assesses the criteria for granting approval, ensuring that related party transactions serve the best interests of the company. Additionally, it conducts a quarterly review of all approved related party transactions. Furthermore, the Committee recommends reviewing the related party policy on material related party transactions as well as the handling of related party transactions to be in line with the regulatory requirements.

### Audit Committee Meetings during the Year 2025

Audit Committee Members	No. of absence/ No. of Meetings	First Meeting 13/03/2025	Second Meeting 12/05/2025	Third Meeting 12/08/2025	Fourth Meeting 11/11/2025
Mr. Rashed Mohammed Ahmed Dawra Alkaabi	1	✓	-	✓	✓
Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	-	✓	✓	✓	✓
Mr. Falal Ameen	-	✓	✓	✓	✓

### Nominations and Remunerations Committee Chairman's Acknowledgment

Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi (Chairman Nominations and Remunerations Committee) acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.

Names of the Nominations and Remuneration committee members, it's terms of reference and the tasks assigned thereto:

The Nominations and Remuneration committee consists of three non-executive and independent members of the board of directors, i.e.:

S. No	Name	Title	Category
1	Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	Chairman	Non-Executive/Independent
2	Mr. Rashed Mohammed Ahmed Dawra Alkaabi	Member	Non-Executive/Independent
3	Mr. Falal Ameen	Member	Non-Executive/Independent



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#### Committee Functions

- To establish a policy on membership candidacy for the Board of Directors and Executive Management, which aims at taking into account gender diversity within the formation and encouraging women through motivations and incentive programs and providing the Authority with a copy of this policy and any amendments thereto.
- Organizing and following up the procedures for nomination to the Board of Directors in accordance with the applicable laws and regulations and the provisions of this resolution.
- Ensure continuous independence of independent members.
- If the Committee finds that a member has lost the conditions of independence, it must submit the matter to the Board to notify the member of a registered letter to the company's fixed address for reasons of non-independence. The member must respond to the Board within fifteen days from the date of notification. The member is independent or not independent at the first meeting following the member's reply or the expiration of the period referred to in the preceding item without a reply.
- To prepare the policy for the granting of bonuses, benefits, incentives and salaries for the members of the Board of Directors of the Company and its employees, and to review them on an annual basis. The Committee shall verify that the remuneration and benefits granted to the Senior Executive Management are reasonable and proportionate to the performance of the Company.
- Annual review of the required skills requirements for Board membership and preparation of a description of the capabilities and qualifications required for membership of the Board of Directors, including determining the time required to be assigned by the member to the work of the Board of Directors.
- Review the structure of the Board and make recommendations regarding possible changes.
- Identify the company's needs of competencies at the level of senior executive management and employees and the bases of their selection.
- Develop and review the HR policy and training in the company, control its implementation and review it annually.
- Any other matters determined by the Board of Directors.

#### Committee Meeting During the Year 2025

Member of the Committee	No. of absence/ No. of Meetings	Meeting Date 11/11/2025
Mr. Ahmad Mohamed Abdulla Aldabboos Alsuwaidi	-	✓
Mr. Rashed Mohammed Ahmed Dawra Alkaabi	-	✓
Mr. Falal Ameen	-	✓

#### 14.3 Follow-Up and Insider Transaction Supervision Committee

The Board of Directors has formed a committee to manage, follow up and observe the transactions of interested persons and their property, maintain their register and submit statements and periodic reports to the market.

#### Follow-Up and Insider Transaction Supervision Committee Chairman's Acknowledgement

Mr. Falal Ameen (Chairman Follow-Up and Insider Transaction Supervision Committee) acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.



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No.	Member Name	Committee Position	Position according to Organizational Chart
1.	Mr. Falal Ameen	Committee Chairman	Board Member
2.	Ms. Eman Kapoor	Member	Chief Executive Officer
3.	Mr. Dan Rawat	Member	Head of Finance

#### Committee Functions

- The Committee shall include the names of persons familiar with any data pertaining to the company that may have an effect on the price of the company's shares in the market, in a manner that ensures the highest standards of transparency and disclosure.
- The Committee shall maintain a special register recording all necessary data for the insiders and determining the period of their knowledge, the number of securities traded in the sale and purchase during the year, the dates of execution of trading operations, and other relevant data.
- The Committee shall have the right to include the name of the conversant person if he is from within the company employees or an external party.
- The Committee shall be entitled to determine the nature of the person's term of office (permanent / temporary).
- The Committee shall abide by the rules and procedures of corporate governance and discipline and all instructions and laws issued from time to time.
- An annual report shall be sent to the Board of Directors stating the names of the interested persons and the volume of their transactions in the company's securities.
- The Committee shall ensure that all persons who have expressed their wishes have made the necessary representations.

#### Committee Meeting During the Year 2025

No.	Member Name	Position in the Committee	Position according to Organizational Chart	Meeting date 11/11/2025
1.	Mr. Falal Ameen	Committee Chairman	Board Member	✓
2.	Ms. Eman Kapoor	Member	Chief Executive Officer	✓
3.	Mr. Dan Rawat	Member	Head Of Finance	✓

#### Summary of the Committee Work during the Year 2025

The committee reviewed the rules of dealing for controlling private transactions of conversant persons, reviewing the mechanism of keeping related records. In addition, the committee has taken necessary procedures to ensure the highest

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levels of compliance with legislation and best practice for corporate governance.

## 15. Internal Control System

### 15.1 The Board of Directors' Acknowledgement of its Responsibility for the Internal Control System and its review and effectiveness

The Board of Directors acknowledges its responsibility for the Company's internal control system and its review and effectiveness.

### 15.2 Internal Control Department In-charge's Profile

Mr. Venkatesh Budumuru was appointed in the role as Head of the Internal Control Department (Date of appointment 01/12/2024), performing the duties of Internal Control and Audit. He holds in addition to B. Com in Accounting degree he is C.A (Chartered Accountant) , and has more than (06) five years of experience in Auditing ,accounting, and Business Administration.

Mr. Mujeeb Abdu Rahmane has assumed the role as Compliance Officer (Date of appointment 01/10/2024), performing the duties of compliance officer. He holds B. Com in Accounting degree and has more than (05) five years of experience in accounting, and Business Administration.

### 15.3 Appointment of Internal Auditor

The company has outsourced the unit of UHY James Advisory LLC as an internal auditor since the third quarter of the year 2024. The internal audit function governs itself by adherence to the institute of internal auditors' mandatory guidance including the definition of internal auditing, the code of ethics, and the international standards for the professional practice of internal auditing (Standards).

### 15.4 Working Mechanism of the Internal Control Department

The internal control function is established by the Board of Directors, Audit Committee. The function's responsibilities are defined by the Audit Committee as part of their oversight role.

The duties and responsibilities of the internal control function will be to provide timely feedback to the Audit Committee on matters relating to:

- Reliability and integrity of financial and operating reports.
- Effectiveness and efficiency of operations.
- Safeguarding of assets.
- Compliance with laws, regulations, directives and contractual obligations.

The Audit Committee provides instructions to the internal control function in the form of an approved internal audit plan and specific directions from time to time.

### 15.5 The Annual Review Includes the Following Components in Particular

- Key control elements including financial control, operations and risk management.
- Changes since the last annual review on the nature and extent of the major risks and the Company's ability to respond to changes in its business and external environment.
- The scope and quality of the Board's ongoing control of risks, the internal control system and the internal



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auditor' work.

- The number of times the Board of Directors or its committees have been informed about audit work results to enable it to assess the internal control position of the Company and the effectiveness of risk management.
- Failures or weaknesses in the detected control system or unexpected contingencies which have affected or may have a material impact on the performance or financial position of the Company.
- The effectiveness of the Company's financial reporting and compliance with listing and disclosure rules

#### 15.6 Number of Reports Issued by Internal Control Department

During the year 2025 the Internal Control Department issued 04 report.

#### 16. Violations Committed by the Company during the Year 2025

Nil

#### 17. Statement of Cash and In-Kind Contributions

Neither cash nor in – were Kind Contributions made by the Company during the year 2025

#### 18. General Information

##### 18.1 Share Price

The following table presents the company's highest and lowest share price at the end of each month during the year 2025 and share performance against market index and sector index as of 31<sup>st</sup> December 2025:

Company's share price performance during the year 2025:

TRADE_MONTH	MONTH_HIGH	MONTH_LOW	CLOSE	DFMGI	Consumer Staples
Jan-25	3.420	2.570	2.950	5180.37	100.08
Feb-25	3.150	2.630	2.790	5317.63	100.58
Mar-25	2.980	2.530	2.780	5096.24	94.52
Apr-25	2.780	2.370	2.700	5307.15	88.76
May-25	3.070	2.630	2.900	5480.51	92.79
Jun-25	3.100	2.600	2.930	5705.76	92.35
Jul-25	3.180	2.810	2.870	6159.15	98.14
Aug-25	3.130	2.800	3.080	6063.61	101.11
Sep-25	3.110	2.830	2.830	5839.64	94.71
Oct-25	2.990	2.790	2.860	6059.43	98.10
Nov-25	2.890	2.550	2.680	5836.89	94.15
Dec-25	2.790	2.440	2.610	6047.09	92.25
<b>Overall Performance During 2025</b>	<b>3.049</b>	<b>2.629</b>	<b>2.832</b>	<b>5,674.456</b>	<b>95.63</b>

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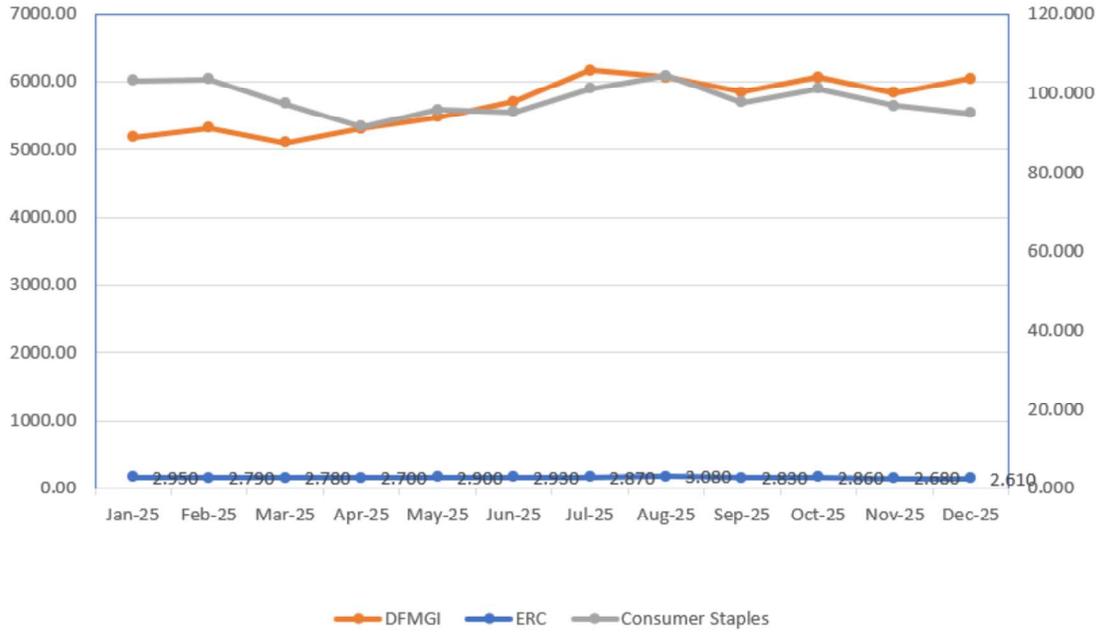
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### ERC Share Monthly Performance 2025



### Performance of the company's shares, compared with the DFM index and DFM consumer index during the year 2025

Month_Year	ERC	DFMGI	Consumer Staples
Jan-25	2,950	5180.37	100.08
Feb-25	2,790	5317.63	100.58
Mar-25	2,780	5096.24	94.52
Apr-25	2,700	5307.15	88.76
May-25	2,900	5480.51	92.79
Jun-25	2,930	5705.76	92.35
Jul-25	2,870	6159.15	98.14
Aug-25	3,080	6063.61	101.11
Sep-25	2,830	5839.64	94.71
Oct-25	2,860	6059.43	98.10
Nov-25	2,680	5836.89	94.15
Dec-25	2,610	6047.09	92.25

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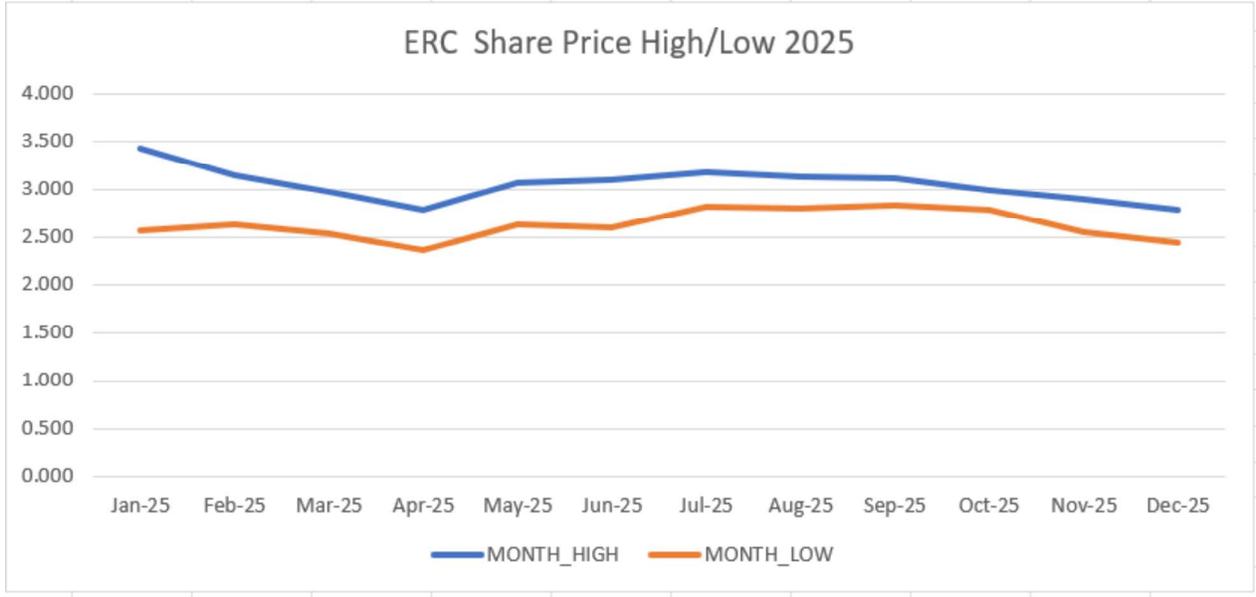
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#### ERC Share price performance Vs DFM & DFM consumer index



#### 18.2 Distribution of Shareholders' Ownership

Description	Governments	Individuals	Companies	Total
Local	-	35,553,090.00	274,833,733.00	310,386,823.00
GCC	-	364,065.00	11,091.00	375,156.00
Arabs	-	7,254,732.00	121,073.00	7,375,805.00
Foreigners	-	1,500,689.00	232,591.00	1,733,280.00
<b>Total</b>	-	<b>44,672,576.00</b>	<b>275,198,488.00</b>	<b>319,871,064.00</b>
Percentage (%)		13.97%	86.03%	100%

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### 18.3 Statement of Shareholders Ownership 5% or More

Name of Shareholders	Shareholders Share %
POWER HOUSE GROUP FOR COMPANY MANAGEMENT	5.0552
Infinity T.V Free Zone L.L.C	5.0896
Therb Commercial Investment -Company of one person	5.0996
Luminary for management studies and consulting	5.1528
POSEIDON OCEAN LIMITED	10.2063
MRQ COMMERCIAL INVESTMENT - SOLE PROPRIETORSHIP LLC	14.4414
Mabda Commercial Investment L.L.C	17.3316
IHC Capital Holding L.L.C	20.6333
Total	83.0098 %

18.4

### Shareholders Ownership Distribution as on 31<sup>st</sup> December 2024:

Ownership of Shares	Number of Shareholders	Number of owned shares	Ownership %
Less than 50,000	544	5,637,296	1.7624%
Between 50,000 and 500,000	129	16,856,979	5.2699%
Between 500,000 and 5,000,000	16	18,795,108	5.8758%
Greater than 5,000,000	10	278,581,681	87.0919%
Total	699	319,871,064	100.000%

### 19. Investor Relations Affairs

The company has established a department specialized in managing the affairs of the shareholders. The following summary clarifies what has been achieved in compliance with the provisions of the law and the Memorandum of Association and Resolution No. 7 regarding corporate governance regulations and related circulars:

The Shareholder's Relations Officer has been appointed and holds the following qualifications:

- Holds a degree suitable for work.
- Has experience in managing the affairs of shareholders and legal matters within the State, including companies and banks.

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- Aware of the relevant legal and legislative requirements.
- Has full knowledge of the company's activities and opportunities.
- Has the ability to use different channels of communication and has the skills to communicate with investors in securities.

A special investor relations page has been created on the company's website to be constantly updated and maintained in line with international standards, including Investor Relations Department data and contact information such as, a dedicated phone number and e-mail, providing all reports on financial results whether recorded or published , Financial year data, including the dates of publication of financial results data, minutes of meetings of the General Assemblies, and any other important events.

Information and data disclosed to regulators, markets or the public are posted on the company's website at the following link:

[www.erc.ae](http://www.erc.ae)

Contact details for Shareholder's Relations Officer,

Mr.Rabah Hakem

Address: Al Quoz Ind. No. 4,  
Dubai – United Arab Emirates.

Tel: 04-3335566

Fax: 04-3335558

Mobile: 0555470143

P.O. Box 5567, Dubai – United Arab Emirates

Email: [rabah.hakem@erc.ae](mailto:rabah.hakem@erc.ae)

Responding to Shareholders' enquiries from Monday to Friday, 10am to 2pm.

## 20. Special Resolutions Presented to the General Assembly Held During 2025

Nil

## 21.Board Secretary Appointment :-

Board Secretary Name	Appointment date	Qualification/Experience	Duties during the year
Mr. Rabah Hakem	From 13/07/2023 till date	Bachelor's degree in finance and Member in USA Institute of Management Accountant (IMA).	Coordination of all duties related to the Board of Directors. Drafting of minutes of meetings, organizing invitations, Retain/document of files, managing the general assembly meetings, coordination with the relevant regulatory authorities.

## 22. Significant Events during the Year 2025

There are no Significant Events and disclosures during the year 2025

## 23. Emiratization Percentage in the Company as of 2023, 2024, 2025 (Excluding Unskilled Workers)

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The percentage of Emiratization in the company at the end of the year's 2023, 2024, 2025: 3.40%/12.12%/6.5%

#### 24. Statement of Innovative Projects and Initiatives Implemented by the Company

During 2025 Company conducted the following: -

**Innovative Projects:**

1. ERP Implementation
2. Cloud Migration of Critical application
3. Cyber Security Enhancement Projects

**Initiatives:**

1. Signed an agreement to share potential partnership with Sharjah Social Services Department – Aman & Tadamun (Mazaya Sanad Card).
2. Potential collaboration with government and social service teams during floods to offer vital support to affected communities
3. Hydration Partnership with UAE Wrestling Federation for all their event.
4. Internship with University of West London students and awarded for their successful completion.
5. As part of Ministry of Education – Dubai, successfully completed the Internship with Dubai School students.
6. Hydration Partner for Wellman Marathon Summer Run & Al Sahel Road Run

**Note:** Copies of this report will be provided (after approval) at the main office of the company and on the company's website, in addition to other copies that will be provided during the general assembly meeting.

Mohamed Haji Al Khoori

Chairman-Board of Directors

Rashed Mohammed Ahmed Dawra  
Alkaabi  
Chairman- Audit Committee

Ahmad Mohamed Abdulla  
Chairman- Nomination and  
Remuneration Committee

Venkatesh Budumuru  
Internal Control Department

Date: 30/03/2026



شركة الامارات ريم للاستثمار (مساهمة عامة)  
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# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2025





# Contents

## 1.0 Overview of ESG

- About
- Our Stakeholders
- Our Materiality Assessment
- Our Sustainability Framework

## 1.1 Environment

## 1.2 Social

## 1.3 Governance

## Appendices

# 1.0 Overview of ESG

## About

This section presents ERC’s Environment, Social and Governance (ESG) report, outlining the company’s ESG performance over the period from 1<sup>st</sup> January 2025 to 31<sup>st</sup> December 2025 and documenting our sustainability performance, future commitments, and strategic objectives to integrate ESG best practices across ERC.

This report presents ERC’s efforts to support international and national standards, visions, and objectives, including the Global Reporting Initiative (GRI) Standards, United Nations Sustainable Development Goals (SDGs), Dubai Financial Market (DFM) ESG Guidance and the United Arab Emirates (UAE) Vision 2025

## What We do?

Emirates Reem Investments Company PJSC have been answering the refreshment needs of the UAE since 1980 with the natural mineral water from the prime and pristine Hatta Mountain range and distribution of trading products including the category of Hygiene, functional water, Juice, CSD, Energy Drink, protein bar, Confectionaries & Cereals.

Our products are available across the UAE, and we create Life in every drop.

## Our Brands:



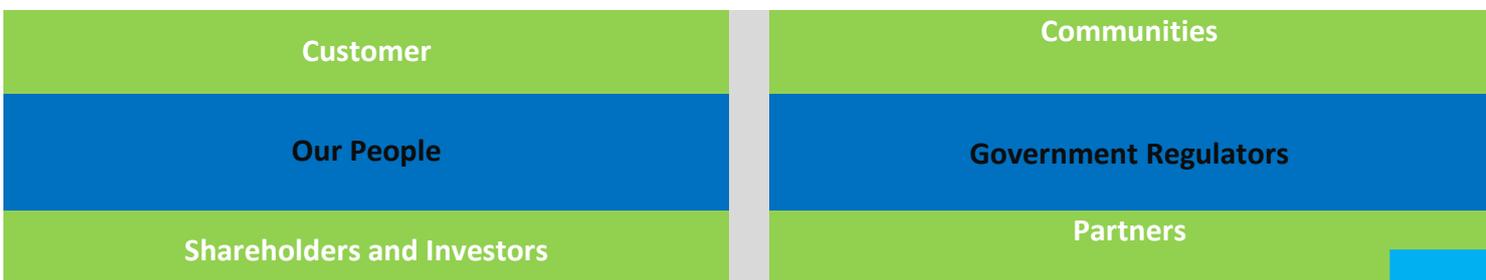
## Where We Operate?

Our Head Quarter & Dubai distribution unit is located in Al Qouz- Industrial Area-4, Dubai. ERC’s production facility is located in Hatta.

## Our Stakeholders

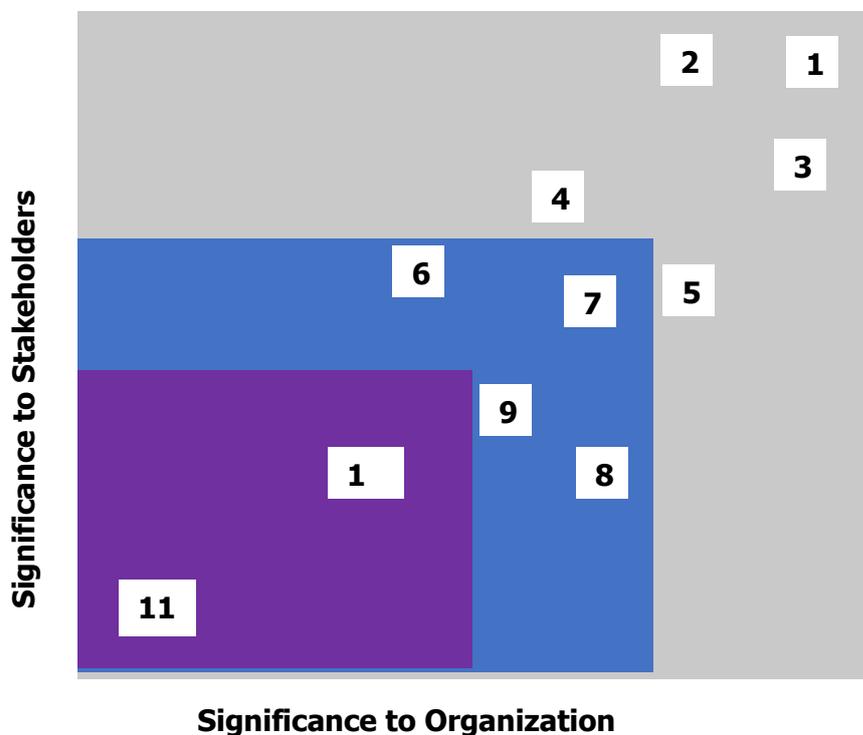
We have developed our stakeholder map which incorporates and categorizes key internal and external stakeholders based on their influence on ERC. We aim to seek feedback by actively engaging with our stakeholders to identify and understand their priorities and requirements and address potential sustainability risks and opportunities. Their involvement directs our sustainability approach and the material issues we focus on.

Our key stakeholder groups are shown below, and a detailed stakeholder map can be found in the appendices.



## Our Materiality Assessment

We have identified 11 material issues that can have a material impact on ERC if not managed appropriately. We have ranked these material issues based on their significance to ERC and importance to stakeholders.



### Most Important

1. Environmental Management
2. Water Management
3. Governance, Compliance and Ethics
4. Energy and Climate Change
5. Sustainable Procurement

### More Important

6. Health and Safety
7. Waste Management
8. Economic Development
9. Community Engagement and Investment

### Important

10. Diversity and Inclusion
11. Product Innovation and Quality

## Our Sustainability Framework

ERC's sustainability framework identifies the key areas that need to be continuously addressed to ensure sustainable practices. Our sustainability framework comprises of four pillars that adhere to ERC's corporate mission and values and align with our material issues.

<ol style="list-style-type: none"> <li>1. Health and Safety</li> <li>2. Diversity and Inclusion</li> <li>3. Community Engagement and Investment</li> </ol>	<b>Empowering our People and supporting our communities</b>	<b>Good Governance and Strong Intuition</b>	<ol style="list-style-type: none"> <li>1. Governance, Compliance and Ethics</li> <li>2. Economic Development</li> </ol>
<ol style="list-style-type: none"> <li>3. Product Quality and Innovation</li> <li>4. Sustainable Procurement</li> </ol>	<b>Responsible Business Practices</b>	<b>Managing our Environmental Impact</b>	<ol style="list-style-type: none"> <li>1. Environmental Management</li> <li>2. Water Management</li> <li>3. Energy and Climate Change</li> <li>4. Waste Management</li> </ol>

## 1.1 Environment

### Managing our Environmental Impacts

In 2025, we continued our strong commitment to managing our environmental impact by minimizing the adverse effects of our operations. Our mission to safeguard the planet and preserve natural resources drives us to combat climate change through innovative practices. We have reduced energy and water consumption by 15% since 2023, increased our reliance on renewable energy sources to 25% of total energy use, and cut waste generation by 10% across all facilities. These efforts reflect our dedication to a sustainable future as we adapt to evolving global

challenges.

<p><b>Material Issues Covered</b></p>	<ul style="list-style-type: none"> <li>• Environmental Management</li> <li>• Water Management</li> <li>• Energy and Climate Change</li> <li>• Waste Management</li> </ul>
<p><b>UAE Vision Pillars</b></p>	<p>Sustainable Environment and Infrastructure </p>
<p><b>UN Sustainable Development Goals</b></p>	

### Environmental Management

At ERC, environmental stewardship remains a cornerstone of our operations. Our Occupational Health, Safety, and Environment (OHSE) system, fully implemented across all sites, focuses on pollution prevention and minimizing our ecological footprint. In 2025, our plants underwent external audits by QC & HSE consultants, achieving 98% compliance with regulatory standards. Third-party inspections, conducted quarterly, ensure ongoing accountability and transparency. This year, we introduced advanced environmental monitoring tools to enhance our ability to respond swiftly to potential issues

### Water Management

#### Water Management

Water remains a vital resource, and at ERC, we are dedicated to ensuring its sustainable use while providing clean water to our communities. In 2025, our water strategy aligns with the 'We the UAE 2031' vision and the UAE Water Security Strategy 2036. These frameworks emphasize advanced conservation techniques, resource efficiency, and the sustainable management of desalinated water, groundwater, and recycled water sources. Our five-year roadmap, now in its fourth year, has reduced total water consumption by 8% since 2023 through lifecycle tracking, cutting-edge technologies, and water optimization systems. We've set a target to improve water efficiency by an additional 5% by 2027.

#### Water Consumption

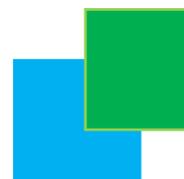
Year	2023	2024	2025
Total water consumption (m <sup>3</sup> )	65,367	62,150	60,137

### Energy Consumption

#### Energy Consumption

ERC's energy strategy in 2025 focused on reducing emissions by enhancing efficiency and expanding renewable energy adoption. We've improved energy monitoring with smart metering across all operated assets. Direct energy, primarily from diesel in production and fleet operations, now includes 10% electric vehicles (up from 4% in 2023). Indirect energy sourced from local electricity providers constitutes 45% of our total usage, with 20% of that now from solar partnerships initiated in 2024. Despite a production surge in 2024, our total energy consumption rose by only 5% thanks to efficiency gains, and we continue to build on these improvements in 2025

\*Based on the energy consumption numbers reported above, we have calculated in GJ.



## Waste Management

As a leader in sustainable practices in the UAE, ERC is pushing toward a zero-waste future. The global challenge of waste—where human-made materials like plastic now exceed natural biomass—remains a priority. We’ve reduced landfill waste by 15% since 2023, focusing on plastic packaging critical for food safety. Our 2025 initiatives include:

- Lightweight bottles: Reduced PET bottle weight by 5% across all sizes.
- Optimized production: Cut spills and leaks by 20% with automated systems.
- Sustainable sourcing: 30% of packaging now uses recycled PET (rPET).
- Hazardous waste: Achieved 100% compliant disposal.
- Recycling partnerships: Diverted 50 tons of waste via local recyclers like Union Paper Mill and Imdad.

2025 reductions achieved:

- 1.5L bottles (25.5g): 22 tons of PET saved.
- 300ml preforms (8.8g): 9 tons saved.
- 200ml preforms (8g): 2 tons saved.
- Shrink film (50 microns): 10 tons saved.

We’re on track to meet our long-term goal of zero waste to landfill by 2030, with a 25% increase in recycling rates since 2023. Collaborating with local authorities, we’ve piloted a closed-loop recycling system, targeting a 40% waste diversion rate by 2027.

## 1.2 Social

### Empowering our People and Supporting our communities

Our employees play an integral role in the success of ERC. We ensure that they are genuinely appreciated and valued. We provide them with training and development opportunities to advance their learning and enhance their skills. By offering employees a safe, healthy, and inclusive work environment, we promote equal opportunities and encourage a culture of feedback and transparent communication. We recognize our huge role and are committed to supporting the communities where we operate by participating in and investing in initiatives directed at improving people’s holistic well-being.

#### Training Provided during 2025

ISO 14001:2015 & 45001 :2018 Inter auditor Training (External)	Refresher -Forklift operator competency Training (external)	Refresher-EOT CRANE Operator competence Training (External)
Scaffolding erectors Training (External)	Scaffolding Inspector Training (External)	Firefighting training (External)
First Aid Training (External)	Chemical spillage safety and Drill awareness	Refresher Machine Safety and Interlocking -Guarding Safety awareness
Safe work procedure on Trucks/Vehicles and safety climbing technique	Refresher Slip and Trip Hazards Awareness	Heat Stress safety awareness
Health and Safety Induction	Fire Evacuation Drill Awareness	Alcohol & Drinking policy violation awareness at accommodation
Scaffolding safety Awareness	Hazards Near miss Identification and Reporting Training	Refresher -Forklift Truck operation safety on Truck Loading
Refresher -HSE & PPE compliance, Hot Work (Welding, cutting and grinding) Training	Refresher HSE Induction and PPE compliance	OSHAS Risk Assessment implementation training

<p><b>Material Issues Covered</b></p>	<ul style="list-style-type: none"> <li>• Health and Safety Diversity and Inclusion</li> <li>• Community Engagement and Investment</li> </ul>
<p><b>UAE Vision Pillars</b></p>	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Competitive Knowledge Economy</p> </div> <div style="text-align: center;">  <p>Cohesive Society and Preserved Identity</p> </div> </div>
<p><b>UN Sustainable Development Goals</b></p>	<div style="display: flex; justify-content: space-between;"> <div style="background-color: #28a745; color: white; padding: 5px; text-align: center;"> <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>  </div> <div style="background-color: #ffc107; color: white; padding: 5px; text-align: center;"> <p><b>5</b> GENDER EQUALITY</p>  </div> <div style="background-color: #6c757d; color: white; padding: 5px; text-align: center;"> <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>  </div> <div style="background-color: #dc3545; color: white; padding: 5px; text-align: center;"> <p><b>10</b> REDUCED INEQUALITIES</p>  </div> </div>

**Health & Safety**

At ERC, we provide a safe and healthy work environment and empower our staff to address all preventable accidents and attain world-class health and safety status. As such, we have aligned our sustainability strategy with our Employee Health and Safety policy to ensure that every employee and site continues to grow towards our goals. Good Manufacturing Practices (GMP) and Good Warehouse Practices (GWP), HSE inspections are conducted at ERC to ensure that required and defined HSE procedures are being followed, and standards are met. As part of these inspections, a detailed checklist is administered to cover all the requirements related to health, safety, and environmental factors. In 2025, we recorded a total recordable injury rate of zero and no lost time injuries (LTI). This remarkable accomplishment marks the fourth (4th) consecutive year without any LTI incidents from ERIC Hatta maintenance, Hatta Store, DC Store, and Abu Dhabi Store, as well as the Quality, Sales, and OT Departments. It is noteworthy that this success was achieved while amassing a total of 538,320 working hours. This achievement underscores ERIC strong safety culture and commitment to employee well-being

Throughout 2025, we faced significant challenges in operational safety and environmental safety, particularly in maintaining operational excellence. However, our proactive reporting culture has improved notably, as evidenced by increased safety observations, hazard reports, near-miss reports, and HSE inspection activities. These initiatives reflect our ongoing efforts toward continuous improvement.

ERC commitment to HSE excellence has been recognized through multiple awards (via Dubai Municipality inspections report) from Dubai Municipality, which has awarded us the highest rating of 'Gold A Grade'—a distinction we have maintained consecutively since March 2023, with awards received in March, September, and December of that year, and maintained through December 2025.

In addition to ERC HSE achievements, we are proud to announce that ERC has attained significant international certifications. Following successful audits, we have secured ISO 45001:2018 (Occupational Health and Safety Management System), ISO 14001:2015 (Environmental Management System), and FSSC 22000 V6 (Food Safety System Certification). Achieving these certifications represents a historic milestone for ERC, positioning us as a certified organization across these critical standards.

Health and Safety	2023	2024	2025
Total employee manhours	518,951	510,660	538,320
Employee fatalities	0	0	0
Employee total recordable injuries	2	1	5
Employee lost-time injuries	0	0	0
Indirect energy consumption	1561	1412	1430

## Diversity and Inclusion

ERC strives to maintain respect for personal dignity, privacy and the rights of every employee. We are committed to maintaining a workplace free from discrimination and harassment. Based on our Code of conduct, employees are expected not to discriminate based on origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment.

In 2024, an increase in the total workforce was noted from 2022. Although there were numerous global challenges faced by the economy, we managed to control our workforce size and limit the decrease.

Workforce Profile	2023	2024	2025
<b>Workforce Size</b>			
Total number of employees	209	230	330
Full-time employees	209	230	330
Part-time employees	0	0	0
<b>Workforce By Gender Profile</b>			
Female full-time employees	11	16	36
Male full-time employees	198	214	294

Hiring and Turnover	2023	2024	2025
<b>Employee turnover</b>			
Total number of employees who left the company	58	48	100
Full-time employees	58	48	100
Part-time employees	0	0	0
<b>New employee hires by gender</b>			
Female full-time employees	0	0	21
Male full-time employees	51	48	85

## Talent & Development

At ERC, the training and development of our workforce is of utmost importance. We strive to enable our employees to realize their full potential by providing them with opportunities to enrich their skills, develop their capabilities, and learn and grow within the organization in order to achieve their personal and professional development targets. We continue to provide our employees with ample opportunities to undertake technical and non-technical courses and training programs and provide them with the required resources to do so.

## Performance Management

ERC's performance management tool (PDR) ensures that employees' performance is periodically engaged while making sure that good performance is properly rewarded. In addition, our entire workforce undergoes yearly performance and career development reviews with a consistent rate of 100%.

## Community Engagement and Investment

At ERC, we operate by creating shared value for all our stakeholders, whether our consumers, shareholders, employees, or the communities where we operate. As a leading food and beverage company, we focus on three key

areas: community support, human development and health and wellness. Accordingly, specific focus is given to promoting healthy active lifestyles, maximizing shared value and sustainable prosperity throughout our communities.

We believe in the value of bringing communities and resources together to build a better world. We know that businesses can serve as a force for good, and long-term success is only attainable when we work in partnership with communities to achieve meaningful impact. We seek to amplify this shared value in the communities that we operate in by continuously engaging with, investing in, and advocating for important issues within them

### Responsible Business Practices

Using disruptive technology and digital advancements, we offer sustainable products and services spanning across different categories, including eco-packaging and green buildings. We are committed to ethical sourcing by applying social and environmental screening when selecting suppliers, sourcing locally whenever possible.

Material Issues Covered	Product Quality and Innovation Sustainable Procurement
UAE Vision Pillars	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p>Sustainable Environment and Infrastructure</p>  </div> <div style="text-align: center;">  <p>Competitive Knowledge Economy</p> </div> </div>
UN Sustainable Development Goals	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  </div> <div style="text-align: center;"> <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  </div> </div>

### Product Quality and Innovation

We aim to deliver value-added solutions and the highest quality products and services for our customers, enabling us to widen our current scope and secure additional business. We continuously identify areas of improvement by adopting the latest technologies to deliver an unmatched customer experience.

The raw material suppliers at ERC are verified by the highest certifications in the industry, solidifying our commitment to providing the best quality water products on the market. ERC strives for continuous improvement with the aim to exceed both international and local best practices. To engage with customers and promote sustainability goals, we actively use social media channels.

### Sustainable Procurement

As a responsible major purchaser, we engage with suppliers and business partners to foster a strong commitment to sustainability. We ensure that goods and services are sourced responsibly and that our suppliers meet the highest industry standards. As part of our sustainable procurement goals, we aim to make a meaningful contribution to raising social and environmental standards throughout our supply chain. To achieve this, we require all suppliers to adhere to our Supplier Code of Conduct where applicable.

The Supplier Code of Conduct at ERC ensures that suppliers maintain safe working conditions and implement responsible, environmentally friendly production processes. ERC routinely carries out supplier audits and evaluations to measure their ability to deliver products and/or services as required, as well as to assess compliance with Quality, Environmental, and Occupational Health and Safety requirements.

In 2025, ERC increased its local procurement to 55% compared to the previous year, subsequently increasing its procurement spending on local suppliers by 25%.

“ERC puts as much care into packaging design, opting to use materials that protect the health and safety of our consumers while leaving a minimal environmental footprint. In addition, because of bottle light-weighting, we have reduced plastic use by an average of 40 percent in recent years. All bottled water packaged in plastic containers is 100 percent recyclable, including the cap.”

ERC has successfully increased the use of rPET in our bottles and has met our commitment to reach 30% rPET content in 2025. Reusable PET bottles remain one of the best options for the future. rPET bottles are preferred due

to their excellent strength-to-weight ratio, reduced cost, and proven safety.

When using recycled PET resin, we are:

- Contributing to the circular economy
- Avoiding the extraction of new fossil resources
- Reducing our CO<sub>2</sub> footprint (Carbon Dioxide)
- Reducing our SO<sub>2</sub> footprint (Sulfur Dioxide)

## 1.3 Governance

### Good Governance and Strong Intuition

ERC is committed to conducting its business according to the highest standards of integrity, transparency, and accountability. Our robust governance structure is guided by a sound risk management framework. We work diligently to eliminate all sorts of fraud, bribery, corruption, and all forms of financial crime, while advocating human rights. ERC is a valuable contributor to the economic vitality of UAE and the overall attainment of the UAE Vision 2024. We aim to achieve continual, stable financial growth and attract investment for the benefit of our stakeholders.

<b>Material Issues Covered</b>	Governance, Ethics and Anti-Corruption Economic Development
<b>UAE Vision Pillars</b>	 Competitive Knowledge Economy
<b>UN Sustainable Development Goals</b>	  

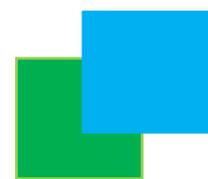
### Governance, Ethics and Anti-corruption

Our Board of Directors is composed of five members. There are three Board of Director Committees: Audit Committee, Nomination and Remuneration Committee and Follow-Up and Insider Transaction Supervision Committee. All committees consist of three members each, all of whom are non-executive. Furthermore, 100% of the Board Committee members are independent.

The Code of Conduct and business ethics at ERC encourages staff members to conduct themselves with competence and integrity while respecting confidentiality where necessary. The Code of Conduct covers all imperative subjects related to governance including fraud, bribery, corruption, discrimination and harassment.

### Economic Development

Our aim is to drive growth and value through business combinations, supply chain management and cost efficiency. ERC’s mission and vision are underpinned by a clear objective of enhancing strategic growth and maximizing cost efficiency through operational synergies. We have positioned ourselves to contribute substantially to the development and diversification of the UAE’s economy. As an active agent in the UAE’s economic growth. For further details on our economic performance please refer to the Financial Statements.



# Appendices

## A. ERC Stakeholders Map

Stakeholder Group	Importance to ERC	Needs and Expectations	Methods of Engagement
<b>Customers</b>	The success and growth of ERC and its verticals depends on our ability to maintain strong and healthy relationships with our customers. Through expansions of geographic footprint and customer distribution, we are building customer partnership models while maintaining the highest quality of products and services. We continuously aim to identify areas of improvement with the latest technology to deliver an unmatched experience to our customers.	<ul style="list-style-type: none"> <li>• Innovative and sustainable products and services</li> <li>• Efficient and pro-active customer channels</li> <li>• Friendly and responsive customer service</li> </ul>	<ul style="list-style-type: none"> <li>• Social media channels such as Twitter, Facebook, Instagram and LinkedIn</li> <li>• Customer service</li> </ul>
<b>Our People</b>	The hard work, commitment, and contribution of every employee is integral to the success of ERC. Our goal has always been to establish an outstanding workplace where every employee can show commitment and seek out opportunities for personal growth, while undertaking new tasks and initiatives.	<ul style="list-style-type: none"> <li>• Employee engagement and growth, through cultivating a diverse and inclusive workforce</li> <li>• A safe and secure work environment</li> <li>• Fair compensation</li> <li>• Recognition and rewards</li> </ul>	<p>Employee trainings including orientations, professional training, and certifications</p> <p>Health and safety policies</p> <p>Social gatherings such as annual picnics</p>
<b>Shareholders &amp; Investors</b>	We aim to diversify our investments across operating asset classes and generate solid returns, to create value for our shareholders. Our efforts are coordinated towards capturing a higher market share to generate sustainable income for our shareholders.	<ul style="list-style-type: none"> <li>• Strong balance sheet and continuous cash flows</li> <li>• Transparency and disclosure</li> <li>• ESG criteria incorporation into business operations and activities</li> <li>• Dynamic risk management</li> <li>• Strong market position</li> </ul>	<ul style="list-style-type: none"> <li>• Annual reports</li> <li>• Corporate Governance reports</li> <li>• Quarterly financial statements</li> <li>• Annual General Meeting (AGM)</li> </ul>
<b>Communities</b>	ERC aims to contribute to the development of the community and the preservation of the environment. Corporate social responsibility is deeply integrated into our business activities, reflecting our commitment to make a positive impact on the world and reduce our operations' environmental footprint.	<ul style="list-style-type: none"> <li>• Charitable initiatives to help less privileged communities</li> <li>• Social initiatives and programs to promote health, education, security, sports and culture</li> <li>• Partnerships with other organizations to address social concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsorship of educational expenses for people with disabilities</li> <li>• Participation in seminars and lectures related to sustainability and the environment</li> <li>• Donation to charitable causes</li> <li>• Social welfare campaigns</li> </ul>
<b>Government</b>	Promoting a compliance culture is	<ul style="list-style-type: none"> <li>• Alignment with national</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit</li> </ul>

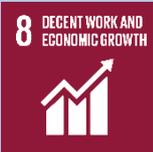
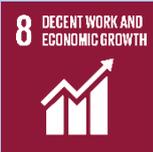
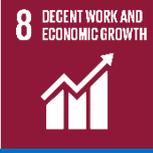
<b>Regulators</b>	paramount to our strategy. ERC demonstrates its responsibilities to its various stakeholders through developing and enhancing the Company's transparency and accountability. We are committed to complying with all rules and regulations and strive to raise the standards and levels of corporate governance in line with the regional and global best practices.	<ul style="list-style-type: none"> <li>strategies and visions</li> <li>Compliance with legal and regulatory requirements</li> <li>Protection of customers and shareholders</li> <li>Transparency and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>External audit</li> <li>Internal control and risk management systems</li> <li>Compliance department</li> <li>Audit Committee</li> <li>Annual Reports</li> </ul>
<b>Partners</b>	ERC creates and maintains alliances with various partners to facilitate consistent growth and strategic positioning. Strengthening partnerships with the best suppliers, distributors and trade partners allows us to meet our customers' needs.	<ul style="list-style-type: none"> <li>New opportunities for engagement and interaction</li> <li>Open communication channels</li> <li>Fair and respectful treatment of suppliers</li> <li>Timely payments</li> <li>Fair and transparent bidding procedures</li> </ul>	<ul style="list-style-type: none"> <li>Supplier survey to obtain feedback</li> <li>Supplier portal</li> <li>Procurement department</li> </ul>

## B. DFM ESG Guidance

Metric	Calculation	Corresponding GRI Standard	Corresponding SDG	Coverage
<b>Environment</b>				
<b>E1. GHG Emissions</b>	E1.1) Total amount in CO2 equivalents, for Scope 1 E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable) E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	GRI 305: Emissions 2016		Energy and Climate Change
<b>E2. Emissions Intensity</b>	E2.1) Total GHG emissions per output scaling factor E2.2) Total non-GHG emissions per output scaling factor	GRI 305: Emission 2016		Energy and Climate Change
<b>E3. Energy Usage</b>	E3.1) Total amount of energy directly consumed E3.2) Total amount of energy indirectly consumed	GRI 302: Energy 2016		Energy and Climate Change
<b>E4. Energy Intensity</b>	Total direct energy usage per output scaling factor	GRI 302: Energy 2016		Energy and Climate Change



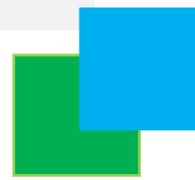
<b>E5. Energy Mix</b>	Percentage: Energy usage by generation type	GRI 302: Energy 2016		Environmental Management
<b>E6. Water Usage</b>	E6.1) Total amount of water consumed E6.2) Total amount of water reclaimed	GRI 303: Water and Effluents 2018		Water Management
<b>E7. Environmental Operations</b>	E7.1) Does your company follow a formal Environmental Policy? Yes/No E7.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No E7.3) Does your company use a recognized energy management system?	GRI 103: Management Approach 2016		Environmental Management Water Management No
<b>E8. Environmental Oversight</b>	Does your management team oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		Yes
<b>E9. Environmental Oversight</b>	Does your board oversee and/or manage sustainability issues? Yes/No	GRI 102: General Disclosures 2016		No
<b>E10. Climate Risk Mitigation</b>	Total amount invested, annually, in climate-related infrastructure, resilience, and product development			Environmental Management
<b>Social</b>				
<b>S1. GM Pay Ratio</b>	S1.1) Ratio: GM total compensation to median FTE total compensation	GRI 102: General Disclosures 2016		N/A
<b>S2. Gender Pay Ratio</b>	Ratio: Median male compensation to median female compensation	GRI 405: Diversity and Equal Opportunity 2016		N/A
<b>S3. Employee Turnover</b>	S3.1) Percentage: Year-over-year change for full-time employees S3.2) Percentage: Year-over-year change for part-time employees S3.3) Percentage: Year-over-year change for contractors/consultants	GRI 401: Employment 2016		Diversity and Equality
<b>S4. Gender Diversity</b>	S4.1) Percentage: Total enterprise headcount held by men and women	GRI 102: General Disclosures		Diversity and Equality

	S4.2) Percentage: Entry and mid-level positions held by men and women S4.3) Percentage: Senior and executive-level positions held by men and women	2016 GRI 405: Diversity and Equal Opportunity 2016		
<b>S5. Temporary Worker Ratio</b>	S5.1) Percentage: Total enterprise headcount held by part-time employees S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	GRI 102: General Disclosures 2016		Diversity and Equality
<b>S6. Non-Discrimination</b>	Does your company follow a non-discrimination policy? Yes/No	GRI 103: Management Approach 2016		Governance, Ethics and Anti-corruption
<b>S7. Injury Rate</b>	Percentage: Frequency of injury events relative to total workforce time	GRI 403: Occupational Health and Safety 2018		Health and Safety
<b>S8. Global Health and Safety</b>	Does your company follow an occupational health and/or global health and safety policy? Yes/No	GRI 103: Management Approach 2016		Health and Safety
<b>S9. Child &amp; Forced Labour</b>	S9.1) Does your company follow a child and/or forced labour policy? Yes/No S9.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016		Yes Yes
<b>S10. Human Rights</b>	S10.1) Does your company follow a human rights policy? Yes/No S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	GRI 103: Management Approach 2016		Yes, we abide by UAE regulations covering human rights.
<b>S11. Nationalization</b>	Percentage of national employees			Talent Development and Nationalization
<b>S12. Community Investment</b>	Amount invested in the community, as a percentage of company revenues	GRI 413: Local Communities 2016		Community Engagement and Investment

## Governance



<b>G1. Board Diversity</b>	G1.1) Percentage: Total board seats occupied by men and women G1.2) Percentage: Committee chairs occupied by men and women	GRI 405: Diversity and Equal Opportunity 2016		Governance, Ethics and Anti-Corruption
<b>G2. Board Independence</b>	G2.1) Does your company prohibit CEO from serving as board chair? Yes/No G2.2) Percentage: Total board seats occupied by independent board members			Governance, Ethics and Anti-Corruption
<b>G3. Incentivized Pay</b>	Are executives formally incentivized to perform on sustainability?			Yes
<b>G4. Supplier Code of Conduct</b>	G4.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No G4.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?			Sustainable Procurement- Yes or No
<b>G5. Ethics and Prevention of Corruption</b>	G5.1) Does your company follow an Ethics and/or Prevention of Corruption policy? Yes/No G5.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?			Governance, Ethics and Anti-corruption
<b>G6. Data Privacy</b>	G6.1) Does your company follow a Data Privacy policy? Yes/No G6.2) Has your company taken steps to comply with GDPR rules? Yes/No			Yes
<b>G7. Sustainability Reporting</b>	Does your company publish a sustainability report? Yes/No			Yes
<b>G8. Disclosure Practices</b>	G8.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No G8.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No G8.3) Does your company set targets and report progress on the UN SDGs? Yes/No			Yes
				Yes
				No



**G9. External Assurance**

Are your sustainability disclosures assured or validated by a third-party audit firm? Yes/No

GRI 103:  
Management Approach 2016 is to be used in combination with the topic specific Standards

No





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A handwritten signature in blue ink, appearing to be 'Rafiq', is located in the bottom right corner of the page.