

Emirates Reem Investments Company P.J.S.C
Dubai - United Arab Emirates

**Independent auditor's review report and condensed
consolidated interim financial statements**

**For the six-month period ended June 30, 2025
(Unaudited)**

Emirates Reem Investments Company P.J.S.C
Dubai - United Arab Emirates

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Emirates Reem Investments Company P.J.S.C
Dubai - United Arab Emirates

General information

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The Directors	: <u>Name</u>	<u>Designation</u>	<u>Nationality</u>
	Mr. Mohamed Haji Al Khoori	Chairman	Emirati
	Mr. Ahmed Dabbos Al Suwaidi	Vice Chairman	Emirati
	Mr. Falal Ameen	BOD member	Indian
	Mr. Rashed M.A. Alkaabi	BOD member	Emirati
	Dr. Mona Saud Saud ALRasheedi	BOD member	Saudi Arabian

The Auditor : Crowe Mak
P.O. Box: 6747
Dubai, United Arab Emirates

The Main Banks : Abu Dhabi Commercial Bank
Abu Dhabi Islamic Bank
Bank of Sharjah
Commercial Bank Of Dubai
Emirates National Bank of Dubai
First Abu Dhabi Bank
National Bank of Fujairah

Ref: BN/A3289/AUG2025

Independent auditor's review report on condensed consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Emirates Reem Investments Company P.J.S.C (the "Parent Entity") and its subsidiaries (together referred to as the "Group") which comprise the condensed consolidated interim statement of financial position as at June 30, 2025, and the related condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended and the explanatory notes. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting'. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Other matter

The consolidated financial statements and condensed consolidated interim financial information for the prior year/period ended 31 December 2024 and 30 June 2024 respectively were audited/reviewed by another auditor, who expressed an unmodified opinion/conclusion on those statements/information dated 18 March 2025 and 9 August 2024, respectively.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements for the six-month period ended June 30, 2025 are not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

For, Crowe Mak



Basil Naser
Partner
Registered Auditor Number: 5507
Dubai, United Arab Emirates
13 August 2025



Emirates Reem Investments Company P.J.S.C
Dubai - United Arab Emirates
Condensed consolidated interim statement of financial position as at June 30, 2025 (Unaudited)
In Arab Emirates Dirham

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	5	30,354,326	29,715,238
Intangible assets	6	12,659,620	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	3,111,617	3,302,845
Investments at fair value through other comprehensive income (FVTOCI)	10	1,425,517	1,137,863
Other receivables		2,250,000	2,250,000
Total non-current assets		65,881,745	66,133,832
Current assets			
Inventories	11	26,023,929	13,282,443
Trade and other receivables	12	60,067,142	44,623,402
Due from related parties	13	86,608,650	60,188,397
Investments at fair value through profit and loss (FVTPL)	10	24,926,435	20,912,687
Cash and bank balances	14	148,800,846	207,743,767
Total current assets		346,427,002	346,750,696
Total assets		412,308,747	412,884,528
Equity and liabilities			
<i>Equity</i>			
Share capital	15	319,871,064	319,871,064
Statutory reserve	16	3,719,750	3,719,750
Fair value reserve		1,030,568	742,914
Retained earnings		26,640,276	18,388,046
<i>Equity attributable to the Owners of the Parent Entity</i>		351,261,658	342,721,774
Non-controlling interests		6,601,038	6,566,018
Total equity		357,862,696	349,287,792
<i>Non-current liabilities</i>			
Provision for employees' end of service benefits	17	2,757,084	2,540,188
Lease liabilities	18	2,991,048	2,533,442
Deferred tax liability	20	952,001	1,006,522
Bank borrowings		1,340,890	563,962
Total non-current liabilities		8,041,023	6,644,114
<i>Current liabilities</i>			
Bank borrowings		620,685	423,017
Lease liabilities	18	335,512	1,111,124
Trade and other payables	19	43,158,093	54,041,372
Income tax liabilities	20	2,290,738	1,377,109
Total current liabilities		46,405,028	56,952,622
Total liabilities		54,446,051	63,596,736
Total equity and liabilities		412,308,747	412,884,528

To the best of our knowledge, the financial information included in these condensed consolidated interim financial statements presents fairly in all material respects the financial condition, results of operations and cash flows of the Group as of 30 June 2025, and for the periods presented therein. The condensed consolidated interim financial statements were approved by the Board of Directors on 13/08/2025 and signed on its behalf by:

Director

Chairman

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

The review report of the independent auditor is set out on page 2.

Emirates Reem Investments Company P.J.S.C

Dubai - United Arab Emirates

Condensed consolidated interim statement of profit or loss for the six-month period ended June 30, 2025 (Unaudited)

In Arab Emirates Dirham

	Notes	Six-month period ended June 30,		Three-month period ended June 30,	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales		96,256,465	41,360,737	58,064,051	22,854,034
Discount		(440,098)	(250,015)	(274,542)	(175,361)
Revenue, net		95,816,367	41,110,722	57,789,509	22,678,673
Cost of sales		(74,750,733)	(30,604,838)	(47,361,788)	(17,317,249)
Gross profit		21,065,634	10,505,884	10,427,721	5,361,424
Selling and distribution expenses		(9,233,023)	(5,496,147)	(4,939,220)	(2,758,451)
General and administrative expenses		(8,475,403)	(4,036,177)	(4,469,638)	(2,045,548)
Operating profit		3,357,208	973,560	1,018,863	557,425
Finance cost		(303,756)	(183,451)	(223,062)	(87,353)
Finance income		2,911,818	6,360,436	1,288,579	3,240,778
Rental income	8	71,429	71,429	35,715	35,715
Gain on sale of property, plant and equipment		-	8,320	-	-
Fair value gain/(loss) on investment in financial assets classified as at FVTPL	10	4,013,748	(9,860,604)	7,808,020	(1,525,936)
Other loss		(904,088)	(416,793)	(1,054,652)	(412,905)
Profit/(loss) for the period		9,146,359	(3,047,103)	8,873,463	1,807,724
Income tax	20	(859,109)	274,239	(821,557)	(101,090)
Net profit/(loss) for the period		8,287,250	(2,772,864)	8,051,906	1,706,634
Profit/(loss) for the period attributable to:					
Owners of the Parent Entity		8,252,230	(2,772,864)	8,070,945	1,706,634
Non-controlling interests		35,020	-	(19,039)	-
		8,287,250	(2,772,864)	8,051,906	1,706,634
Basic and diluted earnings/(loss) per share attributable to owners of the Parent Entity:	21	0.0258	(0.0087)	0.0252	0.0053

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

The review report of the independent auditor is set out on page 2.

Emirates Reem Investments Company P.J.S.C

Dubai - United Arab Emirates

Condensed consolidated interim statement of comprehensive income for the six-month period ended June 30, 2025 (Unaudited)
In Arab Emirates Dirham

	Note	Six-month period ended June 30,		Three-month period ended June 30,	
		2025	2024	2025	2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net profit/(loss) for the period		8,287,250	(2,772,864)	8,051,906	1,706,634
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Fair value gain/(loss) on investment in financial assets classified as at FTVOCI	10	287,654	(100,404)	190,884	(88,624)
Total other comprehensive income/(loss), net of tax		287,654	(100,404)	190,884	(88,624)
Total comprehensive income/(loss) for the period, net of tax		8,574,904	(2,873,268)	8,242,790	1,618,010
Total comprehensive income, net of tax, attributable to:					
Owners of the Parent Entity		8,539,884	(2,873,268)	8,261,829	1,618,010
Non-controlling interests		35,020	-	(19,039)	-
		8,574,904	(2,873,268)	8,242,790	1,618,010

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

The review report of the **independent** auditor is set out on page 2.

Emirates Reem Investments Company P.J.S.C
Dubai - United Arab Emirates
Condensed consolidated interim statement of cash flows for the six-month period ended June 30, 2025 (Unaudited)
In Arab Emirates Dirham

	<u>Note</u>	<u>Six-month period ended June 30,</u> <u>2025</u>	<u>2024</u>
Cash flows from operating activities			
Profit/(loss) before tax		9,146,359	(3,047,103)
Adjustments for:			
Depreciation of property, plant and equipment	5	2,240,516	1,525,874
Amortisation of intangible assets	6	987,601	454,944
Depreciation of right-of-use assets	9	626,607	779,112
Provision for obsolete inventories	11	109,539	2,409
Fair value (profit)/loss on investment in financial assets classified as at FVTPL	10	(4,013,748)	9,860,604
Provision for employees' end of service benefits	17	304,723	257,430
Finance cost		162,249	183,451
Finance income		(2,911,818)	(6,300,892)
Dividend income from investment securities		(85,743)	(59,543)
Gain on disposal of property, plant and equipment		-	(8,320)
Additional provision of allowance for expected credit loss		40,000	37,500
Operating cash flows before movements in working capital		6,606,285	3,685,466
<i>(Increase)/decrease in current assets</i>			
Inventories	11	(12,851,025)	2,205,791
Trade and other receivables	12	(16,273,587)	(3,636,929)
Due from related parties	13	(26,420,253)	(3,552,468)
<i>Decrease/(increase) in current liabilities</i>			
Decrease/(increase) in trade and other payables	19	(10,883,279)	1,421,673
Cash (used in)/generated from operations		(59,821,859)	123,533
Employees' end of service benefits paid	17	(87,827)	(102,790)
Net cash (used in)/generated from operating activities		(59,909,686)	20,743
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(2,879,604)	(455,645)
Proceeds from sale of property, plant and equipment		-	9,029
Dividend income received		85,743	59,543
Finance income received		3,701,665	778,250
Decrease/(increase) in fixed deposits		49,177,118	(5,551,241)
Net cash generated from/(used in) investing activities		50,084,922	(5,160,064)
Cash flows from financing activities			
Finance cost paid		(162,249)	(183,451)
Repayment of lease liabilities	18	(753,385)	(799,695)
Proceeds from long term borrowings		1,224,154	-
Repayment of bank borrowings		(249,558)	-
Net cash generated from/(used in) financing activities		58,962	(983,146)
Net decrease in cash and cash equivalents		(9,765,802)	(6,122,467)
Cash and cash equivalents at beginning of the period	14	35,482,701	18,473,693
Cash and cash equivalents at end of the period		25,716,899	12,351,226

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

The review report of the independent auditor is set out on page 2.

Emirates Reem Investments Company P.J.S.C

Dubai - United Arab Emirates

Condensed consolidated interim statement of changes in equity for the six-month period ended June 30, 2025 (Unaudited)

In Arab Emirates Dirham

	Share capital	Statutory reserve	Fair value reserve	Retained earnings	Non-controlling interests	Total
Balance at January 1, 2024 (Audited)	319,871,064	2,727,146	816,109	9,454,606	-	332,868,925
Loss for the period	-	-	-	(2,772,864)	-	(2,772,864)
Other comprehensive loss for the period	-	-	(100,404)	-	-	(100,404)
Total comprehensive loss for the period	-	-	(100,404)	(2,772,864)	-	(2,873,268)
Balance at June 30, 2024 (Unaudited)	319,871,064	2,727,146	715,705	6,681,742	-	329,995,657
Balance at 1 January 2025 (Audited)	319,871,064	3,719,750	742,914	18,388,046	6,566,018	349,287,792
Profit for the period	-	-	-	8,252,230	35,020	8,287,250
Other comprehensive income for the period	-	-	287,654	-	-	287,654
Total comprehensive income for the period	-	-	287,654	8,252,230	35,020	8,574,904
Balance at June 30, 2025 (Unaudited)	319,871,064	3,719,750	1,030,568	26,640,276	6,601,038	357,862,696

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

The review report of the **independent** auditor is set out on page 2.

Emirates Reem Investments Company P.J.S.C**Dubai - United Arab Emirates****Notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2025****(Unaudited)****In Arab Emirates Dirham****1 Legal status and business activities**

- 1.1** 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.
- 1.2** 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.
- 1.3** The registered office of the Parent Entity is located at P.O. Box: 5567, Dubai, United Arab Emirates.
- 1.4** These condensed consolidated interim financial statements incorporate the operating results of the commercial license no. 300050 and the following subsidiaries, which together comprise the Group:

Subsidiaries	Effective ownership		Country of incorporation	Principal activities
	2025	2024		
Evergreen Plastic Products Manufacturing L.L.C.	100%	100%	U.A.E.	Manufacturing of plastic caps, lids, bottles and containers.
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	55%	55%	U.A.E.	Wholesale and retail sale of foodstuff trading and general trading.
Emirates Refreshments L.L.C*	100%	100%	U.A.E.	Trading of mineral water, juice, soft drinks and carbonated drinks.
Jeema Refreshments L.L.C (b)*	0%	100%	U.A.E.	Trading of mineral water, juice, soft drinks and carbonated drinks.

** Dormant subsidiaries, which had no operations in the current or prior periods.*

- a. Effective 1 October 2024, the Group acquired 55% equity interest in Worldwide General Trading LLC and Pallets 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 New standards, interpretations and amendments adopted by the Group

The accounting policies and computation methods adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new standards effective as of 1 January 2025 where appropriate. These amendments do not have significant impact on the condensed consolidated interim financial information of the Group and therefore further disclosures have not been made. The Group has not adopted any other standard, interpretation or amendment that has been issued that is not yet effective.

3 Material accounting policy information

3.1 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and are presented in Arab Emirates Dirham (AED) which is the functional currency of the Group.

The condensed consolidated financial information comply with the applicable requirements of the laws in the U.A.E. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the period ended 31 December 2024. In addition, results for six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3.2 Basis of preparation

These condensed interim financial information have been prepared on the historical cost basis except for investment properties and investments in financial assets, which are measured at fair values.

All aspects of the financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2024.

These condensed consolidated interim financial information do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

The condensed consolidated results for the six-month period ended 30 June 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

3.3 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 period. Taxable profit differs from profit as reported in the condensed statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates enacted or substantively enacted by the end of the reporting

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

3 Material accounting policy information (continued)

3.3 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date 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 asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. 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.

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised 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.

3.4 Basis of consolidation

The condensed consolidated interim financial statements consolidate the unaudited interim financial statements of the subsidiaries referred to in Note 1.5, on line by line basis, with the unaudited interim financial statements of the Parent for the period. All significant intra-group investments, receivables, payables and other such transactions are eliminated on consolidation.

4 Critical accounting judgements and key sources of estimation uncertainty

In the preparation of the Group's condensed consolidated interim financial statements, management has made a number of critical estimates and judgments in a manner consistent with those described in the Group's annual consolidated financial statements for the year ended 31 December 2024.

Emirates Reem Investments Company P.J.S.C

Dubai - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2025 (Unaudited)

In Arab Emirates Dirham

5 Property, plant and equipment	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Property, plant and equipment	30,354,326	29,715,238

During the six-month period ended 30 June 2025 the Group acquired assets amounting to AED 2.88 million (year ended 31 December 2024: acquired AED 1.57 million and AED 4.19 million from business combination) and disposed assets amounting to AED 0.21 million (year ended 31 December 2024: AED 0.62 million).

Depreciation:

The depreciation expense amounted to AED 2.2 million during the six-month period ended 30 June 2025 (six-month period ended 30 June 2024: AED 1.5 million).

6 Intangible assets	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Customer related intangibles		
At the beginning of the period/year	13,647,221	4,170,323
Additions from business combination	-	10,653,114
Amortisation for the period/year	(987,601)	(1,176,216)
	12,659,620	13,647,221

Intangible assets acquired through business combinations pertain to customer relationships and have a useful life of 5-10 years.

7 Goodwill	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period/year	12,800,665	5,297,658
Additions from business combination	-	7,503,007
	12,800,665	12,800,665

8 Investment properties	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning and of the period/year	3,280,000	3,280,000
	3,280,000	3,280,000

Based on management assessment, the investment properties' fair value as of 30 June 2025 is not materially different to its fair value as at 31 December 2024. For disclosure purposes, these investment properties are being considered as Level 3.

As at 31 December 2024, completed investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of investment properties being valued. The valuation techniques adopted comprise the investment value method. The valuations were prepared in accordance with the Royal Institution of Chartered Surveyors "RICS" valuation standards.

The Group has earned rental income during the six-month period ended 30 June 2025 of AED 0.071 million (30 June 2024: AED 0.071 million).

Emirates Reem Investments Company P.J.S.C
Dubai - United Arab Emirates
Notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2025 (Unaudited)
In Arab Emirates Dirham

9 Right-of-use assets	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period/year	3,302,845	4,814,777
Additions for the period	435,379	-
Depreciation for the period/year	(626,607)	(1,511,932)
Balance at end of period/year	<u>3,111,617</u>	<u>3,302,845</u>

The Group has lease contracts for various plots of land and motor vehicles used in its operations. The average lease term is 2-5 years (2024: 2-5 years). During the six-month period ended 30 June 2025, the Group has recognized additional right-of-use assets in relation to new lease agreements entered into for warehouse lease.

10 Investment in financial assets	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets carried at FTVPL		
Equity instruments – quoted	24,926,435	20,912,687
Financial assets carried at FVTOCI		
Equity instruments – quoted	1,425,517	1,137,863
Financial assets carried at FVTPL		
Current	24,926,435	20,912,687
Financial assets carried at FVTOCI		
Non-current	1,425,517	1,137,863
Quoted securities		
FVTPL investments		
At the beginning of the period/year	20,912,687	33,337,968
Additions during the period/year	-	1,678,692
Disposal during the period/year	-	(3,819,759)
Gain on sale of investment	-	64,962
Changes in fair value	4,013,748	(10,349,176)
At the end of the period/year	<u>24,926,435</u>	<u>20,912,687</u>
FVTOCI investments		
At the beginning of the period/year	1,137,863	1,211,058
Changes in fair value	287,654	(73,195)
At the end of the period/year	<u>1,425,517</u>	<u>1,137,863</u>

These investments in equity securities are listed on the 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 on the reporting date.

11 Inventories	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Finished goods	20,152,552	7,296,177
Raw materials	7,510,626	7,496,131
Spare parts	3,087,798	2,918,762
Others	259,156	448,037
	<u>31,010,132</u>	<u>18,159,107</u>
Provision for slow moving inventories	(4,986,203)	(4,876,664)
	<u>26,023,929</u>	<u>13,282,443</u>

Emirates Reem Investments Company P.J.S.C

Dubai - United Arab Emirates

Notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2025 (Unaudited)

In Arab Emirates Dirham

11 Inventories (continued)

Movement in provision for slow moving inventories is as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period/year	4,876,664	2,933,679
Additions from business combination	-	2,332,561
Charge for the period/year	109,539	108,717
Write-off for the period/year	-	(498,293)
	4,986,203	4,876,664

12 Trade and other receivables

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade receivables	40,370,587	34,506,127
Allowance for expected credit losses	(4,027,723)	(3,987,723)
Trade receivables, net	36,342,864	30,518,404
Advances to suppliers	13,285,675	6,336,489
Prepayments	3,177,684	1,697,779
Accrued interest receivable	760,920	1,550,767
VAT receivables - net	-	273,988
Other receivables	6,499,999	4,245,975
	60,067,142	44,623,402

Movement in allowance for expected credit loss is as follows:

At the beginning of the period/year	3,987,723	2,160,223
Additions from business combination	-	1,600,000
Net remeasurement of loss allowance	40,000	227,500
	4,027,723	3,987,723

13 Related parties

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

Balances with related parties are as follows:

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<i>Due from related parties under common control</i>	86,608,650	60,188,397

The outstanding is collectible within 120 days normal credit terms.

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13 Related parties (continued)

Transactions with related parties are as follows:

	Six-month period ended June 30,		Three-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Sales to a related parties	28,585,307	6,947,168	17,178,567	5,164,412
Payment of expenses on behalf of related parties	861,391	1,167,888	343,788	1,052,780

Key management personnel compensation for the year is as follows:

	Six-month period ended June 30,		Three-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Short term benefits	300,000	274,000	150,000	178,000
Provision for end of service benefits	8,466	96,424	2,116	93,264
Board remuneration fees	1,070,000	480,000	-	-

14 Cash and bank balances

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Cash on hand	271,269	162,715
Cash at bank – current accounts	25,310,321	35,211,912
Short-term deposits	123,083,948	172,261,066
Other cash equivalents	135,308	108,074
Cash and bank balances	148,800,846	207,743,767
Fixed deposits with original maturity of more than three months	(123,083,947)	(172,261,066)
Cash and cash equivalents in the condensed consolidated interim statement of cash flows	25,716,899	35,482,701

The bank balances are also subject to impairment requirements of IFRS 9, however, balances with banks are assessed to have low credit risk of default.

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.

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Issued and fully paid up		
319.87 million ordinary shares of AED 1 each		
(2024: 319.87 million ordinary shares of AED 1 each)	319,871,064	319,871,064

16 Statutory reserve

In accordance with the U.A.E. Federal Law No. (32) of 2021 and the Parent Entity's Articles of Association, a minimum of 5% of the profit of the Group is to be allocated annually to a non-distributable statutory reserve. Such allocations may be ceased when the statutory reserve becomes equal to half of the share capital.

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17 Provision for employees' end of service benefits	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period/year	2,540,188	1,899,171
Additions from business combination	-	294,694
Charge for the period/year	304,723	637,203
Payments made during the period/year	(87,827)	(290,880)
	<u>2,757,084</u>	<u>2,540,188</u>
18 Lease liabilities	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
At the beginning of the period/year	3,644,566	4,764,641
Additions during the period/ year	435,379	-
Finance cost	121,577	285,941
Payments during the period/year	(874,962)	(1,406,016)
	<u>3,326,560</u>	<u>3,644,566</u>
Presented as:		
Current	335,512	1,111,124
Non-current	2,991,048	2,533,442
	<u>3,326,560</u>	<u>3,644,566</u>
19 Trade and other payables	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Trade payables	28,927,014	41,660,859
Accrued expenses and other payables	9,787,971	3,896,333
Due to non-controlling interest owner	3,378,291	8,331,061
VAT payable - net	934,352	-
Advances from customers	130,465	153,119
	<u>43,158,093</u>	<u>54,041,372</u>
20 Taxation		

Based on the assessment, the Group has deferred tax liability impact for the six-month period ended 30 June 2025 amounting to AED 0.05 million. The tax charge for the six-month period ended 30 June 2025 is AED 0.85 million.

21 Basic and diluted earnings/(loss) per share

Basic earnings/(loss) per share amount is calculated by dividing the profit/(loss) for the period by the weighted average number of shares outstanding during the period.

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

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

	Six-month period ended June 30,		Three-month period ended June 30,	
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit/(loss) for the period attributable to Owners of the Parent Entity (AED)	8,252,230	(2,772,864)	8,070,945	1,706,634
Weighted average number of shares in issue	<u>319,871,064</u>	<u>319,871,064</u>	<u>319,871,064</u>	<u>319,871,064</u>
Basic and diluted earnings/(loss) per share (AED)	<u>0.0258</u>	<u>(0.0087)</u>	<u>0.0252</u>	<u>0.0053</u>

Emirates Reem Investments Company P.J.S.C**Dubai - United Arab Emirates****Notes to the condensed consolidated interim financial statements for the six-month period ended June 30, 2025 (Unaudited)****In Arab Emirates Dirham****22 Contingent liabilities and commitments**

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Letters of guarantees	105,000	105,000
Capital commitments	323,771	291,504

Except for the ongoing business obligations which are under normal course of business, there have been no other known contingent liabilities and commitments as of the reporting date.

23 Financial risk management objectives

The Group management sets out the Group's overall business strategies and its risk management philosophy. The Group's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the Group. The Group policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest rate risk), liquidity risk and credit risk. Periodic reviews are undertaken to ensure that the Group's policy guidelines are complied with.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

a) Foreign currency risk management

The Group does not have any significant exposure to currency risk, as most of its assets and liabilities are denominated in Arab Emirates Dirham.

b) Interest rate risk management

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

24 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed consolidated interim financial statements approximate their fair values.

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24 Fair value measurement (continued)

Management assessed that the fair values of cash and bank balances, trade receivables, trade payables and other current assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended 31 December 2024.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, classified into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

June 30, 2025 (Unaudited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTPL				
Quoted equities	24,926,435	-	-	24,926,435
Investments carried at FVTOCI				
Quoted equities	1,425,517	-	-	1,425,517
Non-financial assets:				
Investment properties	-	-	3,280,000	3,280,000
	26,351,952	-	3,280,000	29,631,952

December 31, 2024 (Audited)

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTPL				
Quoted equities	20,912,687	-	-	20,912,687
Investments carried at FVTOCI				
Quoted equities	1,137,863	-	-	1,137,863
Non-financial assets:				
Investment properties	-	-	3,280,000	3,280,000
	22,050,550	-	3,280,000	25,330,550

There are no transfers made between the levels during the period and there are no financial liabilities which should be measured at fair value and accordingly no disclosure is made in the above table.

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25 Segment reporting

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

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

- Operations segment, which involves the segment of bottling, plastic manufacturing, distribution and trading of mineral water, tissues, snack, carbonated drink, cereals and juices trading;
- 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 data reviewed by the Group's executive management. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Condensed consolidated interim statement of profit or loss for the six-month period ended June 30, 2025 (Unaudited):

	Operations	Corporate	Land and building leasing	Elimination	Group
	AED	AED	AED	AED	AED
Revenue from external customers	95,816,367	-	-	-	95,816,367
Intersegment revenue	8,458,724	-	-	(8,458,724)	-
Cost of sales	(83,209,457)	-	-	8,458,724	(74,750,733)
Gross profit	21,065,634	-	-	-	21,065,634
Selling and distribution expenses	(9,233,023)	-	-	-	(9,233,023)
General and administrative expenses	(8,475,403)	-	-	-	(8,475,403)
Finance costs	-	(303,756)	-	-	(303,756)
Finance income	-	2,911,818	-	-	2,911,818
Rental income	-	-	71,429	-	71,429
Fair value gain of investment in financial assets classified as FTVPL	-	4,013,748	-	-	4,013,748
Other expenses	(904,088)	-	-	-	(904,088)
Profit for the period	2,453,120	6,621,810	71,429	-	9,146,359
Income tax	(859,109)	-	-	-	(859,109)
Net profit for the period	1,594,011	6,621,810	71,429	-	8,287,250

Condensed consolidated interim statement of profit or loss for the six-month period ended June 30, 2024 (Unaudited):

	Operations	Corporate	Land and building leasing	Elimination	Group
	AED	AED	AED	AED	AED
Revenue from external customers	41,110,722	-	-	-	41,110,722
Intersegment revenue	1,577,358	-	-	(1,577,358)	-
Cost of sales	(32,172,192)	-	-	1,567,354	(30,604,838)
Gross profit	10,515,888	-	-	(10,004)	10,505,884
Selling and distribution expenses	(5,496,147)	-	-	-	(5,496,147)
General and administrative expenses	(4,029,861)	-	(6,316)	-	(4,036,177)
Finance costs	-	(183,451)	-	-	(183,451)
Finance income	-	6,360,436	-	-	6,360,436
Rental income	-	-	71,429	-	71,429
Gain on sale of property, plant and equipment	8,320	-	-	-	8,320
Fair value loss of investment in financial assets classified as FTVPL	-	(9,860,604)	-	-	(9,860,604)
Other expenses	(416,793)	-	-	-	(416,793)
Profit/(loss) for the period	581,407	(3,683,619)	65,113	(10,004)	(3,047,103)

25 Segment reporting (continued)

Condensed consolidated interim statement of financial position as at June 30, 2025 (Unaudited):

	Operations	Corporate	Land and building leasing	Elimination	Group
	AED	AED	AED	AED	AED
Total current assets	198,416,620	148,010,382	-	-	346,427,002
Total non-current assets	61,176,228	1,425,517	3,280,000	-	65,881,745
Total assets	259,592,848	149,435,899	3,280,000	-	412,308,747
Total liabilities	54,446,051	-	-	-	54,446,051

Condensed consolidated interim statement of financial position as at December 31, 2024 (Audited):

	Operations	Corporate	Land and building leasing	Elimination	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	221,567,461	194,311,616	3,280,000	(6,274,549)	412,884,528
Total liabilities	69,871,285	-	-	(6,274,549)	63,596,736

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

Information about geographical segments

During the period ended 30 June 2025, revenue from customers located in the Group's country of domicile (UAE) is AED 91.12 million (period ended 30 June 2024: AED 35.17 million) and revenue from customers outside U.A.E. (foreign customers) is AED 7.60 million (period ended 30 June 2024: AED 5.94 million).

Major customers

During the period ended 30 June 2025 and 2024, there were no customers of the Group with revenues greater than 10% of the total revenue of the Group.

26 Events after the reporting period

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