

CHAIRMAN'S REPORT

Dear **Shareholders**,

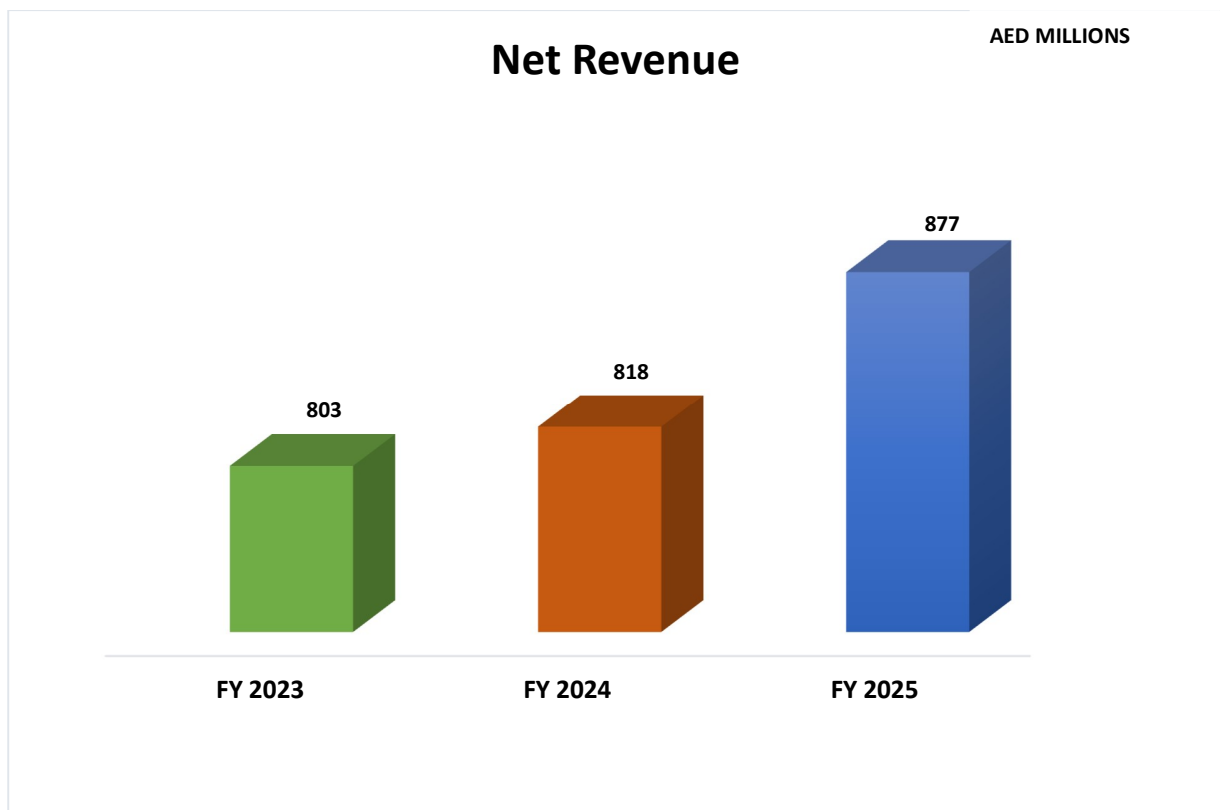
I am pleased to present the annual report of Dubai Refreshment PJSC (DRC) for the financial year ended 31 December 2025.

2025 was an outstanding year for DRC marked by strong and consistent performance across our operations. The Company achieved Volume growth of 6% while the revenues increased by 7%. This resulted in a record profit before tax of AED 173.6 million, which is the highest in the history of DRC. The achievement is despite the challenging operating environment characterised by regional geopolitical uncertainty, supply chain disruptions and intensified competition in the market. This strong performance reflects the successful execution of our strategic initiatives including effective new product launches, increased market penetration, and disciplined implementation of a well-planned and targeted marketing strategy across all channels.

Alongside growth initiatives, we remained firmly focused on our core operational fundamentals, including disciplined working capital management, process automation, cost structure optimisation, and digital transformation. A key milestone during the year was the full implementation of SAP S/4HANA, which provides a strong foundation for enhanced data analytics, process efficiency, and our future journey towards advanced digital and AI-enabled capabilities.

REVENUES

DRC achieved total net revenues of AED 877 million in 2025 compared to AED 818 million in 2024 representing a year-on-year growth of 7%. This growth was broadly based across all business segments and reflects the successful execution of our strategic priorities. Product innovation, enhanced route-to-market execution, and deeper market penetration played a central role in strengthening customer loyalty, expanding our consumer base, and reinforcing our market leadership.

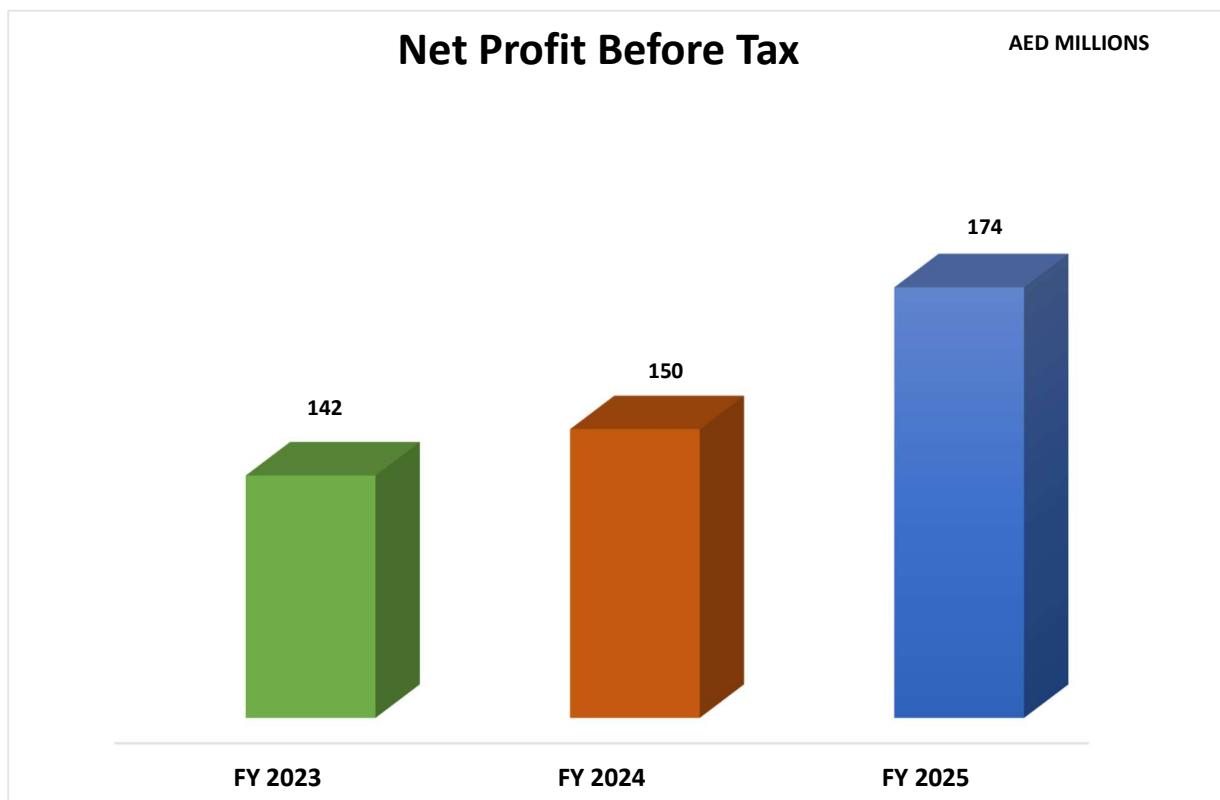


PROFITABILITY

On a comparable basis, DRC recorded profit before tax of AED 173.6 million in 2025 representing a 16% increase compared to 2024 and the highest level achieved in the Company's history. This improvement was driven by higher beverage volumes, favorable product mix, and raw material cost efficiencies.

Despite increases in certain indirect costs, the Company successfully protected and enhanced margins through targeted cost-mitigation measures, pricing discipline, and focused commercial initiatives that supported both revenue growth and profitability.

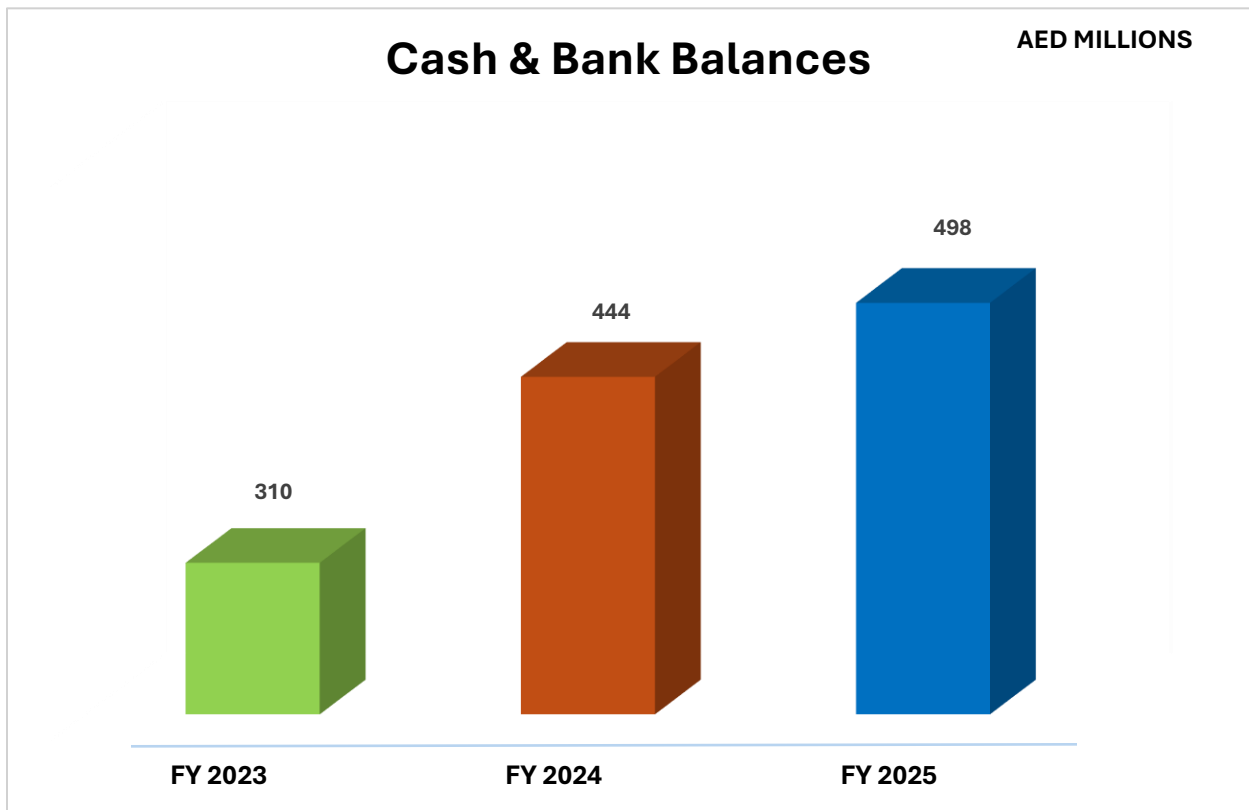
During the year 2025, the Company tax charge of AED 16 million was taken in books resulting in a profit after tax of AED 158 million for the year.



**On a comparable basis, one-time gain of AED 220.2 million has been excluded from 2023 net profit*

CASH FLOW

At the end of 2025, DRC maintained a strong cash position of AED 498 million, compared to AED 444 million in 2024. The company continued its prudent financial strategy of remaining debt-free with no outstanding borrowings. During the year, cash generated from operations amounted to AED 157 million reflecting our sustained focus on working capital optimization and efficient cash management, as well as the effective deployment of surplus cash to generate interest income.



**On a comparable basis, one-time proceeds of AED 248 million have been excluded from 2023 cash position.*

FUTURE GROWTH & OUTLOOK

The Board and management remain focused on pursuing strategic initiatives and exploring new business opportunities to further expand market share and strengthen DRC's leadership position in the UAE. Our strong cash position provides the flexibility to capitalize on attractive growth opportunities as they arise.

With the introduction of the graduated sugar tax from 2026 replacing the previous excise tax scheme that was introduced in 2017, the Company has already undertaken proactive initiatives that are expected to unlock additional revenue and profitability opportunities in the coming years. DRC remains committed to delivering sustainable growth and consistently enhancing shareholder value through disciplined execution and strategic investments.

As part of our Emiratization agenda, DRC continues to demonstrate its strong commitment to attracting, developing, and retaining Emirati talent, while consistently exceeding the requirements set by the Ministry of Human Resources and Emiratization (MOHRE).

On behalf of the Board of Directors, I extend our deepest gratitude to the visionary leadership of the UAE:

His Highness Sheikh Mohamed Bin Zayed Al Nahyan, President of the UAE; His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice President, Prime Minister of the UAE, and Ruler of Dubai; and their brothers, the members of the Federal Supreme Council. Their unwavering leadership continues to foster an environment of innovation, economic prosperity, and sustainable growth, enabling businesses and individuals to thrive.

I would also like to express my sincere appreciation to our employees, shareholders, customers, suppliers, and business partners for their continued trust, dedication, and support. Your collective contributions remain central to our success.

As we look ahead, innovation, operational excellence, and sustainable value creation will remain at the core of our strategy. We are confident in our ability to build on our strong momentum and deliver continued growth in the years ahead.

Thank you,

On behalf of the Board of Directors,
Mr. Ahmad Bin Eisa Al Serkal
Chairman of the Board of Directors



Corporate Governance Report for the Year 2025

Since its establishment by Emiri Decree in 1959 under the leadership of the late His Highness Sheikh Rashid bin Saeed Al Maktoum, Dubai Refreshment (P.J.S.C.) has grown into one of the UAE's most established and leading beverage and snacks bottling companies. Over more than six decades, the Company has built a reputation grounded in strong values, operational excellence, and an unwavering commitment to ethical conduct.

As the UAE's leading beverage and snacks distributor, Dubai Refreshment (P.J.S.C.) combines advanced operational capabilities with extensive distribution networks to serve a dynamic and expanding market. In 2025, The Company continues its commitment to sustainable growth and strategic portfolio development, creating long-term value for all stakeholders. Through disciplined governance, operational excellence, and responsive market strategies, the Company continues to meet evolving consumer needs while maintaining the highest standards of corporate responsibility.

1. Statement of the Measures Taken to Complete the Corporate Governance System during 2025, and the Manner of Implementation thereof.

In accordance with Decision No. (3/RM) of 2020 and its amendments ("Corporate Governance Rules"), approved by the Chairman of the Capital Market Authority's Board of Directors, Dubai Refreshment (P.J.S.C.) has continued to strengthen its corporate governance framework throughout 2025; The Board of Directors reviewed and approved an updated Corporate Governance Manual that comprehensively addresses all core governance functions in full alignment with UAE corporate governance law and regulations. This manual provides a robust framework for governance oversight, internal controls, risk management, and compliance monitoring across all business operations.

The Board of Directors maintains continuous oversight of the Company's alignment with corporate governance rules through strict governance supervision, comprehensive internal control measures, and effective risk management practices. This systematic approach ensures that governance standards are embedded throughout the organization and consistently applied across all levels of operation.

The Company maintains its commitment to transparency and accountability through periodic disclosure of material information in accordance with applicable regulations. This includes timely publication of financial statements, Board resolutions, General Assembly proceedings, and other material developments through the Company's investor relations portal and the Dubai Financial Market platform, ensuring stakeholders have consistent access to accurate and relevant information.



2. Statement of ownership and transactions of Board of Directors members and their spouses, their children under eighteen in the Company securities during 2025:

Name	Position / relationship	shares owned as at 31/12/2025	Total Sales transactions	Total purchases transactions
Mr. Ahmad bin Eisa Alserkal	Chairman of Board of Directors	None	None	None
Mr. Ali Bin Humaid Alowais	Vice Chairman of the Board	385,759	None	66,898
Mr. Mohammad Saeed Rashed Ali Alshehhi	Member of the Board of Directors	None	None	None
Mr. Buti Obaid Buti Almulla	Member of the Board of Directors	None	None	None
Mr. Nawwaf Ghubash Almarri	Member of the Board of Directors	None	None	None
Mr. Mohamed Ali Nasir Alowais	Member of the Board of Directors	None	None	None
Mrs. Farida Mohammad Rafi	Member of the Board of Directors	None	None	None

3. Formation of the Board of Directors:

Statement of Formation of the Current Board of Directors according to the following table:

Dubai Refreshment (P.J.S.C.) is governed by a Board of Directors comprising seven members, each contributing specialized expertise to the Company's strategic leadership. The Board's composition reflects a balanced mix of competencies across critical business domains, including industry knowledge, financial management, accounting, banking, and business administration. This diverse expertise enables the Board to exercise informed oversight and make strategic decisions that advance the Company's long-term objectives.

The Board maintains an appropriate balance between non-independent and independent members in accordance with corporate governance requirements. This composition ensures objective decision-making, effective oversight, and diverse perspectives in board deliberations. Through this structure, the Board fulfills its fiduciary responsibilities and upholds the corporate governance standards expected of a publicly listed company in the UAE.



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دبي للمطبات (ش.م.ع.)
DUBAI REFRESHMENT (P.J.S.C.)*

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Call Center: 800 73774
www.pepsidrc.com

Name	Position	Type of Membership	Experience	Qualifications	Period served as a Board Member in the Company's BOD as of the date of First Election
Mr. Ahmad Bin Eisa Alserkal	Chairman of the Board of Directors	Non-Executive/ Non-Independent Member	General Trading Real Estate	Bachelor of Administrative Sciences, Business Administration	24 years
Mr. Ali Bin Humaid Alowais	Deputy Chairman of the Board of Directors	Non-Executive/ Non-Independent Member	General Maintenance, Property Management	Bachelor of Business Administration	18 years
Mr. Mohammad Saeed Rashed Ali Alshehhi	Member of the Board of Directors	Non-Executive/ Non-Independent Member	Business Administration Engineer, Communication	Bachelor of Science in Electrical and Electronics Engineering, Master's Degree in Digital Wireless Communications from the University of Leeds	1 year
Mr. Buti Obaid Buti Almulla	Member of the Board of Directors	Non-Executive/ Non-Independent Member	Business Administration	Diploma in Business Administration	6 years
Mr. Nawwaf Ghubash Almarri	Member of the Board of Directors	Non-Executive/ Independent Member	Real Estate, Investments, Insurance companies.	Bachelor of Business Administration	3 years
Mr. Mohamed Ali Nasir Alowais	Member of the	Non-Executive/	Real Estate, Food/ Beverage,	Bachelor of Science in Computer and	3 years



	Board of Directors	Independent Member	Trading and Services	Information Science	
Mrs. Farida Mohammad Rafi	Member of the Board of Directors	Non-Executive/Independent Member	Human Resources, Business	Master in Human Resources, Bachelor in Business Administration	2 years
Mr. Ibrahim Abdulrazzak Ustadi*	Member of the Board of Directors	Non-Executive/Non-Independent Member	Business Administration Financial Controller	Diploma in Accounting	20 years

*Mr. Ibrahim Ustadi resigned from the Board of Directors on 9 Feb 2025

Name	Membership in Other public Joint Stock Companies	Their Positions in Other Important Regulatory, Governmental, or Commercial Authorities
Mr. Ahmad Bin Eisa Alserkal	None	<ul style="list-style-type: none"> Member of the Board of Directors of Dubai Chamber Member of the Family Disputes Resolution Committee at Dubai Courts.
Mr. Ali Bin Humaid Alowais	<ul style="list-style-type: none"> United Foods Company (P.J.S.C) - Chairman of the Board of Directors Emirates NBD - Member of the Board of Directors 	None
Mr. Mohammad Saeed Rashed Ali Alshehhi	None	<ul style="list-style-type: none"> Vice chairman of the National Media Authority General Manager of Emirates Racing Authority Chief Executive Officer of A.R.M. Holding
Mr. Buti Obaid Buti Almulla	<ul style="list-style-type: none"> Dubai Insurance Company (P.J.S.C) – Chairman of the Board of Directors Emirates Islamic Bank - Vice Chairman Emirates NBD Bank - Member of the Board of Directors 	None



	• Emaar Properties PJSC – Member of the Board of Directors	
Mr. Nawwaf Ghubash Almarri	• Fidelity United Insurance Company – Chairman of the Board of Directors	None
Mr. Mohamed Ali Nasir Alowais	None	None
Mrs. Farida Mohammad Rafi	None	None

The collective expertise and longstanding experience of the Board members contribute to a robust governance environment where strategic initiatives, operational performance, and risk management matters are deliberated with a high degree of diligence and professional judgment. The Board remains committed to maintaining strong governance practices, adhering to regulatory obligations, and ensuring that its composition continues to support the Company's longterm objectives and fiduciary responsibilities.-standing experience of the Board members contribute to a robust governance environment where strategic initiatives, operational performance, and risk management matters are deliberated with a high degree of diligence and professional judgment. The Board remains committed to maintaining strong governance practices, adhering to regulatory obligations, and ensuring that its composition continues to support the Company's long-term objectives and fiduciary responsibilities.

Statement of the Percentage of Female Representation in the Board of Directors for the year 2025:

The composition of Dubai Refreshment (P.J.S.C.)'s Board of Directors reflects our commitment to diverse leadership, with female representation constituting one-seventh of the Board membership. As of 2025, the Board comprises one female director and six male directors, demonstrating our progress toward inclusive governance while maintaining the highest standards of professional qualification and expertise.

Board Remuneration Structure for 2024

The Board of Directors' remuneration framework reflects our commitment to fair compensation while ensuring alignment with corporate governance standards and shareholder interests. During 2024, the total Board remuneration amounted to AED 5,200,000 (five million and two hundred thousand Emirati Dirhams), approved by the General Assembly of the shareholders and distributed as follows:

- Chairman of the Board: AED 1,000,000
- Individual Board Members: AED 700,000 each

Proposed Remuneration (2025)

For the year 2025, subject to General Assembly approval, the proposed Board remuneration maintains the same structure, totalling AED 5,200,000 (five million and two hundred thousand Emirati Dirhams), allocated as:



- Chairman of the Board: AED 1,000,000
- Individual Board Members: AED 700,000 each

Additional Compensation

Board members receive no additional fees, allowances, or salaries beyond their standard remuneration, with the exception of committee attendance allowances. These committee attendance allowances are structured as follows:

Name	Total Meetings in 2025	Total Allowances in 2025 (AED 10,000 per meeting)
Mr. Ahmad Bin Eisa Al Serkal	2	20,000
Mr. Mohamed Ali Nasir Alowais	11	110,000
Mr. Nawwaf Ghubash Almarri	8	80,000
Mr. Mohammad Saeed Rashed Ali Alshehhi	3	30,000
Mrs. Farida Mohammad Rafi	7	70,000

The number of board meetings held during the fiscal year 2025 with a statement of their dates, number of times of personal attendance of all members, with a statement of the members represented by others.

Meeting Date	Number of Attendees	Attendees by Representatives	Name of Non-Attendant Members
11.02.2025	6	0	0
29.04.2025	6	0	Mr. Mohammad Alshehhi
29.07.2025	7	0	0
29.10.2025	7	0	0
09.12.2025	5	0	Mr. Ali Alowais Mr. Mohamed Alowais

During the fiscal year 2025, the Board of Directors did not enact any resolution through circulation.



4. Board of Directors' committees

A. Audit Committee

An acknowledgment by the Chairman of the Audit Committee of his responsibility for the Committee's system in the Company and his review of its work mechanism and verification of its effectiveness:

"Mr. Nawwaf Ghubash Almarri, as the Chairman of the Audit Committee, hereby acknowledges responsibility for the committee's system within the Company. The Audit Committee is committed to reviewing its operational procedures and verifying the effectiveness of its mechanisms to ensure the highest standards of diligence and scrutiny in overseeing the audit committee's functions.

Names of the members of the Audit Committee, its terms of reference and the tasks entrusted thereto:

Name	Position	Type of Membership
Mr. Nawwaf Ghubash Almarri	Chairman of the Committee	Non-executive/ Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive/ Independent
Mrs. Farida Mohammad Rafi	Committee Member	Non-executive/ Independent

Audit Committee Charter and Responsibilities

Primary Oversight Functions

The Audit Committee serves as a cornerstone of corporate governance at Dubai Refreshment (P.J.S.C.), with primary responsibility for overseeing the Company's financial control and risk management frameworks. The Committee develops and implements policies governing external auditor engagement, while monitoring their independence and objectivity. It maintains vigilant oversight of the Company's financial reporting process, ensuring the integrity of both interim and annual financial statements.

Regulatory Compliance and Internal Controls

A key mandate of the Committee includes ensuring adherence to disclosure requirements established by the Dubai Financial Market and the Capital Market Authority. The Committee engages with management to evaluate and strengthen internal control systems, supporting the Board of Directors in its oversight responsibilities. This includes ensuring the independence of financial reporting processes and validating the qualifications and independence of the external auditor.



Authority and Access

In accordance with the Corporate Governance Rules, the Committee is vested with comprehensive authority to fulfill its oversight responsibilities. This includes unrestricted access to all Company departments, records, and properties. Such broad access rights enable the Committee to conduct thorough investigations and maintain effective oversight of the Company's financial and control systems.

The number and dates of meetings held by the Audit Committee during the year 2025 to discuss issues related to the financial statements and any other matters, and an indication of the number of times of personal attendance of members in the meetings held:

Audit Meeting				
Name	11.02.2025	29.04.2025	29.07.2025	29.10.2025
Mr. Nawwaf Ghubash Almarri	1	1	1	1
Mr. Mohamed Ali Nasir Alowais	1	1	1	1
Mrs. Farida Mohammad Rafi	1	1	1	1

B. Audit Committee Annual Report

Throughout 2025, the Audit Committee conducted comprehensive reviews of the Company's quarterly and annual financial statements, examining financial performance, operating results, and the consistent application of accounting policies. The Committee verified full compliance with International Financial Reporting Standards (IFRS) and local regulatory requirements while addressing key audit matters raised during the audit process. The year also marked the commencement of KPMG Lower Gulf Limited's engagement as the Company's external auditor following their appointment by shareholders at the Annual General Assembly held on 12/03/2025, and the Committee ensured an effective and controlled transition to the new audit firm.

In evaluating the external audit function, the Committee assessed KPMG's independence, professional competence, audit methodology, and the adequacy of their planning and execution throughout their first year of engagement. KPMG demonstrated technical expertise, appropriate industry knowledge, and full adherence to professional auditing standards. The Committee also reviewed written confirmations of independence provided by KPMG, held periodic discussions with the audit partner, and examined the firm's internal safeguards designed to maintain independence. The Committee facilitated thorough knowledge-transfer procedures to ensure continuity in audit quality and minimal disruption to the Company's financial reporting processes. After completing its assessment, the Committee recommended KPMG Lower Gulf Limited for appointment as the external auditor, and the Board of Directors accepted this recommendation without reservation.



To ensure that the external auditor's independence was not compromised by the provision of non-audit services, the Committee exercised strict oversight over all additional engagements undertaken by KPMG. The only non-audit service performed during the year related to agreed-upon procedures connected to the Internal Control over Financial Reporting (ICFR) framework. The Committee confirmed that this service did not involve any decision-making or management responsibilities and was fully compliant with regulatory independence standards. All non-audit assignments were pre-approved by the Committee and evaluated to ensure they did not impair, or appear to impair, the external auditor's objectivity.

The Committee maintained comprehensive oversight of the Company's internal control environment and risk management framework throughout 2025. PricewaterhouseCoopers (PwC), the appointed internal auditor, conducted regular reviews and issued internal audit reports covering key operational, compliance, and financial control areas. The Committee reviewed all internal audit reports, including those classified as medium- and high-risk, and assessed whether any observations indicated systemic weaknesses or material failures in internal control. PwC's reports did not identify any significant violations or major control deficiencies, and the Committee confirmed that the Company's internal control environment remained strong and effective.

During the year, the Company's robust control environment did not require a formal remedial action plan, as no material weaknesses were identified. Where minor enhancement opportunities were noted through internal audit work, the Committee followed up with management to ensure timely remediation, monitored progress, and verified the closure of all findings. The Committee also continued to oversee the Company's broader risk management processes, reviewed risk assessments and mitigation strategies, and ensured that the Company's risk management systems remained aligned with governance requirements and industry best practices.

In addition to its audit-related responsibilities, the Audit Committee led a comprehensive review and update of the Company's Corporate Governance Manual in 2025 to ensure alignment with all applicable laws, regulations, and the Company's Articles of Association. This exercise strengthened the Company's governance infrastructure by refining internal policies, procedures, and oversight mechanisms. The updated Corporate Governance Manual was subsequently approved by the Board of Directors and now serves as an integrated governance framework for all levels of the organization.

The Company's voluntary adoption of the Internal Control over Financial Reporting (ICFR) framework, initiated in 2023 and completed in 2024, continued to provide meaningful value throughout 2025. The ICFR framework received an unqualified opinion from the external auditor. The Committee monitored the continued application of this framework, which has significantly enhanced regulatory compliance, strengthened financial reporting accuracy, improved operational efficiency, and reinforced stakeholder confidence.

Finally, the Committee reviewed all related-party transactions executed during 2025, including the supply and sales transactions conducted with Oman Refreshments Company. The Committee confirmed that these transactions were executed at arm's-length, within the normal course of business, and without preferential terms. The Committee determined that all related-party dealings complied fully with applicable laws, regulations, and disclosure requirements, and no concerns or irregularities were identified. Through all of these activities,



the Audit Committee fulfilled its responsibilities in accordance with the Corporate Governance Rules, ensuring rigorous oversight of financial reporting, strong internal controls, effective risk management, and full compliance with regulatory and governance requirements.

C. Nomination and Bonuses Committee

An acknowledgment by the Chairperson of the Nomination and Bonuses Committee of her responsibility for the Committee's system in the Company and for her review of its work mechanism and verification of its effectiveness.

Mrs. Farida Mohammad Rafi, Chairperson of the Nomination and Bonuses Committee, hereby acknowledges her responsibility for the Committee's system in the Company and for her review of its work mechanism and verification of its effectiveness."

Names of the members of the Nomination and Bonuses Committee, and statement of its terms of reference and the tasks entrusted thereto:

Nomination and Bonuses Committee		
Name	Position	Type of Membership
Mrs. Farida Mohammad Rafi	Chairperson of the Committee	Non-executive/ Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive/ Independent
Mr. Mohammad Saeed Rashed Ali Alshehhi	Committee Member	Non-executive/ Non-Independent

Duties and Responsibilities of the Nomination and Bonuses Committee

The Committee ensures Board member independence in accordance with Capital Market Authority regulations and upholds compliance with established independence standards. It is responsible for developing and updating remuneration policies that encompass compensation for Board members, executive and staff incentives, performance rewards, ensuring all are aligned with Company strategy and shareholder value. The Committee also reviews the effectiveness of these remuneration policies, monitors performance evaluations, and receives reports on training outcomes as applicable, ultimately providing the Board with comprehensive summaries regarding compensation, nominations, Board self-evaluations, executive management nominations, along with maintaining detailed records of decisions and recommendations.



Statement of the number of meetings held by the Committee during 2025 and the dates of their convening, with an indication of the number of times of personal attendance of all Committee members:

Nomination & Bonuses Committee		
Name	11.02.2025	15.10.2025
Mrs. Farida Mohammad Rafi	1	1
Mr. Mohammad Saeed Rashed Ali Alshehhi		
Mr. Mohamed Ali Nasir Alowais	1	1

D. Committee of Follow up and supervision on the insiders' transactions

The Company's Board of Directors has formed a committee to follow up and supervise insiders' transactions, which has been formed from the Chief Executive Officer, with the membership of the Director of Legal Affairs, the Board Secretary, according to the applicable rules based on the decision of the Chairman of the Board of Directors of the Capital Market Authority (03/R.M) for the year 2020.

E. Other Committees: Investment Committee

An acknowledgment by the Chairman of the Investment Committee of his responsibility for the Committee's system in the Company and for his review of its work mechanism and verification of its effectiveness:

"Mr. Nawwaf Ghubash Almarri, Chairman of the Investment Committee acknowledges his responsibility for the Committee's system within the Company, as well as for his inspection of the committee's work mechanism and effectiveness."

Names of the members of the Investment Committee, and the meetings held during 2025:

Name	Position	Type of Membership
Mr. Nawwaf Ghubash Almarri*	Chairman of the Committee	Non-executive/ Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive/ Independent
Mr. Mohammad Saeed Rashed Ali Alshehhi	Committee Member	Non-executive/ Non- Independent
Mr. Ahmad Bin Eisa Alserkal**	Chairman of the Committee	Non-executive/ Non- Independent

* Mr. Nawwaf Almarri was appointed as chairman of the Committee during the Committee's meeting on 28 April 2025

** Mr. Ahmad Alserkal stepped down as Chair and member of the Investment Committee on 28 April 2025



Investment Committee				
Name	06.02.2025	28.04.2025	17.07.2025	08.10.2025
Mr. Nawwaf Ghubash Almarri	1	1	1	1
Mr. Mohamed Ali Nasir Alowais	1	1	1	1
Mr. Mohammad Saeed Rashed Ali Alshehhi		1	1	1
Mr. Ahmad Bin Eisa Alserkal	1	1		

The Investment Committee assists the Board's in its investment activities and strategic partnerships. With full access to Company resources and authority to engage external expertise, the Committee evaluates investment opportunities, monitors performance, and ensures alignment with corporate objectives.

During the year 2025, no further affiliated committees of the Board of Directors were appointed.

5. A statement of the tasks and competencies of the Board of Directors carried out by a member of the Board or the Executive Management during the year 2025 based on a delegation from the Board:

The Board of Directors collectively exercised its powers in managing the Company directly through the periodic follow-up of the Company's activity in the meetings of the Board, and the Board of Directors did not delegate any of its exceptional powers to the executive management during the year 2025.

6. A statement of the details of the transactions that took place with related parties during the year 2025.

Statement of the Competent Party	Type of Relationship	Type of Transaction	Value of Transaction
Oman Refreshments Company (Sultanate of Oman)	Business operations within the normal scope of dealing	Supplying products from Oman Refreshments Company for the Company	AED 6,538,327
Oman Refreshments Company (Sultanate of Oman)	Business operations within the normal scope of dealing	Sales of the Company's products for Oman Refreshments Company	AED 3,716,083



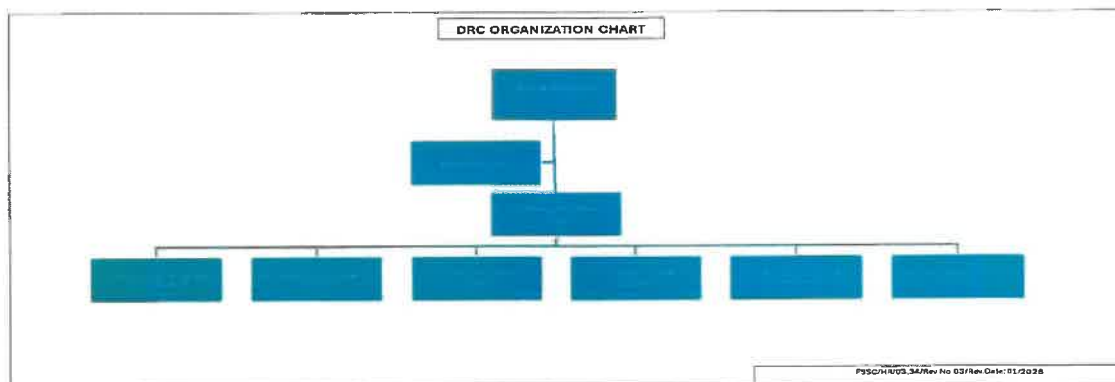
Taking in account that the commercial operations mentioned above fall within the scope of normal business at the market prices and without any preferential conditions of any kind.

7. Board evaluation

The Board maintains ongoing open communication and dialogue at both Board and Nomination Committee levels to ensure all Board members possess the necessary knowledge and skills to effectively discharge their duties. This collaborative approach enables continuous assessment of competencies and identification of areas for development. In line with its commitment to governance excellence, the Board of Directors have launched during fourth quarter 2025 an internal Board evaluation process to ensure all Board members are aligned and remain up-to-date in all matters that help them to discharge their duties as Board members. The outcome of the exercise will be shared with the Board of Directors for action consideration if applicable, to be concluded in 2026.

8. The organizational structure of the Company to include the first and second lines:

A detailed statement of the senior executives in the first and second grades, according to what is stated in the Company's organizational structure (according to 3-d), their jobs and dates of appointment, with a statement of the total salaries and bonuses paid to them, according to the following table:



The Board of Directors' oversight extends to the evaluation and development of senior executives, ensuring their remuneration structures reflect both individual contributions and corporate performance. This includes regular assessment of leadership capabilities, market competitiveness of compensation packages, and alignment with the Company's strategic objectives and regulatory requirements under Corporate Governance Rules.



Position	Appointment Date	Total Salaries and Allowances for 2025 (AED)	Total Bonus paid during 2025* (AED)	Any In-kind/ Cash Rewards for the Year 2025 or Due in the Future
Chief Executive Officer	01/07/2012	1,725,576	682,891 ⁽¹⁾	None
Chief Executive Officer - Former	01/08/2008 – 31/12/2024	431,394 ⁽²⁾	3,071,948 ⁽³⁾	2,502,377 ⁽⁴⁾
Vice President – CFO	01/03/2024	1,039,200	209,233	None
Vice President - Supply Chain and Projects	01/11/2001	1,003,944	301,610	None
Vice President – CCO	31/03/2013	891,624	184,214	None
Director of Legal	08/10/2013	590,760	129,381	None
Senior Director of Human Resources	28/07/2022	893,792	116,591	None
Director of Information Technology	03/01/2010	609,821	125,197	None

*Bonuses paid in 2025 for year 2024 as approved by the BOD during Q1 2025

1) This represents the amount paid in the previous capacity of Chief Operating Officer. The bonus for the CEO for the year 2025 has still not been determined.

2) This represents the notice pay paid to the retiring CEO.

3) This represents the amount paid for 15 months to the retiring CEO.

4) This represents the end of service paid to the former CEO.

9. External Auditor:

A Brief Introduction about the Company's Auditor to the Shareholders:

KPMG Middle East is a part of the KPMG global organization of independent member firms that operate in 138 countries and territories and are affiliated with KPMG International Limited. KPMG provide audit, tax and advisory services to public and private sector clients across Saudi Arabia, United Arab Emirates, Jordan, Lebanon, Oman, and Iraq, contracting through separate legal entities. The firm have a strong legacy in the region, where they have been established for over 50 years. KPMG Middle East is well-connected with its global member network and combines its local knowledge with international expertise.

KPMG serves the diverse needs of businesses, governments, public-sector agencies, not-for-profit organizations, and the capital markets

Statement of the Auditing Fees and Costs or the Services Provided by the External Auditor:

Name of the auditing office and name of the partner auditor	KPMG Lower Gulf - Partner Auditor: Fawzi Aburass
Number of years spent as an external auditor for the Company	1
Number of years spent by the partner auditor in auditing the Company's accounts	1



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Total fees for auditing and reviewing the financial statements (interim and annual) for the year 2025 (AED)	AED 561,350
Fees and costs of other special services other than auditing the financial statements for the year 2025 (AED).	AED 135,000
Details and nature of the other services provided	Engagement Letter for Independent Reasonable Assurance Report on the system of Internal controls over Financial reporting.
Statement of the other services provided by any other external auditor other than the Company's auditor during 2025	None

Statement of the unqualified opinion of the Company's external auditor: the external auditor did not have any reservation in their opinions in any of the interim or the annual financial statements in 2025.

10. Internal Control System:

The Board of Directors maintains ultimate responsibility for the Company's internal control framework, ensuring effective oversight and compliance with Dubai Financial Market and Capital Market Authority requirements. PricewaterhouseCoopers (PwC), the Company's appointed internal auditor, conducted quarterly reviews throughout 2025 covering all operational departments. The comprehensive audits validated the effectiveness of operational procedures, internal policies, and technological infrastructure, with all reports indicating full compliance and no significant violations or control deficiencies identified.

Mr. Karem Mahmoud, Director of Legal Affairs, serves as the Company's Compliance Officer since October 8, 2013. As a specialist lawyer accredited by the Beirut Bar Association in Lebanon, he ensures adherence to applicable laws, regulations, and internal policies across all business operations. As part of the Company's commitment to strengthening its governance structure, the Company is currently exploring recruitment options to appoint an independent compliance officer, which will further enhance the segregation of duties and compliance oversight within the organization.

During 2025, PricewaterhouseCoopers submitted two comprehensive internal audit reviews to the Board of Directors, covering all major aspects of business operations. The assessments confirmed the effectiveness of the Company's control environment, with no significant issues requiring major intervention. The Audit Committee reviewed these reports and monitored implementation of recommended enhancements.

11. Details of the violations Committed in 2025, their Reasons, and how they shall be Addressed and Prevented in the Future:

During the fiscal year 2025, Dubai Refreshment (P.J.S.C.) maintained full compliance with all corporate governance requirements under Corporate Governance Rules and Federal Decree-Law No. 32 of 2021 and its amendments concerning Commercial Companies. The Company's



internal control systems and compliance monitoring processes confirmed no violations of regulatory requirements or governance standards during this period.

The absence of violations reflects the Company's commitment to maintaining robust governance practices and the effectiveness of its preventive control measures.

12. A Statement of the Company's Monetary and In-Kind Contributions to the Growth of the Local Community and the Protection of the Environment in 2025:

Throughout 2025, Dubai Refreshment (P.J.S.C.) continued to strengthen its commitment to corporate social responsibility, community development, and environmental stewardship across Dubai and the Northern Emirates. The Company's approach to social responsibility is anchored in its corporate values and reflects a deep-rooted philosophy of creating sustainable value for the communities in which it operates. The Company maintained its focus on initiatives that deliver tangible benefits to society while promoting sustainable business practices. This dedication to corporate citizenship aligns with the Company's heritage as one of the UAE's pioneering enterprises and its vision for contributing to the nation's sustainable development goals.

One of the key initiatives was the CSR through Wheelchairs program, under which The Company provided AED 24,000 to supply mobility equipment to eight charitable organizations. The program supported individuals requiring enhanced mobility assistance and formed part of The Company's ongoing participation in social support activities across the UAE. Beneficiaries included on the table below:

Charity Organization	Cost AED
Khorfakkan Club for the Disabled	3,000
Al Noor rehabilitation	3,000
West Asia Paralympic Federation	3,000
Ajman Club for disabled	3,000
Dubai club for people of determination	3,000
Emirates for Parent's Care and Relief	3,000
UAE Genetic Diseases Association	3,000
Rukn Al Ibda learning difficulties Centre	3,000
TOTAL cost	24,000

DRC continued its efforts in Promoting Health and Active Lifestyles Through Sports by expanding support for health and wellness in partnership with the Dubai Sports Council. As part of this collaboration, DRC contributed AED 22,609 and supplied Aquafina water for



several sporting events, including the 6th Labor Sports Throwball Tournament, the 34th Dubai International Basketball Championship, the 6th Labor Yoga Day Celebrations, and the Dubai International Aquatics Championship 2025. These events encouraged participation across diverse community groups and supported national objectives related to physical activity and wellbeing.

DRC supported employee and community initiatives throughout the year, organizing a blood donation drive with the Dubai Health Authority that attracted 86 enthusiastic employee participants. The team partnered with Al Shafar Contracting Company to directly provide over 1,500 blue-collar workers with Aquafina water, soft drinks, and snacks as part of ongoing welfare efforts. DRC also reached the Social Care Center for the Elderly and Children in Sharjah, where the team provided breakfast and lunch to 36 individuals, strengthening the organization's community outreach.

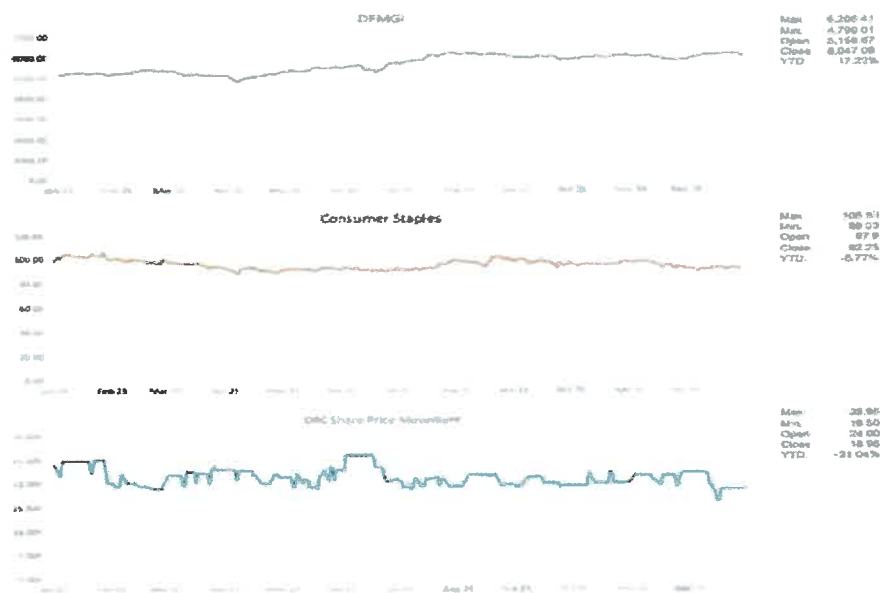
13. General Information:

A Statement of the Market Price of the Company's Share (Closing Price, Highest and Lowest Prices) at the Conclusion of Each Month during Fiscal Year 2025:

Month	High Month	Low Month	Closing Month
Jan-25	25.000	19.450	20.250
Feb-25	22.400	18.600	19.050
Mar-25	26.000	18.000	23.000
Apr-25	23.000	19.500	21.500
May-25	23.700	19.000	22.950
Jun-25	25.950	20.000	21.100
Jul-25	21.400	19.050	19.500
Aug-25	22.000	19.400	20.000
Sep-25	22.300	19.400	19.800
Oct-25	22.500	19.450	20.300
Nov-25	22.500	19.700	22.500



A statement of the Company's comparative performance with the general market index and the sector index to which the Company belongs during 2025.



A statement of the shares distribution as of 31/12/2025 (individuals, companies, governments) classified as follows: local, Arab and foreign

Category of Shareholder	Percentage of owned shares			
	Individual	Companies	Government	Total
UAE Nationals	54.7451	43.1309	0	97.8760
Arab	2.0653	0.0551	0	2.1204
Foreigner	0.0036	0	0	0.0036
Total			0	100

A statement indicating the shareholders who own 5% or more of the Company's capital as on 31/12/2025 according to the following table:

Name	Number of Shares held 31/12/2025	The Percentage of Shares held from Company's Capital
Sheikh Ahmed bin Rashid bin Saeed Al Maktoum	17,999,550	19.9995
Group 7 investment LLC	11,605,218	12.8947
Mohamed & Obaid Al Mulla LLC	9,178,050	10.1978
Ghobash Trading and Investment Co. Ltd.	6,080,076	6.7556



Statement of shares distribution pursuant volume as on 31/12/2025 according to the following table (Source: Dubai Financial Market):

S.No	Shares Ownership (share)	Number of Shareholders	Number of owned Shares	The Percentage of shares owned from Company's capital
1	Less than 50,000	127	1,016,452	1.1294
2	Between 50,000 and 500,000	71	12,736,794	14.1520
3	Between 500,000 and 5,000,000	20	31,383,860	34.8710
4	Greater than 5,000,000	4	44,862,894	49.8477
	TOTAL	222	90,000,000	100

Investor Relations

In execution of the Authority's decisions, the Company has complied with the Authority's procedures in general, as a dedicated email address has been designated for investors to communicate with the Company regarding any inquiries. Investor Relations Officer has been assigned to Mr. Karem Mahmoud, Director of Legal, Risk and Compliance. He can be reached through email at karem.mahmoud@pepsidrc.ae, by phone at +97148025000, +971501356949, or by fax at +97148025098. Regarding the electronic link to the investor relations page, the Company updated it as part of its overall website update, and the link is as follows: <https://pepsidrc.com/investor-relations/>

Annual General Assembly 2025

The Company's annual general meeting of the year 2025 was conducted on 12/03/2025 via video conference technology and at the Company's headquarters at Dubai's Dubai Investment Park 2. The following resolutions were adopted:

Regular Agenda Items:

1. Review of the Board of Directors' report on the Company's activities and financial position for the fiscal year ended 31/12/2024.
2. Review of the Auditor's report for the fiscal year ended 31/12/2024.
3. Discussion and approval of the Company's balance sheet and profit and loss account for the fiscal year ended 31/12/2024.
4. Review and determination of the Board of Directors' remuneration.
5. Discharge of the Board of Directors from liability for the fiscal year ended 31/12/2024.
6. Discharge of the Auditors from liability for the fiscal year ended 31/12/2024.
7. Appointment of KPMG as the Company's auditor for 2026 and determination of their fees.
8. Approve the Board of Directors' proposal concerning the distribution of dividends, at AED 90 Million, 100% of the paid up capital, 1 AED/share.
9. Approve the appointment of Mrs. Fareeda Mohammed Rafee Salmanpour as an independent non-executive board member, replacing Ms. Eman Mahmoud Abdulrazzaq, for the remaining period of the current board term.



10. Approve the appointment of Mr. Mohammed Saeed Rashid Ali Al Shehhi as a non-independent non-executive board member, replacing Mr. Ibrahim Ustadi, for the remaining period of the current board term.

Matters Requiring Special Resolution:

11. Approval to authorize the Board of Directors to approve voluntary contributions for the year 2025, provided that such voluntary contributions do not exceed (2%) of the Company's average net profits during the previous two fiscal years.

The Company has complied with applicable regulations in terms of sharing earnings decided at the general assembly meeting via the Dubai Financial Market, as well as distributing the remuneration of the Board of Directors members.

Board Secretary

Mr. Karem Mahmoud served as the Board Secretary starting 6 October 2024 after the resignation of the previous Board secretary. During his tenure, he administers meetings and minutes of the Board of Directors, prepares information and disclosures for meetings, maintains records and finalizes disclosures for financial statements.

A Detailed Description of the Significant Events and Disclosures taken place during the Fiscal Year 2025:

In 2025, DRC delivered strong results with 6% volume growth and a 7% increase in revenue, reaching a record profit before tax of AED 173.6 million. These achievements were driven by successful new product launches, deeper market penetration, and targeted marketing strategies. The disclosures to the market in 2025 were limited to the regulatory disclosures related to the Board of Directors' meetings, quarterly and annual financial reports.

A Statement of the Company's Transactions conducted in 2025 equivalent to 5% or more of the Company's Capital.

The Company has concluded the essential agreements for the supply of raw materials and services required for its operations, and each of them falls within the framework of standard commercial transactions at market pricing without any preferential terms.

A Statement of the Company's Emiratization Percentage by the end of 2025.

As of the end of 2025, the Company reports an Emiratization of 12% in alignment with The Company's commitment to fostering local talent and contributing to the development of the Emirati workforce and meeting UAE labour law. In 2024, the percentage was 10%, and in 2023, the Emiratization was 7.9% (excluding labors category).

the Company has appointed three Emirati in senior positions, supporting national objectives while enhancing leadership depth and long term succession planning.

The Company supports Emirati students by providing them with valuable training opportunities as well as internship programs.



A Statement of the Creative Projects and Initiatives Conducted by the Company or Under Development during the year 2025:

During 2025 the Company executed several new initiatives that will deliver sustainable future results. In 2025, aiming to reduce material cost, The Company successfully commissioned a new lighter Aluminium can lids; this initiative helped the Company in reducing aluminium consumption and improve Company's sustainability.

Furthermore, The company has initiated in 2025 the Warehouse Expansion Project was initiated with the aim of adding approximately 3000m² to the current warehouse that can house 2,400 pallets and expecting to complete the project before end of 2026.

Additionally, capitalizing on energy savings, The Company has initiated project to optimize & increase the efficiency of HVAC system. The outcome of the project shall help the Company to save on energy costs and reduce emissions.

10/02/2026

Role

Signature





Chairman of the Board of Directors

Chairman of the Nomination and Bonuses Committee

Chairman of the Audit committee

Chairman of the Investment Committee

Internal Auditor



Dubai Refreshment PJSC ESG Report 2025

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About This Report

This sustainability report captures the environmental, social, and governance achievements of Dubai Refreshment PJSC (hereafter "DRC" or "the Company") throughout 2025, starting from 1st January to 31st December, underlining our commitment to responsible stewardship across environmental, social, and governance domains. The scope of this report extends across DRC's entire UAE operational footprint, from the production lines where our products are manufactured to the distribution routes that deliver them to communities nationwide. Through this disclosure, DRC reaffirms its core principles of transparency and highlights how sustainability imperatives are embedded within our broader business objectives.

Transparency is a fundamental element of DRC's corporate philosophy. Sustainability principles are integrated into strategic planning and guide both operational decisions and investment priorities. Our reporting practices extend beyond statutory compliance; we embrace internationally recognised disclosure frameworks that enable meaningful comparison and stakeholder engagement. The Company's sustainability strategy is built upon three core dimensions:

Environmental Landscape

Our environmental agenda focuses on resource efficiency, emission reduction, and conservation measures designed to minimise ecological harm while supporting long-term business resilience.

People & Progress

Investment in human capital and community partnerships drives our social impact strategy, creating opportunities for employee development and delivering benefits that extend into the broader society.

Responsible Governance

Ethical conduct, transparent oversight, and robust accountability mechanisms underpin our governance model, ensuring decisions align with stakeholder interests and regulatory expectations.

This publication aligns with the requirements established by the UAE Capital Market Authority (CMA) for public joint stock companies trading in the Dubai Financial Market (DFM) to issue sustainability disclosures. Our reporting approach incorporates standards **endorsed by DFM**, drawing upon the Global Reporting Initiative (GRI) methodology, World Federation of Exchanges (WFE) guidance, and principles articulated by the Sustainable Stock Exchanges (SSE) Initiative. DRC has established comprehensive internal validation procedures to ensure the accuracy and reliability of reported information. Each metric presented has undergone a systematic review by relevant departmental teams. These quality assurance mechanisms ensure stakeholders receive trustworthy, substantive insight into the company's environmental, social, and governance outcomes for the reporting period.

Introduction

In alignment of the regulatory requirements, we have published our first ESG report in 2022 (ESG Report year 2021). Since then, we have deepened our insights into how sustainability principles translate into practical business decisions at DRC. This 2025 report reflects the ongoing journey, the progress achieved, the complexities encountered, and the work that still lies ahead.

Our environmental efforts extend beyond impact measurement. We are building a company-wide culture in which environmental responsibility is a collective commitment, not merely a compliance requirement. This approach emphasizes both the implementation of low impact practices and the active engagement of our teams in reevaluating how resources, waste impacts, and operational activities are managed across daily operations.

On the social front, how we empower our people, engage with communities, and maintain stakeholder relationships plays a defining role in our long-term resilience. We view these relationships as fundamental to our success, shaping both our workplace culture and our reputation in the regions where we operate.

Effective governance underpins all of our commitments. We have strengthened systems to ensure transparent decision-making, proactive risk management, and clear lines of accountability. Our governance framework provides the structure needed to translate our sustainability vision into measurable action.

Together, these elements underscore our belief that operating a sustainable business requires balancing commercial objectives with environmental and social responsibilities. This report demonstrates how DRC continues to uphold that balance with integrity and a commitment to long-term value creation.

About Dubai Refreshment PJSC

We began operations in 1959 through a Decree issued by His Excellency Sheikh Rashid Bin Saeed Al Maktoum, the late ruler of Dubai. Three years later, in 1962, we formalised our partnership as an exclusive bottler and distributor of Pepsi products across Dubai and the Northern Emirates. Our headquarters remain in Dubai.

Business has evolved considerably since those early days. By 1994, we had restructured from a limited liability company into a public shareholding corporation, a shift that opened new possibilities for growth and investment. Listing on the Dubai Stock Exchange in 2007 marked another transition point, bringing increased visibility and access to capital markets.

Today, we operate across the United Arab Emirates' food and beverage sector, guided by principles of integrity, respect, and accountability in our dealings with employees, customers, and shareholders. Our focus remains on operational performance and maintaining service standards across our distribution network.

For 2025, our reported annual revenue stands at 877 million AED. We have built our position in the market through consistent service delivery and long-standing brand partnerships. The company's trajectory over six decades reflects both the commercial opportunities that emerged in the region and our capacity to adapt to changing market conditions. Our success is reflected in its core values, which are as follows:

- Integrity
- Respect
- Leadership
- Service Excellence
- Winning Attitude
- Staff Well-being
- Teamwork
- Commitment
- Result Oriented

Company Operations

Established over sixty years ago, DRC has developed into a significant contributor to the food and beverage sector in the lower Gulf. What began as a modest local operation has grown into an integrated business with manufacturing and distribution capabilities that support a diverse product range across the region. The company's portfolio today includes more than 16 products, offering beverages and snacks that cater to a wide spectrum of consumer preferences.

DRC's long-term growth reflects disciplined management and an ongoing focus on maintaining consistency in product standards. The company continues to strengthen its infrastructure, drawing on the expertise of its workforce and the efficiency of its operational systems to sustain reliable supply throughout the UAE.

Its portfolio of brands – Pepsi, Diet Pepsi, Pepsi Zero, 7Up Zero, 7Up Mojito, 7Up, Diet 7Up, Mirinda, Shani, Gatorade, Aquafina, Mountain Dew, Rockstar, Ceres Juice, Evervess, Britvic, Snacktime, Edita, demonstrates the breadth of its market engagement. Together, these

brands position DRC as a stable and adaptable participant in the region's evolving food and beverage landscape.

Operating Area

Strategic partnerships with established global food and beverage companies continue to support DRC's business development and product diversification. These collaborations enable the company to strengthen market reach and maintain operational resilience across its key categories.

The Company's principal operations are based at Dubai Investment Park 2, selected for its connectivity between Dubai, Abu Dhabi, and other emirates. The site integrates production, warehousing and management functions, supporting efficiency in planning and execution. A network of regional warehouses in Sharjah, Abu Dhabi, Fujairah, and Ras Al Khaimah complements the central facility, ensuring reliable supply chain performance and consistent product availability throughout the market.

Dubai Refreshment's ESG Approach

Guided by the UAE's pathway towards sustainable growth, DRC has developed an Environmental, Social, and Governance framework that bridges regional identity with international expectations. The company views sustainability as a unifying principle that connects operational performance, community well-being, and environmental responsibility.

Its programmes address the UAE's key sustainability priorities, from responsible water management and resource efficiency to initiatives that sustain cultural and community values. This integrated approach ensures that sustainability actions are not isolated projects but embedded elements of DRC's business model.

A governance structure, which combines transparency, risk management, and stakeholder engagement, maintains oversight and ensures that both global standards and local perspectives influence decision-making. Collaborative efforts with public institutions and industry partners further extend the company's contribution to national sustainability objectives.

In recognition of its measurable progress, DRC received an award from PepsiCo for sustainable energy consumption. By aligning purpose with performance, DRC continues to strengthen its role in advancing the UAE's sustainability transition while maintaining respect for its cultural and environmental legacy.

Key Material Topics

Dubai Refreshment PJSC applies a structured process to assess and manage environmental priorities within its operations. Regular reviews are conducted to evaluate the relevance and effectiveness of existing initiatives, ensuring decisions are based on measurable outcomes and stakeholder input.

The Company's reporting and action planning are informed by the outcomes of a stakeholder-driven materiality assessment, which identified the environmental, social, and governance topics most relevant to the business based on stakeholder inputs and internal evaluations. These outcomes continue to guide reporting priorities in 2025, supporting transparency and alignment with applicable sustainability frameworks.

Environmental Landscape

- Energy Management and Carbon Footprint
- Water Management
- Waste Management

People and Progress

- Employee Welfare and Diversity
- Developing high-quality products
- Investing in our community

Responsible Governance

- Board Composition
- Business Ethics

Environmental Landscape

SDG Alignments- SDG 12, SDG 13, SDG 14, SDG 15

1. Energy Management and Carbon Footprint
2. Water Management
3. Waste Management

Energy Management and Carbon Footprint

DRC is advancing towards an operational model where industrial performance and environmental stewardship progress in parallel. Acknowledging the environmental implications of its activities, the Company continues to embed sustainability into core business processes, with a focus on reducing its ecological impact through efficient resource utilisation and technology-led improvements.

The Company fully implemented its LED lighting initiative in 2025, replacing all lights with energy-efficient alternatives. The Company completed the transition to a fully operational liquefied petroleum gas (LPG) system in the same year, effectively replacing diesel usage and reducing associated emissions.

This approach involves continuous evaluation of production systems, material flows, and decision frameworks to drive resource efficiency and minimise waste. Sustainability principles are systematically integrated across DRC's products, infrastructure, and supply chain operations, ensuring responsible practices are applied throughout the value chain.

This commitment is reinforced through a continuous improvement approach whereby sustainability considerations are integrated alongside efficiency and cost-optimisation objectives. Measures relating to material reduction, energy optimisation, and digitalisation form the foundation of DRC's operational excellence programme, ensuring that environmental performance advances in parallel with business growth.

Initiatives performed in 2025

In 2025, some of the initiatives were performed to enhance the sustainability effort and improve efficiency within the Company:

- In 2025, the Company completed energy-saving initiatives focused on optimising the HVAC system. These measures delivered average cost savings of approximately **AED 200,000 per year**, supporting improved energy efficiency and operational performance.

- In December 2025, DRC obtained ISO 14001:2015 Environmental Management System (EMS) certification. This certification strengthens the Company's environmental governance framework by formalising monitoring, control, and continual improvement processes, supporting regulatory compliance and effective environmental performance management.

Renewable energy forms an integral component of DRC's operational framework. In 2025, sustainable sources accounted for approximately 8.29% of total energy consumption, with on-site solar generation contributing 5,523,904 kilowatt-hours. DRC's ongoing efforts to decarbonise its energy mix and enhance operational efficiency through responsible resource management are evident in this transition.

Emissions

During 2025, DRC recorded a phase of operational expansion driven by stronger market demand across its beverage portfolio. Production output reached 339,876,451 litres, underscoring both the scale of operations and an expanding consumer base. To support increased distribution needs, additional delivery vehicles were deployed, resulting in a corresponding rise in energy and fuel consumption, a typical outcome of capacity growth. To counterbalance the rise in distribution-related fuel consumption, DRC is implementing targeted measures to enhance the efficiency of its logistics fleet. Improved engine designs have been introduced to minimise diesel usage and optimise vehicle performance.

In 2025, Scope 1 emissions increased to 12006.19 tCO₂e, while Scope 2 emissions rose to 7553.97 tCO₂e. These changes are primarily linked to higher production volumes rather than a decline in process efficiency. Despite the rise in absolute emissions, DRC maintained a consistent emissions intensity of 0.057 KgCO₂e per litre of output, indicating continued operational efficiency.

The Company remains focused on decoupling growth from emissions by advancing efficiency initiatives, integrating low-carbon technologies, and enhancing data-driven oversight of energy and resource consumption.

Scope 1 Emissions

Year	Scope 1 Emissions* (tonneCO ₂ eq)
2022	10,450
2023	11,787.427
2024	11,438.328
2025	12,006.198

Scope 2 Emissions

Year	Scope 2 Emissions** (tonneCO ₂ eq)
2022	6,519
2023	7,033.7
2024	7,264.80
2025	7,553.97

*[**Footnote: For the Scope 2 Emissions table, the calculations have been derived using the emission factor provided by DEWA (Dubai Electricity and Water Authority) for the respective year. DEWA's emission factor is employed to estimate the indirect emissions associated with electricity consumption, ensuring accuracy and alignment with local energy standards.]*

Total GHG Emissions:

Year	Total GHG Emissions (tonneCO ₂ eq)
2022	16,969
2023	18,189.1
2024	18,703.128
2025	19,560.17

GHG Emissions Intensity (kg of CO₂e/Litre of production)

Year	Intensity (kg CO ₂ e/Litre)
2022	0.058
2023	0.060
2024	0.058
2025	0.057

Energy Usage

DRC continues to demonstrate a structured and data-driven approach to energy management, aligning operational growth with environmental accountability. The Company's energy management policy emphasises performance tracking through key indicators, such as total consumption, energy intensity, and the share of renewable energy within its overall mix.

In 2025, DRC's direct energy use went up from 159,447 GJ in 2024 to 171,515 GJ, mostly due to higher diesel usage in company-used delivery trucks. Correspondingly, the direct energy intensity increased from 0.4974 MJ per litre of production in 2024 to 0.5046 in 2025, reflecting an increase of approximately 1.44%.

Despite this increase, the Company continues to focus on optimising energy performance and reducing its reliance on conventional fuel sources through systematic monitoring and targeted efficiency initiatives, reinforcing its commitment to responsible energy management across operations.

Energy Intensity

Year	2022	2023	2024	2025
Diesel and Fuel use intensity (Direct Energy in MJ/Litre)	0.4842	0.5193	0.4974	0.5046
Electricity use intensity (Indirect Energy in MJ/Litre)	0.1998	0.2031	0.2050	0.2011

Direct and Indirect Energy usage

Year	2022	2023	2024	2025
Total Direct Energy Consumed (GJ)	140,798	160,237.51	159,447.3	171,515.425
Total Indirect Energy Consumed (GJ)	58,077	62,662.08	65,728.50	68,344.744

Non-Renewable Energy usage in 2025

	Non-renewable Energy (Fuel) used	Non-renewable Energy (Electricity) used
in %	71.51	28.49

Solar Energy

DRC has strengthened its transition towards low-carbon operations through the integration of renewable energy within its production facilities. With a total rooftop area of 50,000 square meters fitted with solar photovoltaic panels, they support the Company's objective to diversify its energy sources.

During 2025, the solar power installation generated 5,523,904 kilowatt-hours of renewable electricity, representing 8.29% of DRC's total energy consumption and 29.10% of its indirect

energy use. The use of solar power has contributed to a measurable reduction in reliance on grid-based electricity and a corresponding decrease in associated carbon emissions.

This initiative reflects DRC's structured approach to embedding renewable energy within its operational framework and advancing progress towards its broader decarbonisation objectives.

Key highlight

1. Solar power generation of 5,523,904 kWh in 2025
2. 8.29% share of renewable energy in total energy consumption

Air Quality and Noise Levels

The Company applies a structured environmental monitoring framework across its sites, with consistent assessment of ambient air quality and noise parameters. The monitoring activities are undertaken using validated methodologies to ensure full conformity with the environmental performance thresholds mandated by the Dubai Government's Green Building Regulations and Specifications.

Water Management

Given the nature of DRC's operations, efficient water management remains a central component of its environmental strategy and sustainability objectives. The Company adopts a systematic approach to water use, focusing on conservation, recycling, and the implementation of wastewater treatment solutions. Through the continuous optimisation of processes, DRC aims to minimise freshwater dependency and ensure responsible utilisation of water resources, thereby supporting ecosystem resilience and safeguarding community well-being.

Water Consumption and Efficiency

In 2025, DRC recorded total water consumption of 541,994 m³, compared to 475,404 m³ in 2024. While overall water consumption increased, water intensity remained largely stable, changing marginally from 1.52 litres per litre of production in 2024 to 1.58 litres in 2025. This reflects the Company's continued focus on maintaining efficient water management practices across its operations.

Year	2022	2023	2024	2025
Total Amount of Water Consumed (in m3)	458,478	462,632	475,404	541,994

Water Discharge

Water discharge levels have changed over time, with a considerable decrease reported in 2025. This represents a reduction of approximately 32.99% compared with the previous year, reflecting the effectiveness of ongoing water management and process optimisation measures.

Building on this progress, the Company continues to focus on further reducing water outflows through additional solutions and process enhancements, including the redesign of operating workflows and the evaluation of advanced water recycling technologies.

Year	2022	2023	2024	2025
Total Amount of Water Discharged (in m3)	38,179	66,967	49,470	33,145

Water Recycling

In 2025, DRC reported water recycling volumes of 177,466 m³, compared with 179,112 m³ in 2024, representing a marginal decrease of approximately 0.91%. Despite this slight decline, recycled water continues to play a significant role in supporting operational requirements and strengthening water management resilience in a region characterised by limited freshwater availability.

Year	2022	2023	2024	2025
Total Amount of Water Recycled (in m3)	152,550	144,746	179,112	177,466

Water Management Performance

In 2025, 32.74% of total water consumed was recycled amounting to 177,466 m³.

	Total Water Consumed	Total Water Recycled
%	100%	32.74%
m3	541,994	177,466

Building on the progress achieved in water management, DRC is pursuing advanced approaches to optimising performance, with an emphasis on lowering overall consumption, expanding recycling capacity, and reducing water outflows.

Waste Management

Sustainability continues to guide DRC's operational strategy, reflecting the ambitions of the UAE Vision 2030. Waste is treated as a resource, not a disposable output. Systems are in

place to cut down on waste generation and boost recovery in production and warehousing. The Company's facilities are equipped with organised segregation infrastructure to enable responsible handling of materials and ensure compliance with environmental standards.

In 2025, as production volumes grew by 6.01%, total waste generation increased by 39.40% compared with the previous year, reaching 1,606 tonnes. However, the proportion of waste diverted from disposal remained strong, with 77.77% (1,249 tonnes) of the total waste recovered for recycling and reuse. This continues a positive trend from 2024 (75.52%) and 2023 (73.37%). The remaining 22.23% (357 tonnes) was directed at disposal. All waste generated during the year was classified as non-hazardous, demonstrating the Company's continued focus on maintaining safe and sustainable material management systems.

Supporting these outcomes, DRC continues to advance packaging sustainability through material optimisation and increased recyclability. Ongoing development has resulted in a lighter can-lid design, which has successfully passed performance trials and is scheduled for commercial launch in 2026. This innovation is expected to reduce metal consumption and associated environmental impacts.

	Year	2022	2023	2024	2025
In tonnes	Waste Diverted from Disposal	727	755	870	1,249
	Waste Directed to Disposal	257	274	282	357
	Total Waste Generated	984	1,029	1,152	1,606

Key Highlights

- 1,606 tonnes of waste generated
- Waste: 77.77% diverted from disposal and 22.23% directed to disposal.

People and Progress

SDG alignments - SDG 3, SDG 5, SDG 8, SDG 10

1. Employee Welfare & Diversity
2. Our Customers & Community

Employee Welfare and Diversity

DRC's performance and progress are driven by the people who form its workforce. The Company is committed to maintaining a workplace where employees can strengthen their skills, shape long-term career pathways, and access the support needed to perform effectively. Beyond traditional training, DRC has established a range of structured development avenues that enable staff to gain practical experience and assume broader responsibilities over time. New joiners become part of an environment that promotes continuous learning, steady personal growth, and strong day-to-day performance.

Staff are expected to contribute their insights and maintain a respectful, positive working atmosphere. In 2025, the Company recorded a turnover rate of 12.21%, compared with 12.95% in 2024.

During the year, DRC recruited 191 new employees. Men accounted for 92% of these appointments and women for 7.9% The Company continues to work towards a workplace where people of different backgrounds and genders can progress without barriers.

[Key Highlights]

- Women represent 10% of the Senior and Executive Management positions at DRC in 2025, 1.53% increase from 2024.

Employee Composition

Diversity Overview	2022	2023	2024	2025
Total Full-Time Employees	1,058	1,194	1,235	1266
Total Male Employees	1,020	1,148	1,184	1211
Total Female Employees	38	46	51	55
Turnover Rate	11%	9.72%	12.95%	12.21%

Entry-level Employees	Male	185	193	194	200
	Female	19	28	35	37
Mid-level Employees	Male	64	68	64	64
	Female	13	12	11	12
Senior-level Employees	Male	34	36	38	36
	Female	4	4	4	5
Executive-level Employees	Male	14	14	16	18
	Female	2	2	1	1

Total New Employee Hires	2023	2024	2025
Age 18-30	36.2%	56.97%	59.7%
Age 31-50	56.9%	43.02%	39.3%
Age 51 years and above	6.9%	0%	1.05%

Key Highlights

- Emirati representation remains embedded across key leadership levels at DRC. Emiratis account for 8.3% of Senior Management and Executive roles and 3.9% of Middle Management positions.
- Women account for 66.66% of total Emirati employees, reflecting a balanced intake of national talent across genders.
- A significant share of Emirati colleagues, 48.48%, fall within the 18 to 30 age group. Their presence introduces new perspectives and supports the Company's drive for continuous improvement.
- Emiratis represent 11.91% of DRC's total skilled workforce. This reflects ongoing progress in advancing national employment priorities.

Emiratisation Overview		2022	2023	2024	2025
	% of local employees	5.7%	7.8%	10%	11.91%
	Entry-level	11	16	22	25
	Mid-level	1	2	1	3
	Senior-level	1	1	2	4

	Executive-level	2	2	2	1
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DRC's Human Rights Framework

Respect for human and labour rights forms part of DRC's wider approach to workforce governance. The Company has set clear standards and controls that guide how employees are treated, supported, and engaged across all its sites. These standards reflect the expectations set by Federal Decree-Law No. 33 of 2021, which provides the national framework for employment practices in the private sector.

Policies addressing discrimination, fairness, and equal treatment are already embedded and are applied consistently throughout the workforce. Training programmes are used to reinforce these expectations, ensuring that staff understand both their entitlements and the conduct required of them. This contributes to a workplace culture in which employees can operate with clarity and confidence.

By maintaining these structures and routinely communicating with them, DRC seeks to build a working environment defined by dignity, transparency, and responsible practice.

The following policies are in place at DRC to protect the rights of its employees

- Harassment and/or Non-Discrimination Policy
- Formal Grievance Mechanism
- Child and/or Forced Labour Policy
- Human Rights Policy

Remuneration

DRC manages compensation through a structured framework designed to support capability development and maintain a stable, high-performing workforce. The framework combines external market data with internal role evaluations to ensure reward decisions remain consistent and defensible.

Pay equity is a defined principle within this system. Roles are assessed on their requirements and outputs, and remuneration is set accordingly. Gender or personal characteristics do not factor into these determinations. For 2025, the median pay ratio between male and female employees was 1:1 This outcome reflects the distribution of employees across job grades and functional areas rather than unequal treatment.

The Company continues to strengthen its remuneration governance, focusing on transparency, fairness and alignment with career pathways, ensuring that reward outcomes are linked to contribution and professional growth.

Remuneration Ratio*	2024	2025
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Pay Ratio Median Male: Female	1:1	0.9:1
Pay Ratio Median CEO: Employees**	30.4:1	31.2:1

[* (i) Employees in Grades 1 and 2 have been excluded due to differences in remuneration structure, including in-kind benefits.

(ii) The 2024 pay ratio has been restated to align with the 2025 calculation methodology.

**CEO's remuneration reflects a transition period, as the full remuneration package for the current CEO has not yet been finalised.]

Employee Health & Safety

Managing health and safety is treated as a core operational requirement across DRC's facilities, especially in production and logistics settings where exposure to physical risk is higher. The Company applies a structured approach to risk control that places equal responsibility on leadership and frontline teams.

DRC's safety framework is built around the ISO 45001 management system, which defines the processes used to identify hazards, train employees, and implement protective measures. Regular briefings, procedural guidance and competency development form part of this system, ensuring staff have the knowledge needed to work safely.

Clear expectations are set for employees, supervisors, and contractors, and performance is monitored against defined objectives. Through ongoing risk assessments and targeted improvements, DRC works to maintain a safe operating environment and strengthen its overall safety culture.

In accordance with Clause 13 of Article 13 of Federal Decree-Law No. 33 of 2021 regulating Labour Relations in the Private Sector (the UAE labour law), it is dedicated to:

- Adhering to UAE regulations on workplace safety (UAE Labour Law).
- Regular internal as well as external audits are carried out to identify current and potential risks, followed by on-site inspections to effectively address issues related to safety and health.
- Occupational Health and Safety (OHS) objectives and targets are defined and reviewed in accordance with industry standards, and frameworks are regularly updated to ensure relevance.
- Open communication channels ensure that employees and stakeholders are constantly informed and involved in health and safety issues.
- OHS policies undergo review on a regular basis to ensure that they are up-to-date and useful, and in line with the DRC's operational goals.
- Emphasising accountability for reportable incidents to drive awareness and build a workplace where safety and health are top priorities.
- Ensuring robust risk controls, including regular inspections of personal protective equipment.

- Conducting engaging discussions with employees about important health concerns such as managing fatigue, minimising heat stress, and protecting hearing and respiratory health, so promoting workplace well-being.

DRC manages workplace safety through defined procedures aimed at reducing the likelihood of incidents. The Company monitors conditions that may present risk and addresses them through routine checks and corrective actions. These activities form part of day-to-day operations and support a controlled working environment for employees and other site users.

Overview of the Health & Safety Performance

Metric	2023	2024	2025
Total number of employee fatalities	1	0	0
Employee Lost Time injury (LTI)	5	2	1
Lost Time Injury Frequency (LTIF)	1.51	0.56	0.27
Total Health and Safety Training Provided	515 hours	981 hours	462 hours

Our Customers and Community

DRC's social initiatives are guided by its CSR framework, which emphasises community wellbeing, responsible business conduct, and alignment with national development priorities. Programmes are selected based on local needs assessments, stakeholder engagement, and their ability to create measurable outcomes for both the community and customers.

Supporting Local Communities

In 2025, DRC continued its community investment efforts through targeted programs designed to address specific social needs. One of the key initiatives was the CSR through Wheelchairs program, under which DRC provided AED 24,000 to supply mobility equipment to eight charitable organizations. Beneficiaries included the Khorfakkan Club for the Disabled, Al Noor Rehabilitation Centre, Rashid Centre for People of Determination, Ajman Club for disabled, UAE Genetic Diseases Association and the Emirates for Parent's Care and Relief. The program supported individuals requiring enhanced mobility assistance and formed part of DRC's ongoing participation in social support activities across the UAE.

Promoting Health and Active Lifestyles Through Sports

DRC expanded its support for health and wellness by partnering with the Dubai Sports Council. As part of this collaboration, DRC contributed AED 22,609 and supplied Aquafina water for

several sporting events, including the 6th Labor Sports throwball Tournament, 6th Labor Sports throwball Tournament, 34th Dubai International basketball Championship, 6th Labor Yoga Day Celebrations and Dubai International Aquatics Championship 2025. These events encouraged participation across diverse community groups and supported national objectives related to physical activity and wellbeing.

Employee and Community Support Initiatives

Several additional activities were undertaken during the year:

- Blood Donation Drive: 86 employees actively participated in a blood donation campaign organised in collaboration with the Dubai Health Authority.
- Support for Blue-Collar Workers: This year, DRC partnered with Al Shafar Contracting Company to support worker welfare. As part of our ongoing initiatives, over 1,500 workers received Aquafina water, soft drinks, and snacks.
- Social Care Center for the Elderly and Children (Sharjah): 36 individuals were supported with breakfast and lunch as part of DRC's community outreach efforts.

These initiatives reflect DRC's broader approach to engaging employees in community-focused activities and providing practical support where relevant.

Responsible Governance

SDG Alignment - SDG 6, SDG10, SDG12

1. Board Composition
2. Business Ethics

Board Composition

The Board of Directors provides oversight of Dubai Refreshment PJSC strategy, performance and governance, in line with the requirements of the UAE Federal Decree Law No. 32 of 2021 on commercial companies and the Capital Market Authority's Governance Guide for joint stock companies. Our board of directors is composed of seven members, all of which including the chairman holding UAE nationality, and with a mix of independent and non-executive directors, as set out in our Articles of Association and corporate governance manual. We separate the roles of chairman and the Company's management and do not combine the position of chairman with any executive role. This separation is intended to support clear accountability between strategic oversight and day-to-day management. The board is supported by standing committees for audit, nomination and bonuses, and investment, which are all composed of non-executive members and chaired by independent directors, in line with regulatory requirements for independence and financial competence.

In exercising our responsibilities, we focus on long-term value creation for shareholders while taking account of our wider responsibilities to employees, customers, suppliers, and other stakeholders. We oversee our risk management, internal control and compliance frameworks, including the work of internal audit, risk management and compliance functions, and we engage an external auditor to provide independent assurance over our financial reporting, in accordance with applicable UAE legislation and standards issued by the Ministry of Economy and the Capital Market Authority.

Board members are nominated and elected by the Company's shareholders during the General Assembly and through a transparent process, disclosed to the market and shareholders, and must meet fit and proper, independence, and competency criteria, including a clean record in relation to integrity and financial crime. We conduct annual performance evaluations of the board, its committees and its directors, and periodically use an external assessor, using the results to inform succession planning and director development. Through these governance practices, we aim to maintain an effective, diverse and informed board that can oversee the Company's strategy, risk profile and sustainability priorities in line with UAE regulatory expectations and international practice.

The Board of Directors consists of seven members who are carefully selected to provide professional insight. It consists of six men and one woman, with three independent members providing unbiased viewpoints and four non-independent members providing in-depth experience of work culture and ethics. The CEO focuses solely on executive duties and does not hold a position on the Board, creating a distinct separation of governance and management.

No.	Name	Position	Type of Membership
1	Mr. Ahmad bin Eisa Al Serkal	Chairman	Non-executive Non-independent
2	Mr. Ali Bin Humaid Alowais	Vice chairman	Non-executive Non-independent
3	Mr. Mohammad Saeed Rashed Ali Alshehhi	Board member	Non-executive Non-independent
4	Mr. Buti Obaid Buti Almulla	Board member	Non-executive Non-independent
5	Mr. Nawwaf Ghubash Almarri	Board member	Non-executive Independent
6	Mr. Mohamed Ali Nasir Alowais	Board member	Non-executive Independent
7	Mrs. Farida Mohammad Rafi	Board Member	Non-executive Independent
*	Mr. Ibrahim Abdulrazzak Ustadi	Board member	Non-executive Non-Independent

**In February 2025, Mr. Ibrahim Abdulrazzak Ustadi formally submitted his resignation to the Board of Directors. Subsequently, on 11 February 2025, the Board of Directors appointed Mr. Mohammad Alshehhi as a non-independent board member.*

Board Diversity	2023	2024	2025
Males (%)	6 (83.3%)	6 (83.3%)	6 (83.3%)
Females (%)	1 (16.7%)	1 (16.7%)	1 (16.7%)

Committees

DRC's Board has established committees that support effective governance and provide structured oversight of key matters. Each committee operates under defined terms of reference and assists the Board in monitoring performance, managing risks and ensuring compliance with applicable regulations.

Delegation of Authority and Management

The administrative and operational activities of the are under the supervision of the Board of Directors. A team consisting of the CEO, directors, vice presidents, head of departments and

managers executes its responsibilities in accordance with the directives of the Board of Directors.

The Audit Committee

The Audit Committee at Dubai Refreshment PJSC plays a central role in upholding accountability and transparency across our operations. Chaired by Mr. Nawwaf Ghubash Almarri, an independent non-executive member of the Board of Directors, the Committee provides dedicated oversight of our internal controls, governance systems, and financial reporting processes. This leadership ensures that our practices remain aligned with UAE Federal Decree Law No. 32 of 2021 on commercial companies, the Capital Market Authority Decision No. 3 of 2020 on joint stock company governance, and other relevant regulations.

The Committee's core responsibilities encompass a comprehensive range of activities designed to safeguard our financial integrity and operational resilience:

Monitoring and strengthening internal controls

The Committee regularly assesses the effectiveness of our internal control frameworks, identifying areas for improvement, and ensuring that any required corrective measures are implemented promptly to mitigate risks.

Audit oversight and approval

It approves both internal and external audit plans, reviews audit findings, and monitors the implementation of recommendations, providing assurance on the reliability of our financial statements and compliance with accepted accounting principles.

Financial reporting review

Detailed examination of interim and annual financial accounts, reports, and disclosures to verify accuracy, completeness, and adherence to regulatory standards before Board approval.

Compliance and ethical standards

Promotion of a culture of integrity by enforcing our code of conduct, addressing potential conflicts of interest, and ensuring all employees and management uphold the Company values in daily operations.

Risk integration

Following the dissolution of the standalone Risk Committee in 2025, the Audit Committee now supervises all risk-related functions, evaluating enterprise-wide risks, and recommending enhancements to our risk management policies.

Comprising entirely non-executive and independent members, the Committee operates with full independence from executive management. Meetings are held regularly, with detailed minutes recorded and reported to the full Board, fostering transparent decision-making.

Through these structured processes, the Audit Committee not only meets regulatory obligations but also contributes to long-term sustainability by embedding robust governance into our ESG framework. This approach helps protect stakeholder interests, including shareholders, employees, and regulators, while supporting our strategic objectives.

Name	Position	Type of Membership
Mr. Nawwaf Ghubash Almarri	Chairperson of the Committee	Non-executive Independent

Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive Independent
Mrs. Farida Mohammad Rafi	Committee Member	Non-executive Independent

The Nominations and Bonuses Committee

The Nomination and Bonus Committee is charged with safeguarding the independence of Board members in accordance with Capital Market Authority (CMA) regulations, ensuring full compliance with all relevant standards. The Committee is responsible for the formulation, regular review, and enhancement of remuneration policies for the Board, executive management, guaranteeing that compensation structures are aligned with organizational objectives and the long-term interests of shareholders. In addition, the Committee systematically evaluates the effectiveness of these policies, oversees the implementation of the Board of Directors performance assessment processes, and monitors the submission of Board training and development reports. It provides the Board with reports encompassing compensation frameworks, nomination processes, self-assessment outcomes, and recommendations for executive appointments. All deliberations, decisions, and recommendations are meticulously documented to ensure transparency and accountability.

Chaired by Mrs. Farida Mohammad Rafi, an independent Board member, the Committee includes three Independent Non-Executive Directors (including the chairperson of the committee). The framework promotes balance, equity, and clarity in decision-making, fostering a workplace defined by integrity and opportunity.

Name	Position	Type of Membership
Mrs. Farida Mohammad Rafi	Chairperson of the Committee	Non-executive Independent
Mr. Mohammad Alshehhi	Committee Member	Non-executive Non-Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive Independent

Investment Committee

The Investment Committee delivers specialised oversight of our investment activities, reviewing policies, feasibility studies, due diligence, and strategic opportunities such as mergers, acquisitions, and joint ventures. Established to align investments with our overall risk profile and long-term objectives, it guides negotiations for optimal terms, monitors performance and costs, recommends asset allocations across financial instruments and sectors, and ensures full compliance with UAE regulations, including CMA requirements. The committee supports and reports directly to the board.

Key responsibilities of the committee include-

- Reviewing/recommending investment policies, feasibility studies, due diligence, and strategic decisions (e.g., M&A, joint ventures).
- Overseeing negotiations for favorable terms and monitoring investment performance, risks, and costs.
- Advising asset allocation across classes (e.g., instruments, sectors) and guiding Executive Management on activities/corrective plans.
- Recommending external consultants and ensuring compliance with local laws/regulations.
- Addressing any additional matters referred by the Board

Name	Position	Type of Membership
Mr. Nawwaf Ghubash Almarri	Chairperson of the Committee	Non-executive Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive Independent
Mr. Mohammad Alshehhi	Committee Member	Non-Executive Non-Independent

Insider Trading & Related Party Transaction Committee

DRC maintains a dedicated committee, established by Board resolution in line with CMA Decision (03/R.M) of 2020 and amendments, to oversee insider trading and related party transactions, ensuring compliance with disclosure rules and market regulations.

Key responsibilities of the committee include-

- Updating and maintaining the insider list, with authority to designate additional restricted parties based on inside information.
- Monitoring trading activities and stock performance, providing regular updates to regulators and board members.
- Enforcing ethical practices through oversight of disclosures, as detailed in the Annual Corporate Governance Report.

Business Ethics

We embed business ethics into our core operations, guiding decisions and actions to uphold integrity, transparency, and compliance with UAE regulations. This commitment builds trust among stakeholders, mitigates legal, reputational, and operational risks, and supports sustainable value creation across our ESG priorities. By prioritising ethical conduct, we empower employees and partners to navigate complex challenges responsibly, while promoting accountability through structured oversight mechanisms like our Code of Conduct and whistleblower channels. These practices align with regulatory expectations and at the same time drive long-term resilience and positive stakeholder relationships.

Our Code of Conduct

Dubai Refreshment PJSC operates on clearly defined standards of behavior that apply to everyone who represents the business. The Code of Business Conduct sets expectations for how we act, make decisions, and manage risks in line with UAE law and stakeholder expectations. These expectations are translated into following responsibilities for all who fall within the scope of the Code:

- The Code covers Board members, Executive Management, employees and relevant third parties who act on our behalf.
- Human Resources coordinates implementation, training and communication, and supports leaders in addressing breaches.
- The Chief Executive Officer approves of disciplinary actions for violations and may refer significant cases to the Audit Committee.
- New joiners, including Directors and employees, sign an acknowledgement confirming that they understand and will follow the Code.

Code of Conduct for the Board

The Board is expected to set the tone for ethical conduct, ensuring that governance decisions reflect integrity, accountability, and transparency. Board members are required to show good judgement, relevant experience, and clean personal records. These expectations are put into practice through the following behaviours and controls:

- Act at all times in the best interests of the Company and its shareholders, not in the interests of any other party.
- Comply with all applicable laws, regulations and internal policies, including those on anti-money laundering and counter terrorist financing.
- Avoid any activity, relationship or external role that could create a real or perceived conflict with Board responsibilities.
- Refrain from using confidential information, influence, or business opportunities gained through their position for personal gain.
- Protect the Company assets and information, ensuring that documents, data and facilities are used only for authorised purposes.
- Disclose any conflicts of interest in line with Board procedures and abstain from related discussions and decisions.
- Respect the gifts and hospitality rules and raise any situation that might create a perception of undue influence.

Ethical Standards for Employees and Management

Employees, including Executive Management, are expected to uphold the same ethical standards in their day-to-day work, with particular emphasis on integrity, accurate reporting, and compliance. The Code clarifies how colleagues should behave in situations involving personal interest, financial control, or workplace conduct.

These expectations are reflected in a set of clear, practical requirements for all staff:

- Conduct business honestly and transparently, avoiding deceit, misuse of authority or personal benefit from the Company dealings.
- Follow all applicable laws, regulations and internal policies, including those governing accounting, reporting and document retention.
- Maintain accurate and complete financial and operational records so that transactions are properly reflected and auditable.
- Do not offer, request, or accept bribes, kickbacks, commissions, or other benefits that could influence business decisions.
- Avoid conflicts of interest and promptly declare any existing or potential conflict so that it can be assessed and managed.
- Support a workplace free from harassment, bullying and discrimination, and treat colleagues and partners with dignity and respect.
- Comply with health, safety and security procedures, report hazards, and refrain from working under the influence of drugs or alcohol.
- Safeguard the Company property, systems and confidential information, including trade secrets, personal data and unpublished financial information.

Working with Customers, Suppliers and Other Partners

The Code also sets expectations for how Dubai Refreshment PJSC engages with customers, suppliers, and competitors. These standards are designed to ensure that commercial decisions remain objective, responsible, and compliant with applicable competition and procurement rules.

These expectations translate into concrete commitments in our external relationships:

- Apply transparent criteria in selecting suppliers, focusing on quality, reliability, price and compliance with legal and ethical standards.
- Avoid personal relationships or financial interests that could bias procurement or contracting decisions and disclose any such interests.
- Provide customers with information that is fair, accurate and not misleading, and honour contractual commitments in good faith.
- Protect customer information and commercially sensitive data, sharing it only where authorised and necessary.
- Compete fairly in the marketplace, avoiding disparagement of competitors and refraining from collusive or anti-competitive practices.
- Ensure that neither employees nor close family members hold significant interests in competitors or key suppliers without formal approval and oversight.

Conflicts of Interest Management

Conflicts of interest can undermine effective oversight if they are not identified and managed transparently, so Board members are required to act solely in the interests of Dubai Refreshment PJSC and to perform their fiduciary duties in a way that maintains the confidence of internal and external stakeholders. Any situation that could compromise, or appear to compromise, impartial judgement must be disclosed, assessed and recorded so that Board decisions remain objective and trustworthy.

These expectations are applied through the below mentioned clear procedures that govern how conflicts are handled in practice:

- Board members promptly disclose any potential or actual conflict of interest and refrain from participating in related discussions or votes.
- The Board Secretary records all declared conflicts in meeting minutes and maintains an up-to-date conflict of interest register, including actions taken.
- Where it is unclear whether a matter constitutes a conflict, the Chair, or a delegate, determines if a conflict exists and how it should be managed.
- If a conflict is considered likely to affect a member's objectivity, that member may be asked to leave the room while the relevant agenda item is discussed.

Data Privacy

DRC prioritises the protection of sensitive information across its operations, maintaining a robust data privacy framework that safeguards trade secrets, confidential data, and stakeholder interests. In 2025, we sustained our strong record with zero data breaches reported in 2023 and 2024, supported by comprehensive employee training on data privacy and security during induction and ongoing orientation. Our ICT policy clearly defines data handling responsibilities, permissible sharing practices, and prohibitions on using sensitive information for personal gain, ensuring ethical management throughout the data lifecycle, from collection and usage to retention and disclosure.

E-Signature Platform

Implemented in 2024 across departments and third-party contracts and continued with our commitment in 2025 of reducing paper usage, minimising physical commuting (and associated fuel consumption), and enhancing document workflow tracking for greater accountability.

SAP ERP Migration to Cloud

Transitioned from on-premises to Amazon Cloud services with S/4HANA by early 2025, improving data security, scalability, and operational efficiency while maintaining strict compliance.

Employee Responsibilities

All team members handle information with care, adhering to daily protocols for secure storage and return of sensitive documents, fostering a culture of trust and integrity.

ICT manages technical infrastructure and data systems, while internal business communications fall under a separate team. These measures align with UAE regulations, building stakeholder confidence through transparent and responsible information governance.

Whistleblower Procedure

We maintain a structured whistleblower procedure to promote transparency and accountability, enabling employees to report malpractice, potential fraud, or misconduct via the dedicated email drcaudit@eim.ae. Reports should include the whistleblower details (if provided), subject details, concern specifics, and supporting evidence. The Legal Director logs all claim

confidentially, acknowledges receipt, and assesses validity before escalating to the Audit Committee for investigation scope, including potential external consultants.

Key procedural steps ensure thorough handling:

- Legal Director provides feedback on endorsement, additional evidence needs, or whistleblower participation.
- Periodic reviews and follow-ups with reporters to complete investigations.
- Final reports to the Audit Committee cover executive summary, background, activities/results, findings, conclusions, action plans, and documents.
- Post-investigation, implementation is rigorously monitored.
- Legal Director tracks action plan progress, escalating delays to the Audit Committee if timelines are missed.

This process protects reporters from retaliation and aligns with UAE regulations, fostering ethical governance and stakeholder trust.

Grievance Procedure

We support fair resolution of workplace issues through structured grievance procedures, encouraging reports of unlawful, discriminatory behavior, or professional challenges. Every employee, irrespective of age, gender, role, or cultural background, can voice concerns without fear, recognising that differences may arise in working practices, conditions, relationships, or policies. Grievances are handled systematically to ensure justice and respect:

- Submission to Employee Relations in the HR department for full investigation and support.
- Escalation to senior management when additional oversight is required.
- Implementation of appropriate actions aligned with established policies and procedures.
- This inclusive process addresses diverse workplace dynamics, fostering an equitable and supportive environment.

Responsible Supply Chain and Procurement

Dubai Refreshment Company continues to evolve its approach to responsible procurement and supplier engagement, recognising the central role that suppliers play in maintaining quality, safety and sustainability across the value chain. We have initiated conversations with key partners to explore alignment with future environmental, social, and governance standards.

These efforts are supported by defined internal oversight mechanisms and continuous operational improvements across supply chain functions.

Supplier Engagement and Procurement Practices

Engagement with suppliers currently takes place on an informal basis, with discussions aimed at understanding existing sustainability-related initiatives and overall readiness.

For new suppliers of significant volume and value, procurement due diligence includes an assessment of financial stability, operational capability, client history, and prior approval by

PepsiCo. As this framework evolves, the company is exploring opportunities to progressively consider environmental and social aspects within relevant supplier assessments.

Internal Quality and Compliance Oversight

Dubai Refreshment Company undertakes internal quality audits to ensure adherence to agreed specifications and operational standards. In addition, PepsiCo conducts its own supply chain audits as part of its independent oversight processes.

Instances of non-compliance identified through internal controls are managed through corrective action reports, with escalation to formal notification where required in line with internal procedures.

Logistics and Operational Efficiency

Implementation of digital route optimisation software has improved delivery path efficiency, reducing travel time and fuel consumption. We have ongoing initiatives to reduce fuel use across our fleet, including the introduction of hybrid saloon cars and consideration of more efficient vehicle technologies where feasible. Across all supply and operational functions, sustainability forms part of the company's broader efficiency strategy. Efforts to reduce material use, improve energy efficiency and adopt digital systems continue to guide our approach to responsible and resilient supply chain management.

Appendices

1. Restatement of Information
2. DFM/GRI Index

Restatement of Information

To ensure consistency and comparability, the pay ratio for 2024 has been recalculated using the same methodology applied in 2025. This includes excluding employees in Grades 1 and 2 due to differences in remuneration structure, where a significant portion of total compensation is provided through in-kind benefits such as employer-provided accommodation. As a result, previously reported figures for 2024 have been restated.

DFM AND GRI INDEX

CATEGORY	DFM METRIC	INDICATOR	GRI STANDARD S	SDGS	PAGE NUMBER
ENVIRONMENTAL	E1. GHG Emissions	E1.1) Total amount of Scope 1 emissions	GRI: 1-305	SDG 13	10
		E1.2) Total amount of Scope 2 emissions	GRI: 305 - 2		10
		E1.3) Total amount of Scope 3 emissions	GRI: 3-305		NA
		E1.4) Please describe investments, initiatives and projects to reduce CO2 emissions			9
	E2. Emissions Intensity	E2.1) GHG emissions intensity	GRI: 4-305	SDG 13	11
		E2.2) Non-GHG emissions intensity	GRI: 7-305		12
	E3. Energy Usage	E3.1) Total amount of direct energy consumed	GRI: 1,2-302	SDG 12	12
		E3.2) Total amount of indirect energy consumed	GRI: 1,2-302		12
	E4. Energy Intensity	E4.1) Direct energy use intensity	GRI: 1-302	SDG 7, SDG 12	11
		E4.2) Total indirect energy usage per output scaling factor	GRI: 2-302		11
		E4.3) Please describe investments, initiatives and projects to reduce energy consumption and to increase energy efficiency	GRI: 1,2-302		9
	E5. Energy Mix	E5.1) Renewable energy used	GRI: 1-302	SDG 7	12
		E5.2) Non-renewable energy used	GRI: 2-302		12
	E6. Water and Effluents	E6.1) Total amount of water withdrawn	GRI: 3-303	SDG 6, SDG 12	13
		E6.2) Total amount of water discharged	GRI: 4-303		14
		E6.3) Total amount of water consumed (If possible, a breakdown by source: surface water, groundwater, seawater, etc.)	GRI: 303-5		13
		E6.4) Water intensity			13
		E6.5) Water recycled (If applicable)			14
		E6.7) Please describe investments, initiatives and projects to reduce water consumption and to increase water recycling			14
	E7. Waste	E7.1) Total amount of waste generated (if possible, broken down by Hazardous and Non-hazardous)	GRI: 3-306	SDG 12, SDG 14, SDG 15	15
		E7.2) Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Non-hazardous)	GRI: 4-306		15
		E7.3) Total amount of waste directed to disposal (if possible, broken down by Hazardous and Non-hazardous)	GRI: 306-5		15

		E7.4) Total number and volume of oil spills (if applicable)			NA
		E7.5) Please describe investments, initiatives and projects to reduce waste generation consumption and to increase waste recycling	GRI: 11 Oil and Gas Sector		15
	E8. Environmental Management	E8.1) Does your company follow a formal Environmental Policy?	GRI: 23-2	SDG 13	
		E8.2) Does your company follow specific waste, water, energy, and/or recycling policies?	GRI: 24-2		
		E8.3) Does your company adopt a recognized environment and energy management systems such as ISO14001 and ISO50001?			9
		E8.4) Does your company have targets in place with regards to environment, energy, water and waste?			
		E8.5) Please indicate if any fines received (> USD 10000) for non-compliance with laws and regulations regarding environmental management during the last reporting period	GRI 27-2 :2		NA
	E9. Climate Risk Management and Oversight	E9.1) Does your Board/Management Team oversee and/or manage climate-related risks and opportunities? If yes, describe.	GRI 12 :2	SDG 13	
		E9.2) Please describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.			
		E9.3) Please describe the organisation's processes for identifying and assessing climate-related risks			
		E9.4) Please describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning			
		E9.5) Total amount invested, periodically, in climate-related infrastructure, resilience and product development			
		E9.6) Please describe the greenhouse gas emission targets (Scope1, Scope 2 and Scope3) and the related risks			
		E9.7) Please share your actions to align with UAE's Net Zero Commitment by 2050. Do you have a net zero emissions target in place?			
	E10. Biodiversity	E10.1) Please share number of operational sites owned, managed and/or leased in or adjacent to protected areas and areas of high biodiversity value.	GRI: 1-304	SDG 15	

		E10.2) Please describe significant impacts of activities, products and services on biodiversity	GRI: 2-304		
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SOCIAL	S1. CEO Pay Ratio S1.1) Please share the ratio of CEO	total compensation to median full-time employee (FTE) total compensation	GRI 2: 21	SDG 10	19
		S1.2) Does your company report this metric (above) in any regulatory filings?			YES
	S3. Breakdown with Staff	S2.1) Please share the total enterprise headcount held by full-time employees (broken down by: gender, age and seniority level)	GRI 2:7	SDG 5, SDG 8	17
		S3.2) Please share the total enterprise headcount held by part-time employees (broken down by: gender, age and seniority level)	GRI 2:7		NA
		S3.3) Please share the total enterprise headcount held by contractors and/or consultants	GRI 2:8		NA
		S3.4) Please share the total of national employees (broken down by: gender, age and seniority level)	GRI: 202-2		18
	S4. Employee Turnover and New Hires	S4.1) Year-over-year change for full-time employees (broken down by gender, age, and seniority level)	GRI: 401-1		17
		S4.2) Year-over-year change for part-time employees	GRI: 401-1		NA
		S4.3) Year-over-year change for contractors and/or consultants	GRI 2: 8		NA
		S4.4) Year-over-year of new hires (broken down by age, gender and seniority level)	GRI: 401-1		17
	S5. Gender Diversity and Equality	S5.1) Total enterprise headcount held by men and women	GRI 2: 9 / GRI: 405-1	SDG 5	17
		S5.2) Total entry and mid-level positions held by men and women	GRI 2: 9 / GRI: 405-1		17
		S5.3) Total senior and executive-level positions held by men and women	GRI 2: 9 / GRI: 405-1		17
		S5.4) The ratio of median male employee compensation to median female employee compensation	GRI: 405-1		19
		S5.5) Please describe your company's initiatives or programs to support the recruitment and retention of female employees, and to support female employees to advance to management positions.	GRI: 2-19		
	S6. Human Rights	S6.1) Does your company follow a harassment and/or non-discrimination policy?	GRI 2: 23	SDG 10	19
		S6.2) Does your company have a formal grievance mechanism in place?	GRI 2: 23		19

		S6.3) Does your company follow a child and/or forced labor policy?	GRI 2: 23		19
		S6.4) Does your company follow a human rights policy?	GRI 2: 23		19
		S6.5) Does your company provide training on human rights and related internal policies for your employees?	GRI: 404-1		19
	S7. Health and Safety	S7.1) Does your company follow an occupational health and safety policy?	GRI 2: 23 GRI: 403-9 GRI: 403-9	SDG 3	20
		S7.2) Does your company adopt a recognized health and safety management systems such as ISO45001?			20
		S7.3) Please share the total employee and total contractors (if available) manhours	GRI: 403-9		NA
		S7.4) Please share the total employee fatalities	GRI: 403-9		21
		S7.5) Please share the employee lost time injury (LTI)	GRI: 403-9		21
		S7.6) Please share the lost time injury frequency (LTIF)	GRI: 403-9		21
		S7.7) Please share the total health and safety training provided to employees	GRI: 403-5		21
	S8. Community Engagement	S8.1) Please share the total amount invested in the community, including philanthropy, donations and sponsorships		SDG 8	21
		S8.2) Please share the total employee volunteering completed during the reporting period			21

GOVERNANCE	G1. Board Diversity	G1.1) Total board seats occupied by men and women	GRI 405-1	SDG 10	25
		G1.2) Total committee chairs occupied by men and women	GRI 405-1		24
	G2. Board Independence	G2.1) Does company prohibit CEO from serving as board chair?	GRI 405-1		23
		G2.2) Please share the total board seats occupied by independents	GRI 405-1		24
	G3. Collective Bargaining	*G3.1) Please share the total enterprise headcount covered by collective bargaining agreement(s) *Applicable to companies operating in countries in which collective bargaining is applicable by law "	GRI 2: 30		NA
	G4. Supply Chain Management	G4.1) Are your vendors or suppliers required to follow a Code of Conduct?		SDG 12	
		G4.2) If yes, what percentage of your suppliers are formally certified and compliant with the Code?	GRI: 308-1		

		G4.3) Please share the suppliers that underwent a supplier's environmental audit during the reporting period	GRI: 414-1	SDG 12	
		G4.4) Please share the suppliers that underwent a supplier's social audit during the reporting period	GRI: 308-1, 414-1		
		G4.5) Please share the new suppliers receiving warning due to the environmental/social screening	GRI: 2-19		NA
	G5. Ethics and Anti-Corruption	G5.1) Does your company follow an Ethics and/or Anti- Corruption policy?	GRI 2: 23	SDG 6	28
		G5.2) Please share the workforce formally compliant with the Anti-Corruption Policy	GRI: 205-2		28
		G5.3) Please share the confirmed incidents of corruption during the reporting period	GRI: 205-3		NA
		G5.4) Please share the corrective measures taken corresponding to the confirmed incidents of corruption (in case of any)	GRI: 205-4		NA
	G6. Data Security	G6.1) Does your company follow a Data Privacy policy?	GRI: 418-1		31
		G6.2) Has your company taken steps to comply with GDPR rules or similar standards?			
		G6.3) Data security breaches during the reporting period (if any)	GRI: 418-1		31
	G7. Sustainability Practices	G8.1) Does your company publish a sustainability report?			YES
		G8.2) Does your company publish a GRI, WEF SCM, SASB, IIRC, UNGC or CDP based reporting?			YES
		G8.3) Does your company provide training to its employees regarding topics related to sustainability (environment, human rights, ethics etc.)?	GRI: 404-1		YES
		G8.4) Please share the total sustainability related training provided to employees	GRI: 404-2		
	G9. External Assurance	G9.1) Are your sustainability disclosures assured or validated by a third party?	GRI 2: 5		

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

**Independent auditor's report and financial statements
for the year ended 31 December 2025**

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

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Independent auditors' report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dubai Refreshment (P.J.S.C) ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in the United Arab Emirates. We have also 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.

Key Audit Matters

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

Key Audit Matters (continued)

Revenue

See Note 22 to the financial statements.

The key audit matter	How the matter was addressed in our audit
<p>Revenue is primarily generated from the sale of Pepsi Cola International products in the United Arab Emirates and other countries. The revenue process is highly automated and relies on IT systems to record and process a high volume of daily transactions.</p> <p>Revenue is a key driver of the Company's financial performance and is a key metric used by management and external stakeholders, which increases the risk of inappropriate recognition, particularly around the reporting period end.</p> <p>Given the significance of revenue to the financial statements, the volume of transactions, and the susceptibility of revenue to misstatement through timing and manual adjustments, we considered revenue recognition to be a key audit matter. In particular, we identified the following risks that, individually or in combination, could result in a material misstatement of revenue and therefore required significant auditor attention:</p> <ul style="list-style-type: none"> • Cut-off: Risk that revenue may be recognized before control transfers to customers, particularly for sales transacted near period-end, resulting in revenue being recorded in the incorrect period; and • Manual adjustments: Risk that manual journal entries may be posted to revenue accounts without appropriate business rationale or supporting documentation, potentially bypassing system controls and overstating revenue. 	<p>To address this risk, we performed the following procedures amongst others:</p> <ul style="list-style-type: none"> • We obtained understanding of the Company's revenue recognition process, including relevant IT applications and controls designed to mitigate the identified risks. • We evaluated the design and implementation and tested the operating effectiveness of the key manual controls over revenue recognition, including controls over order processing, dispatch, billing, and revenue recording. • With the assistance of our IT specialists, we tested the General IT Controls (GITCs) and Automated Application Controls across the relevant IT systems including the key automated controls over revenue recognition. This included testing the integrity of interfaces and the reliability of system-generated reports. • We performed substantive analytical procedures, including predictive analytics, to assess the relationship between revenue recognized and cash collections. • We performed test of details over revenue transactions on a sample basis, including testing sales recorded close to the year end by examining underlying documentation such as sales orders, delivery notes, and invoices, to assess whether revenue was recognized in the correct accounting period and upon transfer of control to customers. • We identified and examined journal entries posted to revenue accounts based on specific risk criteria, and tested journal entries selected based on the specific risk criteria, if any. • We assessed the adequacy of disclosures in the financial statements in accordance with the applicable financial reporting framework.

Other matter

The financial statements of the Company as at and for the year ended 31 December 2024 were audited by another auditor who expressed an unmodified opinion on those financial statements on 11 February 2025.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon. We obtained the Chairman's report prior to the date of this auditors' report, and we expect to obtain the remaining sections of the Annual Report after that date.

Other information (continued)

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company'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 the 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021, as amended, we report that for the year ended 31 December 2025:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended;
- iii) the Company has maintained proper books of account;
- iv) the financial information included in the Chairman's report is consistent with the books of account of the Company;
- v) as disclosed in note 8 to the financial statements, the Company has not purchased any shares during the year ended 31 December 2025;
- vi) note 19 to the financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2025 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, or its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2025; and
- viii) note 24 to the financial statements discloses the social contributions made during the year ended 31 December 2025.

KPMG Lower Gulf Limited



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

Date: **10 FEB 2026**

**Statement of financial position
as at 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	488,083	515,724
Investment property	5(b)	14,946	14,946
Right-of-use assets	6	92,643	74,000
Intangible assets	7	2,702	3,088
Financial assets measured at fair value through other comprehensive income ("FVTOCI")	8	97,980	72,566
Total non-current assets		696,354	680,324
Current assets			
Inventories	9	108,343	85,114
Trade and other receivables	10	225,383	195,887
Cash and bank balances	11	497,726	444,300
Total current assets		831,452	725,301
Total assets		1,527,806	1,405,625
EQUITY AND LIABILITIES			
Equity			
Share capital	12	90,000	90,000
Statutory reserve	13	45,000	45,000
General reserve	14	618,401	618,401
Investments revaluation reserve	15	61,937	36,523
Cash flow hedge reserve		600	(23)
Retained earnings		339,398	276,725
Total equity		1,155,336	1,066,626
Non-current liabilities			
Provision for employees' end of service indemnity	17	36,253	35,242
Lease liabilities - non-current portion	21	91,922	75,406
Total non-current liabilities		128,175	110,648
Current liabilities			
Trade and other payables	20	214,214	205,562
Current tax liability	25	16,700	13,681
Lease liabilities - current portion	21	13,381	9,108
Total current liabilities		244,295	228,351
Total liabilities		372,470	338,999
Total equity and liabilities		1,527,806	1,405,625

To the best of our knowledge, the financial information included in these financial statements fairly presents, in all material respects the financial condition, results of operation and cash flows of the Company as of, and for, the year ended 31 December 2025.

Mr. Ahmad Bin Elsa Al Serkal
Chairman

Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri
Director

The notes on pages 10 to 45 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

**Statement of profit or loss
for the year ended 31 December 2025**

	Notes	2025 AED'000	2024 AED'000
Revenue ⁽¹⁾	22	877,200	817,985
Cost of sales ⁽¹⁾		(542,041)	(523,607)
Gross profit		335,159	294,378
Other operating income	23	12,576	10,077
Selling and distribution expenses		(128,252)	(119,672)
General and administrative expenses		(65,199)	(61,188)
Amortisation of intangible assets	7	(462)	(1,021)
Operating profit		153,822	122,574
Interest income		15,203	18,783
Lease interest cost		(5,080)	(3,188)
Dividend income		-	2,696
Other income		9,659	8,644
Profit for the year before tax		173,604	149,509
Income tax expense	25	(15,731)	(13,681)
Profit for the year after tax		157,873	135,828
Earnings per share in AED	18	1.70	1.44

(1) The revenue and cost of sales for the current year is exclusive of excise tax amounting to AED 416,223 thousands (2024: AED 386,826 thousand).

The notes on pages 10 to 45 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

**Statement of comprehensive income
for the year ended 31 December 2025**

	2025	2024
	AED'000	AED'000
Profit for the year after tax	157,873	135,828
Other comprehensive income/(loss)		
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at fair value through other comprehensive income, net (Note 8.a)	25,228	(27,265)
<i>Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at fair value through other comprehensive income, net (Note 8.b)	186	(81)
Change in fair value of cash flow hedges	623	(1,085)
Total other comprehensive income/ (loss)	26,037	(28,431)
Total comprehensive income for the year	183,910	107,397

The notes on pages 10 to 45 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

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

Statement of changes in equity for the year ended 31 December 2025

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Investments revaluation reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2024	90,000	45,000	618,401	63,869	1,062	435,097	1,253,429
Profit for the year after tax	-	-	-	-	-	135,828	135,828
Other comprehensive loss	-	-	-	(27,346)	(1,085)	-	(28,431)
Total comprehensive income for the year	-	-	-	(27,346)	(1,085)	135,828	107,397
Dividends paid (Note 16)	-	-	-	-	-	(288,000)	(288,000)
Directors' fee (Note 19)	-	-	-	-	-	(6,200)	(6,200)
At 31 December 2024	90,000	45,000	618,401	36,523	(23)	276,725	1,066,626
Profit for the year after tax	-	-	-	-	-	157,873	157,873
Other comprehensive income	-	-	-	25,414	623	-	26,037
Total comprehensive income for the year	-	-	-	25,414	623	157,873	183,910
Dividends paid (Note 16)	-	-	-	-	-	(90,000)	(90,000)
Directors' fee (Note 19)	-	-	-	-	-	(5,200)	(5,200)
At 31 December 2025	90,000	45,000	618,401	61,937	600	339,398	1,155,336

The notes on pages 10 to 45 form an integral part of these financial statements.

**Statement of cash flows
for the year ended 31 December 2025**

	2025 AED'000	2024 AED'000
Cash flows from operating activities		
Profit for the year before tax	173,604	149,509
Adjustments for:		
Depreciation on property, plant and equipment (Note 5a)	40,988	41,322
Amortisation of intangible assets (Note 7)	462	1,021
Depreciation on right-of-use assets (Note 6)	14,951	13,329
Interest income	(15,203)	(18,783)
Interest on lease liabilities	5,080	3,188
Gain on disposal of property, plant and equipment	(273)	(238)
Gain/ (loss) on de-recognition of lease	-	(1,313)
Dividend income (Note 19)	-	(2,696)
Allowance for expected credit loss (Note 10)	600	600
Provision for employees' end of service benefits (Note 17)	5,720	3,912
Operating cash flows before changes in working capital	225,929	189,851
Changes in:		
Inventories	(23,229)	(9,939)
Trade and other receivables	(27,402)	23,822
Trade and other payables	3,898	(3,987)
Cash generated from operating activities	179,196	199,747
Employees' end of service indemnity paid (Note 17)	(4,709)	(2,182)
Corporate tax paid	(12,712)	-
Interest paid on lease liabilities	(5,080)	(3,188)
Net cash generated from operating activities	156,695	194,377
Cash flows from investing activities		
Purchase of debt instruments at fair value through other comprehensive income	-	(4,960)
Purchase of property, plant and equipment (Note 5a)	(13,347)	(20,636)
Capex support	5,377	4,624
Purchase of intangible assets (Note 7)	(76)	(114)
Proceeds from disposal of property, plant and equipment	273	238
Dividend income, (Note 19)	-	2,696
Interest income received	12,509	15,430
Bank deposits made during the year	(390,115)	(225,268)
Bank deposits withdrawn during the year	205,832	111,802
Net cash used in investing activities	(179,547)	(116,188)
Cash flows from financing activities		
Director fees paid	(5,200)	(5,200)
Dividends paid (Note 16)	(90,000)	(288,000)
Payment of principal portion of lease liabilities (Note 21)	(12,805)	(11,869)
Net cash used in financing activities	(108,005)	(305,069)
Net decrease in cash and cash equivalents	(130,857)	(226,880)
Cash and cash equivalents at the beginning of the year	179,407	406,287
Cash and cash equivalents at the end of the year (Note 11)	48,550	179,407

The notes on pages 10 to 45 form an integral part of these financial statements.

The independent auditors' report is set out on pages 1 to 4.

**Notes to the financial statements
for the year ended 31 December 2025****1. Legal status and activities**

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

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

2. Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and in compliance with the applicable provisions of UAE Federal Decree Law No, (32) of 2021, as amended, and the Articles of Association of the Company.

The financial statements have been presented in U.A.E. Dirhams, which is the functional and presentation currency of the Company, rounded to the nearest thousand (AED 000), except when otherwise indicated.

The Company’s financial statements have been prepared under the historical cost basis except for the following:

- derivative financial instruments are measured at fair value and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

3. Summary of material accounting policy information**Revenue recognition**

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company does not have significant financing components.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

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

3. Summary of material accounting policy information (continued)

Revenue recognition (Continued)

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Dividend income

Dividend income is recognised when the Company's right to receive the dividend payment is established.

Profit from investment in Bonds

Profit from investment in Bonds is accrued on a time basis, by reference to the notional amount and at the effective coupon rate applicable.

Value-added Tax (VAT)

Expenses, liabilities and assets are recognised excluding the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables, amounts are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

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

3. Summary of material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	4 to 30 years
Plant, machinery and equipment	2 to 20 years
Coolers and vending machines	5 to 7 years
Furniture and fixtures	2 years
Freezers	5 years

Land and capital work-in-progress are not depreciated.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss in the period the asset is derecognised.

Investment property

Investment property is carried at cost, net of any recognized impairment losses.

Cost includes direct costs, professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Impairment of non-financial assets

At each reporting date the Company reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset 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.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

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

3. Summary of material accounting policy information (continued)

Property, plant and equipment (continued)

Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent 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 in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those incurred in bringing each product to its present location and condition, as follows:

- Raw materials - purchase cost on weighted average basis;
- Spares and consumables - purchase cost on weighted average basis;
- Finished goods - cost of direct materials plus an appropriate share of production overheads based on normal operating capacity and is determined on weighted average basis.

Net realisable value is based on the estimated selling price less any further costs expected to be incurred on completion and disposal.

Damaged and obsolete inventories are written off.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated on a straight-line basis over the assets' estimated useful lives as follows:

Lease rights	20 years
Software	5 years

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

3. Summary of material accounting policy information (continued)

Foreign exchange difference

In preparing the financial statements of the Company, transactions in currencies other than the Company'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 profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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 the statement of profit or loss.

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.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

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

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at Fair Value Through Other Comprehensive Income ("FVTOCI"). Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included as a separate line item in the statement of profit or loss.

Investments in Bonds held at fair value through other comprehensive income (FVTOCI)

Classification and Measurement

Bonds are classified as Financial assets measured at fair value through other comprehensive income (FVTOCI) if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Initial Recognition

Bonds are initially recognised at fair value plus any directly attributable transaction costs.

Subsequent Measurement

After initial recognition, Bonds are measured at fair value. Changes in the fair value of these bonds are recognised in other comprehensive income (OCI), except for impairment gains or losses, interest income, and foreign exchange gains and losses, which are recognised in profit or loss.

Interest Income

Interest income from Bonds classified as FVTOCI is calculated using the effective interest method and is recognised in profit or loss.

Derecognition

Bonds are derecognised when the rights to receive cash flows from the bonds have expired or have been transferred, and the Company has transferred substantially all the risks and rewards of ownership. Upon derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

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

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Fair Value Measurement

The fair value of Bonds is determined using quoted market prices in active markets. If quoted market prices are not available, fair value is determined using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Company management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Assessment whether contractual cash flows are solely payments of principal and interest (continued)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets. 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 instrument.

The Company always recognises lifetime ECL for trade receivables, cash and bank balances, due from a related party and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company'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.

For all other financial instruments, the Company 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 Company 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) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

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

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Write-off policy

The Company 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.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Derecognition of financial assets

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial liabilities

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

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as 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 a 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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Fair value measurement

The Company measures financial instruments, such as derivatives and investment securities at fair value at each reporting date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

3. Summary of material accounting policy information (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature. Characteristics and risks of the assets or liabilities and the level of the fair value hierarchy, as explained above.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- It is not subject to the entity's right at the reporting date to defer its settlement for at least 12 months after the reporting date.

The Company classifies all other liabilities as non-current.

Provision for end of service benefits

The Company provides end of service benefits for its expatriate employees in accordance with U.A.E. Labour Law. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

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

3. Summary of material accounting policy information (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company 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 statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where 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 some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the 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.

Leases

The Company as lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

Taxation

The income tax expense represents the sum of current and deferred income tax expense.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

3. Summary of material accounting policy information (continued)

Taxation (continued)

Current tax (continued)

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

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 financial statements 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 utilized. 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.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company 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 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 realized 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 Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in 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.

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

3. Summary of material accounting policy information (continued)

New standards and interpretations issued and effective

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

- Lack of Exchangeability (Amendments to IAS 21)

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

New standards and interpretations issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2026 and earlier application is permitted. None of these new standards and amendments have been early adopted in preparing these condensed interim financial statements.

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

4. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant impact on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Determining lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Determining useful life of property, plant and equipment

The useful life of an asset is determined based on the expected utilization of the asset by the Company. The residual value and useful life of an asset is reviewed periodically for any adjustment required in the current and future periods relating to asset.

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). For calculation of IBR, the Company has taken the borrowing rate as on the transition date and the rate is adjusted for Company's specific risk, term risk and underlying asset risk.

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

4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing an 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 Company 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 on 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.

Calculation of volume rebates

For assessing the expected amount of rebates at year end, the management considers all the information that is reasonably available to them and shall identify a possible amount using the benchmarks mentioned in the sales contract.

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

5(a) Property, plant and equipment

	Land AED'000	Buildings AED'000	Plant, machinery and equipment AED'000	Coolers and vending machines AED'000	Furniture and fixture AED'000	Freezer AED'000	Capital work-in progress AED'000	Total AED'000
Cost								
At 1 January 2024	22,100	479,762	367,602	67,308	9,642	270	210	946,894
Additions	-	4,654	6,857	8,181	100	-	844	20,636
Transfers during the year	-	-	162	-	-	-	(162)	-
Disposals	-	-	(243)	(1,254)	(555)	(270)	-	(2,322)
At 31 December 2024	22,100	484,416	374,378	74,235	9,187	-	892	965,208
At 1 January 2025	22,100	484,416	374,378	74,235	9,187	-	892	965,208
Additions	-	392	5,036	6,102	245	-	1,572	13,347
Transfers during the year	-	774	39	28	-	-	(841)	-
Disposals	-	-	(2,296)	(1,308)	(169)	-	-	(3,773)
At 31 December 2025	22,100	485,582	377,157	79,057	9,263	-	1,623	974,782

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

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

	Land AED'000	Buildings AED'000*	Plant, machinery and equipment AED'000	Coolers and vending machines AED'000	Furniture and fixture AED'000	Freezer AED'000	Capital work-in progress AED'000	Total AED'000
Accumulated depreciation								
At 1 January 2024	-	125,515	223,097	52,384	9,218	270	-	410,484
Charge for the year (Note 24)	-	16,760	18,053	6,220	289	-	-	41,322
On disposal	-	-	(243)	(1,254)	(555)	(270)	-	(2,322)
At 31 December 2024	-	142,275	240,907	57,350	8,952	-	-	449,484
At 1 January 2025	-	142,275	240,907	57,350	8,952	-	-	449,484
Charge for the year (Note 24)	-	16,460	16,820	7,439	269	-	-	40,988
On disposal	-	-	(2,296)	(1,308)	(169)	-	-	(3,773)
At 31 December 2025	-	158,735	255,431	63,481	9,052	-	-	486,699
Carrying value								
At 31 December 2025	22,100	326,847	121,726	15,576	211	-	1,623	488,083
At 31 December 2024	22,100	342,141	133,471	16,885	235	-	892	515,724

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

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

- * During the year ended 31 December 2025, the Company conducted an operational review of its buildings which resulted in change of the estimated useful life of warehouse and accommodation building located in Sharjah from 20 years to 30 years. The effect of this change in estimate will be applied prospectively. As a result, the effect on depreciation charge is AED 419 thousand for the year ended 31 December 2025.

As at 31 December 2025, the capital work-in progress represents AED 1,623 thousand building and related plant, machinery and equipment that were in progress during the year

During the year ended 31 December 2025, the Company disposed items of plant, machinery and equipment, coolers and vending machines and furniture and fixtures. The net book value of these items were AED nil (31 December 2024: AED nil) and sold at AED 273 thousands (31 December 2024: AED 238 thousand).

As at 31 December 2025, the fully depreciated assets still in use amounted to AED 214,297 thousand (31 December 2024: AED 175,176 thousand).

Depreciation charge for the year has been allocated as follows:

	2025 AED'000	2024 AED'000
Cost of sales (Note 24)	22,409	23,586
Selling and distribution expenses	13,703	12,628
General and administrative expenses	4,876	5,108
	40,998	41,322

5(b) Investment property

	2025 AED'000	2024 AED'000
Balance at 31 December	14,946	14,946

Investment property represents a plot land in Business Bay, Dubai UAE. The fair value of the investment property at 31 December 2025 was estimated to be AED 266.9 million (2024: AED 195.7 million). During the year, the rental income from this land plot was AED 1.8 million (2024: AED 1.8 million). The annual rental income for the investment property is fixed to AED 1.8 million for the next 4 years till expiry of the rent agreement.

As permitted by IAS 40 *Investment Property*, the Company has chosen to carry Investment Property under the "cost model". The Company therefore has disclosed the "fair values" of these investment property. The "fair value" disclosed have been arrived at on the basis of a valuation carried out by an independent valuer. The fair value of the investment property have been classified under level 3 of valuation hierarchy.

At 31 December 2025, the Company assessed the fair values of its investment property based on the valuation carried out by an independent external valuer.

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

5(b) Investment property (continued)

Valuation techniques underlying the fair values:

The valuation was determined using the market approach method. The valuer utilized a Market Approach using a direct comparison method. The valuer compared the subject property to sales of other properties in the surrounding locality on a rate AED/ft² of plot area / Gross Floor Area basis. The approach is based on the principle that the value of one property may be derived by comparing it with prices achieved from transactions in similar properties. It is widely used for residential, rural and, in some cases, commercial property valuation.

The Company leases out its investment property. The Company has classified this lease as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

6. Right-of-use assets

The Company leases several assets including land, motor vehicles and accommodation. The leases' terms is ranging from 2 to 30 years.

	Right-of-use assets			
	Land and building AED'000	Equipment AED'000	Motor vehicles AED'000	Total AED'000
1 January 2024	65,352	563	13,234	79,149
Additions	599	-	13,894	14,493
Disposal	(6,088)	-	(225)	(6,313)
Depreciation expense (Note 24)	(3,894)	(132)	(9,303)	(13,329)
31 December 2024	55,969	431	17,600	74,000
1 January 2025	55,969	431	17,600	74,000
Additions	-	-	34,048	34,048
Disposal	-	-	(454)	(454)
Depreciation expense (Note 24)	(3,951)	(140)	(10,860)	(14,951)
31 December 2025	52,018	291	40,334	92,643

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

6. Right-of-use asset (continued)

Amounts recognised in profit or loss:

	2025	2024
	AED'000	AED'000
Depreciation expense on right-of-use assets	14,951	13,329
Interest expense on lease liabilities (Note 21)	5,080	3,188
	20,031	16,517

7. Intangible assets

	Lease rights AED'000	Software AED'000	Total AED'000
Cost			
At 31 December 2023	7,000	25,577	32,577
Additions	-	114	114
At 31 December 2024	7,000	25,691	32,691
At 1 January 2025	7,000	25,691	32,691
Additions	-	76	76
At 31 December 2025	7,000	25,767	32,767
Amortisation			
At 31 December 2023	3,703	24,879	28,582
Charge for the year	350	671	1,021
At 31 December 2024	4,053	25,550	29,603
At 1 January 2025	4,053	25,550	29,603
Charge for the year	350	112	462
At 31 December 2025	4,403	25,662	30,065
Carrying value			
At 31 December 2025	2,597	105	2,702
At 31 December 2024	2,947	141	3,088

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

8. Financial assets measured at fair value through other comprehensive income ("FVTOCI")

Financial assets designated at fair value through other comprehensive income (FVTOCI)

a) Equity instrument

	2025	2024
	AED'000	AED'000
Balance at 1 January	67,687	94,952
Change in market fair value	25,228	(27,265)
	92,915	67,687

- (i) The equity instrument represents the shares of Oman Refreshment Company. There are no additional shares acquired during the year (2024: nil).

b) Bonds

Balance at 1 January (refer (i) below)	4,879	-
Additions	-	4,960
Change in market fair value	186	(81)
	5,065	4,879
Balance at 31 December	97,980	72,566

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

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

9. Inventories

	2025	2024
	AED'000	AED'000
Raw material and consumables	76,225	53,707
Finished goods	24,696	23,423
Spare parts and supplies	9,715	9,729
	110,636	86,859
Less: Provision for slow moving spare parts and supplies	(2,293)	(1,745)
	108,343	85,114

During the year ended 31 December 2025, the inventories used and included in cost of goods sold in the statement of profit or loss amounted to AED 465.57 million (2024: AED 449.93 million).

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

10. Trade and other receivables

	2025 AED'000	2024 AED'000
Trade receivables	134,600	126,134
Less: allowance for expected credit loss	(1,005)	(2,420)
	<u>133,595</u>	<u>123,714</u>
Prepaid expenses	7,802	6,790
Advances to suppliers	3,227	3,817
Contract assets	13,199	12,999
Other receivables*	66,497	48,291
Fair value of derivatives	600	-
Due from a related party (Note 19 (c))	463	276
	<u>225,383</u>	<u>195,887</u>

*Other receivable are net off provision amounting to AED 4.01 million (2024: AED 4.01 million).

As at 31 December 2025, trade accounts receivable with a nominal value of AED 1 million (2024: AED 2.4 million) were impaired. Movements in the allowance for expected credit loss were as follows:

	2025 AED'000	2024 AED'000
At 1 January	2,420	1,820
Charge for the year	600	600
Write off	(2,015)	-
At 31 December	<u>1,005</u>	<u>2,420</u>

As at 31 December, the ageing of trade receivables is as follows:

			Past due but not impaired				
	Total AED'000	Past due and impaired AED'000	Neither past due nor impaired AED'000	<30 days AED'000	30-60 days AED'000	60-90 days AED'000	>90 days AED'000
2025	134,600	1,005	114,728	13,648	2,680	907	1,632
2024	126,134	2,420	110,073	12,943	698	-	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable given the nature of the business. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

As at 31 December 2025, the impaired trade receivables are past due more than 90 days (31 December 2024: past due more than 30 days).

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

10. Trade and other receivables (continued)

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 (Note 28):

	Collectively assessed AED'000	Individually assessed AED'000	Total AED'000
Balance as at 1 January 2024	471	1,349	1,820
Net re-measurement of loss allowance	(471)	1,071	600
	<hr/>	<hr/>	<hr/>
Balance as at 1 January 2025	-	2,420	2,420
Write off	-	(2,015)	(2,015)
Net re-measurement of loss allowance	-	600	600
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2025	-	1,005	1,005

11. Cash and bank balances

For the purpose of the statement of cash flows, cash and bank balances comprise the following:

	2025 AED'000	2024 AED'000
Cash at bank and on hand	48,550	51,623
Bank deposits	449,176	392,677
	<hr/>	<hr/>
Cash and bank balances	497,726	444,300
Less: Bank deposits with maturity of more than 3 months	(449,176)	(264,893)
	<hr/>	<hr/>
Cash and cash equivalents	48,550	179,407

Cash and bank balances comprise cash and short-term bank deposits with an original maturity ranging from three months to one year. The carrying amount of these assets is approximately equal to their fair value. Bank deposits carry interest rates ranging from 3.40% p.a. to 5.00% p.a. (2024: 4.15% p.a. to 5.15% p.a.).

Balances with banks and short term bank deposits are assessed to have low credit risk of default since these banks are regulated by the Central Bank of the United Arab Emirates. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that the credit risk associated with these is very low, if any, as at the end of reporting period, and hence have not recorded any expected credit loss allowances on these balances.

12. Share capital

	2025 AED'000	2024 AED'000
<i>Authorized issued and fully paid up:</i>		
90 million shares of AED 1 each	90,000	90,000

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

13. Statutory reserve

In accordance with UAE Federal Decree Law No. 32 of 2021, as amended, and the Company's articles of association, 10% of the annual profit of the Company is required to be transferred to a statutory reserve until the reserve equals 50% of the share capital. No transfer was made to the statutory reserve in 2025 (2024: AED nil) as the reserve has already reached 50% of the share capital. This reserve is not available for distribution except as stipulated by the law.

14. General reserve

In accordance with UAE Federal Decree Law No. 32 of 2021, as amended, and the Company's articles of association, 10% of the Company's net profit may be transferred to a general reserve to be used only for the purposes stated in the Company's article of association.

In accordance with Clause 70 of the Company's article of association, 10% of the net profit for each year should be transferred to this reserve and such transfers may cease when the reserve equals 5% of the paid-up share capital of the Company.

Subsequent to year end, during the Board of Directors' meeting held on 10 February 2026, the Directors have approved not to transfer any amount from retained earnings to general reserve balance as at 31 December 2025 (31 December 2024: AED Nil transfer to general reserve).

15. Investments revaluation reserve

On adoption of IFRS 9, the Company has classified the equity and debt instruments to be measured at FVTOCI and re-designated the related fair value reserve accordingly.

16. Dividends

Subsequent to the yearend, during the Board of Directors' meeting held on 10th February 2026, the Directors proposed a cash dividend of AED 1.1 per share totalling to AED 99 million relating to 2025 which will be paid to shareholders in April 2026 (2024: AED 1 per share totalling to AED 90 million relating to 2024).

Further, in addition to above, the Board of Directors proposed a one-time special cash dividend of AED 1.1 per share totalling to AED 99 million which will be paid to shareholders in October 2026 (2024: AED Nil) through a Board of Directors resolution to the eligible shareholders in accordance with SCA regulations. Both dividends are subject to the approval of the shareholders in the Annual General Meeting.

During the year, the Company paid dividend of AED 90 million relating to 2024 (2024: paid dividend of AED 288 million relating to 2023).

17. Provision for employees' end of service indemnity

	2025 AED'000	2024 AED'000
Balance at the beginning of the year	35,242	33,512
Charged during the year	5,720	3,912
Payments during the year	(4,709)	(2,182)
Balance at the end of the year	<u>36,253</u>	<u>35,242</u>

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

18. Basic earnings per share

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

	2025 AED'000 (Unaudited)	2024 AED'000 (Unaudited)
Profit for the year, net of directors' fee (AED'000)	152,673	129,628
Weighted average number of ordinary shares ('000)	90,000	90,000
	-----	-----
Earnings per ordinary share		
- Basic and diluted (AED)	1.70	1.44
	=====	=====

The Company has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

19. Related party transactions and balances

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

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

a. *Significant transactions with Oman Refreshment Company included in the statement of profit or loss are as follows:*

	2025 AED'000	2024 AED'000
Sales to a related party	3,716	1,202
Purchase from a related party	6,538	10,463
Dividend income	-	2,696
	=====	=====

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

19. Related party transactions and balances (continued)

b. Compensation of key management personnel

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

	2025 AED'000	2024 AED'000
Short-term benefits	12,904	12,406
Directors' Fee	5,200	5,200
Employees' end of service benefits	2,566	1,454
Directors' sitting fee	310	360
	<u>20,980</u>	<u>19,420</u>

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

	2025 AED'000	2024 AED'000
<i>Due from a related party</i>		
<i>Other related party (included in trade and other receivables)</i>		
Oman Refreshment Company (Note 10)	463	276
	<u>463</u>	<u>276</u>
<i>Due to a related party</i>		
<i>Other related party (included in trade and other payables)</i>		
Oman Refreshment Company (Note 20)	1,065	1,147
	<u>1,065</u>	<u>1,147</u>

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

20. Trade and other payables

	2025 AED'000	2024 AED'000
Trade payable	48,280	49,218
Accrued expenses	43,252	37,990
Accrual for staff costs	16,838	16,001
Contract liabilities	37,905	36,153
Advances from customers	11,507	10,767
Deferred income	12,436	13,174
Due to a related party (Note 19 (c))	1,065	1,147
Fair value of derivatives	-	23
Other payables	42,931	41,089
	<u>214,214</u>	<u>205,562</u>

Other payables include Board of Directors' fees of AED 5.2 million (2024: AED 5.2 million) payable to the directors of the Company.

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

21. Lease liabilities

	2025 AED'000	2024 AED'000
Balance as at 1 January	84,514	89,516
Interest on lease liabilities (refer note 6)	5,080	3,188
Additions	34,048	14,493
Derecognition	(454)	(7,626)
Payments	(17,885)	(15,057)
Balance as at 31 December	105,303	84,514
	2025 AED'000	2024 AED'000
Current	13,381	9,108
Non-current	91,922	75,406
	105,303	84,514

The total lease payments, including those for short term leases, amount to AED 23.9 million (2024: AED 22.5 million).

The maturity analysis of lease liabilities is as follows:

	2025 AED'000	2024 AED'000
<i>Maturity analysis</i>		
Not later than 1 year	13,381	9,108
Later than 1 year and not later than 5 years	41,740	26,079
Later than 5 years	50,182	49,327
	105,303	84,514

22. Revenue

	2025 AED'000	2024 AED'000
<i>Local</i>		
Long term contracts	557,453	525,837
Transaction based contracts	226,283	205,670
	783,736	731,507
<i>Export</i>		
Long term contracts	21,604	21,734
Transaction based contracts	71,860	64,744
	93,464	86,478
Total	877,200	817,985

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

23. Other operating income

This includes deferred income recognized during the year amounting to AED 4.6 million (2024: AED 4.3 million).

24. Profit for the year before tax

The profit for the year before tax is stated after charging:

	2025 AED'000	2024 AED'000
Staff costs	119,533	113,732
Short term lease expenses	5,324	4,888
Depreciation of property, plant and equipment (Note 5a)	40,988	41,322
Depreciation of right of use asset (Note 6)	14,951	13,329
Gain on disposal of property, plant and equipment	(273)	(238)

Amount included in cost of sales:

	2025 AED'000	2024 AED'000
Staff costs	22,912	23,288
Short term lease expenses	523	532
Depreciation of property, plant and equipment	22,409	23,586
Depreciation of right of use asset	2,704	2,497

During the year ended 31 December 2025, social contributions made by the Company amounted to AED 24 thousand (2024: AED 27 thousand).

25. Income tax expense

The tax charge for year ended December 2025 is AED 15.7 million (31 December 2024: AED 13.7 million), representing an Effective Tax Rate ("ETR") of 9.06% (31 December 2024: 9.15 %). The ETR incorporates tax rates of the UAE.

	2025 AED'000	2024 AED'000
Income tax expense		
Income tax - current	15,731	13,681

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

25. Income tax expense (continued)

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

	2025 AED'000	2024 AED'000
Profit before tax	173,604	149,509
Tax at the UAE corporate tax rate of 9%	15,624	13,456
Tax effect of expenses that are not deductible in determining taxable profit	141	501
Tax effect on exempt amount	-	(242)
Tax effect on standard deduction	(34)	(34)
Total income tax for the year	15,731	13,681

The following table provides the movement of income tax liability:

	2025 AED'000	2024 AED'000
Balance as at 1 January	13,681	-
Provision made during the year	15,731	13,681
Payment during the year	(12,712)	-
Current tax liability	16,700	13,681

26. Contingencies and capital commitments

	2025 AED'000	2024 AED'000
Bank guarantees	5,991	6,560

As at 31 December 2025, there is no material capital commitments (31 December 2024: no material commitments).

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

27. Segment reporting

The Company operates in a single reporting segment of canning, bottling, distribution and trading of soft drinks and related beverages products. All the relevant information relating to this reporting/operating segment is disclosed in the statement of financial position, statement of profit or loss and notes to the financial statements.

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

Information about geographical segments

During the year ended 31 December 2025, revenue from customers located in the Company's country of domicile (UAE) is AED 784 million (2024: AED 732 million) and revenue from customers outside UAE (foreign customers) is AED 93 million (2024: AED 86 million).

Major customer

During the year ended 31 December 2025, there were no customer of the Company with revenue greater than 10% of the total revenue of the Company (2024: Nil).

28. Financial risk management

The Company's principal financial liabilities comprise Trade and other payables and lease liabilities. The main purpose of these financial liabilities is to manage Company's cash flows. The Company has various financial assets such as Trade and other receivables, cash and bank balances, which arise directly from operations.

The main risk arising from Company's financial instruments are liquidity risk, market risk, credit risk, interest rate risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include term loans, bank deposits, investment securities and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, bonds and lease liabilities).

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's result for one year, based on the floating rate financial assets held at 31 December.

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

28. Financial risk management (continued)

Interest rate risk (continued)

There is no material impact on the Company's equity.

	Increase/ decrease in basis points	Effect on profit for the year AED'000
2025		
AED	+50	-
AED	-50	-
2024		
AED	+50	-
AED	-50	-

The Company does not have any interest bearing assets or liabilities at reporting date with variable interest (2024: Nil).

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates, The Company had the following significant net exposures denominated in foreign currencies in the form of bank balances. .

	2025 AED'000 Equivalent	2024 AED'000 Equivalent
Net assets:		
Euro	43	38

The below analysis calculates the effect of a reasonably possible movement of the AED currency rate against the above mentioned currency, with all other variables held constant, on the income (due to the fair value of currency sensitive monetary assets and liabilities).

	Increase/ decrease in exchange rate to the AED	Effect on profit for the year increase (decrease) AED'000	Effect on other comprehensive income for the year increase/ (decrease) AED'000
2025	+5%	2	-
	-5%	(2)	-
2024	+5%	2	-
	-5%	(2)	-

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

28. Financial risk management (continued)

Price risk

Price risk is the risk that the fair value of equities and debt instruments decreases as a result of changes in the levels of market index and the value of individual stocks. The Company's listed equity security is susceptible to market price risk arising from uncertainties about future values of the investment security.

The effect on equity (fair value reserve) as a result of a change in the fair value of financial instrument comprises of equity investment quoted on Muscat Securities Market Oman and debt instrument issued by CBD which are held as fair value through other comprehensive income at 31 December 2025 and 31 December 2024, due to reasonably possible changes in the prices of these quoted shares held by the Company, with all other variables held constant, is as follows:

	2025		2024	
	Increase/ decrease in market prices %	Effect on equity (fair value reserve) AED'000	Increase/ decrease in market prices %	Effect on equity (fair value reserve) AED'000
Market index – Investment	+10%	9,798	+10%	7,257
Impact of change in market prices	-10%	(9,798)	-10%	(7,257)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Company limits its credit risk with regard to bank deposits by only dealing with reputable banks. The Company also manages the risk through dealings with large diversified base of customers as well as local and foreign banks.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

With respect to credit risk arising from other financial assets of the Company, including bank balances, trade and other receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	2025 AED'000	2024 AED'000
Bank balances and deposits (Note 11)	449,176	392,677
Trade receivables (Note 10)	134,600	126,134
Investments in bonds	5,065	4,879
Due from a related party (Note 19)	463	276
Other receivables (Note 10)	66,497	48,291
Derivatives assets (Note 10)	600	-
	656,401	572,257

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

28. Financial risk management (continued)

Credit risk (continued)

Bank balances

The Company limits its credit risk with regard to bank balances by dealing only with reputable banks. The credit risk is limited to the carrying values of the financial assets. The credit rating of the banks which the company deals with has credit ratings of A+, A- and AA-.

Trade and other receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal criteria. Outstanding trade receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries.

Liquidity risk

The Company limits its liquidity risk by ensuring that adequate internally generated funds and bank facilities are available. The Company's terms of sales require amounts to be paid within 30 to 90 days from the date of sale, Trade payables are normally settled within 30 to 90 days from the date of purchase.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

31 December 2025	Carrying amount AED'000	Contractual Cash flows AED'000	One year Or less AED'000	More than One year AED'000
<i>Non-derivative financial liabilities:</i>				
Trade and other payables (excluding advances from customers and deferred income)	190,271	190,271	190,271	-
Lease liability	105,303	130,214	17,635	112,579
Total	295,574	320,485	207,906	112,579

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

28. Financial risk management (continued)

Liquidity risk (continued)

31 December 2024	Carrying amount AED'000	Contractual Cash flows AED'000	One year Or less AED'000	More than One year AED'000
<i>Non-derivative financial liabilities:</i>				
Trade and other payables (excluding advances from customers and deferred income)	181,621	181,621	181,621	-
Lease liability	84,514	117,210	11,043	106,167
Total	266,135	298,831	192,664	106,167

Contractual maturities related to lease liabilities disclosed in Note 21.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholders' value.

The Company manages its capital structure in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 31 December 2024. Capital comprises share capital, reserves and retained earnings and is measured at AED 1.16 billion as at 31 December 2025 (2024: AED 1.07 billion).

29. Fair value of derivatives

Cash flow hedges

The Company also uses forward commodity contracts to manage some of its financing transaction exposures, highly probable transactions and commitment. The hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transaction is accounted for as a cash flow hedge.

The cash flow hedges were assessed to be effective and as at 31 December 2025, a net unrealised gain of AED 0.6 million (2024: net unrealised loss of AED 1.1 million) was included in other comprehensive income in respect of these contracts.

The table below shows the fair valuation assets and liabilities of derivative financial instruments including cash flow hedges, which are equivalent to the market values, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured, the notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

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

29. Fair value of derivatives (continued)

Cash flow hedges (continued)

	Fair value AED'000	Notional amount AED'000	Within 1 year AED'000
Derivatives			
31 December 2025			
Designated as cash flow hedge	600	2,644	2,644
31 December 2024			
Designated as cash flow hedge	(23)	11,238	11,238

The fair value of derivatives is presented in the statement of financial position as.

	2025 AED'000	2024 AED'000
Derivative fair valuation assets - current assets (Note 10)	600	-
Derivative fair valuation liability - current liabilities (Note 20)	-	(23)

30. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables, derivatives and investment securities. Financial liabilities consist of bank borrowings, payables, contract liabilities and derivatives.

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

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not base on observable market data.

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

30. Fair values of financial instruments (continued)

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

Assets measured at fair value

	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
2024				
<i>Investment securities</i>				
Quoted equity shares consumer products sector (Note 8.a)	67,687	67,687	-	-
<i>Investment in bonds, Quoted</i>				
Investment in Bonds at FVTOCI (Note 8.b)	4,879	4,879	-	-
Negative fair value of derivatives - held as cash flow hedge (Note 20)	23	-	23	-
2025				
<i>Investment securities</i>				
Quoted equity shares consumer products sector (Note 8.a)	92,915	92,915	-	-
<i>Investment in bonds, Quoted</i>				
Investment in Bonds at FVTOCI (Note 8.b)	5,065	5,065	-	-
Positive fair value of derivatives - held as cash flow hedge (Note 20)	600	-	600	-

31. Comparative information

Certain comparative information have been reclassified / regrouped, wherever necessary, to conform to the presentation adopted in these financial statements. None of these reclassification had an impact on the reported results or net assets as of and for the year ended 31 December 2024.

32. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 10th February 2026.

Corporate Governance Report for the Year 2025

Since its establishment by Emiri Decree in 1959 under the leadership of the late His Highness Sheikh Rashid bin Saeed Al Maktoum, Dubai Refreshment (P.J.S.C.) has grown into one of the UAE's most established and leading beverage and snacks bottling companies. Over more than six decades, the Company has built a reputation grounded in strong values, operational excellence, and an unwavering commitment to ethical conduct.

As the UAE's leading beverage and snacks distributor, Dubai Refreshment (P.J.S.C.) combines advanced operational capabilities with extensive distribution networks to serve a dynamic and expanding market. In 2025, The Company continues its commitment to sustainable growth and strategic portfolio development, creating long-term value for all stakeholders. Through disciplined governance, operational excellence, and responsive market strategies, the Company continues to meet evolving consumer needs while maintaining the highest standards of corporate responsibility.

1. Statement of the Measures Taken to Complete the Corporate Governance System during 2025, and the Manner of Implementation thereof.

In accordance with Decision No. (3/RM) of 2020 and its amendments ("Corporate Governance Rules"), approved by the Chairman of the Capital Market Authority's Board of Directors, Dubai Refreshment (P.J.S.C.) has continued to strengthen its corporate governance framework throughout 2025; The Board of Directors reviewed and approved an updated Corporate Governance Manual that comprehensively addresses all core governance functions in full alignment with UAE corporate governance law and regulations. This manual provides a robust framework for governance oversight, internal controls, risk management, and compliance monitoring across all business operations.

The Board of Directors maintains continuous oversight of the Company's alignment with corporate governance rules through strict governance supervision, comprehensive internal control measures, and effective risk management practices. This systematic approach ensures that governance standards are embedded throughout the organization and consistently applied across all levels of operation.

The Company maintains its commitment to transparency and accountability through periodic disclosure of material information in accordance with applicable regulations. This includes timely publication of financial statements, Board resolutions, General Assembly proceedings, and other material developments through the Company's investor relations portal and the Dubai Financial Market platform, ensuring stakeholders have consistent access to accurate and relevant information.



2. Statement of ownership and transactions of Board of Directors members and their spouses, their children under eighteen in the Company securities during 2025:

Name	Position / relationship	shares owned as at 31/12/2025	Total Sales transactions	Total purchases transactions
Mr. Ahmad bin Eisa Alserkal	Chairman of Board of Directors	None	None	None
Mr. Ali Bin Humaid Alowais	Vice Chairman of the Board	385,759	None	66,898
Mr. Mohammad Saeed Rashed Ali Alshehhi	Member of the Board of Directors	None	None	None
Mr. Buti Obaid Buti Almulla	Member of the Board of Directors	None	None	None
Mr. Nawwaf Ghubash Almarri	Member of the Board of Directors	None	None	None
Mr. Mohamed Ali Nasir Alowais	Member of the Board of Directors	None	None	None
Mrs. Farida Mohammad Rafi	Member of the Board of Directors	None	None	None

3. Formation of the Board of Directors:

Statement of Formation of the Current Board of Directors according to the following table:

Dubai Refreshment (P.J.S.C.) is governed by a Board of Directors comprising seven members, each contributing specialized expertise to the Company's strategic leadership. The Board's composition reflects a balanced mix of competencies across critical business domains, including industry knowledge, financial management, accounting, banking, and business administration. This diverse expertise enables the Board to exercise informed oversight and make strategic decisions that advance the Company's long-term objectives.

The Board maintains an appropriate balance between non-independent and independent members in accordance with corporate governance requirements. This composition ensures objective decision-making, effective oversight, and diverse perspectives in board deliberations. Through this structure, the Board fulfills its fiduciary responsibilities and upholds the corporate governance standards expected of a publicly listed company in the UAE.





Name	Position	Type of Membership	Experience	Qualifications	Period served as a Board Member in the Company's BOD as of the date of First Election
Mr. Ahmad Bin Eisa Alserkal	Chairman of the Board of Directors	Non-Executive/ Non-Independent Member	General Trading Real Estate	Bachelor of Administrative Sciences, Business Administration	24 years
Mr. Ali Bin Humaid Alowais	Deputy Chairman of the Board of Directors	Non-Executive/ Non-Independent Member	General Maintenance, Property Management	Bachelor of Business Administration	18 years
Mr. Mohammad Saeed Rashed Ali Alshehhi	Member of the Board of Directors	Non-Executive/ Non-Independent Member	Business Administration Engineer, Communication	Bachelor of Science in Electrical and Electronics Engineering, Master's Degree in Digital Wireless Communications from the University of Leeds	1 year
Mr. Buti Obaid Buti Almulla	Member of the Board of Directors	Non-Executive/ Non-Independent Member	Business Administration	Diploma in Business Administration	6 years
Mr. Nawwaf Ghubash Almarri	Member of the Board of Directors	Non-Executive/ Independent Member	Real Estate, Investments, Insurance companies.	Bachelor of Business Administration	3 years
Mr. Mohamed Ali Nasir Alowais	Member of the	Non-Executive/	Real Estate, Food/ Beverage,	Bachelor of Science in Computer and	3 years





	Board of Directors	Independent Member	Trading and Services	Information Science	
Mrs. Farida Mohammad Rafi	Member of the Board of Directors	Non-Executive/Independent Member	Human Resources, Business	Master in Human Resources, Bachelor in Business Administration	2 years
Mr. Ibrahim Abdulrazzak Ustadi*	Member of the Board of Directors	Non-Executive/Non-Independent Member	Business Administration Financial Controller	Diploma in Accounting	20 years

*Mr. Ibrahim Ustadi resigned from the Board of Directors on 9 Feb 2025

Name	Membership in Other public Joint Stock Companies	Their Positions in Other Important Regulatory, Governmental, or Commercial Authorities
Mr. Ahmad Bin Eisa Alserkal	None	<ul style="list-style-type: none"> Member of the Board of Directors of Dubai Chamber Member of the Family Disputes Resolution Committee at Dubai Courts.
Mr. Ali Bin Humaid Alowais	<ul style="list-style-type: none"> United Foods Company (P.J.S.C) - Chairman of the Board of Directors Emirates NBD - Member of the Board of Directors 	None
Mr. Mohammad Saeed Rashed Ali Alshehhi	None	<ul style="list-style-type: none"> Vice chairman of the National Media Authority General Manager of Emirates Racing Authority Chief Executive Officer of A.R.M. Holding
Mr. Buti Obaid Buti Almulla	<ul style="list-style-type: none"> Dubai Insurance Company (P.J.S.C) – Chairman of the Board of Directors Emirates Islamic Bank - Vice Chairman Emirates NBD Bank - Member of the Board of Directors 	None



	• Emaar Properties PJSC – Member of the Board of Directors	
Mr. Nawwaf Ghubash Almarri	• Fidelity United Insurance Company – Chairman of the Board of Directors	None
Mr. Mohamed Ali Nasir Alowais	None	None
Mrs. Farida Mohammad Rafi	None	None

The collective expertise and longstanding experience of the Board members contribute to a robust governance environment where strategic initiatives, operational performance, and risk management matters are deliberated with a high degree of diligence and professional judgment. The Board remains committed to maintaining strong governance practices, adhering to regulatory obligations, and ensuring that its composition continues to support the Company's longterm objectives and fiduciary responsibilities.-standing experience of the Board members contribute to a robust governance environment where strategic initiatives, operational performance, and risk management matters are deliberated with a high degree of diligence and professional judgment. The Board remains committed to maintaining strong governance practices, adhering to regulatory obligations, and ensuring that its composition continues to support the Company's long-term objectives and fiduciary responsibilities.

Statement of the Percentage of Female Representation in the Board of Directors for the year 2025:

The composition of Dubai Refreshment (P.J.S.C.)'s Board of Directors reflects our commitment to diverse leadership, with female representation constituting one-seventh of the Board membership. As of 2025, the Board comprises one female director and six male directors, demonstrating our progress toward inclusive governance while maintaining the highest standards of professional qualification and expertise.

Board Remuneration Structure for 2024

The Board of Directors' remuneration framework reflects our commitment to fair compensation while ensuring alignment with corporate governance standards and shareholder interests. During 2024, the total Board remuneration amounted to AED 5,200,000 (five million and two hundred thousand Emirati Dirhams), approved by the General Assembly of the shareholders and distributed as follows:

- Chairman of the Board: AED 1,000,000
- Individual Board Members: AED 700,000 each

Proposed Remuneration (2025)

For the year 2025, subject to General Assembly approval, the proposed Board remuneration maintains the same structure, totalling AED 5,200,000 (five million and two hundred thousand Emirati Dirhams), allocated as:



- Chairman of the Board: AED 1,000,000
- Individual Board Members: AED 700,000 each

Additional Compensation

Board members receive no additional fees, allowances, or salaries beyond their standard remuneration, with the exception of committee attendance allowances. These committee attendance allowances are structured as follows:

Name	Total Meetings in 2025	Total Allowances in 2025 (AED 10,000 per meeting)
Mr. Ahmad Bin Eisa Al Serkal	2	20,000
Mr. Mohamed Ali Nasir Alowais	11	110,000
Mr. Nawwaf Ghubash Almarri	8	80,000
Mr. Mohammad Saeed Rashed Ali Alshehhi	3	30,000
Mrs. Farida Mohammad Rafi	7	70,000

The number of board meetings held during the fiscal year 2025 with a statement of their dates, number of times of personal attendance of all members, with a statement of the members represented by others.

Meeting Date	Number of Attendees	Attendees by Representatives	Name of Non-Attendant Members
11.02.2025	6	0	0
29.04.2025	6	0	Mr. Mohammad Alshehhi
29.07.2025	7	0	0
29.10.2025	7	0	0
09.12.2025	5	0	Mr. Ali Alowais Mr. Mohamed Alowais

During the fiscal year 2025, the Board of Directors did not enact any resolution through circulation.



4. Board of Directors' committees

A. Audit Committee

An acknowledgment by the Chairman of the Audit Committee of his responsibility for the Committee's system in the Company and his review of its work mechanism and verification of its effectiveness:

"Mr. Nawwaf Ghubash Almarri, as the Chairman of the Audit Committee, hereby acknowledges responsibility for the committee's system within the Company. The Audit Committee is committed to reviewing its operational procedures and verifying the effectiveness of its mechanisms to ensure the highest standards of diligence and scrutiny in overseeing the audit committee's functions.

Names of the members of the Audit Committee, its terms of reference and the tasks entrusted thereto:

Name	Position	Type of Membership
Mr. Nawwaf Ghubash Almarri	Chairman of the Committee	Non-executive/ Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive/ Independent
Mrs. Farida Mohammad Rafi	Committee Member	Non-executive/ Independent

Audit Committee Charter and Responsibilities

Primary Oversight Functions

The Audit Committee serves as a cornerstone of corporate governance at Dubai Refreshment (P.J.S.C.), with primary responsibility for overseeing the Company's financial control and risk management frameworks. The Committee develops and implements policies governing external auditor engagement, while monitoring their independence and objectivity. It maintains vigilant oversight of the Company's financial reporting process, ensuring the integrity of both interim and annual financial statements.

Regulatory Compliance and Internal Controls

A key mandate of the Committee includes ensuring adherence to disclosure requirements established by the Dubai Financial Market and the Capital Market Authority. The Committee engages with management to evaluate and strengthen internal control systems, supporting the Board of Directors in its oversight responsibilities. This includes ensuring the independence of financial reporting processes and validating the qualifications and independence of the external auditor.



Authority and Access

In accordance with the Corporate Governance Rules, the Committee is vested with comprehensive authority to fulfill its oversight responsibilities. This includes unrestricted access to all Company departments, records, and properties. Such broad access rights enable the Committee to conduct thorough investigations and maintain effective oversight of the Company's financial and control systems.

The number and dates of meetings held by the Audit Committee during the year 2025 to discuss issues related to the financial statements and any other matters, and an indication of the number of times of personal attendance of members in the meetings held:

Audit Meeting				
Name	11.02.2025	29.04.2025	29.07.2025	29.10.2025
Mr. Nawwaf Ghubash Almarri	1	1	1	1
Mr. Mohamed Ali Nasir Alowais	1	1	1	1
Mrs. Farida Mohammad Rafi	1	1	1	1

B. Audit Committee Annual Report

Throughout 2025, the Audit Committee conducted comprehensive reviews of the Company's quarterly and annual financial statements, examining financial performance, operating results, and the consistent application of accounting policies. The Committee verified full compliance with International Financial Reporting Standards (IFRS) and local regulatory requirements while addressing key audit matters raised during the audit process. The year also marked the commencement of KPMG Lower Gulf Limited's engagement as the Company's external auditor following their appointment by shareholders at the Annual General Assembly held on 12/03/2025, and the Committee ensured an effective and controlled transition to the new audit firm.

In evaluating the external audit function, the Committee assessed KPMG's independence, professional competence, audit methodology, and the adequacy of their planning and execution throughout their first year of engagement. KPMG demonstrated technical expertise, appropriate industry knowledge, and full adherence to professional auditing standards. The Committee also reviewed written confirmations of independence provided by KPMG, held periodic discussions with the audit partner, and examined the firm's internal safeguards designed to maintain independence. The Committee facilitated thorough knowledge-transfer procedures to ensure continuity in audit quality and minimal disruption to the Company's financial reporting processes. After completing its assessment, the Committee recommended KPMG Lower Gulf Limited for appointment as the external auditor, and the Board of Directors accepted this recommendation without reservation.



To ensure that the external auditor's independence was not compromised by the provision of non-audit services, the Committee exercised strict oversight over all additional engagements undertaken by KPMG. The only non-audit service performed during the year related to agreed-upon procedures connected to the Internal Control over Financial Reporting (ICFR) framework. The Committee confirmed that this service did not involve any decision-making or management responsibilities and was fully compliant with regulatory independence standards. All non-audit assignments were pre-approved by the Committee and evaluated to ensure they did not impair, or appear to impair, the external auditor's objectivity.

The Committee maintained comprehensive oversight of the Company's internal control environment and risk management framework throughout 2025. PricewaterhouseCoopers (PwC), the appointed internal auditor, conducted regular reviews and issued internal audit reports covering key operational, compliance, and financial control areas. The Committee reviewed all internal audit reports, including those classified as medium- and high-risk, and assessed whether any observations indicated systemic weaknesses or material failures in internal control. PwC's reports did not identify any significant violations or major control deficiencies, and the Committee confirmed that the Company's internal control environment remained strong and effective.

During the year, the Company's robust control environment did not require a formal remedial action plan, as no material weaknesses were identified. Where minor enhancement opportunities were noted through internal audit work, the Committee followed up with management to ensure timely remediation, monitored progress, and verified the closure of all findings. The Committee also continued to oversee the Company's broader risk management processes, reviewed risk assessments and mitigation strategies, and ensured that the Company's risk management systems remained aligned with governance requirements and industry best practices.

In addition to its audit-related responsibilities, the Audit Committee led a comprehensive review and update of the Company's Corporate Governance Manual in 2025 to ensure alignment with all applicable laws, regulations, and the Company's Articles of Association. This exercise strengthened the Company's governance infrastructure by refining internal policies, procedures, and oversight mechanisms. The updated Corporate Governance Manual was subsequently approved by the Board of Directors and now serves as an integrated governance framework for all levels of the organization.

The Company's voluntary adoption of the Internal Control over Financial Reporting (ICFR) framework, initiated in 2023 and completed in 2024, continued to provide meaningful value throughout 2025. The ICFR framework received an unqualified opinion from the external auditor. The Committee monitored the continued application of this framework, which has significantly enhanced regulatory compliance, strengthened financial reporting accuracy, improved operational efficiency, and reinforced stakeholder confidence.

Finally, the Committee reviewed all related-party transactions executed during 2025, including the supply and sales transactions conducted with Oman Refreshments Company. The Committee confirmed that these transactions were executed at arm's-length, within the normal course of business, and without preferential terms. The Committee determined that all related-party dealings complied fully with applicable laws, regulations, and disclosure requirements, and no concerns or irregularities were identified. Through all of these activities,



the Audit Committee fulfilled its responsibilities in accordance with the Corporate Governance Rules, ensuring rigorous oversight of financial reporting, strong internal controls, effective risk management, and full compliance with regulatory and governance requirements.

C. Nomination and Bonuses Committee

An acknowledgment by the Chairperson of the Nomination and Bonuses Committee of her responsibility for the Committee's system in the Company and for her review of its work mechanism and verification of its effectiveness.

Mrs. Farida Mohammad Rafi, Chairperson of the Nomination and Bonuses Committee, hereby acknowledges her responsibility for the Committee's system in the Company and for her review of its work mechanism and verification of its effectiveness."

Names of the members of the Nomination and Bonuses Committee, and statement of its terms of reference and the tasks entrusted thereto:

Nomination and Bonuses Committee		
Name	Position	Type of Membership
Mrs. Farida Mohammad Rafi	Chairperson of the Committee	Non-executive/ Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive/ Independent
Mr. Mohammad Saeed Rashed Ali Alshehhi	Committee Member	Non-executive/ Non- Independent

Duties and Responsibilities of the Nomination and Bonuses Committee

The Committee ensures Board member independence in accordance with Capital Market Authority regulations and upholds compliance with established independence standards. It is responsible for developing and updating remuneration policies that encompass compensation for Board members, executive and staff incentives, performance rewards, ensuring all are aligned with Company strategy and shareholder value. The Committee also reviews the effectiveness of these remuneration policies, monitors performance evaluations, and receives reports on training outcomes as applicable, ultimately providing the Board with comprehensive summaries regarding compensation, nominations, Board self-evaluations, executive management nominations, along with maintaining detailed records of decisions and recommendations.



Statement of the number of meetings held by the Committee during 2025 and the dates of their convening, with an indication of the number of times of personal attendance of all Committee members:

Nomination & Bonuses Committee		
Name	11.02.2025	15.10.2025
Mrs. Farida Mohammad Rafi	1	1
Mr. Mohammad Saeed Rashed Ali Alshehhi		
Mr. Mohamed Ali Nasir Alowais	1	1

D. Committee of Follow up and supervision on the insiders' transactions

The Company's Board of Directors has formed a committee to follow up and supervise insiders' transactions, which has been formed from the Chief Executive Officer, with the membership of the Director of Legal Affairs, the Board Secretary, according to the applicable rules based on the decision of the Chairman of the Board of Directors of the Capital Market Authority (03/R.M) for the year 2020.

E. Other Committees: Investment Committee

An acknowledgment by the Chairman of the Investment Committee of his responsibility for the Committee's system in the Company and for his review of its work mechanism and verification of its effectiveness:

"Mr. Nawwaf Ghubash Almarri, Chairman of the Investment Committee acknowledges his responsibility for the Committee's system within the Company, as well as for his inspection of the committee's work mechanism and effectiveness."

Names of the members of the Investment Committee, and the meetings held during 2025:

Name	Position	Type of Membership
Mr. Nawwaf Ghubash Almarri*	Chairman of the Committee	Non-executive/ Independent
Mr. Mohamed Ali Nasir Alowais	Committee Member	Non-executive/ Independent
Mr. Mohammad Saeed Rashed Ali Alshehhi	Committee Member	Non-executive/ Non- Independent
Mr. Ahmad Bin Eisa Alserkal**	Chairman of the Committee	Non-executive/ Non- Independent

* Mr. Nawwaf Almarri was appointed as chairman of the Committee during the Committee's meeting on 28 April 2025

** Mr. Ahmad Alserkal stepped down as Chair and member of the Investment Committee on 28 April 2025



Investment Committee				
Name	06.02.2025	28.04.2025	17.07.2025	08.10.2025
Mr. Nawwaf Ghubash Almarri	1	1	1	1
Mr. Mohamed Ali Nasir Alowais	1	1	1	1
Mr. Mohammad Saeed Rashed Ali Alshehhi		1	1	1
Mr. Ahmad Bin Eisa Alserkal	1	1		

The Investment Committee assists the Board's in its investment activities and strategic partnerships. With full access to Company resources and authority to engage external expertise, the Committee evaluates investment opportunities, monitors performance, and ensures alignment with corporate objectives.

During the year 2025, no further affiliated committees of the Board of Directors were appointed.

5. A statement of the tasks and competencies of the Board of Directors carried out by a member of the Board or the Executive Management during the year 2025 based on a delegation from the Board:

The Board of Directors collectively exercised its powers in managing the Company directly through the periodic follow-up of the Company's activity in the meetings of the Board, and the Board of Directors did not delegate any of its exceptional powers to the executive management during the year 2025.

6. A statement of the details of the transactions that took place with related parties during the year 2025.

Statement of the Competent Party	Type of Relationship	Type of Transaction	Value of Transaction
Oman Refreshments Company (Sultanate of Oman)	Business operations within the normal scope of dealing	Supplying products from Oman Refreshments Company for the Company	AED 6,538,327
Oman Refreshments Company (Sultanate of Oman)	Business operations within the normal scope of dealing	Sales of the Company's products for Oman Refreshments Company	AED 3,716,083



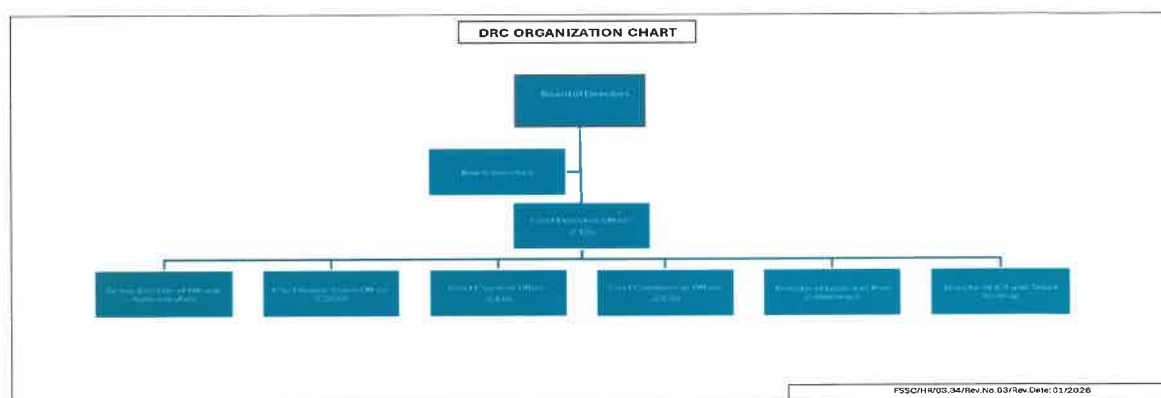
Taking in account that the commercial operations mentioned above fall within the scope of normal business at the market prices and without any preferential conditions of any kind.

7. Board evaluation

The Board maintains ongoing open communication and dialogue at both Board and Nomination Committee levels to ensure all Board members possess the necessary knowledge and skills to effectively discharge their duties. This collaborative approach enables continuous assessment of competencies and identification of areas for development. In line with its commitment to governance excellence, the Board of Directors have launched during fourth quarter 2025 an internal Board evaluation process to ensure all Board members are aligned and remain up-to-date in all matters that help them to discharge their duties as Board members. The outcome of the exercise will be shared with the Board of Directors for action consideration if applicable, to be concluded in 2026.

8. The organizational structure of the Company to include the first and second lines:

A detailed statement of the senior executives in the first and second grades, according to what is stated in the Company's organizational structure (according to 3-d), their jobs and dates of appointment, with a statement of the total salaries and bonuses paid to them, according to the following table:



The Board of Directors' oversight extends to the evaluation and development of senior executives, ensuring their remuneration structures reflect both individual contributions and corporate performance. This includes regular assessment of leadership capabilities, market competitiveness of compensation packages, and alignment with the Company's strategic objectives and regulatory requirements under Corporate Governance Rules.



Position	Appointment Date	Total Salaries and Allowances for 2025 (AED)	Total Bonus paid during 2025* (AED)	Any In-kind/ Cash Rewards for the Year 2025 or Due in the Future
Chief Executive Officer	01/07/2012	1,725,576	682,891 ⁽¹⁾	None
Chief Executive Officer - Former	01/08/2008 – 31/12/2024	431,394 ⁽²⁾	3,071,948 ⁽³⁾	2,502,377 ⁽⁴⁾
Vice President – CFO	01/03/2024	1,039,200	209,233	None
Vice President - Supply Chain and Projects	01/11/2001	1,003,944	301,610	None
Vice President – CCO	31/03/2013	891,624	184,214	None
Director of Legal	08/10/2013	590,760	129,381	None
Senior Director of Human Resources	28/07/2022	893,792	116,591	None
Director of Information Technology	03/01/2010	609,821	125,197	None

*Bonuses paid in 2025 for year 2024 as approved by the BOD during Q1 2025

1) This represents the amount paid in the previous capacity of Chief Operating Officer. The bonus for the CEO for the year 2025 has still not been determined.

2) This represents the notice pay paid to the retiring CEO.

3) This represents the amount paid for 15 months to the retiring CEO.

4) This represents the end of service paid to the former CEO.

9. External Auditor:

A Brief Introduction about the Company's Auditor to the Shareholders:

KPMG Middle East is a part of the KPMG global organization of independent member firms that operate in 138 countries and territories and are affiliated with KPMG International Limited. KPMG provide audit, tax and advisory services to public and private sector clients across Saudi Arabia, United Arab Emirates, Jordan, Lebanon, Oman, and Iraq, contracting through separate legal entities. The firm have a strong legacy in the region, where they have been established for over 50 years. KPMG Middle East is well-connected with its global member network and combines its local knowledge with international expertise.

KPMG serves the diverse needs of businesses, governments, public-sector agencies, not-for-profit organizations, and the capital markets

Statement of the Auditing Fees and Costs or the Services Provided by the External Auditor:

Name of the auditing office and name of the partner auditor	KPMG Lower Gulf - Partner Auditor: Fawzi Aburass
Number of years spent as an external auditor for the Company	1
Number of years spent by the partner auditor in auditing the Company's accounts	1



Total fees for auditing and reviewing the financial statements (interim and annual) for the year 2025 (AED)	AED 561,350
Fees and costs of other special services other than auditing the financial statements for the year 2025 (AED).	AED 135,000
Details and nature of the other services provided	Engagement Letter for Independent Reasonable Assurance Report on the system of Internal controls over Financial reporting.
Statement of the other services provided by <u>any other external auditor</u> other than the Company's auditor during 2025	None

Statement of the unqualified opinion of the Company's external auditor: the external auditor did not have any reservation in their opinions in any of the interim or the annual financial statements in 2025.

10. Internal Control System:

The Board of Directors maintains ultimate responsibility for the Company's internal control framework, ensuring effective oversight and compliance with Dubai Financial Market and Capital Market Authority requirements. PricewaterhouseCoopers (PwC), the Company's appointed internal auditor, conducted quarterly reviews throughout 2025 covering all operational departments. The comprehensive audits validated the effectiveness of operational procedures, internal policies, and technological infrastructure, with all reports indicating full compliance and no significant violations or control deficiencies identified.

Mr. Karem Mahmoud, Director of Legal Affairs, serves as the Company's Compliance Officer since October 8, 2013. As a specialist lawyer accredited by the Beirut Bar Association in Lebanon, he ensures adherence to applicable laws, regulations, and internal policies across all business operations. As part of the Company's commitment to strengthening its governance structure, the Company is currently exploring recruitment options to appoint an independent compliance officer, which will further enhance the segregation of duties and compliance oversight within the organization.

During 2025, PricewaterhouseCoopers submitted two comprehensive internal audit reviews to the Board of Directors, covering all major aspects of business operations. The assessments confirmed the effectiveness of the Company's control environment, with no significant issues requiring major intervention. The Audit Committee reviewed these reports and monitored implementation of recommended enhancements.

11. Details of the violations Committed in 2025, their Reasons, and how they shall be Addressed and Prevented in the Future:

During the fiscal year 2025, Dubai Refreshment (P.J.S.C.) maintained full compliance with all corporate governance requirements under Corporate Governance Rules and Federal Decree-Law No. 32 of 2021 and its amendments concerning Commercial Companies. The Company's



internal control systems and compliance monitoring processes confirmed no violations of regulatory requirements or governance standards during this period.

The absence of violations reflects the Company's commitment to maintaining robust governance practices and the effectiveness of its preventive control measures.

12. A Statement of the Company's Monetary and In-Kind Contributions to the Growth of the Local Community and the Protection of the Environment in 2025:

Throughout 2025, Dubai Refreshment (P.J.S.C.) continued to strengthen its commitment to corporate social responsibility, community development, and environmental stewardship across Dubai and the Northern Emirates. The Company's approach to social responsibility is anchored in its corporate values and reflects a deep-rooted philosophy of creating sustainable value for the communities in which it operates. The Company maintained its focus on initiatives that deliver tangible benefits to society while promoting sustainable business practices. This dedication to corporate citizenship aligns with the Company's heritage as one of the UAE's pioneering enterprises and its vision for contributing to the nation's sustainable development goals.

One of the key initiatives was the CSR through Wheelchairs program, under which The Company provided AED 24,000 to supply mobility equipment to eight charitable organizations. The program supported individuals requiring enhanced mobility assistance and formed part of The Company's ongoing participation in social support activities across the UAE. Beneficiaries included on the table below:

Charity Organization	Cost AED
Khorfakkan Club for the Disabled	3,000
Al Noor rehabilitation	3,000
West Asia Paralympic Federation	3,000
Ajman Club for disabled	3,000
Dubai club for people of determination	3,000
Emirates for Parent's Care and Relief	3,000
UAE Genetic Diseases Association	3,000
Rukn Al Ibda learning difficulties Centre	3,000
TOTAL cost	24,000

DRC continued its efforts in Promoting Health and Active Lifestyles Through Sports by expanding support for health and wellness in partnership with the Dubai Sports Council. As part of this collaboration, DRC contributed AED 22,609 and supplied Aquafina water for



several sporting events, including the 6th Labor Sports Throwball Tournament, the 34th Dubai International Basketball Championship, the 6th Labor Yoga Day Celebrations, and the Dubai International Aquatics Championship 2025. These events encouraged participation across diverse community groups and supported national objectives related to physical activity and wellbeing.

DRC supported employee and community initiatives throughout the year, organizing a blood donation drive with the Dubai Health Authority that attracted 86 enthusiastic employee participants. The team partnered with Al Shafar Contracting Company to directly provide over 1,500 blue-collar workers with Aquafina water, soft drinks, and snacks as part of ongoing welfare efforts. DRC also reached the Social Care Center for the Elderly and Children in Sharjah, where the team provided breakfast and lunch to 36 individuals, strengthening the organization's community outreach.

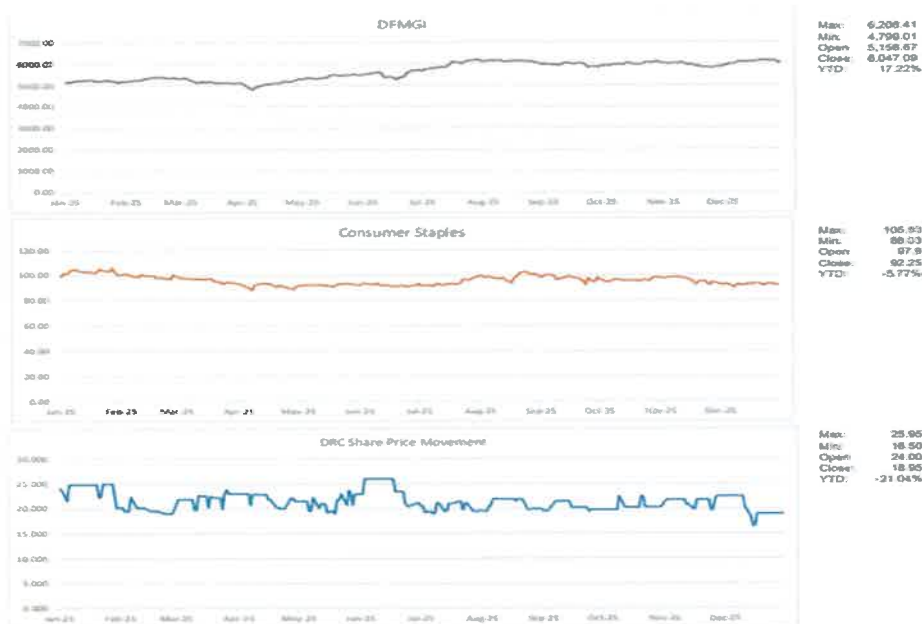
13. General Information:

A Statement of the Market Price of the Company's Share (Closing Price, Highest and Lowest Prices) at the Conclusion of Each Month during Fiscal Year 2025:

Month	High Month	Low Month	Closing Month
Jan-25	25.000	19.450	20.250
Feb-25	22.400	18.600	19.050
Mar-25	26.000	18.000	23.000
Apr-25	23.000	19.500	21.500
May-25	23.700	19.000	22.950
Jun-25	25.950	20.000	21.100
Jul-25	21.400	19.050	19.500
Aug-25	22.000	19.400	20.000
Sep-25	22.300	19.400	19.800
Oct-25	22.500	19.450	20.300
Nov-25	22.500	19.700	22.500



A statement of the Company's comparative performance with the general market index and the sector index to which the Company belongs during 2025.



A statement of the shares distribution as of 31/12/2025 (individuals, companies, governments) classified as follows: local, Arab and foreign

Category of Shareholder	Percentage of owned shares			
	Individual	Companies	Government	Total
UAE Nationals	54.7451	43.1309	0	97.8760
Arab	2.0653	0.0551	0	2.1204
Foreigner	0.0036	0	0	0.0036
Total			0	100

A statement indicating the shareholders who own 5% or more of the Company's capital as on 31/12/2025 according to the following table:

Name	Number of Shares held 31/12/2025	The Percentage of Shares held from Company's Capital
Sheikh Ahmed bin Rashid bin Saeed Al Maktoum	17,999,550	19.9995
Group 7 investment LLC	11,605,218	12.8947
Mohamed & Obaid Al Mulla LLC	9,178,050	10.1978
Ghobash Trading and Investment Co. Ltd.	6,080,076	6.7556



Statement of shares distribution pursuant volume as on 31/12/2025 according to the following table (Source: Dubai Financial Market):

S.No	Shares Ownership (share)	Number of Shareholders	Number of owned Shares	The Percentage of shares owned from Company's capital
1	Less than 50,000	127	1,016,452	1.1294
2	Between 50,000 and 500,000	71	12,736,794	14.1520
3	Between 500,000 and 5,000,000	20	31,383,860	34.8710
4	Greater than 5,000,000	4	44,862,894	49.8477
	TOTAL	222	90,000,000	100

Investor Relations

In execution of the Authority's decisions, the Company has complied with the Authority's procedures in general, as a dedicated email address has been designated for investors to communicate with the Company regarding any inquiries. Investor Relations Officer has been assigned to Mr. Kareem Mahmoud, Director of Legal, Risk and Compliance. He can be reached through email at kareem.mahmoud@pepsidrc.ae, by phone at +97148025000, +971501356949, or by fax at +97148025098. Regarding the electronic link to the investor relations page, the Company updated it as part of its overall website update, and the link is as follows: <https://pepsidrc.com/investor-relations/>

Annual General Assembly 2025

The Company's annual general meeting of the year 2025 was conducted on 12/03/2025 via video conference technology and at the Company's headquarters at Dubai's Dubai Investment Park 2. The following resolutions were adopted:

Regular Agenda Items:

1. Review of the Board of Directors' report on the Company's activities and financial position for the fiscal year ended 31/12/2024.
2. Review of the Auditor's report for the fiscal year ended 31/12/2024.
3. Discussion and approval of the Company's balance sheet and profit and loss account for the fiscal year ended 31/12/2024.
4. Review and determination of the Board of Directors' remuneration.
5. Discharge of the Board of Directors from liability for the fiscal year ended 31/12/2024.
6. Discharge of the Auditors from liability for the fiscal year ended 31/12/2024.
7. Appointment of KPMG as the Company's auditor for 2026 and determination of their fees.
8. Approve the Board of Directors' proposal concerning the distribution of dividends, at AED 90 Million, 100% of the paid up capital, 1 AED/share.
9. Approve the appointment of Mrs. Fareeda Mohammed Rafee Salmanpour as an independent non-executive board member, replacing Ms. Eman Mahmoud Abdulrazzaq, for the remaining period of the current board term.



10. Approve the appointment of Mr. Mohammed Saeed Rashid Ali Al Shehhi as a non-independent non-executive board member, replacing Mr. Ibrahim Ustadi, for the remaining period of the current board term.

Matters Requiring Special Resolution:

11. Approval to authorize the Board of Directors to approve voluntary contributions for the year 2025, provided that such voluntary contributions do not exceed (2%) of the Company's average net profits during the previous two fiscal years.

The Company has complied with applicable regulations in terms of sharing earnings decided at the general assembly meeting via the Dubai Financial Market, as well as distributing the remuneration of the Board of Directors members.

Board Secretary

Mr. Karem Mahmoud served as the Board Secretary starting 6 October 2024 after the resignation of the previous Board secretary. During his tenure, he administers meetings and minutes of the Board of Directors, prepares information and disclosures for meetings, maintains records and finalizes disclosures for financial statements.

A Detailed Description of the Significant Events and Disclosures taken place during the Fiscal Year 2025:

In 2025, DRC delivered strong results with 6% volume growth and a 7% increase in revenue, reaching a record profit before tax of AED 173.6 million. These achievements were driven by successful new product launches, deeper market penetration, and targeted marketing strategies. The disclosures to the market in 2025 were limited to the regulatory disclosures related to the Board of Directors' meetings, quarterly and annual financial reports.

A Statement of the Company's Transactions conducted in 2025 equivalent to 5% or more of the Company's Capital.

The Company has concluded the essential agreements for the supply of raw materials and services required for its operations, and each of them falls within the framework of standard commercial transactions at market pricing without any preferential terms.

A Statement of the Company's Emiratization Percentage by the end of 2025.

As of the end of 2025, the Company reports an Emiratization of 12% in alignment with The Company's commitment to fostering local talent and contributing to the development of the Emirati workforce and meeting UAE labour law. In 2024, the percentage was 10%, and in 2023, the Emiratization was 7.9% (excluding labors category).

the Company has appointed three Emirati in senior positions, supporting national objectives while enhancing leadership depth and long term succession planning.

The Company supports Emirati students by providing them with valuable training opportunities as well as internship programs.



A Statement of the Creative Projects and Initiatives Conducted by the Company or Under Development during the year 2025:

During 2025 the Company executed several new initiatives that will deliver sustainable future results. In 2025, aiming to reduce material cost, The Company successfully commissioned a new lighter Aluminium can lids; this initiative helped the Company in reducing aluminium consumption and improve Company's sustainability.

Furthermore, The company has initiated in 2025 the Warehouse Expansion Project was initiated with the aim of adding approximately 3000m² to the current warehouse that can house 2,400 pallets and expecting to complete the project before end of 2026.

Additionally, capitalizing on energy savings, The Company has initiated project to optimize & increase the efficiency of HVAC system. The outcome of the project shall help the Company to save on energy costs and reduce emissions.

10/02/2026

Role	Signature
Chairman of the Board of Directors	
Chairman of the Nomination and Bonuses Committee	
Chairman of the Audit committee	
Chairman of the Investment Committee	
Internal Auditor	

