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# CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to present the annual report of Dubai Refreshment PJSC (DRC) for the financial year ending 31 December 2024.

This year posed significant challenges, including regional political instability, supply chain disruptions, and intensified competition from both established players and emerging B brands. Despite these obstacles, DRC demonstrated resilience and strategic agility, successfully mitigating risks through a proactive market approach. By introducing strategic value packs, launching innovative new products, and implementing cost-saving initiatives, we protected our key accounts, minimized losses, and not only retained but also expanded our partnerships. These efforts resulted in a 3% growth in volumes, a 2% increase in revenues, and a net profit before tax of AED 149.5 million.

In 2024, we remained committed to driving operational efficiency and long-term growth. Our key initiatives included stringent working capital management, process automation, cost structure optimization, and digital transformation initiatives such as SAP S4 Hana Cloud implementation currently in progress. These advancements have enhanced our agility, strengthened our competitive position, and laid the foundation for future success.

## Revenues

DRC achieved total net revenues of AED 818.0 million in 2024, marking a 2% increase from AED 803.1 million in 2023. This growth was driven by strong performance across all business segments, reflecting the successful execution of our strategic initiatives. As previously highlighted, this positive momentum stems from key initiatives, including the launch of innovative new products such as Sting and Mountain Dew Zero. These additions have played a vital role in strengthening customer retention and expanding our reach across all channels, attracting new consumers and reinforcing our market presence.

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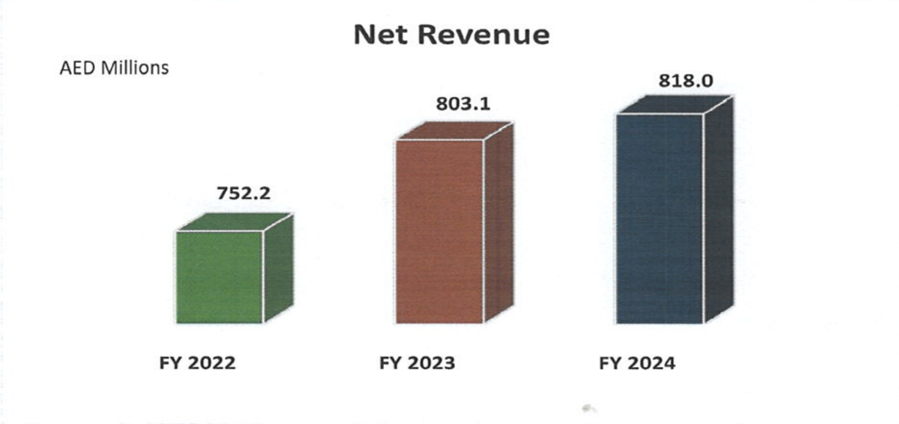
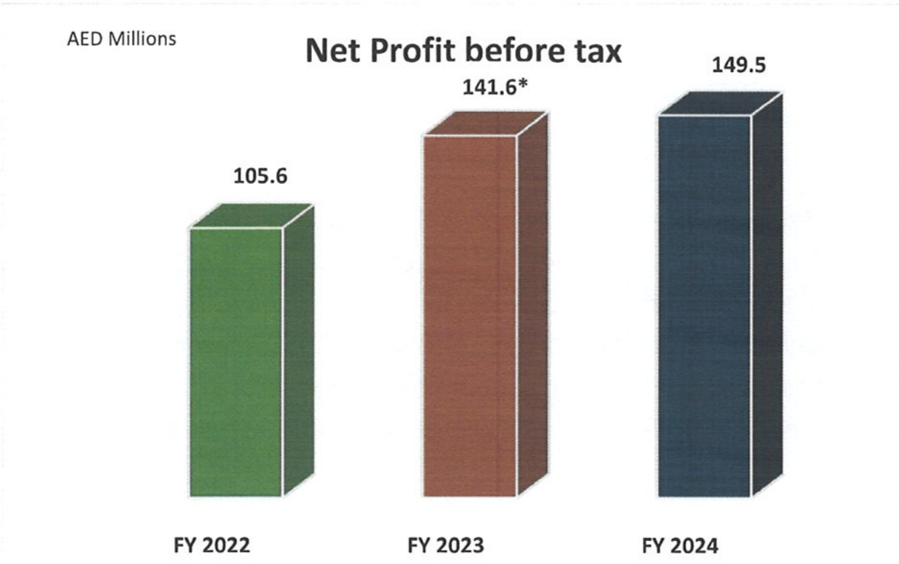



## Profitability

On a comparable basis, DRC's net profit before tax for 2024 reached AED 149.5 million, up from AED 141.6 million in 2023 (excluding a one-time gain of AED 220.2 million from the sale of land in Al Quoz). This growth was primarily driven by increased beverage volumes, revenue contributions from new product launches, the successful expansion into Snacks operations, and higher interest income on company cash.

Starting in 2024, the Company became subject to Corporate Tax, as mandated by the UAE rules and regulations. Accordingly, a tax charge of AED 13.7 million was taken in books resulting in a profit after tax of AED 135.8 million for the year.




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

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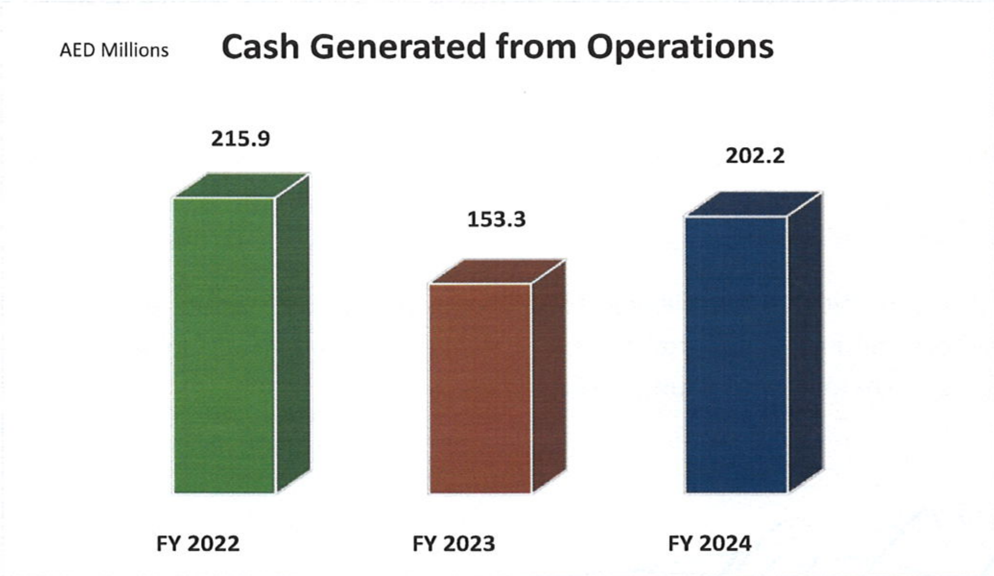
**Cash Flow**

DRC maintained a strong cash position in 2024, remaining entirely debt-free with no outstanding loans. The Company generated AED 202.2 million in cash from operations, a significant increase from AED 153.3 million in 2023. This improvement was driven by robust cash management strategies, with a particular focus on optimizing working capital investment to maximize cash flows.

Demonstrating our commitment to delivering value to shareholders, DRC distributed a total dividend of AED 288 million in 2024, which included a special dividend of AED 216 million.




**Future Growth**

As part of our commitment to continuous improvement, DRC's Board and management remain focused on driving sustainable, profitable growth by enhancing productivity and operational efficiency. We are actively exploring new business opportunities and implementing strategic initiatives to expand our market share while solidifying our leadership position in the UAE.

The Company's consistent performance over the past few years underscores a strong and steady growth trajectory. We are well-positioned to capitalize on emerging opportunities and will continue investing in advanced information systems to optimize processes, enhance decision-making, and maintain our competitive edge. Additionally, as part of our Emiratization initiative, DRC remains fully committed to hiring and developing Emirati talent and exceeding the requirements set by Ministry of Human Resources and Emiratization.

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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 rulers of Emirates, 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 like to extend my deepest gratitude to our employees, shareholders, customers, suppliers, and business partners. Your unwavering dedication, trust, and collaboration have been the foundation of our success, and we deeply value your contributions.

As we move forward, innovation, operational excellence, and sustainable value creation will remain at the heart of our strategy. We are excited to build upon our achievements and drive continued growth in the years ahead.

Finally, I would like to express my sincere appreciation to Mr. Tarek El Sakka, our former CEO, for his remarkable leadership and invaluable contributions over the past 17 years. His vision and dedication have been instrumental in shaping DRC's success. We wish him the very best in his future endeavours.

At the same time, I am pleased to welcome our new CEO, Mr. Mahmoud El Meligy. The Board of Directors and I are confident in his leadership and strategic vision, and we look forward to continuing DRC's growth and success under his guidance.

Thank you,

On behalf of the Board of Directors,
**Mr. Ahmad Bin Eisa Alserkal**
Chairman of the Board of Directors

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# Corporate Governance Report for the Year 2024

Founded by an Emiri Decree in 1959 under the visionary leadership of Late His Highness Sheikh Rashid bin Saeed Al Maktoum, Dubai Refreshment (P.J.S.C.) has evolved into the United Arab Emirates' leading bottling and distribution enterprise. Our journey of excellence in the beverage and snacks bottling and distribution is built upon a foundation of core values, rigorous ethical standards, and professional excellence that continues to define our operations and market leadership.

Today, Dubai Refreshment (P.J.S.C.) operates at the forefront of the UAE's beverage and snacks industry, leveraging advanced capabilities and comprehensive distribution networks to serve a diverse and growing market. Our commitment to sustainable operations and strategic portfolio expansion aligns with our vision of long-term value creation. As we navigate evolving market dynamics and consumer preferences, we remain steadfast in our mission to deliver exceptional value to our stakeholders while upholding the highest standards of corporate governance and operational excellence.

## 1. Statement of the Measures Taken to Complete the Corporate Governance System during 2024, 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 Authority's Board of Directors regarding the Governance Guide for Joint Stock Companies, Dubai Refreshment (P.J.S.C.) has implemented comprehensive measures to enhance its corporate governance framework throughout 2024. The foundational governance enhancement began with the amendment of the Company's Articles of Association to ensure full alignment with corporate governance rules and companies law. The Board of Directors resolved to establish the Investment Committee in 2023. To strengthen oversight and compliance, the Board of Directors has appointed an internal audit company and a compliance officer, who are actively engaged in updating the Company's internal control system.

To enhance stakeholder engagement and risk management, the Company has made strategic appointments including an investor relations officer and a risk management officer. Additionally, a dedicated follow-up and supervision committee on insider transactions has been established, with clearly defined terms of reference and responsibilities. These appointments strengthen our governance structure and ensure comprehensive oversight of critical business functions.

The Company maintains its commitment to transparency through regular updates to its electronic databases on the corporate website, providing stakeholders with timely access to company developments. This commitment extends to the periodic disclosure of financial statements, Board of Director proceedings, and General Assembly meetings. Furthermore, the Company continuously reviews and enhances its internal systems to ensure full compliance with the Securities and Commodities Authority's corporate governance directives and circulars.

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2. **Statement of ownership and transactions of Board of Directors members and their spouses, their children under eighteen in the Company securities during 2024:**

| Name | Position / relationship | shares owned as at 31/12/2024 | 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 | 318,861 | None | None |
| Mr. Ibrahim Abdulrazzak Ustadi | Board member | None | None | None |
| Mr. Buti Obaid Buti Almulla | Board member | None | None | None |
| Mrs. Eman Mahmood Abdulrazzaq* | Board member | None | None | None |
| Mr. Nawwaf Ghubash Almarri | Board member | None | None | None |
| Mr. Mohamed Ali Nasir Alowais | Board member | None | None | None |
| Mrs. Farida Mohammad Rafi Salmanboor** | Board member | None | None | None |

* Mrs. Eman Mahmood Abdulrazzaq resigned on 28 April 2024
** Mrs. Farida Mohammad Rafi Salmanboor was appointed by the Board of Directors on 30 May 2024

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 bringing distinctive expertise to the Company's leadership. The Board's composition reflects a strategic balance of competencies across key business domains, including industry-specific knowledge, financial acumen, accounting proficiency, banking operations, and business management. This diverse skill set enables the Board to exercise informed judgment and make strategic decisions that advance the Company's objectives.

The Board's structure maintains a deliberate equilibrium between dependent and independent members, embodying our commitment to balanced corporate governance. This carefully crafted composition ensures objective decision-making while promoting diverse perspectives in the boardroom. Through this balanced representation, the Board effectively fulfills its

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fiduciary responsibilities and maintains the high standards of corporate governance expected of Dubai Refreshment (P.J.S.C.).

| 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 | 23 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 | 17 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. Buti Obaid Buti Almulla | Member of the Board of Directors | Non-Executive/ Non-Independent Member | Business Administration | Diploma in Business Administration | 5 years |
| Mrs. Eman Mahmood Abdulrazzaq | Member of the Board of Directors | Non-Executive/ Independent Member | Banks, Human Resources Management | Bachelor of Business Administration | 3 years |
| Mr. Nawwaf Ghubash Almarri | Member of the Board of Directors | Non-Executive/ Independent Member | Real Estate, Investments, Insurance companies. | Bachelor of Business Administration | 2 years |
| Mr. Mohamed | Member of the | Non-Executive/ | Real Estate, Food/ | Bachelor of Science in | 2 years |

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| | | | | | |
|---|---|---|---|---|---|
| Ali Nasir Alowais | Board of Directors | Independent Member | Beverage, Trading and Services | Computer and Information Science | |
| Mrs. Farida Mohammad Rafi Salmanboor | Member of the Board of Directors | Non-Executive/ Independent Member | Human Resources, Business | Master in Human Resources, Bachelor in Business Administration | 6 months |

| **Name** | **Membership in Other public Joint Stock Companies** | **Their Positions in Other Important Regulatory, Governmental, or Commercial Authorities** |
|---|---|---|
| Mr. Ahmad Bin Eisa Alserkal | None | • Member of the Advisory Council of Dubai Chamber<br>• Member of the College Board of Trustees of Imam Malik College of Sharia and Law. |
| Mr. Ali Bin Humaid Alowais | • United Foods Company (P.J.S.C) - Chairman of the Board of Directors<br>• Emirates NBD - Member of the Board of Directors<br>• Emirates Islamic Bank - Member of the Board of Directors | None |
| Mr. Ibrahim Abdulrazzak Ustadi | None | None |
| Mr. Buti Obaid Buti Almulla | • Dubai Insurance Company (P.J.S.C) – Chairman of the Board of Directors<br>• Emirates Islamic Bank - Vice Chairman<br>• Emirates NBD Bank - Member of the Board of Directors<br>• Emaar Properties PJSC – Member of the Board of Directors | None |

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| | | |
|---|---|---|
| Mrs. Eman Mahmood Abdulrazzak | • Emaar Properties PJSC – Member of the Board of Directors<br>• Dubai Insurance PJSC - Member of the Board of Directors | None |
| 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 Salmanboor | None | None |

**Statement of the Percentage of Female Representation in the Board of Directors for the year 2024:**

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 2024, 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 2023-2024**

The Board of Directors' remuneration framework reflects our commitment to fair compensation while ensuring alignment with corporate governance standards and shareholder interests.
During 2023, the total Board remuneration amounted to AED 5,200,000 (five million and two hundred thousand Emirati Dirhams), distributed as follows:

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

**Proposed Remuneration (2024)**

For the year 2024, 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:

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| Name | Total Meetings in 2024 | Total Allowances in 2024 (AED 10,000 per meeting) |
|---|---|---|
| Mr. Mohamed Ali Nasir Alowais | 13 | 130,000 |
| Mr. Nawwaf Ghubash Almarri | 10 | 100,000 |
| Mr Ibrahim Abdulrazak Ustadi | 5 | 50,000 |
| Mr Ali Humaid Ali Alowais | 4 | 40,000 |
| Mrs. Farida Mohammad Rafi Salmanboor | 3 | 30,000 |
| Mr. Ahmad Bin Eisa Alserkal | 2 | 20,000 |
| Mrs. Eman Mahmood Abdulrazzaq | 1 | 10,000 |

**The number of board meetings held during the fiscal year 2024 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 |
|---|---|---|---|
| 20.02.2024 | 7 | 0 | 0 |
| 13.05.2024 | 7 | 0 | 0 |
| 30.07.2024 | 7 | 0 | 0 |
| 12.11.2024 | 6 | 0 | Mr. Ibrahim Ustadi |
| 11.12.2024 | 6 | 0 | Mr. Ibrahim Ustadi |

During the fiscal year 2024, the Board of Directors enacted two resolutions through circulation, each subsequently formalized in regular Board meetings:

- The first resolution, passed on 30/05/2024 and formalized during the Board meeting of July 30, 2024, approved the appointment of Mrs. Farida Mohammad Rafi Salmanboor as an independent Board member, reinforcing the Board's commitment to diverse and qualified leadership.
- The second resolution, passed on 23/09/2024 and formalized during the Board meeting of November 12, 2024, approved the distribution of dividends in accordance with the Annual General Meeting resolution, demonstrating the Board's commitment to shareholder value creation and corporate governance protocols.

Both resolutions were properly documented and executed in compliance with the Company's governance framework and regulatory requirements.

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## 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 |
| **Mr. Ibrahim Ustadi*** | Committee Member | Non-executive/ Non-independent |
| **Mrs. Farida Mohammad Rafi Salmanboor*** | Committee Member | Non-executive/ Independent |

*on 12/11/2024, Mrs. Farida Mohammed Rafi Salmanboor replaced Mr. Ibrahim Ustadi in the Audit Committee

**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 Securities and Commodities Authority. The Committee engages with management to evaluate and strengthen internal control systems,

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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 2024 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** | **20.02.2024** | **13.05.2024** | **30.07.2024** | **12.11.2024** |
| Mr. Nawwaf Ghubash Almarri | 1 | 1 | 1 | 1 |
| Mr. Mohamed Ali Nasir Alowais | 1 | 1 | 1 | 1 |
| Mr Ibrahim Abdulrazak Ustadi * | 1 | 1 | 1 | |
| Mrs. Farida Mohammad Rafi Salmanboor * | | | | 1 |

*on 12/11/2024, Mrs. Farida Mohammed Rafi Salmanboor replaced Mr. Ibrahim Ustadi in the Audit Committee

## B. Audit Committee Annual Report

**Key Matters Related to Financial Statements**
Throughout 2024, the Audit Committee conducted comprehensive reviews of the Company's quarterly and annual financial statements. This included detailed examination of financial performance, operating results, and the consistent application of accounting policies. The Committee ensured full compliance with IFRS standards and local regulations, while addressing key audit matters raised by external auditors.

**External Audit Independence and Effectiveness**
The Committee's assessment of Deloitte & Touche's independence and effectiveness was conducted through regular evaluation of their audit methodology and approach. The assessment encompassed review of audit planning, execution quality, and the effectiveness of communications. The Committee notes that Deloitte has served as external auditor for 6 years by end of 2024, with the current partner completing 3 years of service. Their performance has consistently demonstrated high professional standards and technical expertise in the beverage and consumer goods sector.

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**External Auditor Appointment**

Based on comprehensive evaluation of performance and capabilities, the Committee recommended the reappointment of Deloitte & Touche (Middle East) as external auditors for 2024. This recommendation was founded on their satisfactory performance, technical competence, deep understanding of the Company's business, and competitive fee structure. The Board of Directors accepted this recommendation without reservation, acknowledging the firm's continued effectiveness in delivering high-quality audit services while maintaining independence throughout their tenure.

**Maintaining Auditor Independence**

The Committee implements robust procedures to ensure auditor independence, including pre-approval requirements for all non-audit services. Throughout 2024, the Committee regularly monitored the nature and extent of non-audit services, ensuring the ratio of audit to non-audit fees remained appropriate. Annual independence confirmations were obtained from Deloitte, and all services provided were deemed consistent with applicable independence requirements. The total audit fees for 2024 amounted to AED 385,000, with additional services totaling AED 125,000 for specific agreed upon assurance services.

**Internal Control and Risk Management**

The Committee maintained comprehensive oversight of the Company's internal control system and risk management (along with Risk Committee's supervision) throughout 2024. PricewaterhouseCoopers, the appointed internal auditor conducted regular reviews of internal audit reports, which indicated full compliance with established controls and no significant violations were reported. The Committee engaged actively with management to strengthen control mechanisms and enhance risk management practices, ensuring alignment with corporate governance requirements and industry best practices.

**Internal Audit Reports Review**

Throughout 2024, the Committee thoroughly reviewed all internal audit reports issued by PricewaterhouseCoopers. These reviews confirmed the effectiveness of operational procedures, internal policies, and technological infrastructure. Particular attention was paid to reports addressing medium and high-risk areas, with no significant control weaknesses or systemic issues identified. The Committee ensured timely implementation of recommended improvements and monitored the closure of audit findings.

**Remedial Action Plans**

During 2024, the Company's robust control environment did not require significant remedial action plans. Nevertheless, the Committee maintained vigilant oversight of control assessments, risk mitigation strategies, and process improvements. Regular monitoring of internal control effectiveness and risk management systems confirmed the adequacy of existing frameworks. The Committee ensured that any minor control enhancement opportunities identified were promptly addressed through appropriate action plans.

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**ICFR Implementation and Reporting**

As part of governance, the Board of Directors and management recognized the critical importance of robust internal control over financial reporting (ICFR) and embarked on a strategic initiative to strengthen the internal controls by voluntary adoption of ICFR guidelines. The ICFR project was kicked off in 2023 and completed in 2024 with UNQAULIFIED opinion from the Company's external auditors. The key activities were as below:

- 30+ Meeting with stakeholders
- 215+ Risk and Controls evaluated
- 350+ documents reviewed

This implementation of the ICFR framework has brought about several key benefits:

- Enhanced compliance: Aligning with regulatory standards and best practices in financial reporting
- Higher Efficiency: Streamlining processes and reducing the risk of errors in financial reporting
- Positive Audit Outcomes: Facilitating smoother audits with fewer discrepancies
- Improved Shareholder Trust: Building confidence among investors and stakeholders in the reliability and integrity of our financial statements.

The successful implementation of the ICFR framework is a testament to our dedication to upholding the highest standards of financial integrity and transparency.

**Related Party Transactions**

The Committee reviewed all related party transactions conducted during 2024, notably the business operations with Oman Refreshments Company, including supply arrangements valued at AED 10,463,009 and sales transactions totaling AED 1,201,983. All transactions were conducted within normal business parameters at market prices without preferential conditions. The Committee confirmed full compliance with regulatory requirements and proper disclosure in the financial statements, ensuring transparency and adherence to governance standards.

**C. <u>Nomination and Bonuses Committee</u>**

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**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 Salmanboor, 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. Eman Mahmood Abdulrazzaq*** | Chairperson of the Committee | Non-executive/ Independent |
| **Mrs. Farida Mohammad Rafi Salmanboor*** | Chairperson of the Committee | Non-executive/ Independent |
| **Mr. Mohamed Ali Nasir Alowais** | Committee Member | Non-executive/ Independent |
| **Mr. Ibrahim Ustadi** | Committee Member | Non-executive/ Non-Independent |

*on 30/05/2024, Mrs. Farida Mohammed Rafi Salmanboor replaced Mrs. Eman Mahmood Abdulrazzaq as chair of the Nomination and Remuneration Committee

## Duties and Responsibilities of the Nomination and Bonuses Committee

### Board Independence and Compensation Framework

The Committee maintains rigorous oversight of Board member independence in accordance with SCA regulations, conducting regular assessments to ensure compliance with independence criteria. It develops and annually reviews comprehensive remuneration policies encompassing:

- Board member compensation structures
- Executive and employee incentive frameworks
- Performance-based reward mechanisms
- Long-term incentive schemes
- Benefits and allowance policies

### Talent Management and Succession Planning

The Committee's responsibilities extend to:

- Identifying critical competencies required at senior management levels
- Developing succession plans for key executive positions

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- Establishing selection criteria for senior management roles
- Reviewing organizational structure and talent pipeline
- Assessing leadership development programs
- Evaluating recruitment and retention strategies

**Human Capital Development and Board Nomination**

The Committee oversees:

- Development and implementation of HR policies aligned with corporate strategy
- Design and monitoring of training and development programs
- Periodic review and update of HR policies and procedures
- Management of Board nomination processes in compliance with SCA regulations
- Evaluation of Board composition and skill requirements
- Oversight of Board member nomination and election procedures

**Performance Monitoring and Reporting**

The Committee ensures:

- Regular review of compensation policies' effectiveness
- Monitoring of performance evaluation systems
- Assessment of training program outcomes
- Reporting to the Board on compensation and nomination matters
- Compliance with disclosure requirements regarding remuneration policies
- Documentation of committee decisions and recommendations

Through systematic implementation of these responsibilities, the Committee fulfills its mandate under Corporate Governance Rules, strengthening Dubai Refreshment (P.J.S.C.)'s governance structure through effective oversight of nomination processes and remuneration frameworks that drive organizational excellence.

**Statement of the number of meetings held by the Committee during 2024 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** | **20.02.2024** | **17.09.2024** | **30.12.2024** |
| Mr Ibrahim Abdulrazak Ustadi | 1 | 1 | |
| Mrs. Farida Mohammad Rafi Salmanboor * | | 1 | 1 |
| Mr. Mohamed Ali Nasir Alowais | 1 | 1 | 1 |
| Mrs. Eman Mahmood Abdulrazzaq* | 1 | | |

*on 30/05/2024, Mrs. Farida Mohammed Rafi Salmanboor replaced Mrs. Eman Mahmood Abdulrazzaq as chair of the Nomination and Remuneration Committee

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

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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 Securities and Commodities Authority (03/R.M) for the year 2020.

## E. Risk Committee

**An acknowledgment by the Chairman of the Risk 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. Mohamed Ali Nasir Alowais, Chairman of the Risk Committee acknowledges his responsibility for the Risk Committee's system within the Company, as well as for his inspection of the committee's work mechanism and effectiveness."

The Board of Directors approved the establishment of a risk committee in accordance with the regulatory frameworks set forth under the Chairman of the Board of Directors of the Securities and Commodities Commission Resolution No. 3 of 2020, under which the aforementioned committee shall carry out its responsibilities and submit reports to the Board of Directors for information.

**The committee's members are listed below, along with the dates of the committee's meetings in 2024 and tasks entrusted to the committee:**

| Name | Position | Type of Membership |
|---|---|---|
| **Mr. Mohamed Ali Nasir Alowais** | Chairman of the Committee | Non-executive/ Independent |
| **Mr. Nawwaf Ghubash Almarri** | Committee Member | Non-executive/ Independent |
| **Mr Ali Humaid Alowais** | Committee Member | Non-executive/ Non-independent |

| Name | 14.02.2024 | 02.05.2024 | 08.08.2024 | 12.12.2024 |
|---|---|---|---|---|
| Mr Ali Humaid Alowais | 1 | 1 | 1 | 1 |
| Mr. Mohamed Ali Nasir Alowais | 1 | 1 | 1 | 1 |
| Mr. Nawwaf Ghubash Almarri | 1 | 1 | 1 | 1 |

**Risk Committee Authorities and Duties**

The Risk Committee operates under a comprehensive mandate to oversee Dubai Refreshment (P.J.S.C.)'s enterprise-wide risk management framework. The Committee develops and

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reviews risk management policies and procedures while monitoring the Company's risk profile and risk appetite in alignment with corporate objectives.

The Committee's oversight encompasses strategic, financial, operational, and compliance risks. In strategic risk management, the Committee evaluates market conditions, business model sustainability, and major corporate initiatives. Financial risk oversight includes monitoring capital structure, liquidity management. For operational risks, the Committee assesses supply chain, production, and technological vulnerabilities while ensuring robust business continuity plans. The Committee also maintains vigilant oversight of compliance and regulatory risks, ensuring adherence to evolving legal and governance requirements.

In executing these responsibilities, the Committee maintains direct reporting lines to the Board of Directors and is authorized to access all Company records, facilities, and personnel. The Committee may engage external consultants when necessary and request specific reports from management. All activities are conducted in accordance with Corporate Governance Rules, ensuring comprehensive risk oversight that supports the Company's sustainable growth while protecting stakeholder interests.

## F. 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. Ahmad Alserkal, 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 2024:**

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

| Investment Committee | | |
|---|---|---|
| **Name** | **01.02.2024** | **18.09.2024** |
| Mr Ahmad Bin Eisa Alserkal | 1 | 1 |
| Mr. Mohamed Ali Nasir Alowais | 1 | 1 |

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| | | |
|---|---|---|
| Mr. Nawwaf Ghubash Almarri | 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 2024, no further affiliated committees of the Board of Directors were appointed.

**G. 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 2024 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 2024.

**A statement of the details of the transactions that took place with related parties during the year 2024.**

| 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 10,463,009 |
| 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 1,201,983 |

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.

## 5. 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

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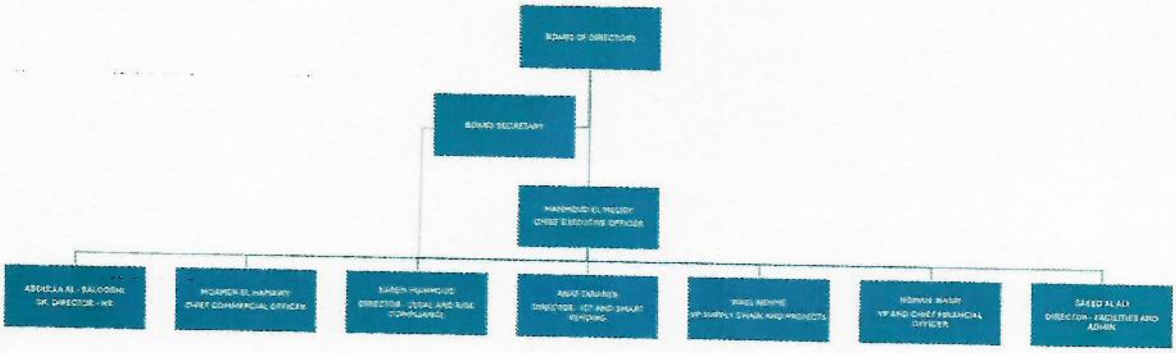
and skills to effectively discharge their duties. This collaborative approach enables continuous assessment of competencies and identification of areas for development. In line with its commitment to governance excellence, the Company is currently revamping its corporate governance manuals, which includes updated board evaluation tools to further enhance its assessment framework.

As part of its commitment to continuous improvement, the Board participated in specialized training on corporate governance best practices during 2023, delivered by Hawkamah, a leading corporate governance institute in the region. This training enhanced the Board members' understanding of emerging governance trends and reinforced their ability to provide effective oversight.

The Board's diverse skill set across key business domains, including industry expertise, financial acumen, and strategic planning capabilities, has strengthened its ability to provide comprehensive oversight of Company operations while maintaining high standards of corporate governance.

6. **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.

The Board of Directors approved during its meeting on December 11, 2024, the retirement of the current Chief Executive Officer, Mr. Tarek Elsakka after spending seventeen successful

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years as CEO with the Company. As part of the Company's leadership transition plan, the Board appointed Mr. Mahmoud Elmeligy, the Company's Chief Operating Officer, to serve as the new Chief Executive Officer effective January 1, 2025. This appointment reflects the Board's commitment to ensuring effective leadership succession and continuity in the Company's executive management.

| Position | Appointment Date | Total Salaries and Allowances for 2024 (AED) | Total Bonus paid during 2024* (AED) | Any In-kind/ Cash Rewards for the Year 2024 or Due in the Future |
|---|---|---|---|---|
| Chief Executive Officer | 01/08/2008 | 1,806,096 | 2,361,000 | None |
| Vice President – CFO | 01/03/2024 | 863,250 | None | None |
| Vice President - Supply Chain and Projects | 01/11/2001 | 996,708 | 292,944 | None |
| Vice President – COO | 01/07/2012 | 1,231,764 | 663,270 | None |
| Director of the Department of Facilities and Administrative and Government Relations | 10/12/2012 | 729,384 | 139,460 | None |
| Director of Legal | 08/10/2013 | 592,296 | 125,664 | None |

*Bonuses paid for 2023 as approved by the BOD during Q1 2024

## 7. External Auditor:

**A Brief Introduction about the Company's Auditor to the Shareholders:**
Deloitte is established in the Middle East region and is present across 23 offices in 15 countries with more than 6000+ partners, directors and staff. Deloitte Middle East has received numerous awards in the last few years such as the Best Workplaces™ in the UAE (2022 and 2023), and Best Workplaces™ in the KSA (2023).

Deloitte is the world's largest leading professional services firm, providing audit and assurance, tax, consulting, financial advisory and risk advisory services to public and private clients spanning multiple industries. Deloitte's presence in the Middle East has contributed to the advancements and growth of the professional services industry in the region. Deloitte clients are able to benefit from experts that are well-aware of the environment, culture, and specific industry that they are operating in.
Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.

**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 | Deloitte & Touche (Middle East) - Partner Auditor: Firas Anabtawi |

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| | |
|---|---|
| Number of years spent as an external auditor for the Company | 6 |
| Number of years spent by the partner auditor in auditing the Company's accounts | 3 |
| Total fees for auditing and reviewing the financial statements (interim and annual) for the year 2024 (AED) | AED 385,000 (three hundred and eighty five thousand Emirati Dirhams) |
| Fees and costs of other special services other than auditing the financial statements for the year 2024 (AED). | AED 125,000 |
| Details and nature of the other services provided | Fees for ICFR reporting |
| Statement of the other services provided by **any other external auditor** other than the Company's auditor during 2024 | None |

**Statement of the qualified 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 2024.

## 8. Internal Control System:

**Internal Control System and Framework**
The Board of Directors of Dubai Refreshment (P.J.S.C.) maintains ultimate responsibility for the Company's internal control framework, ensuring robust oversight of its implementation and effectiveness. This framework is designed to manage enterprise-wide risks and ensure adherence to governance requirements established by the Dubai Financial Market and the Securities and Commodities Authority.

**Internal Audit Function**
PricewaterhouseCoopers (PwC), as the Company's appointed internal auditor, conducted quarterly reviews throughout 2024. Their comprehensive audits covered all operational departments, with reports indicating full compliance with established controls and no significant violations. These reviews validated the effectiveness of the Company's operational procedures, internal policies, and technological infrastructure.

**Compliance Oversight**
The Company's compliance function is led by Mr. Karem Mahmoud, Director of Legal Affairs, who serves as the designated Compliance Officer since October 8, 2013. This appointment strengthens the Company's commitment to maintaining regulatory compliance and robust governance practices across all business operations. He is a specialist lawyer accredited by the Beirut Bar Association in Lebanon.

**Internal Audit findings**

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During 2024, PricewaterhouseCoopers (PwC), in their capacity as internal auditors, conducted comprehensive reviews of the Company's operations and reported no significant issues or control deficiencies requiring major intervention. Their assessment confirmed the effectiveness of the Company's daily operations and the proper functioning of administrative and operational procedures in compliance with applicable laws and regulations.

**Internal Audit Reports**

Throughout 2024, PwC submitted two internal audit reviews to the Board of Directors. These reports provided comprehensive coverage of all major aspects of the Company's business operations and performance.

## 9. Details of the violations Committed in 2024, their Reasons, and how they shall be Addressed and Prevented in the Future:

During the fiscal year 2024, 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 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.

## 10. 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 2024:

Throughout 2024, Dubai Refreshment (P.J.S.C.) continued to build upon its established legacy of corporate social responsibility, further strengthening its longstanding commitment to community development and environmental stewardship across Dubai and the Northern Emirates. This commitment, consistently demonstrated through our annual reports and corporate initiatives over the years, reflects our deep-rooted philosophy of creating sustainable value for the communities in which we operate.

The Company's approach to social responsibility remains anchored in its corporate values, as evidenced by our sustained investment in community welfare, environmental protection, and social development programs. Building on our track record of meaningful community engagement, we have maintained our focus on initiatives that deliver tangible benefits to society while promoting sustainable business practices. This dedication to corporate citizenship aligns with both our heritage as one of the UAE's pioneering companies and our vision for contributing to the nation's sustainable development goals.

**CSR Initiatives for Community Development**

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The Company maintains a commitment to social responsibility and making a positive impact on the lives of individuals with disabilities. The Company is aligned with principles of corporate citizenship and have provided wheelchairs to a few charitable organizations.

| Wheelschair Sponsorships 2024 | Amount (AED) |
|---|---|
| Khorfakkan Club for the Disabled | 3,000 |
| Al Noor rehabilitation | 3,000 |
| Rashid Centre for people of Determination | 3,000 |
| West Asia Paralympic Federation | 3,000 |
| Ajman Club for disabled | 3,000 |
| Emirates Down Syndrone Association | 3,000 |
| Dubai club for people of determination | 6,000 |
| Tarek rehabilitation center | 3,000 |
| **TOTAL** | **27,000** |

**Sponsorships:**

DRC is at the forefront of CSR strategy through sports sponsorships aimed at promoting physical activity among youth and fostering positive social outcomes. It is highly effective in achieving various CSR goals, including promoting health and wellness, empowering youth, fostering social inclusion, and promoting community development.

Our sponsorship arrangements with the Dubai Sports Council amounts to 200,000 AED as well as free Aquafina water and encompasses a wide range of sports activities. Our primary objective is to encourage youth participation and engagement in sports, ensuring they remain active and involved in healthy pursuits.

Some of the events are:

| |
|---|
| Dubai Open For Football Academies |
| Tug war Labor Tournament |
| Arm Wrestling Labor Tournament |
| Sheikha Hind Marathon Tournament |
| Basketball Labor Tournament |
| Football Labor Tournament |
| Dubai Open For Football Academies |
| Al Wafaa Football Championships |
| Run for Reading |
| Expo City Dubai School Walkathon |
| Sheikha Hind Women Sports Tournament |
| Labor Road Run 2024 |
| Dubai International Baja |
| 6th Labor Sports Tournament |

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## 11. 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 2024:**

| Month | High Month | Low Month | Closing Month |
|---|---|---|---|
| Jan-24 | 21.950 | 19.100 | 19.100 |
| Feb-24 | 19.550 | 19.550 | 19.550 |
| Mar-24 | 20.000 | 19.550 | 19.550 |
| Apr-24 | 19.550 | 18.050 | 18.050 |
| May-24 | 23.000 | 18.650 | 18.650 |
| Jun-24 | 20.900 | 18.000 | 18.000 |
| Jul-24 | 20.700 | 16.600 | 18.100 |
| Aug-24 | 23.800 | 18.000 | 21.000 |
| Sep-24 | 23.150 | 17.600 | 21.000 |
| Oct-24 | 24.150 | 18.050 | 21.450 |
| Nov-24 | 27.600 | 19.350 | 24.300 |
| Dec-24 | 25.000 | 18.250 | 24.000 |

**A statement of the Company's comparative performance with the general market index and the sector index to which the Company belongs during 2024.**

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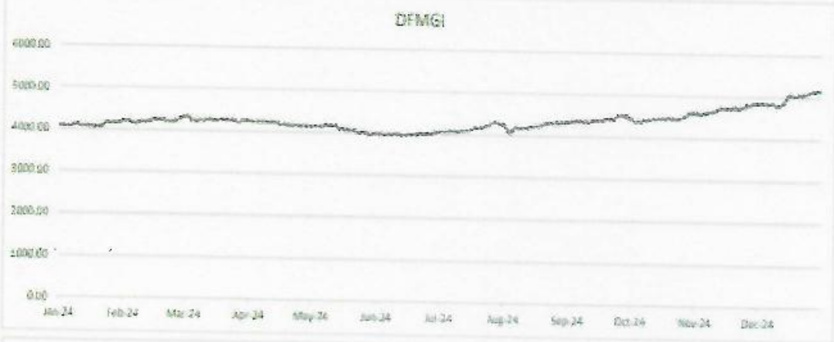


| | |
|---|---|
| Max: | 5,158.67 |
| Min: | 3,959.80 |
| Open | 4,059.80 |
| Close: | 5,158.67 |
| YTD: | 27.07% |


| | |
|---|---|
| Max: | 106.96 |
| Min: | 84 |
| Open | 105.44 |
| Close: | 97.80 |
| YTD: | -7.15% |


| | |
|---|---|
| Max: | 27.80 |
| Min: | 18.00 |
| Open | 19.10 |
| Close: | 24.00 |
| YTD: | 25.65% |

**A statement of the shares distribution as of 30/12/2024 (individuals, companies, governments) classified as follows: local, Arab and foreign**

| Category of Shareholder | Percentage of owned shares | | | |
|---|---|---|---|---|
| | Individual | Companies | Government | Total |
| UAE Nationals | 55.4131 | 42.4688 | 0 | 97.8819 |
| Arab | 2.0635 | 0.0520 | 0 | 2.1165 |
| Foreigner | 0.0025 | 0 | 0 | 0.0025 |
| Total | | | 0 | 100 |

**A statement indicating the shareholders who own 5% or more of the Company's capital as on 31/12/2024 according to the following table:**

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| Name | Number of Shares held 31/12/2024 | The Percentage of Shares held from Company's Capital |
|---|---|---|
| Sheikh Ahmed bin Rashid bin Saeed Al Maktoum | 17,999,550 | 19.9995 |
| Mohamed & Obaid Al Mulla LLC | 9,178,050 | 10.1978 |
| Group 7 investment LLC | 6,819,718 | 7.5775 |
| Ghobash Trading and Investment Co. Ltd. | 6,080,076 | 6.7556 |
| Juma Al Majid Abdulla Muhairi | 4,785,500 | 5.3172 |

**Statement of shares distribution pursuant volume as on 31/12/2024 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 | 109 | 987,462 | 1.097 |
| 2 | 50,000 to less than 500,000 | 72 | 12,322,504 | 13.692 |
| 3 | From 500,000 to less than 5,000,000 | 22 | 36,612,640 | 40.681 |
| 4 | More than 5,000,000 | 4 | 40,077,394 | 44.530 |
| | | 207 | 90,000,000 | 100.000 |

**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 2024**

The Company's annual general meeting of the year 2024 was conducted on **27/03/2024** via video conference technology and at the Company's headquarters at Dubai's Dubai Investment Park 2. The following resolutions were adopted:

**Matters Requiring Special Resolution:**

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1. Amendment of the Company's Articles of Association to comply with the Securities and Commodities Authority Board Chairman's Decision No. (02/R.M.) of 2024, subject to competent authority approval (adding Paragraph 9, Definitions: 2-3-13-21-23-24-25, Article 14, Article 21, Article 23, Article 39, Article 41, Article 44, Article 50, Article 61) and any other articles as requested by the competent authority.
2. Approval to authorize the Board of Directors to approve voluntary contributions for the year 2024, provided that such voluntary contributions do not exceed (2%) of the Company's average net profits during the previous two fiscal years.

**Regular Agenda Items:**

3. Review of the Board of Directors' report on the Company's activities and financial position for the fiscal year ended 31/12/2023.
4. Review of the Auditor's report for the fiscal year ended 31/12/2023.
5. Discussion and approval of the Company's balance sheet and profit and loss account for the fiscal year ended 31/12/2023.
6. Review and determination of the Board of Directors' remuneration.
7. Discharge of the Board of Directors from liability for the fiscal year ended 31/12/2023.
8. Discharge of the Auditors from liability for the fiscal year ended 31/12/2023.
9. Appointment of Deloitte & Touche as the Company's auditor for 2024 and determination of their fees.
10. Review of the Board of Directors' proposal to distribute cash dividends of 80% of the capital value, amounting to AED 72 million, or AED 0.80 per share.
11. Review of the Board of Directors' proposal regarding the distribution of one-time special cash dividends resulting from the sale of the Al Quoz property during 2023, amounting to AED 216 million (AED 2.4 per share), of which AED 108 million to be paid to eligible shareholders in April as per Authority regulations, and AED 108 million to be paid in October 2024 by Board resolution, subject to General Assembly approval of the amendment to Article (14) of the Company's Articles of Association.

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**

Ms. Asma Al Naqbi served as the Board Secretary from September 13th, 2022, until her resignation effective October 6, 2024. During her tenure, she leveraged her dual legal degrees to ensure the Board of Directors' compliance with laws and regulations while overseeing corporate governance matters for both the Board and management. Her responsibilities included administering Board meetings, preparing minutes, managing information disclosures, and maintaining corporate records.

Following Ms. Al Naqbi's departure, the Company is actively engaged in the process of appointing a new Board Secretary. The selection process focuses on identifying candidates with strong legal qualifications, corporate governance expertise, and relevant experience to

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maintain the high standards of regulatory compliance and corporate secretarial functions. The Company expects to complete this appointment in accordance with SCA requirements and corporate governance best practices.

**A Detailed Description of the Significant Events and Disclosures taken place during the Fiscal Year 2024:**

The Company registered a growth of 3% in volumes and a 2% increase in revenues compared to full-year 2023. Despite significant challenges, the Company successfully mitigated the risks through proactive market strategy by retaining existing customers as well as getting new business partners which helped the Company to maintain their status as market leader in the beverage industry. This was achieved with the introduction of new products and strategic packs. The Company focused as well on the cash management strategies including working capital management and optimal utilization of extra funds.

**A Statement of the Company's Transactions conducted in 2024 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 2024.**

As of the end of 2024, the Company reports an Emiratization of 10% in alignment with our commitment to fostering local talent and contributing to the development of the Emirati workforce and meeting UAE labour law. In 2023, the percentage was 7.9%, and in 2022, the Emiratization was 4.6% (excluding labors category).

The Company has developed Emiratisation system that attracts Capable Emiratis and develop their capability. In addition, the Company supports Emirati students by providing them with valuable training opportunities as well as internship programs.

Furthermore, a Memorandum of Understanding was signed with the ISHRAQ program to train 20–40 Emiratis over six months through the Industry Expert Program. The Company also partnered with ADGM Academy to build freshers with relevant On-the-Job experience for fast integration into private sector.

**A Statement of the Creative Projects and Initiatives Conducted by the Company or Under Development during the year 2024:**

During 2024 the Company executed several new initiatives that will deliver sustainable future results. The Company continues to make progress on the sustainability agenda. The production site at Dubai Investment Park was awarded " Best of the Best" in PepsiCo AMESA region in emission reduction. DRC achieved an outstanding 970 points out of 1000 points on PepsiCo annual plant audit (during year 2023 it was 950 points). Also, we have added a new hot filling capability by installing & commissioning BIB (post mix)

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production line.Furthermore, the company continues to drive low and no sugar drinks with Mountain Dew Zero being the latest launch in this space. Low sugar products continue to grow at a much faster pace than regular sugar drinks, and in many instances the low sugar variants delivered substantial incremental business.

**11/02/2025**

**Chairman of the Board of Directors**

**Signature**

**Chairman of the Nomination and Bonuses Committee**

**Signature**

**Chairman of the Audit committee**

**Signature**

**Chairman of the Risk Committee**

**Signature**

Signed by Mohammed AlOwais, Date: 12-Feb -2025 12:25 PM +04: 00, DocID: 43b6324b-3160-41d8-8dfe-445b 08fb3461.

**Internal Auditor**

**Signature**

Signed by Dabeer Rasul (MiddleEast), Date: 14-Feb-2025 08:13 AM +04:00, DocID: 43b 6324b-3160-41d8-8df e-445b08fb3461.

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# Dubai Refreshment PJSC

# ESG Report 2024

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# About This Report

This sustainability report ("The Report") showcases the performance of Dubai Refreshment PJSC (henceforth "DRC" or "the Company") for the period from 1st January 2024 to 31st December 2024, illustrating the Company's commitment to environmental stewardship, social responsibility, and governance excellence. The Report covers all operations across the United Arab Emirates—from manufacturing facilities to distribution networks—highlighting Dubai Refreshment PJSC's commitment to transparency and the integration of sustainability into its business strategy, in alignment with national regulations and internationally recognised standards. The Report highlights DRC's focus on three key pillars:

**- Environmental Landscape**

Driving sustainable practices to minimise impact and protect natural resources.

**- People & Progress**

Empowering employees and communities to foster meaningful social impact.

**- Responsible Governance**

Upholding integrity and accountability through strong leadership and ethical frameworks.

This Report has been prepared in accordance with the requirements of the UAE Securities and Commodities Authority (SCA) and aligns with the regulatory framework mandating public joint stock companies listed on the Dubai Financial Market (DFM) to publish a sustainability report. The Report also adheres to the global standards endorsed by DFM, mainly the Global Reporting Initiative (GRI), the World Federation of Exchanges (WFE), and the Sustainable Stock Exchanges (SSE) Initiative.

The Report underwent internal verification processes to ensure data accuracy and reliability. Each metric and statement have been thoroughly reviewed. The Report maintains full transparency through detailed internal validation procedures to provide stakeholders with precise insights into the Company's ESG performance.

# Introduction

Dubai Refreshment PJSC takes pride in its commitment to sustainability, striving to balance its business objectives with the well-being of the environment and society. Building on the foundations laid in its previous ESG reports from 2021, 2022, and 2023 DRC continues to evolve its practices, aiming for a positive and lasting impact on the world. The Report reflects the Company's strategic journey towards sustainable growth, highlighting its commitment to

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creating meaningful and positive change in the community through responsible business practices.

The Report provides an in-depth look at the DRC's efforts to conserve and nurture the environment, extending beyond decreasing its environmental effect to foster a greater sense of responsibility inside the Company. DRC recognises that sustainable success is founded on responsible business practices, which is why the governance section emphasises the strong systems and ethical frameworks that drive transparency, responsibility, and informed decision-making. Together, these efforts reflect DRC's dedication to long-term value creation through sustainable and ethical business practices.

# About Dubai Refreshment PJSC

Dubai Refreshment PJSC (DRC), founded in 1959 by the late ruler of Dubai, His Excellency Sheikh Rashid Bin Saeed Al Maktoum, operates as the exclusive bottler and distributor for Pepsi Cola beverages and other brands in Dubai, Northern Emirates and in the United Arab Emirates. The Company’s headquarter is located in Dubai. Guided by its core values—integrity, respect, leadership, and an institutional excellence mindset—the Company is committed to service excellence and fostering a culture of staff welfare. With a performance-centric focus and unwavering dedication to stakeholders, DRC continues to uphold its legacy of excellence and innovation in the region.

Later in 1962, as a partnership to exclusively bottle and distribute Pepsi products in Dubai and the Northern Emirates, DRC has since grown into a leading company in the lower Gulf’s food and beverage industry. In 1994, DRC transitioned from a limited liability status to a public shareholding corporation. This paved the way for significant accomplishments, including its listing on the Dubai Financial Markets in 2007, a move that elevated the Company to greater prominence and success.

In 2024, DRC’s total annual revenue is 818 million AED, highlighting its achievement in adding another year to its legacy of innovation, resilience, and industry leadership. DRC's success story goes beyond financial growth; it demonstrates a deep dedication to excellence, which creates long-term value through services that are synonymous with quality and trust. This is reflected in its core values, which are as follows:

- Integrity
- Respect
- Leadership
- Operational Excellence
- Drive for Achievement
- Staff Well-being
- Teamwork

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- Commitment
- Result Oriented

## Company Operations

For more than half a century, DRC has followed an incredible route, rising from a small-scale Company to one of the leading manufacturers and distributors in the lower Gulf. As of 2024, DRC has grown into a bright collection of over 24 products (not including different flavors within the category), including carbonated drinks, refreshing juices, sparkling beverages, drinking water, and delicious snacks. DRC has consistently prioritised quality and capacity to adapt to the ever-changing demands of its consumers.

In addition to its existing portfolio, DRC has recently introduced new products to further diversify its offerings and expand its market presence:

- **Lays**: Launched in 2023, this product operates under the nature of storage and distribution services, showcasing DRC's ability to manage different products efficiently.
- **Sting (soft drinks)**: Introduced in 2024, Sting is a dynamic addition to DRC's beverage portfolio, focusing on bottling and distribution to cater to the demand for soft drinks.

These introductions underline DRC's strategic efforts to align its products portfolio with consumer preferences and market trends.

With a clear ambition to lead and positioning itself as a leading Food and Beverages (F&B) industry in the lower Gulf, the Company relies on the expertise of a talented team and advanced systems. A well-designed distribution network delivers products seamlessly across the UAE, ensuring customers enjoy consistent quality and accessibility. This vision reflects a deep commitment to excellence and customer satisfaction.

DRC’s diversified portfolio of reputable brands—Pepsi, Diet Pepsi, Pepsi Black, 7Up, Diet 7Up, Mirinda, Shani, Gatorade, Aquafina, Mountain Dew, Rockstar, Ceres Juice, Evervess, Britvic, Sting, Lays, Topfruit, Snacktime, Edita, Bruno Cookies, Robinson, and Teisseire—has come to symbolise excellence and success in its business endeavours. From refreshing beverages to indulgent snacks like Bruno Cookies and Edita, each brand tells a story of quality, innovation, and trust.

## Operating Area

DRC's progress is supported by excellent connections with some of the world's best-known F&B companies, which allow it to broaden its offers and establish a solid reputation. The Company operates from an advanced facility in Dubai Investment Park 2, which was chosen for its proximity to Dubai and Abu Dhabi. This hub serves as the headquarter, containing the

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primary manufacturing plant, warehouses and corporate offices, while warehouses in Sharjah, Abu Dhabi, Fujairah, and Ras Al Khaimah ensure that our products reach customers all around the territory.

# Dubai Refreshment's ESG Approach

DRC embodies the UAE's vision of sustainable development, weaving traditional values of stewardship with modern sustainability practices. The Company's ESG approach reflects the region's commitment to innovation and excellence while honouring the cultural heritage of community care and environmental respect. As a leading beverage company in the UAE, DRC has aligned its sustainability initiatives with local communities' priorities, from water conservation in arid regions to community programs that celebrate and support local traditions.

The Company's governance structure incorporates both international best practices and regional perspectives, ensuring its ESG initiatives resonate with local stakeholders while meeting global standards. Through strategic approach towards excellence, DRC is advancing the UAE's sustainability agenda while strengthening our communities. Our commitment to transparency and accountability is demonstrated through comprehensive reporting that showcases our progress in addressing challenges. In recognition of these efforts, DRC was honoured with the 'Leadership on Emissions Reduction in 2024 Award' by PepsiCo, being named the best of the best in the AMESA region for achieving the lowest emissions facility.

By integrating sustainability into every aspect of our operations, from sourcing to distribution, we are building a resilient business that contributes to the UAE's sustainable future while preserving our cultural values and environmental heritage

## Key Material Topics

Dubai Refreshment PJSC maintains a dynamic approach to environmental stewardship through continuous assessment and strategic review of our conservation priorities. Our rigorous evaluation process delivers actionable insights into critical ESG factors impacting our operations and stakeholders, strengthening our sustainability framework and strategic direction. This systematic approach ensures our environmental initiatives remain relevant, effective, and aligned with evolving stakeholder expectations.

In 2023, DRC conducted a comprehensive materiality assessment, which identified the most significant environmental, social, and governance issues relevant to our operations and stakeholders. These insights serve as the foundation for our sustainability reporting and strategic initiatives, ensuring our efforts remain relevant, effective, and aligned with evolving stakeholder expectations.

**Environmental Landscape**

- Energy Management and Carbon Footprint

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- Water Management
- Waste Management

**People and Progress**

- Employee Welfare and Diversity
- Developing High-quality Products
- Investing in Our Community

**Responsible Governance**

- Robust Governance
- Business Ethics

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# ENVIRONMENTAL LANDSCAPE

## DRC ENVIRONMENTAL PERFORMANCE

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

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

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# Energy Management and Carbon Footprint

DRC forecasts a future in which production and sustainability coexist, turning challenges into opportunities to preserve the environment. Recognising the environmental impact of its activities, the Company has turned its focus to developing solutions that actively minimise its ecological footprint. By reviewing how resources are used, and decisions are made, DRC prioritises smarter production processes, uses innovative technology, and ensures responsible resource management.

## Energy and Fuel Efficiency Enhancements 2024

Building on the progress made in 2023, the Company implemented several impactful initiatives in 2024 to further enhance energy efficiency and reduce fuel consumption:

- **LED Lighting Upgrades**
  In 2024, LED light fittings were installed across the Plant building area, achieving an energy saving of 30,150 KWh annually with an investment of AED 18,000. This builds on the substantial upgrades made in 2023, which resulted in total energy savings of 327,009 KWh across various facilities with a total investment of AED 185,000 made on upgrading the lighting.

- **Hybrid Vehicle Fleet**
  To reduce reliance on petrol, the Company introduced 17 Hybrid sedan cars, cutting petrol consumption by approximately 19,244 litres annually.

- **Steam Boiler Fuel Transition**
  The Company transitioned its steam boiler operations from diesel to LPG in 2024. This shift led to an actual reduction of 417,736 litres of diesel consumption in 2024, with an estimated annual reduction of 1,059,358 litres in the coming years. This transition has reduced diesel use in stationary combustion by 45% and achieved emission reduction of 1,215.61 tonnes $CO_2e$ compared to the previous year. We are aiming to completely phase out diesel for stationary combustion by 2025.

At DRC, we remain committed to expanding green energy, which continues to play an increasingly integral role in our operations. Around 9% of the energy consumed comes from sustainable sources with around 5.626 million kilowatt-hours of solar power generated right on-site.

## Emissions

DRC's production trajectory in 2024 showed exceptional progress, with output reaching 320.58 million liters, led by increased demand for both carbonated and non-carbonated

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beverages. The addition of extra sales vans to fulfill the growing demand for carbonated soft drinks (CSD) and snack goods increased direct energy consumption, reflecting the operational challenges of scaling up.

Scope 1 emissions reduced by 2.98%, from 11,787.43 tonnes CO2e in 2023 to 11,436.43 tonnes CO2e in 2024. Scope 2 emissions increased by 4.89%, reaching 7,264.8 tonnes CO2e in 2024 from 6,925.88 tonnes CO2e in 2023—an outcome that is directly linked to increased production quantities. Despite this, greenhouse gas emissions intensity decreased by 3.81% compared to the previous year, reaching 0.058 kg CO2e per litre of production, demonstrating improved emissions management efficiency relative to growth. The switch to LPG, which has significantly reduced diesel consumption in stationary combustion, has successfully contributed to lowering the overall emissions intensity.

DRC's focus remains firm on finding core causes and fine-tuning ways to create a balance between operational expansion and environmental accountability, ensuring that growth is consistent with sustainability goals.

**2023 Emission figures have been restated based on refined calculations using updated methodologies. Please refer to restatement in the appendix section of the report for further detail.*

***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 year 2023. DEWA's emission factor is employed to estimate the indirect emissions associated with electricity consumption, ensuring accuracy and alignment with local energy standards.*

**Scope 1 Emissions**

| **Year** | **Scope 1 Emissions* (tonnes CO2e)** |
|---|---|
| 2022 | 10,450 |
| 2023* | 11,787.427 |
| 2024 | 11,436.430 |

**Scope 2 Emissions**

| **Year** | **Scope 2 Emissions** (tonnes CO2e)** |
|---|---|
| 2022 | 6,519 |
| 2023* | 6,925.88 |

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| | |
|---|---|
| 2024** | 7,264.80 |

**Total GHG Emissions (Scope 1 + Scope 2):**

| Year | Total GHG Emissions (tonnes CO2e) |
|---|---|
| 2022 | 16,969 |
| 2023* | 18,713.31 |
| 2024 | 18,701.23 |

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

| Year | Intensity (kg CO2e/Litre) |
|---|---|
| 2022 | 0.058 |
| 2023* | 0.060 |
| 2024 | 0.058 |

## Energy Usage

DRC's dedication to sustainability is evident in its targeted energy management policy, which combines efficiency with an organised approach to resource consumption. The Company seeks to combine growth and environmental stewardship by tracking crucial measures such as energy intensity, consumption trends, and the proportion of renewable energy in its mix. Despite increasing operational demands, the reduction in diesel usage led to a decrease in direct energy consumption from 160,237 GJ in 2023 to 159,447 GJ in 2024. This achievement reflects our continued efforts to enhance energy efficiency and reduce reliance on conventional energy sources. The diesel and fuel use intensity or the Direct Energy in MJ per Litre of production improved from 0.5193 in 2023 to 0.4974 in 2024, representing a 4.22% reduction

By constantly improving its methods, DRC demonstrates that sustainable energy management is not only a goal, but a basic value that drives its operations forward.

1. **Energy Intensity**

| Year | 2022 | 2023* | 2024 |
|---|---|---|---|

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| | | | |
|---|---|---|---|
| **Diesel and Fuel use intensity (Direct Energy in MJ/Litre)** | 0.4842 | 0.5193 | 0.4974 |
| **Electricity use intensity (Indirect Energy in MJ/Litre)** | 0.1998 | 0.2031 | 0.2050 |

2. **Direct and Indirect Energy usage**

| **Year** | **2022** | **2023*** | **2024** |
|---|---|---|---|
| **Total Direct Energy Consumed (GJ)** | 140,798 | 160,237.51 | 159,447.3 |
| **Total Indirect Energy Consumed (GJ)** | 58,077 | 62,662.08 | 65,728.50 |

3. **Non-Renewable Energy usage**

| | **Non-renewable Energy (Fuel) used** | **Non-renewable Energy (Electricity) used** |
|---|---|---|
| **in %** | 70.8% | 29.2% |

## Solar Energy

The Company is making significant moves toward a greener future by incorporating renewable energy into its core operations. In 2023, 50,000 sqm of rooftop area at the Company's site was equipped with solar photovoltaic (PV) panels. In 2024, these solar panels generated 5,626,752 KWh of renewable energy, accounting for 9% of the Company's entire energy requirements and 30.82% of total indirect energy consumption. By leveraging solar energy, the Company actively decreases its dependence on conventional electricity sources while reducing its carbon footprint.

**Key highlight**

1. Solar power generation of 5,626,752 KWh in 2024
2. 30.8% of total indirect energy consumption from renewable source

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### Air Quality and Noise Levels

The monitoring of air quality and noise levels is done on a regular basis in all of DRC sites. These efforts rely on advanced sampling procedures and accurate testing methodologies to ensure compliance to the high environmental criteria enforced by the Dubai Government's Green Building Regulations and Specifications.

## Water Management

Efficient water management is crucial to the Company's aim of driving sustainability and upholding its environmental responsibilities. DRC emphasises on effective water management and innovative wastewater solutions. The Company ensures that the resources are utilised in an efficient manner and that every action protects the health of local ecosystems and communities.

### Water Consumption and Efficiency

In 2024, DRC's water usage totaled 475,404 m³, reflecting a consistent and strategic approach to managing this critical resource compared to 462,632 m³ in 2023. This increase in total consumption is accompanied by enhanced efficiency measures, as the Company successfully reduced water intensity from 1.55 liters of water per liter of production in 2023 to 1.52 liters in 2024, achieving a notable 1.94% improvement. These results demonstrate DRC's commitment to integrating smarter practices into its core processes.

| **Year** | **2022** | **2023** | **2024** |
|---|---|---|---|
| **Total Amount of Water Consumed (in m3):** | 458,478 | 462,632 | 475,404 |

### Water Discharge

In 2024, DRC reported 49,470 m³ of water discharged, a significant reduction compared to 66,967 m³ in 2023, representing a decrease of approximately 26.14%. This improvement reflects the Company's ongoing efforts to optimise water management and minimise its environmental footprint.

Recognising the critical importance of reducing water outflow, DRC continues to prioritise innovative solutions and process enhancements. Initiatives include redesigning operational

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workflows and exploring advanced water recycling technologies, further underscoring its commitment to sustainable water stewardship.

| Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Total Amount of Water Discharged (in m3):** | 38,179 | 66,967 | 49,470 |

## Water Recycling

In 2024, DRC recycled 179,112 m³ of water, marking a significant increase from 144,746 m³ in 2023—a growth of approximately 23.74%. This achievement is a step closer towards sustainable water management in a region where natural freshwater resources are scarce.

| Year | 2022 | 2023 | 2024 |
|---|---|---|---|
| **Total Amount of Water Recycled (in m3):** | 152,550 | 144,746 | 179,112 |

## Water Management Performance

In 2024, 37.67% of total water consumed was recycled amounting to 179,112 m³.

| | Total Water Consumed | Total Water Recycled |
|---|---|---|
| **%** | 100% | 37.67% |
| **m3** | 475,404 | 179,112 |

Recognising the progress made in water management, DRC continues to explore innovative solutions to further enhance its efforts, focusing on reducing consumption, increasing recycling, and minimising water outflow.

This includes using water meters across various areas to monitor consumption. Recycling processed wastewater with advanced filtration technologies allows DRC to convert what would otherwise be waste into a valuable resource. Additionally, the Company implements a litre-to-litre production ratio, aiming to minimise water usage per unit of beverage produced while maintaining the highest standards of quality.

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# Waste Management

Driven by the UAE Vision 2030, DRC has embedded sustainability in every aspect of operations. Waste management in the food and beverage sector is approached as a commitment to reducing waste, promoting recycling, and integrating sustainable practices at every stage of production and distribution. The process starts at our modern production facilities and advanced warehousing systems, where careful attention is given to environmental considerations. Clearly labeled bins are placed in planned manner to facilitate efficient waste segregation, helping to ensure that recyclable and reusable materials are managed responsibly.

In 2024, DRC experienced a 3.88% increase in production, which contributed to a 11.96% increase in total waste generation compared to 2023. Despite this growth, DRC's waste management efforts have kept pace with expansion. Out of the 1,152 tonnes of waste generated, 75.52% equivalent to 870 tonnes, was effectively diverted from disposal sites. This marks an improvement over the diversion rates of 73.37% in 2023 and 73.91% in 2022. The remaining 24.48% amounting to 282 tonnes of waste in 2024 was directed to disposal. Notably, all waste generated in 2024 was non-hazardous indicating Company's effort to sustainable waste management practices.

**Waste Generated**

| | **Year** | **2022** | **2023** | **2024** |
|---|---|---|---|---|
| **In tonnes** | **Waste Diverted from Disposal** | 727 | 755 | 870 |
| | **Waste Directed to Disposal** | 257 | 274 | 282 |
| | **Total Waste Generated** | 984 | 1,029 | 1,152 |

**Key Highlights**

1. 1,152 tonnes of waste generated
2. Waste: 75.52% diverted from disposal and 24.48% directed to disposal.

## Initiatives taken in 2024

- **Optimisation of PET Bottle Production**

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The Company optimised PET bottle production by adopting an 11.5 g preform in place of the previous 12.5 g variant. This measure reduced PET/plastic consumption by approximately 22,400 kg, contributing to resource efficiency and waste minimisation.

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# PEOPLE AND PROGRESS

## DRC Social Performance

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

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

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# Employee Welfare and Diversity

Employees are the driving force behind DRC's success. They are encouraged to pursue their professional ambitions, which are supported with opportunities and resources. Since its inception, DRC has built growth tracks beyond traditional training programs. Entering the Company signifies becoming part of a community that emphasises both personal development and professional achievement.

Employees are encouraged to contribute to the growth of the Company with their unique experience and promote a positive working environment. In 2024, DRC welcomed 172 new employees this year, 56.9% of whom are from the age group of 18 to 30 years. The turnover rate in 2024 was 12.95%. DRC's goal is to create an environment in which every individual, regardless of background or gender, has room to grow and prosper.

**Key Highlights**

- Women represent 8.47% of the Senior and Executive Management positions at DRC in 2024.
- 172 New full-time hires

## Employee Composition

| Diversity Overview | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| Total Full-Time Employees | | 1,058 | 1,194 | 1,235 |
| Total Male Employees | | 1,020 | 1,148 | 1,184 |
| Total Female Employees | | 38 | 46 | 51 |
| Turnover Rate | | 11% | 9.72% | 12.95% |
| Entry-level Employees | Male | 185 | 193 | 194 |
| | Female | 19 | 28 | 35 |
| Mid-level Employees | Male | 64 | 68 | 64 |
| | Female | 13 | 12 | 11 |
| Senior-level Employees | Male | 34 | 36 | 38 |
| | Female | 4 | 4 | 4 |
| | Male | 14 | 14 | 16 |

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| | | | | |
|---|---|---|---|---|
| Executive-level Employees | Female | 2 | 2 | 1 |

| Total New Employee Hires | 2023 | 2024 |
|---|---|---|
| Age 18-30 | 36.2% | 56.97% |
| Age 31-50 | 56.9% | 43.02% |
| Age +51 | 6.9% | 0% |

**Key Highlights**

- Emiratis represent 14.81% of Senior Management and Executive posts, in addition to 3.7% of Middle Management positions in the DRC.
- Women comprise 66.66% of the Emirati workforce, indicating a strong representation of local talent.
- 62.96% of Emirati employees are between the ages of 18 and 30, bringing fresh initiative and innovation to the Company.
- Emiratisation makes up 2.18% of the overall workforce, showing continued efforts to promote national growth and inclusivity.

| Nationalisation Overview | | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| | % of local employees | 1.4% | 1.76% | 2.18% |
| | Entry-level (Grade 3 & 4) | 11 | 16 | 22 |
| | Mid-level (Grade 5 and 5s) | 1 | 2 | 1 |
| | Senior-level (Grade 6 and 7) | 1 | 1 | 2 |
| | Executive-level (Grade 8,9 and 10) | 2 | 2 | 2 |

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## DRC's Human Rights Framework

DRC is fully committed to promoting human and labor rights in all locations where it operates. Since its foundation, the Company has adopted strong procedures to protect its employees and prevent violations of their rights. These efforts are consistent with Federal Decree-Law No. 33 of 2021, which controls private-sector labor relations and emphasises fairness and shared value for businesses and employees alike.

DRC recognises that a thriving workplace is built on respect, equity, and security and has created an environment in which every worker is treated with dignity. There is well established policy related to discrimination, together with an emphasis on equitable treatment, providing a strong basis for justice. To empower its employees even further, DRC provides constant training and education, educating them with the knowledge to grasp their rights and obligations while fostering a positive, inclusive atmosphere.

The Company is proud of the influence these policies have on its employees and the overall corporate culture, demonstrating its ongoing dedication to ethical and respectful business conduct.

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 is committed to creating an environment in which talent thrives, with remuneration packages designed to attract and retain the best experts in their field. These packages are designed to find a balance between market competitiveness and internal fairness, ensuring that all employees receive fair compensation for their contributions.

The organisation adheres to the philosophy of equal compensation for equal labor, recognising individuals based on their abilities and effect rather than gender or background. In 2024, the median pay between male and female employees was 1:3.3, reflecting the Company's workforce's diverse functions and levels. DRC continues to embrace justice and diversity, aiming for a future in which opportunity and reward coincide with true equity.

| **Remuneration Ratio** | **2022** | **2023** | **2024** |
|---|---|---|---|
| Pay Ratio Median Male: Female | 1:5.7 | 1:5.2 | 1:3.3 |

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| | | | |
|---|---|---|---|
| Pay Ratio Median CEO: Employees | 73.2:1 | 58.19:1 | 98.8:1 |

## Employee Health & Safety

Employee health and well-being are top priorities for DRC, particularly in manufacturing and distribution activities. Safety is integrated into all aspects of the business, establishing a culture in which it is a shared responsibility.

The Health and Safety team, adhering to the ISO45001 Health & Safety Management System, provides training, tools, and procedures to reduce risks and establish a safe working environment. Every employee understands their responsibility in upholding safety standards and creating a safe environment. Collaboration among employees, management, and suppliers is important. DRC seeks to enhance workplace safety and health by establishing clear objectives, evaluating risks, and making necessary improvements.

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 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.

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The Company is deeply committed to ensuring safety and is focused on creating a workplace environment that prioritises accident prevention. This dedication reflects the importance of constant vigilance and proactive measures to avoid any potential loss. Every action taken forward is motivated by an urgency to preserve the well-being of employees and stakeholders; maintaining safety is more than a priority; it is a commitment.

**Overview of the Health & Safety Performance**

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

# Our Customers and Community

Believing that vibrant communities are the foundation of a sustainable business environment, DRC is committed to supporting positive and long-term change in the regions where it operates. Its approach seamlessly integrates community development initiatives with strategic corporate objectives, ensuring that local communities' demands are at the center of its efforts.

DRC's community engagement is guided by both local goals and global standards, such as the UN Sustainable Development Goals (SDGs) and the UAE Vision 2030, showing a commitment to shared growth. By investing in key initiatives, it improves the link between social advancement and corporate success, generating value that extends beyond its operations.

In 2024, DRC demonstrated this commitment through our "CSR through Wheelchairs" initiative, which aligns with its core principles of corporate citizenship. DRC donated a total of AED 27,000 to provide wheelchairs to eight charitable organisations, including the Khorfakkan Club for the Disabled, Al Noor Rehabilitation Centre, Rashid Centre for People of Determination, and the Emirates Down Syndrome Association, among others. These contributions aim to empower individuals with disabilities, enabling them to lead more independent and fulfilling lives while reinforcing our dedication to creating a more inclusive society.

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## Promoting Health, Wellness, and Community Development Through Sports Sponsorships

As part of its comprehensive CSR strategy, DRC has prioritized sports sponsorships to promote physical activity, youth engagement, and community development. In 2024, we partnered with the Dubai Sports Council, contributing AED 200,000 and providing free Aquafina water to support a wide range of sporting events. These initiatives included the Dubai Open for Football Academies, Sheikha Hind Marathon Tournament, Labor Road Run 2024, and the 6th Labor Sports Tournament, among others. By encouraging youth participation and fostering social inclusion through sports, we aim to build healthier, more active communities while aligning with the UAE's vision of promoting wellness and unity.

In 2024, 88 team members participated in a blood donation drive to help the Dubai Health Authority. A large quantity of Aquafina water bottles was distributed to more than 1000 blue-collar workers as a show of appreciation for their hard work. In a compassionate effort to elevate those dealing with mental health issues, DRC provided carefully picked gifts such as baggage bags, dates, and perfumes, offering moments of comfort to 15 people going through challenging times.

**Key Highlight**

- 80 Hours of volunteering work

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# RESPONSIBLE GOVERNANCE

## DRC Governance Performance

SDG Alignments - SDG 6, SDG 10, SDG 12

1. Robust Governance
2. Business Ethics

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# Robust Governance

Effective corporate governance is the foundation of a stable and sustainable business, promoting long-term value creation for stakeholders and driving superior performance. A strong governance structure underpins all aspects of DRC's operations, aligning its strategic goals with desired outcomes. By incorporating governance principles into its core, DRC lays the foundation for resilience, growth, and trust.

The Board of Directors, in collaboration with management, contributes a range of experience and a shared commitment to exceptional business performance.

The Board of Directors consists of seven members who are carefully chosen 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. Ibrahim Abdulrazzak Ustadi | 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 Salmanboor | Board Member | Non-executive/ Independent |
| * | Mrs. Eman Mahmood Abdulrazzaq* | Board member | Non-executive/ Independent |

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**On 29 April 2024, Mrs. Eman Mahmood Abdulrazzaq formally submitted her resignation to the Board of Directors. Subsequently, on 30 May 2024, the Board of Directors, through a resolution by circulation, appointed Mrs. Farida Mohammad Rafi Salmanboor as an independent board member.*

| Board Diversity | 2022 | 2023 | 2024 |
|---|---|---|---|
| Males (%) | 6 (83.3%) | 6 (83.3%) | 6 (83.3%) |
| Females (%) | 1 (16.7%) | 1 (16.7%) | 1 (16.7%) |

## Committees

### Delegation of Authority and Management

The administrative and operational activities of the Company 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 DRC is critical to ensuring accountability and transparency within the Company. The Committee is led by Mr. Nawwaf Ghubash Almarri, an independent member of the Board of Directors who is responsible for overseeing DRC's internal controls and governance systems. The Committee is responsible for monitoring and strengthening internal control systems, ensuring that corrective measures are implemented on time. The efforts of the members of the Committee go beyond compliance, with an emphasis on developing a culture of integrity, operational excellence and ensuring that DRC's practices are in accordance with UAE regulations and SCA. They ensure to protect the Company's credibility, approving internal and external audits and reviewing financial accounts and reports. The Committe upholds the Company's ethical standard, ensuring that all employees represent DRC's values and follow its code of conduct. The Audit Committee's diligent approach strengthens the foundation of trust and accountability that drives DRC's success.

| 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 |

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| | | |
|---|---|---|
| **Mrs. Farida Mohammad Rafi Salmanboor** | Commitee Member | Non-executive/Independent |
| **Mr. Ibrahim Ustadi*** | Committee Member* | Non-executive/Non-independent |

**During the Audit Committee meeting on 11 November 2024, the Board of Directors approved the replacement of Mr. Ibrahim Ustadi with Mrs. Farida Mohammad Rafi Salmanboor.*

**The Nominations and Bonuses Committee**

The Nomination and Bonus Committee serves as a key pillar in upholding DRC's commitment to employees and fostering a culture of growth and recognition. The Committee ensures that every aspect of compensation, rewards, and incentives reflects the contributions of employees and Board members. The role extends beyond financial policies, focusing on professional development and leadership growth. Evaluating how the Company nurtures its talent and enhancing Board performance through assessments and training ensures a consistently high standard of excellence.

Chaired by Mrs. Eman Mahmood Abdulrazzak (until her resignation), an independent Board member, the Committee includes two 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.

The Board of Directors approved the appointment of Mrs. Farida Mohammad Rafi Salmanboor to replace Mrs. Eman Mahmoud Abdulrazzaq following her resignation.

| **Name** | **Position** | **Type of Membership** |
|---|---|---|
| **Mrs. Farida Mohammad Rafi Salmanboor** | Chairperson of the Committee | Non-executive/Independent |
| **Mrs. Eman Mahmood Abdulrazzaq*** | Chairperson of the Committee* | Non-executive/ Independent* |
| **Mr. Mohamed Ali Nasir Alowais** | Committee Member | Non-executive/ Independent |
| **Mr. Ibrahim Ustadi** | Committee Member | Non-executive/ non-independent |

**The Board of Directors approved the appointment of Mrs. Farida Mohammad Rafi Salmanboor as a replacement for Mrs. Eman Mahmoud Abdulrazzaq following her resignation.*

**The Insiders' Transactions Supervision Committee**

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DRC has a well-established and dedicated committee to safeguard the Company against insider transactions. This initiative came from a board resolution that followed the regulatory criteria established by the SCA in decision (03/R.M) of 2020 and later modifications.

The Committee, which includes the CEO and the Director of Legal, is critical in ensuring the integrity of DRC's activities. The Committee's tasks include updating the insider list and sending regular updates to regulators and board members who monitor the Company's stock activity. These efforts are highlighted in the Annual Corporate Governance Report, which emphasises DRC's commitment to ethical practices and compliance.

**Risk Committee**

The Risk Management Committee is a key component of DRC's efforts to ensure operational resilience and planning. The primary focus is on detecting risks and developing measures to keep operations within predefined risk levels.

A comprehensive approach drives the development of policies aimed at reducing uncertainty and safeguarding long-term goals. Regular evaluations of existing frameworks ensure efficiency, and management receives recommendations on process improvement and addressing specific risks.

Mr. Mohamed Ali Naser Alowais is an independent chairperson who is leading the board, which also has two additional members, one of whom is also independent. This structure of the Company ensures a balanced and unbiased perspective, contributing to the Company's long-term viability.

| **Name** | **Position** | **Type of Membership** |
|---|---|---|
| **Mr. Mohamed Ali Nasir Alowais** | Chairman of the Committee | Non-executive/ Independent |
| **Mr. Nawwaf Ghubash Almarri** | Committee Member | Non-executive/ Independent |
| **Mr Ali Humaid Al Owais** | Committee Member | Non-Executive/Non-independent |

**Investments Committee**

The Investment Committee was formed in 2023 and continued to perform its duties in 2024 under the chair of Mr. Ahmad Al Serkal. The Committee main duties include assisting the Board in fulfilling its oversight responsibilities in setting investment strategies, and decisions with respect to any merger and acquisition, joint venture, partnership, or other strategic transactions and opportunities of this nature that DRC would like to seek. The Committee's structure is as follows:

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| Name | Position | Type of Membership |
|---|---|---|
| **Mr. Mr. Ahmad bin Eisa Al Serkal** | Chairman of the Committee | Non-executive/ non-independent |
| **Mr. Nawwaf Ghubash Almarri** | Committee Member | Non-executive/ Independent |
| **Mr. Mohamed Ali Nasir Alowais** | Committee Member | Non-Executive/Independent |

# Business Ethics

## Governance Framework

At Dubai Refreshment PJSC, integrity, respect, leadership, service excellence, positivity, employee care, and unwavering dedication to stakeholders are the guiding principles that shape every aspect of our performance. These values underpin the Company's policies and practices, ensuring a consistent commitment to ethical conduct across all operations. The Company prioritises open communication and adherence to ethical standards to address challenges proactively, mitigate risks, and safeguard stakeholder interests.

## Data Privacy

DRC prioritises the protection of sensitive information, displaying a strong commitment to gaining and keeping stakeholder trust. Protecting trade secrets and confidential data, whether connected to the Company, its partners, or its clients, is taken very seriously. Every team member is responsible for handling information with care while maintaining security and confidentiality at all levels. Such consistent attitude reflects a commitment to ethical practices and trust-building in every interaction.

DRC promotes the security of sensitive information through a strong data privacy framework, recognising the risks of unauthorised disclosure. Clear instructions stress employees' responsibilities to protect all confidential information related to the Company and its stakeholders. Training and rules emphasise the importance of data security, including the proper handling and return of sensitive documents on a daily basis. This approach strengthens confidence and assures rigorous adherence to information management protocols. Employees are banned from utilising or releasing sensitive information for personal gain. Proper management of stakeholder data is emphasised throughout its lifecycle, including collection, usage, retention, and disclosure, to ensure privacy and trust are maintained at all stages.

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### ICT Initiatives for Data Security and Efficiency

- **E-Signature Platform Implementation**
  - In 2024, DRC introduced an E-Signature platform for document signing across all departments and third-party contracts. This move contributes to reducing paper use, saving fuel (by minimising physical commutes), and improving tracking of document workflows and accountability.
- **Migration of SAP ERP System to Cloud**
  - **Current Status**: DRC is in the process of migrating its SAP ERP system from on-premises to Amazon Cloud services, transitioning to the S/4HANA platform. This migration is expected to be fully operational by mid-February 2025. This transition will enhance data security and operational efficiency.
- **Data Security**
  - **Zero Data Breaches**: No data security breaches were reported in 2023 and 2024, underscoring DRC's robust data protection measures.
  - **Employee Training**: 100% of employees receive comprehensive data privacy and security training as part of their induction and orientation. The ICT policy includes clear guidelines on data handling, outlining responsibilities and specifying what data can or cannot be shared. This ensures that employees are well-informed and compliant with data management standards.

**Key Highlight**

**Zero data security breaches reported in 2024**

## The Prevention of Corruption and Ethics

DRC remains committed to fostering an ethical and transparent culture in which honesty and transparency guide all actions. High standards of conduct are expected throughout all operations, ensuring fairness and accountability in all decisions. Every form of corruption, including bribery, is rigorously prohibited in DRC, and it adheres to all anti-corruption regulations in the UAE in addition to its compliance with leading global rules and best practices. To reduce the likelihood of corruption in its business dealings, the Company has implemented stringent anti-corruption and compliance controls and procedures, including enhanced due diligence, screening, and monitoring. Robust procedures such as increased due diligence, risk assessments, and ongoing monitoring are in place to avoid unethical behaviour and protect businesses.

To increase ethical awareness, thorough training and induction programs are provided, preparing people to identify corruption concerns and understand relevant regulations. All employees, including grade 1 and grade 2 employees, are given a full guide to ethical standards and anti-corruption policies to ensure that they understand what is expected. With a strong emphasis on responsibility, constant supervision assures compliance and fosters

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integrity in every part of the workplace. DRC's business ethics are reinforced by a comprehensive human rights framework, ensuring that all operations uphold the highest standards of respect and dignity for individuals. For more details, please refer to the Employee Welfare and Diversity section of the Report.

**Key Highlight**

- 100% of the workforce is compliant with the Anti-Corruption Policy

## Whistleblower Procedure

DRC fosters a strong culture of transparency and accountability, allowing for the timely detection of problematic behaviors and their resolution. Such an approach fosters trust among customers, partners, and workers while protecting the firm against legal, reputational, and financial concerns. Employees are encouraged to express concerns or seek clarification through multiple channels, including discussion with the Human Resources department, supervisors, or a confidential email addressed directly to the Audit Committee chairperson at drcaudit@eim.ae. Anonymous reporting is permitted within legal limits, ensuring that all opinions are heard. Retaliation against individuals who report suspected misbehavior, whether involving management, colleagues, or board members, is prohibited ensuring a safe atmosphere in which ethical accountability remains a top priority.

## Grievance Procedures

DRC encourages employees to report any instances of unlawful or discriminatory behavior, as well as problems they face in their professional duties. Employees can submit grievances with Employee Relations in the HR department, and their problems will be addressed with full support, a comprehensive examination, and any necessary inquiry. To address the issues raised, appropriate steps are taken that are consistent with established policies and procedures. In circumstances requiring additional attention, HR may escalate the issue to senior management.

Every employee, regardless of age, gender, role, or cultural background, has the freedom to express their concerns and seek resolution without fear. Differences of opinion may arise in a variety of contexts, including working practices, conditions, relationships, and policies are understood. Recognising the different issues that arise in a dynamic work environment, the Company ensures that every voice is heard, and every complaint is addressed with justice and respect.

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# APPENDICES

1. **Restatement**
2. **DFM Index**

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# Restatement of Emissions Data

As part of our ongoing commitment to accuracy and transparency in reporting, we have refined our emissions calculations for 2023 data. We have ensured comparability by updating all 2023 figures in this Report using the latest emission factors provided by DEWA in its 2023 Sustainability Report.

These updates align our reporting with the most current methodologies and reflect our dedication to continuous improvement and adherence to evolving industry standards.

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# DFM AND GRI INDEX

| CATEGORY | DFM METRIC | INDICATOR | GRI STANDARDS | 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 | | 11 |
| | | 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 | | 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 | | 11 |
| | 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 | | 13 |
| | | 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 | | | 13 |
| | 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 | 16 |
| | | E7.2) Total amount of waste diverted from disposal (if possible, broken down by Hazardous and Non-hazardous) | GRI: 4-306 | | 16 |

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|---|---|---|---|---|---|
| | | E7.3) Total amount of waste directed to disposal (if possible, broken down by Hazardous and Non-hazardous) | GRI: 306-5 | | 16 |
| | | 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 | | 16 |
| | 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 polices? | GRI: 24-2 | | |
| | | E8.3) Does your company adopt a recognized environment and energy management systems such as ISO14001 and ISO50001? | | | 20 |
| | | E8.4) Does you 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 | | | |

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| | | | | | |
|---|---|---|---|---|---|
| | | 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 biodiverstiy value. | GRI: 1-304 | SDG 15 | |
| | | E10.2) Please describe significant impacts of activities, products and services on biodiversity | GRI: 2-304 | | |
| | | | | | |
| 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 | 21 |
| | | 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 | 19 |
| | | 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 | | 19 |
| | 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 | | 18 |
| | | 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 | | 19 |
| | S5. Gender Diversity and Equality | S5.1) Total enterprise headcount held by men and women | GRI 2: 9 / GRI: 405-1 | SDG 5 | 19 |
| | | S5.2) Total entry and mid-level positions held by men and women | GRI 2: 9 / GRI: 405-1 | | 19 |
| | | S5.3) Total senior and executive-level positions held by men and women | GRI 2: 9 / GRI: 405-1 | | 19 |
| | | S5.4) The ratio of median male employee compensation to median female employee compensation | GRI: 405-1 | | 19 |

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| | | | | | |
|---|---|---|---|---|---|
| | | 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<br>GRI: 403-9<br>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 | 24 |
| | | 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 |

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| | | | | | |
|---|---|---|---|---|---|
| | | G2.2) Please share the total board seats occupied by independents | GRI 405-1 | | 23 |
| | 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 | | 27 |
| | | 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 | | 28 |
| | 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 |

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| | | | | | |
|---|---|---|---|---|---|
| | | 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.)**

**Reports and financial statements**
**for the year ended 31 December 2024**

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

**Contents** **<u>Pages</u>**

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# INDEPENDENT AUDITOR'S REPORT

**The Board of Directors**
**Dubai Refreshment (P.J.S.C.)**
**Dubai**
**United Arab Emirates**

## 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 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 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 (IASB).

## Basis for opinion

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

## Key audit matter

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.

Cont'd…

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**Key audit matter (continued)**

| **Key audit matter** | **How our audit addressed the key audit matter** |
|---|---|
| **General IT Controls**<br><br>We identified IT systems and controls over Dubai's Refreshment Company's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Company and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of a change to an application or underlying data. | Our audit approach relies on automated controls and therefore the following procedures were designed to test access and control over IT systems:<br><br>We obtained an understanding of the applications relevant to significant business processes, financial reporting and the infrastructure supporting these applications.<br><br>We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations.<br><br>We examined computer generated information used in financial reports from relevant applications and key controls over their report logics.<br><br>We performed testing on the key automated controls on significant IT systems relevant to business processes. |

**Other information**

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditors' report thereon. We obtained the report of the Chairman's report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Company's 2024 Annual Report after the date of our auditors' report. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

**INDEPENDENT AUDITOR'S REPORT**
To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

**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 as issued by the IASB and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, 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.

**Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 1SAs 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- 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.

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**INDEPENDENT AUDITOR'S REPORT**
To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

From the matters communicated to 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 auditor's 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**

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021;
- the financial information included in the Chairman's report is consistent with the books of account and records of the Company;
- investments in shares and stocks are included in note 8 to the financial statements and include purchases and investments made by the Company during the year ended 31 December 2024;
- note 19 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- 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 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Article of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- note 24 reflects the social contributions recorded during the year.

**Deloitte & Touche (M.E.)**

Firas Anabtawi
Registration No. 5482
11 February 2025
Dubai
United Arab Emirates

## Statement of financial position
## as at 31 December 2024

| | Notes | 2024 AED'000 | 2023 AED'000 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5(a) | **515,724** | 536,410 |
| Investment property | 5(b) | **14,946** | 14,946 |
| Right-of-use assets | 6 | **74,000** | 79,149 |
| Intangible assets | 7 | **3,088** | 3,995 |
| Financial assets measured at fair value | 8 | **72,566** | 94,952 |
| **Total non-current assets** | | **680,324** | 729,452 |
| **Current assets** | | | |
| Inventories | 9 | **85,114** | 75,175 |
| Trade and other receivables | 10 | **195,887** | 218,041 |
| Cash and bank balances | 11 | **444,300** | 557,714 |
| **Total current assets** | | **725,301** | 850,930 |
| **Total assets** | | **1,405,625** | 1,580,382 |
| **EQUITY AND IABILITIES** | | | |
| **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 | **36,523** | 63,869 |
| Cash flow hedge reserve | | **(23)** | 1,062 |
| Retained earnings | | **276,725** | 435,097 |
| **Total equity** | | **1,066,626** | 1,253,429 |
| **Non-current liabilities** | | | |
| Provision for employees' end of service indemnity | 17 | **35,242** | 33,512 |
| Lease liabilities - non-current portion | 21 | **75,406** | 80,287 |
| **Total non-current liabilities** | | **110,648** | 113,799 |
| **Current liabilities** | | | |
| Trade and other payables | 20 | **205,562** | 203,925 |
| Current tax liability | 26 | **13,681** | - |
| Lease liabilities - current portion | 21 | **9,108** | 9,229 |
| **Total current liabilities** | | **228,351** | 213,154 |
| **Total liabilities** | | **338,999** | 326,953 |
| **Total equity and liabilities** | | **1,405,625** | 1,580,382 |

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 periods presented therein.

……………………………
Mr. Ahmad Bin Eisa Al Serkal
Chairman

……………………………………………………
Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri
Director

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

## Statement of profit or loss
## for the year ended 31 December 2024

| | Notes | 2024<br>AED'000 | 2023<br>AED'000 |
|---|---|---|---|
| Revenue | 22 | **817,985** | 803,068 |
| Cost of sales | | **(523,607)** | (518,205) |
| **Gross profit** | | **294,378** | 284,863 |
| Other operating income | 23 | **10,077** | 8,183 |
| Selling and distribution expenses | | **(119,672)** | (117,690) |
| General and administrative expenses | | **(61,188)** | (61,504) |
| Amortisation of intangible assets | 7 | **(1,021)** | (1,791) |
| **Operating income** | | **122,574** | 112,061 |
| Interest income, net | 25 | **15,595** | 9,555 |
| Dividend income | 16 | **2,696** | 4,047 |
| Gain on sale of a property | 5a | **-** | 220,188 |
| Other income | | **8,644** | 15,924 |
| **Profit for the year before tax** | | **149,509** | 361,775 |
| Corporate Tax | 26 | **(13,681)** | - |
| **Profit for the year after tax** | | **135,828** | 361,775 |
| **Earnings per share in AED** | 18 | **1.44** | 3.97 |

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

## Statement of comprehensive income
## for the year ended 31 December 2024

| | **2024** **AED'000** | 2023 AED'000 |
|---|---|---|
| **Profit for the year after tax** | **135,828** | 361,775 |
| **Other comprehensive income/(loss)** | | |
| *Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:* | | |
| Change in fair value of financial assets at fair value through other comprehensive income, net (Note 8.a) | **(27,265)** | (17,303) |
| *Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:* | | |
| Change in fair value of financial assets at fair value through other comprehensive income, net (Note 8.b) | **(81)** | - |
| Change in fair value of cash flow hedges | **(1,085)** | 810 |
| **Total other comprehensive loss** | **(28,431)** | (16,493) |
| **Total comprehensive income for the year** | **107,397** | 345,282 |

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

**Statement of changes in equity**
**for the year ended 31 December 2024**

| | 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 2023 | 90,000 | 45,000 | 618,401 | 81,172 | 252 | 140,522 | 975,347 |
| Profit for the year after tax | - | - | - | - | - | 361,775 | 361,775 |
| Other comprehensive (loss)/income | - | - | - | (17,303) | 810 | - | (16,493) |
| Total comprehensive (loss)/income for the year | - | - | - | (17,303) | 810 | 361,775 | 345,282 |
| Dividends paid (Note 16) | - | - | - | - | - | (63,000) | (63,000) |
| Directors' fees (Note 20) | - | - | - | - | - | (4,200) | (4,200) |
| At 31 December 2023 | 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 (loss)/income for the year | - | - | - | (27,346) | (1,085) | 135,828 | 107,397 |
| Dividends paid (Note 16) | - | - | - | - | - | (288,000) | (288,000) |
| Director fees (Note 20) | - | - | - | - | - | (6,200) | (6,200) |
| **At 31 December 2024** | **90,000** | **45,000** | **618,401** | **36,523** | **(23)** | **276,725** | **1,066,626** |

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

## Statement of cash flows
## for the year ended 31 December 2024

| | **2024** **AED'000** | 2023 AED'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Profit for the year before tax | **149,509** | 361,775 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment (Note 5a) | **41,322** | 39,475 |
| Amortisation of intangible assets (Note 7) | **1,021** | 1,791 |
| Depreciation on right-of-use assets (Note 6) | **13,329** | 14,821 |
| Interest income, net | **(18,783)** | (13,031) |
| Interest and other expense on lease (Note 6) | **3,188** | 3,476 |
| Gain on sale of assets | **(238)** | (219,835) |
| Gain on de-recognition of lease | **(1,313)** | (4,667) |
| Dividend income (Note 19) | **(2,696)** | (4,047) |
| Allowance for expected credit loss (Note 10) | **600** | 1,409 |
| Provision for employees' end of service benefits (Note 17) | **3,912** | 3,884 |
| **Operating cash flows before changes in operating assets and liabilities** | **189,851** | 185,051 |
| Increase in inventories | **(9,939)** | (5,708) |
| Decrease/(increase) in trade and other receivables | **23,822** | (26,630) |
| Increase in trade and other payables | **637** | 2,329 |
| **Cash generated from operations** | **204,371** | 155,042 |
| Employees' end of service indemnity paid (Note 17) | **(2,182)** | (1,753) |
| **Net cash generated from operating activities** | **202,189** | 153,289 |
| **Cash flows from investing activities** | | |
| Purchase of debt instruments fair value through other comprehensive income | **(4,960)** | - |
| Purchase of property, plant and equipment (Note 5a) | **(20,636)** | (31,704) |
| Purchase of intangible assets (Note 7) | **(114)** | (139) |
| Proceeds from disposal of right of use assets | **-** | 1,100 |
| Proceeds from disposal of property, plant and equipment | **238** | 247,925 |
| Dividend income, (Note 19) | **2,696** | 4,047 |
| Finance income | **15,430** | 13,031 |
| Increase in bank deposits | **(113,466)** | (151,427) |
| **Net cash (used in)/generated from investing activities** | **(120,812)** | 82,833 |
| **Cash flows from financing activities** | | |
| Director fees paid | **(5,200)** | (4,200) |
| Dividends paid (Note 16) | **(288,000)** | (63,000) |
| Lease payments (Note 21) | **(15,057)** | (16,966) |
| **Net cash used in financing activities** | **(308,257)** | (84,166) |
| **Net (decrease)/increase in cash and cash equivalents** | **(226,880)** | 151,956 |
| Cash and cash equivalents at the beginning of the year | **406,287** | 254,331 |
| **Cash and cash equivalents at the end of the year (Note 11)** | **179,407** | 406,287 |
| **Supplemental disclosure of non-cash investing activity** | | |
| Transfer of property, plant and equipment to intangible assets (Note 5 & 7) | **-** | 867 |

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

**Notes to the financial statements**
**for the year ended 31 December 2024**

## 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. Application of new and revised standards

### 2.1 New and amended IFRS Accounting Standards that are effective for the current period

In the current period, the company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current,
- Amendments to IFRS 16 Lease liability in a sale and leaseback; and
- Amendments to IAS 7 and IFRS 7 Supplier finance arrangements.

Other than the above, there are no other significant IFRS Accounting standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

### 2.2 New and revised IFRS in issue but not yet effective and not early adopted

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

| New and revised IFRS Accounting Standards | Effective for annual periods beginning on or after |
|---|---|
| Amendment to IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures* relating to treatment of sale or contribution of assets from investors | Effective date deferred indefinitely |
| Amendments to IAS 21 *Lack of Exchangeability* | Effective 1 January 2025 |
| Amendments to IFRS 9 *Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments* | Effective 1 January 2026 |
| IFRS 18 *Presentation and Disclosure Financial Statements Issued* | Effective 1 January 2027 |
| IFRS 19 *Subsidiaries without Public Accountability: Disclosures* | Effective 1 January 2027 |

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of Company in the period of initial application.

## 3. Summary of material accounting policy information

### 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 applicable requirements of UAE Federal Law No, (32) of 2021, and the Articles of Association of the Company.

The financial statements have been presented in U.A.E. Dirhams, which is the functional and reporting 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).

### 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.

***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.

## 3. Summary of material accounting policy information (continued)

### Revenue recognition (continued)

***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. Rebates are offset against amounts payable by the customer. 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, 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.

### 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 | 3 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.

## 3. Summary of material accounting policy information (continued)

### Property, plant and equipment (continued)

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 recognised impairment losses.

Cost includes direct costs, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company' 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.

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.

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## 3. Summary of material accounting policy information (continued)

### 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 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 economic 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:

| | |
|---|---|
| Franchise and bottling rights | 20 years |
| Lease rights | 20 years |
| Software | 5 years |

### 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.

## 3. Summary of material accounting policy information (continued)

### 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.

*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 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 in the 'finance income' line item in profit or loss.

**3. Summary of material accounting policy information (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

*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.

*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.

## 3. Summary of material accounting policy information (continued)

### Financial instruments (continued)

### Financial assets (continued)

*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 2024 (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, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial 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.

**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.

## 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.

## 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 or 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
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

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.

## 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.

### 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.

## 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 the 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).

*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.

***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 sales discount and volume rebates*

For assessing the expected amount of rebates and discounts 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.

*Allowance for slow-moving inventories*

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Revisions to these adjustments would be required if these factors differ from the estimates.

**Notes to the financial statements**
**for the year ended 31 December 2024 (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 2023 | 45,196 | 493,689 | 371,131 | 87,588 | 9,618 | 270 | 5,118 | 1,012,610 |
| Additions | - | 18,438 | 6,188 | 6,557 | 482 | - | 39 | 31,704 |
| Transfers during the year | - | 3,332 | 465 | - | - | - | (4,664) | (867) |
| Disposals | (23,096) | (35,697) | (4,946) | (1,065) | (458) | - | (283) | (65,545) |
| Write-off | - | - | (5,236) | (25,772) | - | - | - | (31,008) |
| At 31 December 2023 | 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** |

**Notes to the financial statements**
**for the year ended 31 December 2024 (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 2023 | - | 141,502 | 214,476 | 73,738 | 9,490 | 266 | - | 439,472 |
| Charge for the year (Note 24) | - | 16,035 | 18,230 | 5,020 | 186 | 4 | - | 39,475 |
| Eliminated on disposals | - | (32,022) | (4,404) | (1,061) | (458) | - | - | (37,945) |
| Write-off | - | - | (5,205) | (25,313) | - | - | - | (30,518) |
| At 31 December 2023 | - | 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 |
| Eliminated on disposals | | | (243) | (1,254) | (555) | (270) | - | (2,322) |
| **At 31 December 2024** | **-** | **142,275** | **240,907** | **57,350** | **8,952** | **-** | **-** | **449,484** |
| **Carrying value** | | | | | | | | |
| **At 31 December 2024** | **22,100** | **342,141** | **133,471** | **16,885** | **235** | **-** | **892** | **515,724** |
| At 31 December 2023 | 22,100 | 354,247 | 144,505 | 14,924 | 424 | - | 210 | 536,410 |

The fully depreciated assets still in use amounting to AED 175,176 thousand (2023: AED 197,992 thousand).

During the year ended 31 December 2023, the Company disposed a property situated in Al Quoz First, Dubai. This decision was approved by the shareholders during the Extraordinary General Meeting held on 14th June 2023. The property had a carrying value of AED 26.8 million at the time of the transaction and was sold at a price of AED 252 million.

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

Depreciation charge for the year has been allocated as follows:

| | **2024** **AED'000** | 2023 AED'000 |
|---|---|---|
| Cost of sales (Note 24) | **23,586** | 23,649 |
| Selling and distribution expenses | **12,628** | 10,413 |
| General and administrative expenses | **5,108** | 5,413 |
| | **41,322** | 39,475 |

## 5(b) Investment property

| | **2024** **AED'000** | 2023 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 2024 was estimated to be AED 195.7 million (2023: AED 195.0 million). During the year, the rental income from this land plot was AED 1.8 million (2023: AED 1.8 million).

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

## 6. Right-of-use assets

The Company leases several assets including land, motor vehicles and accommodation. The lease term 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 2023 | 75,580 | - | 15,719 | 91,299 |
| Additions | - | 695 | 7,125 | 7,820 |
| Disposal | (5,149) | - | - | (5,149) |
| Depreciation expense (Note 24) | (5,079) | (132) | (9,610) | (14,821) |
| 31 December 2023 | 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** |

**Notes to the financial statements**
**for the year ended 31 December 2024 (continued)**

## 6. Right-of-use asset (continued)

*Amounts recognised in profit or loss:*

| | **2024** **AED'000** | 2023 AED'000 |
|---|---|---|
| Depreciation expense on right-of-use assets | **13,329** | 14,821 |
| Interest expense on lease liabilities (Note 21) | **3,188** | 3,476 |
| | **16,517** | 18,297 |

## 7. Intangible assets

| | **Franchise and bottling rights AED'000** | **Lease rights AED'000** | **Software AED'000** | **Total AED'000** |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 January 2023 | 62,391 | 7,000 | 24,571 | 93,962 |
| Additions | - | - | 139 | 139 |
| Transfer from property, plant and equipment | - | - | 867 | 867 |
| At 31 December 2023 | 62,391 | 7,000 | 25,577 | 94,968 |
| Additions | - | - | 114 | 114 |
| **At 31 December 2024** | **62,391** | **7,000** | **25,691** | **95,082** |
| **Amortisation** | | | | |
| At 1 January 2023 | 61,611 | 3,353 | 24,218 | 89,182 |
| Charge for the year | 780 | 350 | 661 | 1,791 |
| At 31 December 2023 | 62,391 | 3,703 | 24,879 | 90,973 |
| Charge for the year | - | 350 | 671 | 1,021 |
| **At 31 December 2024** | **62,391** | **4,053** | **25,550** | **91,994** |
| **Carrying value** | | | | |
| **At 31 December 2024** | **-** | **2,947** | **141** | **3,088** |
| At 31 December 2023 | - | 3,297 | 698 | 3,995 |

## 8. Financial assets measured at fair value

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

### a) Equity instrument

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| Balance at 1 January | **94,952** | 112,255 |
| Change in market fair value | **(27,265)** | (17,303) |
| | **67,687** | 94,952 |

### b) Bonds

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| Balance at 1 January | **-** | - |
| Additions | **4,960** | - |
| Change in market fair value | **(81)** | - |
| | **4,879** | - |
| Balance at 31 December | **72,566** | 94,952 |

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.

During the year, the Company has purchased Bonds with a tenure of 5 years at a price of AED 4.96 million (2023: AED Nil) carrying a yield of 4.86 % p.a The investment in bond is measured at fair value through other comprehensive income.

## 9. Inventories

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| Raw material and consumables | **53,707** | 44,087 |
| Finished goods | **23,423** | 24,821 |
| Spare parts and supplies | **9,729** | 8,012 |
| | **86,859** | 76,920 |
| Less: Provision for slow moving spare parts and supplies | **(1,745)** | (1,745) |
| | **85,114** | 75,175 |

During the year ended 31 December 2024, the carrying amount of raw material recognised as an expense and included as part of cost of goods sold in the statement of profit or loss amounts to AED 449.93 million (2023: AED 442.68 million).

## 10. Trade and other receivables

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| Trade receivables | **129,665** | 136,682 |
| Less: allowance for expected credit loss | **(2,420)** | (1,820) |
| | **127,245** | 134,862 |
| Prepaid expenses | **6,790** | 7,742 |
| Advances to suppliers | **3,817** | 6,747 |
| Contract assets | **12,999** | 11,143 |
| Other receivables* | **44,760** | 56,187 |
| Fair value of derivatives | **-** | 1,062 |
| Due from a related party [Note 19 (c)] | **276** | 298 |
| | **195,887** | 218,041 |

***Other receivable are net off provision amounting to AED 4.01 million (2023 AED Nil).

As at 31 December 2024, trade accounts receivable with a nominal value of AED 2.4 million (2023: AED 1.8 million) were impaired. Movements in the allowance for expected credit loss were as follows:

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| At 1 January | **1,820** | 2,957 |
| Charge for the year | **600** | 1,409 |
| Write off during the year against receivable | **-** | (2,546) |
| At 31 December | **2,420** | 1,820 |

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 |
| **2024** | **129,665** | **2,420** | **113,604** | **12,943** | **698** | **-** | **-** |
| 2023 | 136,682 | 1,820 | 115,881 | 12,946 | 4,113 | 1,318 | 604 |

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.

**Notes to the financial statements**
**for the year ended 31 December 2024 (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 27):

| | Collectively assessed AED'000 | Individually assessed AED'000 | Total AED'000 |
|---|---|---|---|
| Balance as at 1 January 2023 | 347 | 2,610 | 2,957 |
| Write off | - | (2,546) | (2,546) |
| Net re-measurement of loss allowance | 124 | 1,285 | 1,409 |
| Balance as at 1 January 2024 | 471 | 1,349 | 1,820 |
| Net re-measurement of loss allowance | (471) | 1,071 | 600 |
| **Balance as at 31 December 2024** | **-** | **2,420** | **2,420** |

### 11. Cash and bank balances

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

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| Cash at bank and on hand | **51,623** | 83,852 |
| Bank deposits | **392,677** | 473,862 |
| Cash and bank balances | **444,300** | 557,714 |
| Less: Bank deposits with maturity of more than 3 months | **(264,893)** | (151,427) |
| Cash and cash equivalents | **179,407** | 406,287 |

Cash and bank balances comprise cash and short-term bank deposits with an original maturity ranging from one month to one year. The carrying amount of these assets is approximately equal to their fair value. Bank deposits carry interest rates ranging from 4.15% p.a. to 5.15% p.a. (2023: 5% p.a. to 5.6% 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

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| *Authorized issued and fully paid up:* | | |
| 90 million shares of AED 1 each | **90,000** | 90,000 |

### 13. Statutory reserve

In accordance with Article 239 of Commercial Companies Law No. 32 of 2021 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 2024 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 Article 240 of the UAE Commercial Companies Law No. 32 of 2021 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.

During the Board of Directors' meeting held on 11 February 2025, the Directors have approved not to transfer any amount from retained earnings 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

During the Board of Directors' meeting held on 11th February 2025, the Directors proposed a cash dividend of AED 1.00 per share totalling to AED 90 million relating to 2024 (2023: AED 3.2 per share totalling to AED 288 million relating to 2023). The dividend is subject to the approval of the shareholder in the Annual General Meeting.

During the year, the Company paid dividend of AED 288 million relating to 2023 (2023: paid dividend of AED 63 million relating to 2022).

### 17. Provision for employees' end of service indemnity

| | **2024**<br>**AED'000** | 2023<br>AED'000 |
|---|---|---|
| Balance at the beginning of the year | **33,512** | 31,381 |
| Charged during the year | **3,912** | 3,884 |
| Payments during the year | **(2,182)** | (1,753) |
| Balance at the end of the year | **35,242** | 33,512 |

## 18. Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year after tax attributable to the shareholders of the Company, net of directors' fees, amounting to AED 129.6 million (2023: AED 357.56 million) by the weighted average number of shares outstanding during the year of 90 million shares (2023: 90 million shares).

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

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

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

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

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

| | **2024** | 2023 |
|---|---|---|
| | **AED'000** | AED'000 |
| Sales to a related party | **1,202** | 5,023 |
| Purchase from a related party | **10,463** | 6,369 |
| Dividend income | **2,696** | 4,047 |

*b. Compensation of key management personnel*

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

| | **2024** | 2023 |
|---|---|---|
| | **AED'000** | AED'000 |
| Short-term benefits | **12,406** | 12,337 |
| Employees' end of service benefits | **797** | 1,526 |
| Director's sitting fee | **360** | 290 |
| Director's Fee | **5,200** | 5,200 |
| | **18,763** | 19,353 |

## 19. Related party transactions and balances (continued)

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

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| ***Due from a related party*** | | |
| *Other related party (included in trade and other receivables)* | | |
| Oman Refreshments Company Limited (Note 10) | **276** | 298 |
| ***Due to a related party*** | | |
| *Other related party (included in trade and other payables)* | | |
| Oman Refreshments Company Limited (Note 20) | **1,147** | 1,240 |

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

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| Trade payable | **57,105** | 65,644 |
| Accrued expenses | **37,990** | 35,838 |
| Accrual for staff costs | **16,001** | 14,244 |
| Contract liabilities | **36,153** | 32,924 |
| Advances from customers | **2,880** | 4,206 |
| Deferred income | **13,174** | 11,381 |
| Due to a related party [Note 19 (c)] | **1,147** | 1,240 |
| Fair value of derivatives | **23** | - |
| Other payables | **41,089** | 38,448 |
| | **205,562** | 203,925 |

Other payables include Board of Directors' fees of AED 5.2 million (2023: AED 4.2 million) payable to the directors of the Company subject to the shareholders' approval in the Annual General Meeting.

## 21. Lease liabilities

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| Balance as at 1 January | **89,516** | 101,102 |
| Accretion of interest | **3,188** | 3,476 |
| Additions | **14,493** | 7,820 |
| Derecognition | **(7,626)** | (5,916) |
| Payments | **(15,057)** | (16,966) |
| Balance as at 31 December | **84,514** | 89,516 |

**Notes to the financial statements**
**for the year ended 31 December 2024 (continued)**

### 21. Lease liabilities (continued)

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| Current | **9,108** | 9,229 |
| Non-current | **75,406** | 80,287 |
| | **84,514** | 89,516 |

The total lease payments, including those for short term leases, amount to AED 22.5 million (2023: AED 23.2 million).

The maturity analysis of lease liabilities is as follows:

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| ***Maturity analysis*** | | |
| Not later than 1 year | **9,108** | 9,229 |
| Later than 1 year and not later than 5 years | **26,079** | 23,225 |
| Later than 5 years | **49,327** | 57,062 |
| | **84,514** | 89,516 |

### 22. Revenue

| | 2024 AED'000 | 2023 AED'000 |
|---|---|---|
| ***Local*** | | |
| Long term contracts | **525,837** | 520,153 |
| Transaction based contracts | **205,670** | 198,097 |
| | **731,507** | 718,250 |
| ***Export*** | | |
| Long term contracts | **21,734** | 24,063 |
| Transaction based contracts | **64,744** | 60,755 |
| | **86,478** | 84,818 |
| **Total** | **817,985** | 803,068 |

### 23. Other operating income

This includes the amount of deferred income recognized during the year amounting to AED 4.3 million (2023: AED 3.5 million).

## 24. Profit for the year

The profit for the year is stated after charging:

| | **2024** | 2023 |
|---|---|---|
| | **AED'000** | AED'000 |
| Staff costs | **113,732** | 108,460 |
| Short term lease expenses | **7,470** | 6,242 |
| Depreciation of property, plant and equipment (Note 5a) | **41,322** | 39,475 |
| Depreciation of right of use asset (Note 6) | **13,329** | 14,821 |
| Gain on disposal of property, plant and equipment | **(238)** | (219,835) |

*Amount included in cost of sales:*

| | **2024** | 2023 |
|---|---|---|
| | **AED'000** | AED'000 |
| Staff costs | **24,463** | 24,488 |
| Short term lease expenses | **532** | 681 |
| Depreciation expense (Note 5a) | **23,586** | 23,649 |

During the year ended 31 December 2024, social contributions made by the Company amounted to AED 27 thousand (2023: AED 22 thousand).

## 25. Interest income – Net

| | | |
|---|---|---|
| Interest income | **18,783** | 13,031 |
| Lease interest cost | **(3,188)** | (3,476) |
| | **15,595** | 9,555 |

## 26. Corporate Tax

The tax charge for year ended December 2024 is AED 13.7 million (31 December 2023: AED Nil thousand), representing an Effective Tax Rate ("ETR") of 9.15% (31 December 2023: Nil %). The delta in the ETR period-on-period is due to the new corporate tax CT regime that has become effective for accounting periods beginning on or after 1 September 2023. The ETR incorporates tax rates of the UAE.

| | **2024** | 2023 |
|---|---|---|
| | **AED'000** | AED'000 |
| **Income Tax** | | |
| Income tax - current | **13,681** | - |

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

### 26. Corporate Tax (continued)

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

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

The Company is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the financial statements for the financial year beginning 1 September 2023.

The taxable income of the Company for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Company's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in FY2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Company operates and the enactment of Pillar Two rules by the UAE MoF.

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

| | **2024**<br>**AED'000** | 2023<br>AED'000 |
|---|---|---|
| **Profit before tax** | **149,509** | **-** |
| Tax at the UAE corporate tax rate of 9% (2023:0%) | **13,456** | - |
| Tax effect of expenses that are not deductible in determining taxable profit | **501** | - |
| Tax effect on exempt amount | **(242)** | - |
| Tax effect on standard deduction | **(34)** | - |
| ***Total income tax for the year*** | **13,681** | - |

### 27. Contingencies and capital commitments

| | **2024**<br>**AED'000** | 2023<br>AED'000 |
|---|---|---|
| Bank guarantees | **6,560** | 1,823 |

## 28. 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 2024, revenue from customers located in the Company's country of domicile (UAE) is AED 732 million (2023: AED 718 million) and revenue from customers outside UAE (foreign customers) is AED 86 million (2023: AED 85 million).

*Major customer*

During the year ended 31 December 2024, there were no customer of the Company with revenue greater than 10% of the total revenue of the Company (2023: Nil).

## 29. Financial risk management

The Company's principal financial liabilities comprise accounts payables and other liabilities. The main purpose of these financial liabilities is to manage Company's cash flows. The Company has various financial assets such as accounts 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 and term loans).

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 and financial liabilities held at 31 December.

**Notes to the financial statements**
**for the year ended 31 December 2024 (continued)**

## 29. Financial risk management (continued)

*Interest rate risk (continued)*

There is no impact on the Company's equity.

| | Increase/ decrease in basis points | Effect on profit for the year AED'000 |
|---|---|---|
| **2024** | | |
| AED | **+50** | **-** |
| AED | **-50** | **-** |
| **2023** | | |
| AED | +50 | - |
| AED | -50 | - |

**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 and term loans.

| | **2024 AED'000 Equivalent** | 2023 AED'000 Equivalent |
|---|---|---|
| **Net assets:** | | |
| Euro | **38** | 40 |

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 |
|---|---|---|---|
| **2024** | **+5%** | **2** | **-** |
| | **-5%** | **(2)** | **-** |
| 2023 | +5% | 2 | - |
| | -5% | (2) | - |

## 29. 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 2024 and 31 December 2023, 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:

| | **2024** | | 2023 | |
|---|---|---|---|---|
| | **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%** | **7,257** | +10% | 9,495 |
| Impact of change in market prices | **-10%** | **(7,257)** | -10% | (9,495) |

### 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.

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| Bank balances and deposits (Note 11) | **444,300** | 557,714 |
| Trade receivables (Note 10) | **129,665** | 136,682 |
| Investments in bonds | **4,879** | - |
| Contract assets | **12,999** | 11,143 |
| Due from a related party (Note 19) | **276** | 298 |
| Other receivables (Note 10) | **44,760** | 56,187 |
| Positive fair value of derivatives (Note 10) | **-** | 1,062 |
| | **636,879** | 763,086 |

## 29. 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.

*Trade 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 60 days from the date of sale, Trade payables are normally settled within 30 to 90 days from the date of purchase.

The table below summarises the maturities of the Company's discounted and undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

| | Less than 6 months AED'000 | 6 to 12 months AED'000 | 1 to 5 years AED'000 | Total AED'000 |
|---|---|---|---|---|
| **2024** | | | | |
| Trade and other payables | **117,680** | **-** | **-** | **117,680** |
| Lease liability | **9,108** | **26,079** | **49,327** | **84,514** |
| **Total** | **126,788** | **26,079** | **49,327** | **202,194** |

**Notes to the financial statements**
**for the year ended 31 December 2024 (continued)**

## 29. Financial risk management (continued)

### Liquidity risk (continued)

| | Less than 6 months AED'000 | 6 to 12 months AED'000 | 1 to 5 years AED'000 | Total AED'000 |
|---|---|---|---|---|
| 2023 | | | | |
| Trade and other payables | 121,409 | - | - | 121,409 |
| Lease liability | 4,615 | 4,614 | 80,287 | 89,516 |
| Total | 126,024 | 4,614 | 80,287 | 210,925 |

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 and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023. Capital comprises share capital, reserves and retained earnings and is measured at AED 1.07 billion as at 31 December 2024 (2023: AED 1.25 billion).

## 30. 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 2024, a net unrealised loss of AED 1.1 million (2023: net unrealised gain of AED 0.810 million) was included in other comprehensive income in respect of these contracts.

The table below shows the positive and negative fair values 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.

### 30. 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 2024** | | | |
| Designated as cash flow hedge | **(23)** | **11,238** | **11,238** |
| 31 December 2023 | | | |
| Designated as cash flow hedge | 1,062 | 15,666 | 15,666 |

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

| | **2024 AED'000** | 2023 AED'000 |
|---|---|---|
| Positive fair value of derivatives - current assets (Note 10) | **-** | 1,062 |
| Negative fair value of derivatives - current assets (Note 20) | **(23)** | - |

### 31. 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 2024 (continued)

### 31. 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** | | | | |
| ***Investment securities*** | | | | |
| Quoted equity shares consumer products sector (Note 8.a) | **67,687** | **67,687** | **-** | **-** |
| ***Investment in bonds, Quoted*** | | | | |
| 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** | **-** |
| 2023 | | | | |
| *Investment securities* | | | | |
| Quoted equity shares consumer products sector (Note 8) | 94,952 | 94,952 | - | - |
| Positive fair value of derivatives - held as cash flow hedge (Note 10) | 1,062 | - | 1,062 | - |

### 32. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 11 February 2025.