

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

**Review report and interim financial information  
for the six months period ended 30 June 2023**

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

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## REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

### *Introduction*

We have reviewed the accompanying condensed statement of financial position of **Dubai Refreshment (P.J.S.C.)** (the “Company”), as at 30 June 2023, and the related condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months period then ended. Management of the Company is responsible for the preparation and fair presentation of these interim financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects in accordance with IAS 34.

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



Firas Anabtawi  
Registration No.: 5482  
8 August 2023  
Dubai  
United Arab Emirates

**Condensed statement of financial position  
as at 30 June 2023**

	Notes	30 June 2023 AED'000 (Unaudited)	31 December 2022 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	533,599	573,138
Investment property		14,946	14,946
Right-of-use assets		91,761	91,299
Intangible assets		4,400	4,780
Investment in financial assets	5	105,809	112,255
<b>Total non-current assets</b>		<b>750,515</b>	<b>796,418</b>
<b>Current assets</b>			
Inventories		89,875	69,467
Trade and other receivables		255,132	190,020
Cash and cash equivalents	6	471,523	254,331
<b>Total current assets</b>		<b>816,530</b>	<b>513,818</b>
<b>Total Assets</b>		<b>1,567,045</b>	<b>1,310,236</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		90,000	90,000
Statutory reserve		45,000	45,000
General reserve		618,401	618,401
Fair value reserve		74,726	81,172
Cash flow hedge reserve		(532)	252
Retained earnings		364,380	140,522
<b>Total equity</b>		<b>1,191,975</b>	<b>975,347</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits		32,357	31,381
Lease liabilities- non-current portion		89,497	87,190
<b>Total non-current liabilities</b>		<b>121,854</b>	<b>118,571</b>
<b>Current liabilities</b>			
Trade and other payables	10	240,389	202,406
Lease liabilities - current portion		12,827	13,912
<b>Total current liabilities</b>		<b>253,216</b>	<b>216,318</b>
<b>Total Liabilities</b>		<b>375,070</b>	<b>334,889</b>
<b>Total Equity and Liabilities</b>		<b>1,567,045</b>	<b>1,310,236</b>

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.

Mr. Ahmad Bin Elsa Alserkal  
Chairman

Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri  
Director

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of profit or loss (unaudited)  
for the six months period ended 30 June 2023**

	Notes	Six months period ended 30 June		Three months period ended 30 June	
		2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)	2023 AED'000 (Unaudited)	2022 AED'000 (Unaudited)
Revenue	11	<b>379,149</b>	363,471	<b>210,788</b>	185,150
Cost of sales		<b>(242,069)</b>	(235,643)	<b>(133,258)</b>	(123,689)
<b>Gross profit</b>		<b>137,080</b>	127,828	<b>77,530</b>	61,461
Other operating income		<b>4,379</b>	3,903	<b>2,619</b>	2,082
Selling and distribution expenses		<b>(53,550)</b>	(50,906)	<b>(27,669)</b>	(26,514)
General and administrative expenses		<b>(28,366)</b>	(28,212)	<b>(14,741)</b>	(15,240)
Amortisation of intangible assets		<b>(1,282)</b>	(1,859)	<b>(260)</b>	(929)
<b>Operating income</b>		<b>58,261</b>	50,754	<b>37,479</b>	20,860
Finance income		<b>2,869</b>	483	<b>1,195</b>	218
Finance cost		<b>(35)</b>	(36)	<b>(30)</b>	(27)
Lease interest cost		<b>(1,810)</b>	(1,820)	<b>(926)</b>	(897)
Dividend income		<b>4,047</b>	4,048	<b>(22)</b>	(21)
Gain on sale of fixed assets	4	<b>220,056</b>	-	<b>220,056</b>	-
Other income, net		<b>3,470</b>	1,108	<b>2,836</b>	555
<b>Profit for the period</b>		<b>286,858</b>	54,537	<b>260,588</b>	20,688
Earnings per share in AED	8	<b>3.19</b>	0.61	<b>2.90</b>	0.23

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of comprehensive income (unaudited)**  
**for the six months period ended 30 June 2023**

	<b>Six months period ended</b>		<b>Three months period ended</b>	
	<b>30 June</b>		<b>30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Profit for the period</b>	<b>286,858</b>	<b>54,537</b>	<b>260,588</b>	<b>20,688</b>
<b>Other comprehensive income/(loss)</b>				
<i>Other comprehensive income/(loss)</i>				
<i>not to be reclassified to profit or loss</i>				
<i>in subsequent periods:</i>				
Change in fair value of investment securities measured at FVOCI, equity instruments (Note 5)	<b>(6,446)</b>	<b>-</b>	<b>14,246</b>	<b>12</b>
Change in fair value of cash flow hedges	<b>(784)</b>	<b>(519)</b>	<b>(882)</b>	<b>(3,459)</b>
<b>Total other comprehensive income/(loss)</b>	<b>(7,230)</b>	<b>(519)</b>	<b>13,364</b>	<b>(3,447)</b>
<b>Total comprehensive income for the period</b>	<b>279,628</b>	<b>54,018</b>	<b>273,952</b>	<b>17,241</b>

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of changes in equity  
for the six months period ended 30 June 2023**

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000
<b>At 1 January 2022 (audited)</b>	<b>90,000</b>	<b>45,000</b>	<b>618,401</b>	<b>87,613</b>	<b>(179)</b>	<b>102,073</b>	<b>942,908</b>
Profit for the period	-	-	-	-	-	54,537	54,537
Other comprehensive income/(loss)	-	-	-	-	(519)	-	(519)
Total comprehensive income/(loss) for the period	-	-	-	-	(519)	54,537	54,018
Dividend declared (Note 7)	-	-	-	-	-	(63,000)	(63,000)
<b>At 30 June 2022 (unaudited)</b>	<b>90,000</b>	<b>45,000</b>	<b>618,401</b>	<b>87,613</b>	<b>(698)</b>	<b>93,610</b>	<b>933,926</b>
<b>At 1 January 2023 (audited)</b>	<b>90,000</b>	<b>45,000</b>	<b>618,401</b>	<b>81,172</b>	<b>252</b>	<b>140,522</b>	<b>975,347</b>
Profit for the period	-	-	-	-	-	286,858	286,858
Other comprehensive loss	-	-	-	(6,446)	(784)	-	(7,230)
Total comprehensive income/(loss) for the period	-	-	-	(6,446)	(784)	286,858	279,628
Dividend declared (Note 7)	-	-	-	-	-	(63,000)	(63,000)
<b>At 30 June 2023 (unaudited)</b>	<b>90,000</b>	<b>45,000</b>	<b>618,401</b>	<b>74,726</b>	<b>(532)</b>	<b>364,380</b>	<b>1,191,975</b>

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of cash flows (unaudited)  
for the six months period ended 30 June 2023**

	<b>Six months period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>
<b>Cash flows from operating activities</b>		
Profit for the period	<b>286,858</b>	54,537
Adjustments for:		
Amortisation of intangible assets	<b>1,282</b>	1,859
Depreciation on property, plant and equipment	<b>19,772</b>	19,314
Depreciation on right-of-use assets	<b>7,244</b>	6,698
Finance income	<b>(2,834)</b>	(447)
Gain on sale of fixed assets	<b>(220,056)</b>	(274)
Lease interest costs	<b>1,716</b>	1,820
Dividend income	<b>(4,047)</b>	(4,048)
Provision for employees' end of service benefits	<b>1,844</b>	2,886
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>91,779</b>	82,345
Increase in inventories	<b>(20,408)</b>	(6,455)
(Increase)/decrease in trade and other receivables	<b>(65,112)</b>	15,174
Increase in trade and other payables	<b>41,399</b>	45,379
<b>Cash generated from operations</b>	<b>47,658</b>	136,443
Employees' end of service benefits paid	<b>(868)</b>	(668)
<b>Net cash generated from operating activities</b>	<b>46,790</b>	135,775
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	<b>(35)</b>	-
Purchase of property, plant and equipment	<b>(8,603)</b>	(31,769)
Proceeds from disposal of property, plant and equipment	<b>247,559</b>	383
Dividend income, net	<b>4,047</b>	4,048
Finance income, net	<b>2,869</b>	483
<b>Net cash generated from/(used in) investing activities</b>	<b>245,837</b>	(26,855)
<b>Cash flows from financing activities</b>		
Director fees paid	<b>(4,200)</b>	(3,600)
Dividends paid	<b>(63,000)</b>	(63,000)
Finance expense, paid	<b>(35)</b>	(36)
Lease payments	<b>(8,200)</b>	(7,894)
<b>Net cash used in financing activities</b>	<b>(75,435)</b>	(74,530)
<b>Net increase in cash and cash equivalents</b>	<b>217,192</b>	34,390
Cash and cash equivalents at beginning of the period	<b>254,331</b>	155,816
<b>Cash and cash equivalents at 30 June</b>	<b>471,523</b>	190,206

The accompanying notes form an integral part of this interim financial information.



**Notes to the interim financial information  
for the six months period ended 30 June 2023****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.

Federal Law No. 32 of 2021 on Commercial Companies (the “New Companies Law”) was issued on 20 September 2021 and came into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the “2015 Law”).

**2. Basis of preparation and accounting policies****2.1 Basis of preparation**

The interim financial information for the six months period ended 30 June 2023 has been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2022.

In addition, results for the six months period ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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

**2.2 New standards, amendments and interpretations**

(a) *Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2023.*

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current
- Amendment to IFRS 17 Insurance Contracts
- Amendments to IFRS 4 Insurance Contracts relating to extension of the temporary exemption from applying IFRS 9
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2
- Amendments to IAS 12 Income Taxes relating to deferred tax related to assets and liabilities arising from a single transaction

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**2. Basis of preparation and accounting policies (continued)**

**2.2 New standards, amendments and interpretations (continued)**

*(b) New standards and amendments issued but not yet effective*

The Company has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

<b>New and revised IFRS</b>	<b>Effective for annual periods beginning on or after</b>
Amendments to IFRS 16 <i>Leases</i>	1 January 2024
Amendments to IAS 1 <i>Presentation of Financial Statements and IFRS Statement 2</i>	1 January 2024
Amendment to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective deferred indefinitely.

The above stated new standards and amendments assessment are under process by the Company. However, they are not expected to have any significant impact on condensed financial information of the Company.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed financial information of the Company.

**2.3 Use of judgements and estimates**

The preparation of condensed interim financial statements requires management to make judgement, estimates and assumptions that effect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The Company has consistently applied the estimates and judgements as applied by the Company in the annual financial statements for the year ended 31 December 2022.

**2.4 Corporate Income Tax**

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

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

As the Company's accounting year ends on 31 December, accordingly the effective implementation date for the Company will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as they come into effect.

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**3. Operating segment information**

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 operating segment is disclosed in the condensed statement of financial position, condensed income statement and notes to the interim financial information.

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

*a) Information about geographical segments*

During the period ended 30 June 2023, revenue from customers located in the Company's country of domicile (UAE) is AED 334,709 thousand (period ended 30 June 2022: AED 320,070 thousand) and revenue from customers outside UAE (foreign customers) is AED 44,440 thousand (period ended 30 June 2022: AED 43,401 thousand).

*b) Major customers*

During the period ended 30 June 2023 and 30 June 2022, there were no customer of the Company with revenues greater than 10% of the total revenue of the Company.

**4. Property, plant and equipment**

*Additions and transfers*

During the period ended 30 June 2023, the additions to property, plant and equipment amounted to AED 8,603 thousand (period ended 30 June 2022: AED 31,769 thousand).

Depreciation for the period ended 30 June 2023 amounting to AED 19,772 thousand (period ended 30 June 2022: AED 19,314 thousand).

During the period ended 30 June 2023, the Company has transferred assets of AED 867 thousand (period ended 30 June 2022: AED 881 thousand), from capital work in progress to buildings, plant and machinery, coolers and vending machine and freezers category in property, plant and equipment.

During the period ended 30 June 2023, the Company disposed of assets with a net carrying value of AED 27,504 thousand (period ended 30 June 2022: AED 109 thousand), resulting in a net gain of AED 220,056 thousand (loss - period ended 30 June 2022: AED 274 thousand). The sale of a property located in Al Quoz First, Dubai, was approved by the shareholders during the Annual 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 completed at a price of AED 252 million.

**5. Investment in financial assets**

	<b>30 June 2023 AED'000 (unaudited)</b>	31 December 2022 AED'000 (audited)
<i>Investment in equity instruments designated at FVOCI</i>		
Balance at the beginning of the period/year	<b>112,255</b>	118,696
Change in fair value for the period/year	<b>(6,446)</b>	(6,441)
Balance at the end of the period/year	<b>105,809</b>	112,255

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**6. Cash and cash equivalents**

Cash and cash equivalents comprise the following:

	<b>30 June 2023 AED'000 (unaudited)</b>	<b>31 December 2022 AED'000 (audited)</b>
Cash at bank and on hand	<b>147,317</b>	67,673
Short-term deposits with original maturity of less than three months	<b>324,206</b>	186,658
	<b>471,523</b>	254,331

**7. Dividends**

During the Annual General Meeting held on 16<sup>th</sup> March 2023, the shareholders approved a cash dividend of AED 0.70 per share totaling to AED 63 million relating to 2022 (period ended 30 June 2022: AED 0.70 per share totaling to AED 63 million relating to 2021).

**8. Basic earnings per share**

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation:

	<b>Six months period ended 30 June</b>		<b>Three months period ended 30 June</b>	
	<b>2023 AED'000 (Unaudited)</b>	<b>2022 AED'000 (Unaudited)</b>	<b>2023 AED'000 (Unaudited)</b>	<b>2022 AED'000 (Unaudited)</b>
Profit for the period (AED'000)	<b>286,858</b>	54,537	<b>260,588</b>	20,688
Weighted average number of ordinary shares ('000)	<b>90,000</b>	90,000	<b>90,000</b>	90,000
Earnings per ordinary share - Basic and diluted (AED)	<b>3.19</b>	0.61	<b>2.90</b>	0.23

**9. Related party transactions and balances**

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

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

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**9. Related party transactions and balances (continued)**

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-relate parties.

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

	<b>Six months period ended 30 June</b>		<b>Three months period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Sales to a related party	<b>2,384</b>	891	<b>1,074</b>	494
Purchases from a related party	<b>2,443</b>	2,036	<b>1,547</b>	1,140

*Compensation of key management personnel*

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

	<b>Six months period ended 30 June</b>		<b>Three months period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Short-term benefits	<b>6,292</b>	5,880	<b>3,085</b>	2,960
Employees' end of service benefits	<b>485</b>	657	<b>138</b>	531
Director's sitting fee	<b>140</b>	70	<b>60</b>	20
	<b>6,917</b>	6,607	<b>3,283</b>	3,511

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

	<b>30 June 2023</b>	<b>31 December 2022</b>
	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b><i>Due from a related party</i></b>		
<i>Other related party (included in trade and other receivables)</i>		
Oman Refreshments Company Limited	<b>1,127</b>	980
<b><i>Due to a related party</i></b>		
<i>Other related party (included in trade and other payables)</i>		
Oman Refreshments Company Limited	<b>1,066</b>	1,066

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.

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**10. Trade and other payables**

	<b>30 June 2023 AED'000 (Unaudited)</b>	<b>31 December 2022 AED'000 (Audited)</b>
Trade payable	<b>80,593</b>	61,352
Accrued expenses	<b>47,141</b>	40,752
Accrual for staff costs	<b>8,090</b>	12,236
Contract liabilities	<b>31,661</b>	29,175
Advances from customers	<b>291</b>	8,335
Deferred income	<b>13,036</b>	10,074
Due to a related party (Note 9)	<b>1,066</b>	1,066
Negative fair value of derivatives	<b>532</b>	-
Other payables	<b>57,979</b>	39,416
	<b>240,389</b>	202,406

**11. Revenue**

	<b>Six months period ended 30 June</b>		<b>Three months period ended 30 June</b>	
	<b>2023 AED'000 (Unaudited)</b>	<b>2022 AED'000 (Unaudited)</b>	<b>2023 AED'000 (Unaudited)</b>	<b>2022 AED'000 (Unaudited)</b>
<b>2</b>				
<b>Local sales</b>				
Long term contracts	<b>260,288</b>	218,554	<b>155,998</b>	111,007
Transaction based contracts	<b>74,421</b>	101,516	<b>31,420</b>	50,245
	<b>334,709</b>	320,070	<b>187,418</b>	161,252
<b>Export sales</b>				
Long term contracts	<b>13,645</b>	29,599	<b>8,282</b>	16,182
Transaction based contracts	<b>30,795</b>	13,802	<b>15,088</b>	7,716
	<b>44,440</b>	43,401	<b>23,370</b>	23,898
<b>Total revenue</b>	<b>379,149</b>	363,471	<b>210,788</b>	185,150

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**12. Profit for the period**

The profit for the period is stated after charging:

	<b>Six months period ended 30 June</b>		<b>Three months period ended 30 June</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Staff cost	<b>49,984</b>	48,522	<b>25,593</b>	25,468
Depreciation expense	<b>27,016</b>	26,012	<b>13,635</b>	13,013

**13. Contingencies and capital commitments**

	<b>30 June 2023 AED'000 (unaudited)</b>	<b>31 December 2022 AED'000 (audited)</b>
Bank guarantees	<b>2,772</b>	10,431

**14. Fair values of financial instruments**

Financial instruments comprise financial assets and financial liabilities.

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

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

**Notes to the interim financial information  
for the six months period ended 30 June 2023 (continued)**

**14. Fair values of financial instruments (continued)**

*Assets measured at fair value*

	<b>Total AED'000</b>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>
<b>30 June 2023 (unaudited)</b>				
<i>Investment in financial assets</i>				
Quoted equity investments - FVTOCI (Note 5)	<b>105,809</b>	<b>105,809</b>	-	-
Negative fair value of derivatives - held as cash flow hedge	<b>532</b>	-	<b>532</b>	-

*Assets measured at fair value*

	<b>Total AED'000</b>	<b>Level 1 AED'000</b>	<b>Level 2 AED'000</b>	<b>Level 3 AED'000</b>
<b>31 December 2022 (audited)</b>				
<i>Investment in financial assets</i>				
Quoted equity investments - FVTOCI (Note 5)	<b>112,255</b>	<b>112,255</b>	-	-
Positive fair value of derivatives - held as cash flow hedge	<b>252</b>	-	<b>252</b>	-

**15. Seasonality of results**

No income of seasonal nature was recorded in the condensed financial statements for the six months period ended 30 June 2023 and 2022.

**16. Approval of interim financial information**

The interim financial information was approved by the Board of Directors and authorised for issue on 8 August 2023.