INTEGRATED REPORTS

2024



Unikai Foods PJSC

info@unikai.com
www.unikai.com
800-UNIKAI

CONTENTS

1. Directors Report
2. Independent Auditors Report
3. Consolidated Statements of Income
4. Consolidated Statement of Financial Position
5. Consolidated Statement of Changes in Equity
6. Consolidated Statement of Cash Flows
7. Noted to the Consolidated Financial Statements
8. Annual Corporate Governance Report
9. Sustainability Report

Unikai Foods (P.J.S.C.)
and its subsidiaries

Consolidated Financial Statements
For the year ended December 31, 2024

Unikai Foods (P.J.S.C.) and its subsidiaries
Consolidated Financial Statements
For the year ended December 31, 2024

Table of contents

	Page(s)
Report of the Board of Directors	i - 2
Independent Auditor's Report	3 - 7
Consolidated statement of financial position	8
Consolidated statement of profit or loss	9
Consolidated statement of comprehensive income	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	12
Notes to the consolidated financial statements	13 - 50

Directors' Report

Dear Shareholders,

On behalf of the Board of Directors,

As we reflect on 2024, I am pleased to report a year of notable achievements for Unikai. In a year characterized by both challenges and opportunities, we have emerged stronger, demonstrating our ability to not only navigate a dynamic market but to thrive within it. The uncertainty that defined global markets, including the UAE and Oman, has reinforced the importance of our strategic priorities and our focus on operational agility and growth.

This year, we witnessed an economic landscape shaped by rising costs, supply chain complexities, and changing consumer behavior. Yet, despite these external pressures, Unikai has delivered exceptional results, marking the sixth consecutive year of profitability. This accomplishment underscores the resilience of our business model and the strength of our team.

Our focus has been on driving innovation and ensuring that we maintain a customer-first approach in everything we do. As the markets in the UAE and Oman continue to evolve, our ability to adapt quickly to consumer demands has proven to be a key differentiator. We have invested in not just the sustainability of our operations, but in the future-proofing of our products and services, ensuring we remain a trusted and forward-thinking brand.

KEY FINANCIAL HIGHLIGHTS

For 2024, we are pleased to report:

	2024	2023	% Change
Revenue	AED 403.6 million	AED 352.7 million	14%
Operating profit	AED 39.9 million	AED 27.8 million	44%
EBITDA	AED 58.9 million	AED 47.9 million	23%
Net profit	AED 26.7 million	AED 20.4 million	31%

Our revenue has grown by 14%, surpassing AED 400 million for the first time in the company's history.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٤ ٥٠٧٦٨٠٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٤ ٥٠٧٦٩٨٧ ٩٧١+
www.unikai.com

This growth reflects our ability to not just keep pace with a fluctuating market, but to consistently expand our reach across key segments. Our operating profit saw a robust increase of 44%, highlighting the success of our efforts to drive efficiency and optimize costs without compromising on quality or service. We've achieved a 23% increase in EBITDA, reflecting our strategic emphasis on improving operational productivity. The rise in net profit by 31% is a clear sign that our focus on profitability is delivering tangible results. These achievements are especially notable given the prevailing economic uncertainties and the competitive landscape in the UAE and Oman.

Our financial discipline remains a priority. As of 2024, our net borrowing stands at AED 43 million—well below levels seen in previous years, demonstrating our commitment to maintaining a healthy balance sheet. Our goal is to generate wealth for our shareholders, and we are on track to do so. With shareholders' equity now at AED 84 million, reflecting a 43% increase from last year, we are set for continued substantial growth year after year.

Beyond financials, we have continued to make strides in refining our business operations. We remain committed to enhancing sustainability practices, ensuring compliance with regulatory requirements, and strengthening corporate governance. These efforts align with the sustainability and corporate responsibility goals of the UAE and Oman, and help us integrate Environmental, Social, and Governance principles into our day-to-day operations.

Looking forward, we are more focused than ever on achieving sustainable, long-term growth. While we anticipate continuing external pressures—rising energy costs, regulatory changes, and shifting consumer expectations—we remain confident in our strategy. Our commitment to expanding organically across the UAE and Oman is unwavering, and we are well-positioned to capitalize on emerging opportunities in the FMCG sector.

We also recognize that the road ahead will require a delicate balance between managing cost pressures and investing in future growth. To this end, we will continue to refine our operations, build on our strengths, and ensure that we remain adaptable in an ever-changing environment. As part of our ongoing commitment to innovation and operational efficiency, we are integrating Artificial Intelligence into our company's ecosystem. By leveraging AI, we aim to enhance efficiencies across all departments, streamline processes, and automate routine tasks, ultimately driving cost savings and improving decision-making. This integration will enable us to stay competitive in a rapidly evolving market while providing a more agile and responsive business model.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

We are also focused on expanding our portfolio by introducing a premium range of products across all segments. To support this growth, we are making significant investments in capital expenditure to build the necessary infrastructure, ensuring we are well-positioned to meet future market demands and deliver long-term value to our shareholders.

Our goal is clear: to lead with purpose, create value for all our stakeholders, and contribute positively to the communities in which we operate. Achieving this vision requires a strong foundation built on collaboration, integrity, and strategic partnerships.

It is with this in mind that I would like to extend my heartfelt thanks to the UAE and Omani governments for their visionary leadership, which has played a pivotal role in creating a stable and growth-oriented business environment. Their efforts have enabled businesses like ours to thrive, fostering an atmosphere where we can continually push forward and innovate. A special thank you to the Board, management, and our employees for their unwavering commitment, dedication, and focus. Their collective efforts continue to drive our success, helping us remain resilient in the face of challenges and poised to seize new opportunities for growth.

Finally, to our valued shareholders, we deeply appreciate your continued trust and support. Your confidence in our vision and mission motivates us to remain dedicated to creating sustainable value and achieving long-term success for all. With your continued belief in us, we look forward to another year of success, innovation, and growth.

Warm regards,



Mana Mohamed Saeed AlMulla
Chairman of the Board

20th March 2025

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف:٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس:٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

Grant Thornton Audit and Accounting Limited (Dubai Branch)

The Offices 5
Level 3
Office 302, 303, 308
One Central, DWTC
Dubai, UAE

P.O. Box 1620
T +971 4 388 9925
F +971 4 388 9915
www.grantthornton.ae

Independent Auditor's Report
To the Shareholders of Unikai Foods (P.J.S.C.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Unikai Foods (P.J.S.C.) (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

© 2025 Grant Thornton UAE - All rights reserved. Grant Thornton UAE represents all legal licenses under which Grant Thornton Audit and Accounting Limited Corporation, A British Virgin Islands ("BVI") registered Branch, operate in the UAE. These licenses include the Abu Dhabi, Dubai and Sharjah based branches – Grant Thornton Audit and Accounting Limited – registered with the Abu Dhabi Global Market – Grant Thornton Audit and Accounting Limited Corporation BVI – registered with the Dubai Financial Services Authority.

"Grant Thornton" refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

Independent Auditor's Report
To the Shareholders of Unikai Foods (P.J.S.C.) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Key audit matters (continued)

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	*How our audit addressed the key audit matter*
Revenue recognition Revenue is a key determinant of the Group's performance and profitability, on the basis of which the incentives for the Group's management are determined. This gives rise to the inherent risk whereby revenue could be recognised before the control of the underlying goods have been transferred to the customer. Given its magnitude and the underlying inherent risk, we considered revenue recognition to be a key audit matter. Refer Note 4 for the revenue recognition policy and Note 21 for the disclosures on revenue recognised during the year ended December 31, 2024.	We performed the following procedures in relation to revenue recognition: • Read the Group's revenue recognition accounting policy and assessed whether it is in accordance with the requirements of IFRS 15. • Understood the Group's processes and underlying controls, including IT application controls, to recognise revenue, and tested the design and operating effectiveness of these controls on a sample basis. • Performed analytical procedures, including gross margin analysis, to assess and examine the movements in revenue and gross margins. • On a sample basis, tested whether the revenue recognised were recorded in the correct period by verifying the underlying supporting documents. • On a sample basis, tested whether the underlying calculation for rebates and discounts given to customers are in accordance with the contractual arrangements and are duly approved.

Independent Auditor's Report
To the Shareholders of Unikai Foods (P.J.S.C.) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Board of Directors.

Our opinion on the consolidated financial statements does not cover the other information except for the financial information given in the Report of the Board of Directors, and accordingly, we do not express any form of assurance or conclusion thereon.

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

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

The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, the Management are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report
To the Shareholders of Unikai Foods (P.J.S.C.) (continued)

Report on the Audit of the Consolidated Financial Statements (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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

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

- The Company has maintained proper books of account;
- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated 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 Report of the Board of Directors is consistent with the books of account of the Company;
- There were no investments in shares or stocks during the year ended December 31, 2024;
- Note 20 reflects material related party transactions and the terms under which they were conducted;

Independent Auditor's Report
To the Shareholders of Unikai Foods (P.J.S.C.) (continued)

Report on Other Legal and Regulatory Requirements (continued)

- 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 year ended December 31, 2024, any of the applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 or of its Articles of Association which would have a material impact on its activities or its consolidated financial position as at December 31, 2024; and
- There were no social contributions made during the year ended December 31, 2024.

GRANT THORNTON UAE



Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

March 20, 2025

Consolidated statement of financial position
As at December 31, 2024

	Notes	December 31, 2024 AED'000	December 31, 2023 *Restated* AED'000	January 1, 2023 *Restated* AED'000
ASSETS				
Non-current assets				
Property, plant and equipment	6	**41,909**	38,342	33,816
Investment properties	7	**44,100**	44,100	42,313
Right-of-use assets	8	**52,068**	36,977	31,894
Deferred tax asset		**1,114**	1,010	1,212
		139,191	120,429	109,235
Current assets				
Inventories	9	**49,008**	44,994	37,560
Trade and other receivables	10	**64,691**	54,468	52,428
Financial assets at fair value through profit or loss	11	**13,991**	16,249	18,634
Bank balances and cash	12	**14,367**	13,850	13,286
		142,057	129,561	121,908
TOTAL ASSETS		**281,248**	249,990	231,143
EQUITY AND LIABILITIES				
Equity				
Share capital	13	**38,841**	32,368	32,368
Statutory reserve	14	**7,325**	5,906	3,870
Revaluation surplus	15	**6,646**	6,646	6,646
Retained earnings		**31,386**	14,012	(2,910)
Total equity		**84,198**	58,932	39,974
Non-current liabilities				
Employees' end of service benefits	16	**9,079**	8,225	7,777
Lease liabilities	8	**32,568**	25,176	25,246
		41,647	33,401	33,023
Current liabilities				
Interest-bearing borrowings	17	**57,033**	73,333	85,607
Lease liabilities	8	**22,967**	13,924	13,812
Trade and other payables	18	**71,584**	69,342	58,347
Provision for income tax	19	**3,819**	1,058	380
		155,403	157,657	158,146
Total liabilities		**197,050**	191,058	191,169
TOTAL EQUITY AND LIABILITIES		**281,248**	249,990	231,143

These consolidated financial statements were approved and authorised for issue by the Board of Directors on March 20, 2025, and signed on its behalf by:

Director *Director*

The accompanying notes from 1 to 32 form an integral part of these consolidated financial statements.

Unikai Foods (P.J.S.C.) and its subsidiaries
Consolidated Financial Statements

Consolidated statement of profit or loss
For the year ended December 31, 2024

	Notes	2024 AED'000	2023 AED'000
Revenue	21	**403,592**	352,732
Cost of sales	22	**(256,979)**	(229,866)
GROSS PROFIT		**146,613**	122,866
Administrative, selling and distribution expenses	23	**(106,602)**	(90,622)
Allowance for expected credit losses	10	**(95)**	(4,383)
OPERATING PROFIT		**39,916**	27,861
Finance costs, net	25	**(11,714)**	(10,504)
Change in fair value of investment properties, net	7	**-**	4,334
Change in fair value of financial assets at FVTPL	11	**(2,258)**	(2,372)
Other non-operating income, net	24	**4,421**	2,308
PROFIT FOR THE YEAR BEFORE TAX		**30,365**	21,627
Income tax expense	19	**(3,699)**	(1,269)
NET PROFIT FOR THE YEAR		**26,666**	20,358
Earnings per share:			
Basic and diluted earnings per share	27	**0.69**	0.52

The accompanying notes from 1 to 32 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income
For the year ended December 31, 2024

	2024 AED'000	2023 AED'000
NET PROFIT FOR THE YEAR	**26,666**	20,358
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**26,666**	20,358

The accompanying notes from 1 to 32 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended December 31, 2024

	Share capital AED'000	Statutory reserve AED'000	Revaluation surplus AED'000	Retained earnings AED'000	Total AED'000
As at January 1, 2023 (as previously reported)	32,368	3,870	6,646	566	43,450
Adjustment on correction of error (Note 32)	-	-	-	(3,476)	(3,476)
As at January 1, 2023 (restated)	32,368	3,870	6,646	(2,910)	39,974
Net profit for the year	-	-	-	20,358	20,358
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	20,358	20,358
Directors' remuneration (Note 13)	-	-	-	(1,400)	(1,400)
Transfer to statutory reserve (Note 14)	-	2,036	-	(2,036)	-
As at December 31, 2023 (restated)	32,368	5,906	6,646	14,012	58,932
Net profit for the year	-	-	-	26,666	26,666
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	26,666	26,666
Issuance of bonus shares (Note 13)	6,473	-	-	(6,473)	-
Directors' remuneration (Note 13)	-	-	-	(1,400)	(1,400)
Transfer to statutory reserve (Note 14)	-	1,419	-	(1,419)	-
As at December 31, 2024	**38,841**	**7,325**	**6,646**	**31,386**	**84,198**

The accompanying notes from 1 to 32 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows
For the year ended December 31, 2024

	Notes	2024 AED'000	2023 AED'000
OPERATING ACTIVITIES			
Profit for the year before tax		**30,365**	21,627
Adjustments for:			
Depreciation of property, plant and equipment	6	**6,152**	5,583
Depreciation of right-of-use assets	8	**10,623**	10,180
Allowance for expected credit losses of trade and other receivables	10	**95**	4,383
Dividend income from a financial asset at FVTPL	24	**-**	(197)
Change in fair value of investment properties, net	7	**-**	(4,334)
Change in fair value of financial assets at FVTPL	11	**2,258**	2,372
Gain on disposal of property, plant and equipment		**(55)**	(36)
Finance costs, net	25	**11,714**	10,504
Provision for employees' end of service benefits	16	**1,628**	1,245
Inventories written-off		**5,957**	5,792
(Reversal)/provision for slow moving inventories	9	**(212)**	164
		68,525	57,283
Changes in working capital			
Inventories		**(9,759)**	(13,390)
Trade and other receivables		**(10,318)**	(6,423)
Trade and other payables		**2,242**	11,088
Cash from operations		**50,690**	48,558
Employees' end of service benefits paid	16	**(774)**	(797)
Directors' remuneration paid	13	**(1,400)**	(1,400)
Tax paid	19	**(1,042)**	(380)
Net cash flows from operating activities		**47,474**	45,981
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	**(10,234)**	(10,135)
Fixed deposits withdrawal/(placement)		**2,597**	(178)
Finance income received	25	**287**	268
Proceeds from disposal of property, plant and equipment		**570**	62
Proceeds from disposal of a financial asset at FVTPL	11	**-**	13
Dividend received from a financial asset at FVTPL	24	**-**	197
Net cash flows used in investing activities		**(6,780)**	(9,773)
FINANCING ACTIVITIES			
Proceeds from interest-bearing borrowings		**209,782**	184,739
Repayment of interest-bearing borrowings		**(220,755)**	(199,145)
Finance costs paid		**(8,761)**	(8,752)
Lease liabilities paid	8	**(12,519)**	(14,694)
Dividend paid		**-**	(102)
Net cash flows used in financing activities		**(32,253)**	(37,954)
Net change in cash and cash equivalents		**8,441**	(1,746)
Cash and cash equivalents at the beginning of the year		**(9,050)**	(7,304)
Cash and cash equivalents at the end of the year	12	**(609)**	(9,050)

The accompanying notes from 1 to 32 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements
For the year ended December 31, 2024

1 Legal status and principal activities

Unikai Foods (P.J.S.C.) (the "Company") is a Public Shareholding Company incorporated on April 11, 1977 by a Decree issued by the late His Highness Sheikh Rashid bin Saeed Al Maktoum, the Ruler of Dubai, and listed on Dubai Financial Market.

The Company is engaged in the manufacturing of dairy, juice and ice cream products and import of various kinds of food products for distribution throughout the Gulf and other countries. The registered address of the Company is P.O. Box 6424, Dubai, UAE.

These consolidated financial statements include the financial performance and position of the Company and its subsidiaries as listed below (collectively the "Group").

Name of subsidiaries	*Ownership interest (%)*		*Country of operation and Incorporation*	*Principal activities*
	2024	*2023*		
Unikai and Company LLC	**100**	100	Sultanate of Oman	Trading of various kinds of food products
Unikai International LLC*	**100**	100	United Arab Emirates	Trading of various kinds of food products

* The subsidiary is dormant.

The consolidated financial statements have been approved by the Board of Directors on March 20, 2025.

2 Statement of compliance and basis of preparation

2.1 Statement of compliance

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

2.2 Going concern

The consolidated financial statements of the Group have been prepared on a going concern basis. The Group's management and the Board of Directors have made an assessment of the Group's ability to continue as a going concern based on the following factors:

- The Group has positive equity of AED 84,198 thousand as at year end which is improving year on year.
- The Group has bank balances and cash of AED 14,367 thousand as at year end which is reasonable to manage day-to-day operations.
- The Group has forecasted positive operating cash flows with expected growth in revenue and profits for the year 2025.
- The management has undertaken a detailed review of costs during 2024 with a view to reducing the cost of sales, operational and administrative costs to improve the financial performance of the Group.
- The Group obtained additional banking facilities in 2024. The Group has sufficient credit facilities available from banks to meet monthly cash flow requirements.

Further, management and the Board of Directors are not aware of any other material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the consolidated financial statements continue to be prepared on the going concern basis.

2 Statement of compliance and basis of preparation (continued)

2.3 Basis of preparation

The consolidated financial statements have been prepared on an accruals basis and under the historical cost convention, except for investment properties and financial assets at fair value through profit or loss that have been measured at fair value. The consolidated financial statements are presented in Arab Emirates Dirham ("AED"), which is the Company's functional currency, and all the values are rounded to the nearest thousand (AED'000), except where otherwise indicated.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

3 New or revised standards or interpretations

3.1 New Standards adopted as at January 1, 2024

Some accounting pronouncements that are listed below, have become effective from January 1, 2024 and have therefore been adopted by the Group, but do not have any significant impact on the Group's consolidated financial statements.

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1;
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16;
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7; and
- Non-current Liabilities with Covenants - Amendments to IAS 1.

3.2 Standards, amendments and Interpretations to existing Standards that are not yet effective

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations as listed below have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been early adopted by the Group and no interpretations have been issued that are applicable and need to be taken into consideration by the Group at the reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement.

- Lack of Exchangeability - Amendments to IAS 21;
- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 7 and 9;
- Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 18 - Presentation and Disclosure in Financial Statements; and
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures.

No further disclosures have been made on these new standards, amendments and interpretations as they are not expected to have a material impact on the Group's consolidated financial statements when they become effective.

3.3 Standards issued by the International Sustainability Standards Board (ISSB)

On June 26, 2023, the ISSB published first two IFRS Sustainability Disclosure Standards at the IFRS Foundation Conference 2023:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information - IFRS S1 sets out overall requirements with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general purpose financial reports in making decisions relating to providing resources to the entity;
- IFRS S2 Climate-related Disclosures - IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

Subject to adoption by the local jurisdiction, both Standards are effective for annual periods beginning on or after January 1, 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and financial statements.

The Group did not adopt these standards on their effective date given that they have not yet been adopted by the United Arab Emirates.

4 Material accounting policies

Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Foreign operations

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the AED are translated into AED upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities of foreign operations have been translated into AED at the closing rate at the reporting date. Income and expenses have been translated into AED at the average rate over the reporting period. Exchange differences on the Group's net investment in a foreign operation are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

4 Material accounting policies (continued)

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of all property, plant and equipment as follows:

Buildings and improvements	30 years
Plant and equipment	5 - 20 years
Transportation and distribution equipment	3 - 7 years
Furniture, fixtures and office equipment	7 - 10 years

Land and capital work in progress are not depreciated.

Capital work-in-progress is stated at cost less impairment losses, if any. When commissioned, capital work in progress is transferred to property, plant and equipment and depreciated in accordance with its estimated useful life.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and method of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Investment properties

Investment properties are properties that are held to earn rentals or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

4 Material accounting policies (continued)

Investment properties (continued)

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Buildings and warehouses	3 years
Land	17 - 30 years
Vehicles	3 - 5 years

The Group also assesses the right-of-use asset for impairment when such indicators exist. Refer to the accounting policies - *Impairment of non-financial assets.*

Right-of-use assets that meet the definition of investments property are measured at fair value.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in- substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

4 Material accounting policies (continued)

Leases (continued)

Group as a lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Rental income

The Group earns revenue acting as a lessor in operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in revenue in the consolidated statement of profit or loss due to its operating nature, except for contingent rental income which is recognised when it arises. Initial direct costs incurred in negotiating and arranging an operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Group is reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the consolidated statement of profit or loss when the right to receive them arises.

Inventories

Inventories are measured at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials, trading goods, consumable stores and spare parts

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

Finished goods and semi-finished goods

The cost of finished goods is arrived at on a weighted average cost basis and includes cost of direct materials and direct labor plus an appropriate share of production overheads based on normal operating capacity. Semi-finished goods are stated at cost of the materials and directly attributable overheads.

4 Material accounting policies (continued)

Inventories (continued)

Goods in transit

Goods in transit are recorded at cost when the rights and obligations relating to the goods are transferred to the Group.

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as those measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

4 Material accounting policies (continued)

Financial assets (continued)

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of revenue.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables and bank balances and cash.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on equity investments are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established.

Financial assets at fair value through OCI
The Group does not hold any financial assets carried at fair value through other comprehensive income.

4 Material accounting policies (continued)

Financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group generally applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

4 Material accounting policies (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, lease liabilities and interest-bearing borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost (loans and borrowings).

There are no financial liabilities carried at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit or loss.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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 Group.

4 Material accounting policies (continued)

Fair value measurement (continued)

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 Group 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.

The Group measures financial asset such as financial asset at fair value through profit or loss and non-financial asset such as investment properties, at fair value at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 consolidated financial statements on a recurring basis, the Group 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 year.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance costs.

Revenue

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer.

4 Material accounting policies (continued)

Revenue (continued)

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. Revenue is based on price agreed with the customers and are recognised net of discounts and taxes.

The Group 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. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration.

Variable consideration

If the consideration in a contract includes a variable amount, the Group 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 of the goods within a specified period. The Group also provides retrospective volume rebates to certain customers once the quantity of goods purchased during the period exceeds the threshold specified in the contract. 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 Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover the goods from the customer, except products expected to be returned upon expiry.

Volume rebates

Rebates are offset against amounts payable by the customer. The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. 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 most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue.

Contract balances

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section *Financial instrument – initial recognition and subsequent measurement.*

4 Material accounting policies (continued)

Contract balances (continued)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the obligation under the contract.

Employees' end of service benefits

The Group provides end of service benefits to their employees in accordance with laws and regulations of the respective country in which the Group operates. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Contribution to social security/insurance and such other contributions are recorded as an expense in the consolidated statement of profit or loss when incurred.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Distributable retained earnings for subsidiary are also not considered for assessment of deferred tax liabilities.

Deferred tax assets are recognised for all deductible temporary differences. No deferred tax assets are recognised for the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

4 Material accounting policies (continued)

Taxes (continued)

Deferred tax (continued)

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT)

Expenses, and assets are recognised net of 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 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 consolidated statement of financial position.

Bank balances and cash

Bank balances and cash in the consolidated statement of financial position comprise cash at banks and on hand and fixed deposits.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with a maturity of three months or less, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

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.

4 Material accounting policies (continued)

Earnings per share

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held (if any).

Contingencies

Contingent liabilities are not recognised in the consolidated financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of United Arab Emirates, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in the 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 current when:

- It is expected to be settled in the 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 terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

5 Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

5 Significant accounting judgements, estimates and assumptions (continued)

Significant judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

Property lease classification – Group as lessor
The Group has entered into commercial property leases on a portion of its property, classified as investment properties as does meet the criteria for investment property as per IAS 40. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments amounting to substantially all of the fair value of the commercial property, that it does not retain substantially all the risks and rewards incidental to ownership of these properties and accounts for the contract as investment properties.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

5 Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

Allowance for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and real estate sectors, the historical default rates are adjusted. 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 Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 29.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the consolidated statement of financial position gross inventories at net realisable value were AED 38,899 thousand (2023: AED 41,961 thousand), and the provision for old and obsolete inventories was AED 1,307 thousand (2023: AED 1,519 thousand). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated statement of profit or loss.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

5 Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate and relevant valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the sale of goods with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for the sale of goods with volume rebates, the Group determined that using a combination of the most likely amount method and expected value method is appropriate. The selected method that better predicts the amount of variable consideration was primarily driven by the number of volume thresholds contained in the contract. The most likely amount method is used for those contracts with a single volume threshold, while the expected value method is used for contracts with more than one volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Fair valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the consolidated statement of profit or loss. For investment properties, an appropriate and relevant valuation methodology was used. The Group engaged an independent valuation specialist to assess fair values as at December 31, 2024 and 2023. The key assumptions used to determine the fair value of the properties are provided in Note 7.

6 Property, plant and equipment

	Land and buildings (2) & (3) AED'000	Plant and equipment AED'000	Transportation and distribution equipment AED'000	Furniture, fixtures and equipment AED'000	Capital work in progress (4) AED'000	Total AED'000
Cost						
As at January 1, 2023	41,384	86,747	23,728	16,141	5,675	173,675
Additions	1,820	2,114	2,955	442	2,804	10,135
Transfers	4,856	-	-	-	(4,856)	-
Disposals	-	(131)	(729)	(10)	-	(870)
As at December 31, 2023	48,060	88,730	25,954	16,573	3,623	182,940
Additions	1,299	3,365	3,034	994	1,542	10,234
Transfers	298	2,555	-	72	(2,925)	-
Disposals	(79)	(736)	(1,271)	(283)	-	(2,369)
As at December 31, 2024	**49,578**	**93,914**	**27,717**	**17,356**	**2,240**	**190,805**
Accumulated depreciation						
As at January 1, 2023	37,755	69,279	18,012	14,813	-	139,859
Charge for the year (1)	378	2,593	2,239	373	-	5,583
Disposals	-	(131)	(703)	(10)	-	(844)
As at December 31, 2023	38,133	71,741	19,548	15,176	-	144,598
Charge for the year (1)	549	2,726	2,432	445	-	6,152
Disposals	-	(411)	(1,218)	(225)	-	(1,854)
As at December 31, 2024	**38,682**	**74,056**	**20,762**	**15,396**	**-**	**148,896**
Net carrying amount as at December 31, 2024	**10,896**	**19,858**	**6,955**	**1,960**	**2,240**	**41,909**
Net carrying amount as at December 31, 2023	9,927	16,989	6,406	1,397	3,623	38,342

6 Property, plant and equipment (continued)

(1) Depreciation charge for the year has been allocated to the consolidated statement of profit or loss as follows:

	2024 AED'000	2023 AED'000
Administrative, selling and distribution expenses (Note 23)	**3,658**	3,205
Cost of sales (Note 22)	**2,494**	2,378
	6,152	5,583

(2) The Government of Dubai has granted land to the Group to construct manufacturing facilities. This land was recorded at a nominal value.

(3) Buildings include certain buildings constructed on land leased by the Group. The lease is renewable every year and management believes that the lease would be available to the Group on an on-going basis in the foreseeable future.

(4) Capital work-in-progress represents costs incurred towards a cooling system for the plant and conversion of another product line (change in specification).

(5) The Group continues to use fully depreciated property, plant and equipment having cost of AED 114,903 thousand (2023: AED 110,218 thousand).

(6) A review of the useful lives of property, plant and equipment has been performed considering the climate change and environmental regulations known at the reporting date, which did not result in any significant impact on the carrying amounts of property, plant and equipment.

7 Investment properties

Investment properties comprise labor accommodation and warehouses that are leased to third parties under operating lease arrangements. The movement in investment properties during the year is as follows:

	Warehouses AED'000	Labor accommodation AED'000	Total AED'000
As at January 1, 2023	22,947	19,366	42,313
Change in fair value	5,300	(966)	4,334
Transferred to right-of-use assets (Note 8)*	(2,547)	-	(2,547)
As at December 31, 2023	25,700	18,400	44,100
As at December 31, 2024	**25,700**	**18,400**	**44,100**

The Group's investment properties are located in the UAE.

*During the year ended December 31, 2023, the Group transferred one of its warehouses to right-of-use assets due to change in the use of the warehouse.

7 Investment properties (continued)

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by an external independent property valuer as at December 31, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued.

The information about the fair value hierarchy as at December 31 is disclosed in Note 30.

The property rental income earned by the Group from its investment properties, which are leased under operating leases on an annual basis, and the direct operating expenses incurred are as follows:

	2024 AED'000	2023 AED'000
Rental income derived from investment properties (Note 24)	3,627	1,748
Direct costs of managing and operating investment properties	(384)	(383)

Valuation technique and significant unobservable inputs

The income capitalisation method approach was used to determine the fair value of the labor accommodation and warehouses. This valuation model considers the net rental value which is capitalised using appropriate yields after taking into account the void periods, expected maintenance costs and subletting fee.

Significant unobservable inputs used in the model include:

- Permanent void of 9.75% for the labour accommodation and 5% for the warehouses (2023: 9.75% and 5%, respectively).
- Expected maintenance costs 8% for the labour accommodation and 3% for the warehouses (2023: 8% and 3%, respectively).
- Capitalisation rates of 8.75%-11% (2023: 8.75%-11%).

In arriving at the fair values, the valuer and management have also analysed the market rental rates and yields of similar properties available for lease in the same location and with similar conditions as the Group's investment properties.

8 Leases

The Group has lease contracts for various plots of land, buildings, warehouses and motor vehicles used in its operations.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land AED'000	Buildings and warehouses AED'000	Vehicles AED'000	Total AED'000
As at January 1, 2023	17,776	502	13,616	31,894
Additions	813	-	11,720	12,533
Depreciation (Note 23)	(1,524)	(455)	(8,201)	(10,180)
Transfer from investment properties (Note 7)	-	2,547	-	2,547
Adjustment on lease modification	183	-	-	183
As at December 31, 2023	17,248	2,594	17,135	36,977
Additions	3,679	1,265	20,770	25,714
Depreciation (Note 23)	(1,712)	(393)	(8,518)	(10,623)
As at December 31, 2024	**19,215**	**3,466**	**29,387**	**52,068**

Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:

	2024 AED'000	2023 AED'000
As at January 1,	**39,100**	39,058
Additions	**25,714**	12,533
Accretion of interest (Note 25)	**3,240**	2,020
Payments	**(12,519)**	(14,694)
Lease modification	**-**	183
As at December 31,	**55,535**	39,100

Disclosed in the consolidated financial statements at December 31 as follows:

	2024 AED'000	2023 AED'000
Current	**22,967**	13,924
Non-current	**32,568**	25,176
	55,535	39,100

The following are the amounts recognised in the consolidated statement of profit or loss with relation to leases:

	2024 AED'000	2023 AED'000
Depreciation of right-of-use assets (Note 23)	**10,623**	10,180
Interest on lease liabilities (Note 25)	**3,240**	2,020
Short-term leases (Note 23)	**773**	336
	14,636	12,536

8 Leases (continued)

The Group had total cash outflows for leases of AED 12,519 thousand during the year (2023: AED 14,694 thousand). The Group had non-cash additions to right-of-use assets and lease liabilities of AED 25,714 thousand (2023: AED 12,533 thousand), which represents a non-cash transaction in the consolidated statements of cash flows.

9 Inventories

	2024 AED'000	2023 AED'000
Raw materials and packing materials	**17,660**	22,909
Finished goods – manufactured	**8,556**	6,951
Trading goods (Note 22)	**5,718**	4,752
Semi-finished goods	**531**	872
Consumables and spare parts	**6,434**	6,477
	38,899	41,961
Less: provision for slow-moving inventories	**(1,307)**	(1,519)
	37,592	40,442
Goods-in-transit	**11,416**	4,552
	49,008	44,994

A reconciliation of the movements in the provision for slow moving inventories is as follows:

	2024 AED'000	2023 AED'000
As at January 1,	**1,519**	1,355
(Reversal)/provision during the year (included as part of cost of sales)	**(212)**	164
As at December 31,	**1,307**	1,519

10 Trade and other receivables

	2024 AED'000	2023 AED'000 *Restated*
Trade receivables, gross	**62,490**	53,336
Less: allowance for expected credit losses	**(7,436)**	(6,456)
Trade receivables, net	**55,054**	46,880
Prepayments	**5,691**	3,551
Advances to suppliers	**1,293**	1,547
Other receivables	**2,653**	3,375
Less: allowance for expected credit losses of other receivables	**-**	(885)
	64,691	54,468

The average credit period for trade receivables is 30-120 days. No interest is charged on past due trade receivables. The expected credit losses of trade receivables are estimated using a provision matrix by reference to past default experience of the customer and adjusted for factors that are specific to the customers, general economic conditions of the industry in which the customers operate and an assessment of both the current as well as the forecast direction of the economic conditions at the reporting date.

The information about the credit risk exposures and related expected credit losses are disclosed in Note 29.

10 Trade and other receivables (continued)

Movements in the allowance for expected credit losses of trade and other receivables for the year were as follows:

	2024 AED'000	2023 AED'000
As at January 1,	**7,341**	27,733
Charge for the year	**95**	4,383
Write-offs*	**-**	(24,775)
As at December 31,	**7,436**	7,341

* During the year ended December 31, 2023, management carried out an extensive exercise to identify the old outstanding balances for which no recoveries are expected. As a result, balances amounting to AED 24,775 thousand were written-off.

11 Financial assets at fair value through profit or loss

	2024 AED'000	2023 AED'000
As at January 1,	**16,249**	18,634
Change in fair value	**(2,258)**	(2,372)
Disposal	**-**	(13)
As at December 31,	**13,991**	16,249

At the reporting date, financial assets at FVTPL comprise investment in an unquoted equity instrument of an entity operating in the dairy and poultry industry.

The fair value of this instrument was determined by a third-party specialist using EBITDA multiples derived from the market for similar entities. This valuation methodology is based on market expectations after considering conditions including the economy in general, and the business and industry of the investee in particular, using market observable data as far as possible.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques. Refer to Note 30 for disclosures on fair value hierarchy of the instrument.

12 Bank balances and cash

	2024 AED'000	2023 AED'000
Cash in hand	**321**	425
Bank balances – current accounts	**4,720**	1,502
Bank balances – fixed deposits	**9,326**	11,923
Bank balances and cash	**14,367**	13,850
Less: bank overdrafts (Note 17)	**(5,650)**	(10,977)
Less: fixed deposits with initial maturity of more than 3 months	**(9,326)**	(11,923)
Cash and cash equivalents	**(609)**	(9,050)

Fixed deposits are pledged against interest-bearing borrowings and carry interest at commercial rates (Note 17).

13 Equity

Share capital

The Company's share capital consists of 38,841 thousand ordinary shares of AED 1 each (2023: 32,368 thousand ordinary shares of AED 1 each).

Dividends

In the general assembly meeting dated April 2, 2024, the shareholders resolved the distribution of 20% bonus shares as dividends, and accordingly, an amount of AED 6,473 thousand has been transferred from retained earnings to share capital. The shares were issued on April 16, 2024. (2023: no dividends were declared).

Directors' remuneration

At the Annual General Meeting held on April 2, 2024, directors' remuneration amounting to AED 1,400 thousand was approved for the year ended December 31, 2023 (2023: AED 1,400 thousand was approved for the year ended December 31, 2022).

14 Statutory reserve

As required by Article 241 of the UAE Federal Decree-Law No. 32 of 2021, 10% of the profit for the year is required to be transferred to the statutory reserve. The Company may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. During 2024, an amount of AED 1,419 thousand (2023: AED 2,036 thousand) has been transferred to the statutory reserve. The statutory reserve is not available for distribution.

15 Revaluation surplus

The revaluation surplus included in equity is in respect of a labor accommodation building that was revalued at the time of its transfer from property, plant and equipment to investment properties in an earlier year. The amount of surplus is non-distributable and will be transferred to retained earnings upon disposal or otherwise derecognition of the asset.

16 Employees' end of service benefits

Movements in the provision recognised in the consolidated statement of financial position are as follows:

	2024	2023
	AED'000	AED'000
As at January 1,	**8,225**	7,777
Provision made during the year	**1,628**	1,245
Paid during the year	**(774)**	(797)
As at December 31,	**9,079**	8,225

17 Interest-bearing borrowings

	2024	2023
	AED'000	AED'000
Trust receipts	**50,074**	59,749
Bank overdrafts (Note 12)	**5,650**	10,977
Term loan	**1,309**	2,607
	57,033	73,333

17 Interest-bearing borrowings (continued)

Trust receipts and bank overdrafts were obtained to finance the working capital requirements of the Group, are short-term in nature and carry interest at commercial rates.

During 2022, the Group obtained a term loan facility from a commercial bank to part finance the construction cost of a warehouse in Ras Al Khaimah and other capital expenditures. The facility is repayable in quarterly principal instalments of AED 326 thousand each over a period of 2 years commencing from April 2024 plus monthly profit accruing at competitive market rates.

Securities

The above-mentioned facilities are secured against the following:

- Assignment of all risk insurance policy (over the warehouse property).
- Pledge of moveable assets to be registered with Emirates Integrated Registries Company LLC (EIRC) via UAE Law Movables Security Agreement.
- Assignment of all risk insurance policy (over the purchased equipment/machineries).
- Charge over all existing and future movable assets/stocks/inventories.
- Assignment of insurance over stocks/inventories and movable assets.
- Assignment of trade receivables.
- Pledge over machineries financed by the bank.
- Pledge of fixed deposits.

Covenants

The Group is required to comply with certain covenants with relation to its term loan including the maintenance of certain financial ratios as specified by the bank.

As at December 31, 2024, the Group is not in compliance with one of the financial covenants (2023: not in compliance with certain financial covenants), and therefore, the term loan has been classified as current liability in the consolidated statement of financial position being repayable on demand.

18 Trade and other payables

	2024	2023
	AED'000	AED'000
		Restated
Trade payables	**52,659**	52,783
Accruals and other payables	**14,511**	12,621
Advances from customers (Note 21)	**3,968**	3,203
VAT payable, net	**446**	735
	71,584	69,342

The average credit period for purchase of goods and services is 30-120 days. The Group has financial risk management policies in place as disclosed in Note 29 to ensure that all payables are paid within the credit period.

19 Income tax

On December 9, 2022, the United Arab Emirates (UAE) Ministry of Finance ("MoF") released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, Corporate Tax ("CT") to enact a new CT regime in the UAE. The new CT regime has become effective for accounting periods beginning on or after June 1, 2023. Accordingly, the Company and its UAE subsidiary became taxable effective January 1, 2024 at the rate of 9% applicable to taxable income exceeding AED 375,000.

19 Income tax (continued)

In addition to the UAE CT, the Group's subsidiary in Sultanate of Oman is subject to taxation at the rate of 15% on taxable income. Income tax for the current year is provided on the basis of estimated taxable income computed by the Group using tax rates, enacted or substantially enacted at the reporting date, applicable in the respective countries in which the Group operates and any adjustment to tax in respect of previous periods.

The major components of income tax expense for the years ended December 31, 2024 and 2023 are as follows:

	2024 AED'000	2023 AED'000
Current income tax		
Current income tax charge	**3,803**	1,058
Deferred income tax		
Deferred tax	**(104)**	211
Tax expense	**3,699**	1,269

Reconciliation of tax expense and the accounting profit multiplied by UAE's domestic tax rate for 2024 and 2023 is as follows:

	2024 AED'000	2023 AED'000
Accounting profit for the year	**30,365**	21,627
Less: income taxable at the rate of 0%	**(375)**	-
Taxable accounting profit before income tax	**29,990**	21,627
At the UAE's statutory tax rate of 9% (2023: 0%)	**2,699**	-
Non-taxable gains	**(5)**	-
Non-deductible expenses	**74**	-
Effect of higher tax rate in Oman	**931**	1,058
At the effective tax rate of 12.18% (2023: 4.9%)	**3,699**	1,058

For the purpose of determining the tax expense for the year, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices.

The deferred tax relates to the following:

	2024 AED'000	2023 AED'000
Depreciation	**430**	399
Provisions	**656**	614
Leases	**28**	(3)
Net deferred tax asset	**1,114**	1,010

19 Income tax (continued)

The reconciliation of deferred tax asset, net is as follows:

	2024 AED'000	2023 AED'000
As at January 1,	**1,010**	1,212
Tax (credit)/expense during the year	**104**	(211)
Other movement	**-**	9
As at December 31,	**1,114**	1,010

The deferred taxes relate to the Group's subsidiary in Oman inly as there are no temporary differences at the level of the Company and its UAE subsidiary at the reporting date.

The following is the movement in the tax provision during the year:

	2024 AED'000	2023 AED'000
At January 1,	**1,058**	380
Charge during the year	**3,803**	1,058
Payment during the year	**(1,042)**	(380)
At December 31,	**3,819**	1,058

The tax assessments of the subsidiary Oman have been completed by the tax authorities up to the year 2021. Management believes that additional taxes, if any, that may become payable on the finalisation of the assessments for open tax years would not be material to the Group's consolidated financial position as at December 31, 2024.

20 Related party transactions and balances

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

Compensation to key management personnel

In addition to the Directors' remuneration disclosed in the consolidated statement of changes in equity, the remuneration of other key members recognised in profit or loss during the year was as follows:

	2024 AED'000	2023 AED'000
Short-term benefits	**2,502**	1,810
End of service benefits	**89**	89
	2,591	1,899

Short term benefits include bonus of AED 599 thousand for the year ended December 31, 2024 (2023: AED 403 thousand).

20 Related party transactions and balances (continued)

Transactions with related parties

The transactions with related parties during the year are as follows:

	2024 AED'000	2023 AED'000 (Unaudited)
Entities with common key management personnel		
Purchases	**4,011**	3,546
Expenses	**505**	336
	4,516	3,882

Other payables

	2024 AED'000	2023 AED'000
Key management personnel	**963**	924
Entity with common key management personnel	**1,225**	349

Other payables to related parties are included in accruals and other payables under 'Trade and other payables' (Note 18).

Other receivables

	2024 AED'000	2023 AED'000
Due from shareholders	**720**	720

Other receivables from shareholders are included in other receivables under 'Trade and other receivables' (Note 10). As per the regulations, the Group's management obtained approvals by way of a special resolution for such transaction in the Annual General meeting dated April 25, 2024.

For the year ended December 31, 2024, the Group has not recorded any impairment of amounts owed by the related parties (2023: AED Nil). This assessment is undertaken at each financial year-end.

21 Revenue

Revenue information

Set out below is the disaggregation of the Group's revenue:

	2024 AED'000	2023 AED'000
Type of revenue		
Sale of goods - gross	**477,395**	411,071
Less: rebates and discounts	**(73,803)**	(58,339)
Sale of goods - net	**403,592**	352,732

21 Revenue (continued)

Revenue information (continued)

	2024 AED'000	2023 AED'000
Geographical market		
United Arab Emirates	**224,729**	189,944
Oman	**162,008**	150,128
Others	**16,855**	12,660
	403,592	352,732

	2024 AED'000	2023 AED'000
Timing of revenue recognition		
At a point in time	**403,592**	352,732
Contract balances		
Trade receivables, net (Note 10)	**55,054**	46,880
Contract liabilities (Note 18)	**3,968**	3,203

Performance obligations

The performance obligation from sales of goods is satisfied upon delivery of goods and payment is generally due within 30 to 120 days from delivery.

There are no transaction prices allocated to unsatisfied performance obligations as of the reporting date except for advances received from customers, which have been disclosed as contract liabilities in the consolidated statement of financial position (Note 18).

Revenue recognised during the year include amounts included in contract liabilities at the beginning of the year amounting to AED 3,203 thousand (2023: AED 793 thousand).

22 Cost of sales

	2024 AED'000	2023 AED'000
Manufacturing:		
Raw material, packing materials and stores and spares	**186,094**	168,828
Staff salaries and benefits and hired labor costs	**9,853**	8,508
Utilities	**7,509**	7,854
Depreciation of property, plant and equipment (Note 6)	**2,494**	2,378
Other direct costs	**8,532**	6,471
	214,482	194,039
Changes in inventories of semi-finished and finished goods	**1,380**	926
Total for manufacturing	**215,862**	194,965
Trading:		
Inventories, beginning of the year	**4,752**	4,589
Purchases (including direct expenses)	**42,083**	35,064
Inventories, end of the year (Note 9)	**(5,718)**	(4,752)
Total for trading	**41,117**	34,901
Total cost of sales	**256,979**	229,866

23 Administrative, selling and distribution expenses

	2024 AED'000	2023 AED'000
Staff salaries and benefits	**50,870**	45,140
Commercial vehicles	**12,704**	10,891
Depreciation of right-of-use assets	**10,623**	10,180
Shelf space and display costs	**8,043**	4,743
Utilities	**5,858**	6,124
Depreciation of property, plant and equipment	**3,658**	3,205
Hired labor	**2,147**	1,840
Legal and professional fees	**1,873**	1,684
Advertisement and other related expenses	**1,541**	511
Short-term leases (Note 8)	**773**	336
Insurance	**1,035**	756
Repairs and maintenance	**1,317**	1,122
Others	**6,160**	4,090
	106,602	90,622

24 Other non-operating income, net

	2024 AED'000	2023 AED'000
Rental income from investment properties (Note 7)	**3,627**	1,748
Sale of scrap	**693**	412
Dividend income from a financial asset at FVTPL	**-**	197
Net exchange gain/(loss)	**46**	(85)
Miscellaneous income	**55**	36
	4,421	2,308

25 Finance costs, net

	2024 AED'000	2023 AED'000
Interest expense on trust receipts	**6,326**	5,834
Interest expense on lease liabilities (Note 8)	**3,240**	2,020
Bank charges	**1,522**	1,504
Interest expense on bank overdrafts	**715**	737
Interest expense on term loan	**198**	677
Interest income on fixed deposits	**(287)**	(268)
	11,714	10,504

26 Contingencies and commitments

Guarantees and purchase commitments

	2024 AED'000	2023 AED'000
Letters of guarantee	**1,583**	1,598
Letters of credit	**262**	1,058

26 Contingencies and commitments (continued)

Capital commitments

The capital commitments outstanding represent the costs to be incurred towards a cooling system for the plant, freezers and chillers and conversion of another product line (change in specification).

	2024 AED'000	2023 AED'000
Capital commitments	1,404	2,894

Legal cases

As at December 31, 2024, the Group has outstanding legal cases. All these cases are pending before the Court for the hearings and final decisions. The management has reviewed the status of all of these legal cases and believes that the existing provisions are adequate and reasonable.

27 Earnings per share

	2024 AED'000	2023 AED'000
Net profit for the year	26,666	20,358
Weighted average number of shares outstanding	38,841	38,841
Basic and diluted earnings per share	0.69	0.52

The Group has issued bonus shares as dividend on April 16, 2024 (Note 13), which had a retrospective dilutive impact on the comparative earnings per share.

28 Segmental reporting

The Group operates in the single reporting segment of dairy, juice, ice cream, and other food products. All the relevant information relating to this reporting/operating segment is disclosed in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and notes to the consolidated financial statements.

IFRS Accounting Standards also require an entity to report its segment assets and revenue along geographical regions. All significant activities of the Group are performed on an integrated basis in the Gulf region and the Directors consider an analysis by individual country would not be meaningful (as the Oman operations are an extension of the sales and marketing activities of the Company).

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

Major customers
During the year ended December 31, 2024 there were no customers of the Group with the revenue greater than 10% of the total revenue of the Group (2023: None).

29 Financial risk management objectives and polices

The Group's principal financial liabilities comprise of interest-bearing borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade and other receivables and bank balances that derive directly from its operations. The Group also holds financial assets at fair value through profit or loss. The Group is exposed to risk, as indicated below, which are overseen by the Board of Directors.

29 Financial risk management objectives and policies (continued)

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 rate. The Group is exposed to interest risk on its variable interest-bearing assets and liabilities (bank deposits and interest-bearing borrowings, respectively).

A reasonably possible change in interest rates of +/- 1% is not expected to have any significant impact on the Group's net profit for the year and equity.

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 Group is mainly exposed to credit risk on trade and other receivables and bank balances.

The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at December 31, 2024 and 2023 is the carrying amounts of the financial assets as follows:

	2024	2023
	AED'000	AED'000
		Restated
Trade and other receivables (excluding prepayments and advances)	**57,707**	49,370
Bank balances	**14,046**	13,425
	71,753	62,795

Trade receivables

The Group seeks to limit its credit risk with respect to trade receivables by continuously monitoring the terms of the payments for the outstanding amounts. 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., by geographical region, product type, customer type and rating).

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 Group has determined that climate-related risks have no significant impact on credit risk exposure and credit risk management practices because of the short-term nature of credit exposure and given the absence of recent major climate-related events in the main areas where debtors operate.

The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of expected credit loss.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

			Past due days		
	Total	Current	<30 days	31 to 120 days	>120 days
December 31, 2024	AED'000	AED'000	AED'000	AED'000	AED'000
Expected credit loss rate	-	-	**1%**	**2%**	**75%**
Estimated total gross carrying amount at default	**62,490**	**28,546**	**12,347**	**12,049**	**9,548**
Expected credit loss	**7,436**	-	**68**	**194**	**7,174**

29 Financial risk management objectives and policies (continued)

Credit risk (continued)

Trade receivables (continued)

			Past due days		
December 31, 2023	Total AED'000	Current AED'000	<30 days AED'000	31 to 120 days AED'000	>120 days AED'000
Expected credit loss rate	-	-	1%	1%	79%
Estimated total gross carrying amount at default	53,336	22,393	11,475	11,598	7,870
Expected credit loss	6,456	-	112	150	6,194

Bank balances

The Group seeks to limit its credit risk with respect to bank balances by only dealing with reputable banks.

Liquidity risk

The Group limits its liquidity risk by retaining sufficient funds generated from its operations. Trade payables are settled on normal credit terms agreed with suppliers. The table below summarises the maturities of the Group's undiscounted financial liabilities at the reporting date, based on contractual payment dates:

December 31, 2024	Less than 3 months AED'000	4 to12 months AED'000	1 - 5 years AED'000	More than 5 years AED'000	Total AED'000
Interest-bearing borrowings	**45,623**	**11,479**	**-**	**-**	**57,102**
Trade and other payables (excluding VAT payable and advances)	**7,144**	**60,026**	**-**	**-**	**67,170**
Lease liabilities	**2,952**	**9,277**	**34,558**	**32,976**	**79,763**
	55,719	**80,782**	**34,558**	**32,976**	**204,035**

December 31, 2023	less than 3 months AED'000	4 to12 months AED'000	1 - 5 years AED'000	More than 5 years AED'000	Total AED'000
Interest-bearing borrowings	56,852	14,192	1,373	-	72,417
Trade and other payables (excluding VAT payable and advances)	4,753	58,161	-	-	62,914
Lease liabilities	193	622	23,111	40,867	64,793
	61,798	72,975	24,484	40,867	200,124

29 Financial risk management objectives and policies (continued)

Changes in liabilities arising from financing activities

	January 1, 2024 AED'000	Cash flows AED'000	Others* AED'000	December 31, 2024 AED'000
Current:				
Interest-bearing borrowings	73,333	(16,300)	-	57,033
Lease liabilities	13,924	(12,519)	21,562	22,967
Non-current:				
Lease liabilities	25,176	-	7,392	32,568
Total liabilities from financing activities	**112,433**	**(28,819)**	**28,954**	**112,568**

	January 1, 2023 AED'000	Cash flows AED'000	Others* AED'000	December 31, 2023 AED'000
Current:				
Interest-bearing borrowings	85,607	(12,274)	-	73,333
Lease liabilities	13,812	(14,694)	14,806	13,924
Non-current:				
Lease liabilities	25,246	-	(70)	25,176
Total liabilities from financing activities	124,665	(26,968)	14,736	112,433

*The 'Others' column mainly includes the effect of interest accruals and reclassification of non-current portion of borrowings and lease liabilities to current due to the passage of time.

Foreign currency risk management

The Group does not have any significant exposure to currency risk as most of its financial assets and liabilities are denominated in US Dollar, OMR and AED, with the AED and OMR currently pegged to the USD.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in the light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended December 31, 2024 and December 31, 2023. Capital comprises share capital, statutory reserve, revaluation surplus and retained earnings and is measured at AED 84,198 thousand as at December 31, 2024 (2023: AED 58,932).

Equity price risk

The Group's non-listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors review and approve all equity investment decisions.

30 Fair value measurement

Financial risk management

Financial instruments comprise financial assets and financial liabilities.

Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market condition regardless of whether that price is directly observable or estimated using another valuation technique. Differences can therefore arise between book value under the historical cost method and fair value estimates.

The investment properties and investments in unquoted equity instruments are measured at fair value at the reporting date. Interest-bearing borrowings bear variable rate of interest which get repriced at regular intervals. The fair value of the other financial assets and liabilities are not materially different from their carrying amounts as at December 31, 2024 and 2023 as these are short-term in nature.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments and non-financial assets 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 based on observable market data.

The following table shows an analysis of financial instruments and non-financial assets recorded at fair value by level of the fair value hierarchy:

	December 31, 2024 AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Financial assets at fair value through profit or loss	**13,991**	-	-	**13,991**
Investment properties	**44,100**	-	-	**44,100**

	December 31, 2023 AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
Financial assets at fair value through profit or loss	16,249	-	-	16,249
Investment properties	44,100	-	-	44,100

There were no transfers between Level 1, 2 and 3 during the current and prior years.

31 Subsequent events

There were no material events after the reporting date which require adjustments or disclosures in these consolidated financial statements.

32 Comparative information

Correction of an error

During the year, the Group identified a prior period error with relation to the accuracy and completeness of certain indirect tax balances recognised by the Group. The above errors, have been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Impact on the consolidated statement of financial position line items As at January 1, 2023	As previously reported AED'000	Restatement AED'000	As currently reported AED'000
Assets			
Trade and other receivables	53,414	(986)	**52,428**
Current assets	122,894	(986)	**121,908**
Total assets	232,129	(986)	**231,143**
Liabilities			
Trade and other payables	55,857	2,490	**58,347**
Current liabilities	155,656)	2,490	**158,146**
Total liabilities	188,679	2,490	**191,169**
Equity			
Retained earnings/(accumulated losses)	(566)	(3,476)	**(2,910)**
Total equity	43,450	(3,476)	**39,974**
Total equity and liabilities	232,129	(986)	**231,143**

Impact on the consolidated statement of financial position line items As at December 31, 2023	As previously reported AED'000	Restatement AED'000	As currently reported AED'000
Assets			
Trade and other receivables	55,454	(986)	**54,468**
Current assets	130,547	(986)	**129,561**
Total assets	250,976	(986)	**249,990**
Liabilities	66,852	2,490	**69,342**
Trade and other payables	155,167	2,490	**157,657**
Current liabilities	188,568	2,490	**191,058**
Total liabilities			
Equity			
Retained earnings	17,488	(3,476)	**14,012**
Total equity	62,408	(3,476)	**58,932**
Total equity and liabilities	250,976	(986)	**249,990**

The prior period error did not have any impact on the comparative consolidated statement of profit or loss of the Group.

UNIKAI FOODS P.J.S.C. يونيكاي للأغذية (شركة مساهمة عامة)

Corporate Governance Report of

Unikai Foods PJSC

For the year ended December 31st, 2024

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+

www.unikai.com

Unikai Foods PJSC is a public shareholding company that was established on April 11, 1977, by an Emiri Decree issued by His Highness the late Sheikh Rashid bin Saeed Al Maktoum, the then ruler of Dubai. Headquartered in the UAE, Unikai Foods has become a leading player in the food and beverage industry. Over the years, it has grown to be one of the largest and most diversified FMCG companies in the region. The company specializes in the manufacturing and distribution of dairy, juice, and ice cream products, and also imports various food products for distribution.

Unikai is dedicated to upholding the highest standards of governance, emphasizing transparency, ethical business practices, and strict adherence to the laws and regulations set forth by the Securities and Commodities Authority. The company is committed to creating long-term value for its stakeholders through sustainable growth and innovation. Unikai's long-term vision includes maintaining a strong ethical foundation, fostering trust, and ensuring that all business dealings are conducted fairly and transparently. By prioritizing these principles, Unikai aims to build a secure and prosperous future for its investors, employees, and customers.

1) **Procedures implemented to complete the corporate governance system during the year 2024, and how they were implemented:**

The Board of Directors of Unikai Foods PJSC has implemented key governance provisions in accordance with Federal Decree Law No. 32 of 2021 and the Authority's Board Decision No. (3/ R.M) of 2020, along with subsequent amendments, regarding the Governance Manual for Public Joint Stock Companies. The following actions have been taken:

- The Audit Committee has fulfilled its functions through its members.
- The Nomination and Remuneration Committee has carried out its responsibilities through its members.
- Internal Auditors have conducted functions related to testing and strengthening the company's internal controls.
- Investor relations functions have been managed concerning insider transactions.
- The Board of Directors is committed to disclosing their trading activities and those of their first-degree relatives involving Unikai shares.
- The company's website is regularly updated to ensure maximum transparency, providing a secure environment for investors and shareholders.
- The company discloses quarterly and annual financial statements, Board of Directors meetings, and General Assembly meetings within the legally permitted timeline, adhering to all relevant regulations.
- The company continuously reviews its internal systems to implement the necessary procedures for full and ongoing compliance with the circulars issued by the Securities and Commodities Authority regarding corporate governance rules.
- In 2024, compliance with ICFOR was achieved through the engagement of an independent consultant.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٧٦٨٠٠ ٤ ٥٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٩٧١ ٤ ٥٠٧٦٩٨٧+
www.unikai.com

2) Ownership and trading transactions of the Board of Directors, and their first-degree relatives in the company securities during 2024:

Members of the Board of Directors who have transactions related to shares issued by Unikai Foods PJSC must disclose their transactions on an annual basis, where the disclosure is made according to the form prepared for that which includes the nature of the transaction, whether buying or selling shares, as well as the date of the transaction, the amount of shares and the price.

Board Member	Position/relative relationship	Shares owned as on 31/12/24	Total sale	Total purchase
Mr. Mana Mohammed Saeed Al-Mulla	Chairman	4,494	0	0
Mr. Abdulla Essa Mohamed Al-Zaabi	Vice-Chairman	0	0	0
Mr. Majed AbdulKarim Mohammad Julfar	Board Member	0	0	0
Mr. Mish'al Mohamed Abdulla Moosa	Board Member	0	0	0
Mr. Adil Saleh Mohamed Al Ali	Board Member	0	0	0
Ms. Jamila Mohammed Abdulla Mohammed	Board Member	0	0	0
Dr. Hashem Salem AlDash	Board Member	0	0	0

During the year 2024, there were no transactions in the Company's shares by any of the members of the Board of Directors or their first-degree relatives.

3) Formation of the Board of Directors:

- **Statement of the current Board formation:**

The Board of Directors of Unikai Foods PJSC consists of seven members who have experience in the field of the company's activity in addition to experience in accounting, financial matters, banking operations and business administration. They further have the necessary experience to make prudent decisions. The Board of Directors consists of non-executive members and independent members, whereby the formation of the Board of Directors considers the appropriate balance among the members, so that most of the members are independent members.

Board member	Category (executive, non-executive, and independent)	The period of tenure as a Board member from the date of first election
Mr. Mana Mohammed Saeed AlMulla	Non-Executive/ Non-independent	11 years
Mr. Abdulla Essa Mohamed Al-Zaabi	Non-Executive/ Non-independent	11 years
Mr. Majed Abdul Karim Mohammad Julfar	Non-Executive/ Non-independent	11 years
Mr. Mish'al Mohamed Abdulla Moosa	Non-Executive / Independent	8 years
Mr. Adil Saleh Mohamed Al Ali	Non-Executive / Independent	5 years
Ms. Jamila Mohammed Abdulla Mohammed	Non-Executive / Independent	3 years
Dr. Hashem Salem Al Dash	Non-Executive / Independent	1 Year

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٧٦٨٠٠ ٤ ٥٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٩٧١ ٤ ٥٠٧٦٩٨٧+
www.unikai.com

- Dr. Hashem Salem Aldash was appointed as a Board member on 9th Nov 2023. The same was approved and ratified by the Shareholders in AGM held on 2nd April 2024.

A. Board Members experiences, qualifications and memberships at any other companies Boards:

- **Mr. Mana Mohammed Saeed Al Mulla**
  Chairman of the Board

  Mr. Mana is a well-known business leader in the Middle East, with an extensive network of relationships with major firms & business communities across the UAE. Academically, he graduated with a BS degree in Business Administration from the University of Suffolk in Boston, USA. Mr. Mana holds key position in other companies as -

  - Chairman of Hospitality platform of Mohammed & Obaid Al Mulla LLC.
  - Board Member of Mohammed & Obaid Al Mulla LLC.
  - Board Member of Emirates General Petroleum Corp. (Emarat).
  - Board Member of Etihad Water and Electricity.

- **Mr. Abdulla Essa Mohamed Al Zaabi**
  Vice-Chairman

  Mr. Abdullah holds a BA degree from the American University and is currently holding the position of Corporate Affairs Director at Majid Al Futtaim Ventures.

- **Mr. Majid Abdul Karim Julfar**
  Board Director

  Mr. Majed holds a bachelor's degree in computer engineering from the University of South Kent - UK, Mr. Majed is the Director of Trade Credit Insurance & Export Financing at Etihad Credit Insurance (ECI) Mr. Majed has over 20 years of diverse experience in corporate and investment banking.

- **Mr. Mish'al Mohammed Moosa**
  Board Director

  Mr. Mish'al holds a BA degree in business administration from Bradford University - ACCA (Association of Chartered Certified Accountants) from FTC Kaplan, Leeds, UK. And currently he is holding the position of Managing Director at Zain Property Developments LLC.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٦٤٥٢٤ ٤ ٥٠٧٦٨٠٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٤ ٥٠٧٦٩٨٧ ٩٧١+
www.unikai.com

- **Mr. Adil Saleh Mohamed Abdalla Al Ali**
  Board Director

  Mr. Adil holds a Master degree of business Administration in General Management from the Canadian University of Dubai and a BSc in Computing and Information Systems from University of Dubai. And currently is holding the position of Head of Telephone & Exchange at Dubai Police General Headquarter -General Operations Department "Dept. of Communications". He is also Member of the government committee at Capital Club Dubai and Member at Dubai Government Auctions and Vehicle Disposal Committee.

- **Ms. Jamila Mohammed**
  Board Director

  Ms. Jamila holds M.SC. degree in Organizational Excellence from Hamdan Bin Mohammed Smart University and currently is holding the position of Retail Product Specialist, Emirates Airlines.

- **Dr. Hashem Eldash**
  Board Director

  Dr. Hashem Eldash is a Board Member of United Foods Company, Arabian Telecontrol and Engineering Centre. He holds a DBA from Ajman University and an MBA from Canadian University Dubai, with academic interests in corporate governance, corporate failure, and financial constraints.

- **Female representation at the Board of Directors during 2024:**
  Ms. Jamila Mohammed was appointed as the female representative in the year 2023.

- **The reasons for not nominating any female candidate for the Board membership:**
  Not Applicable.

- **Statement of Board remunerations:**
  1. Total remuneration paid to the Board members of the Board of Directors for the year 2023 during the year 2024 amounts to AED 1,400,000 (AED 200,000 per board member)

  2. The Board has proposed an amount of AED 2,450,000 (AED 350,000 per board member) as remuneration for the Board of Directors for the year 2024 which will be presented at the annual general assembly meeting for approval.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠ ٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٨٧ ٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

3. **Details of the allowances for attending the sessions of the committees emanating from the Board, which were received by the Board members for the fiscal year 2024:**

Board Member	Allowances for attending sessions of the committees emanating from the Board				
	Audit Committee		Remco Committee		TOTAL
	No of meetings	Remuneration AED	No of meetings	Remuneration AED	
Mr. Adil Al Ali	4	60,000	1	15,000	75,000
Mr. Mish'al Moosa	4	60,000	-	-	60,000
Mr. Majed Julfar	4	60,000	-	-	60,000
Ms. Jamila Mohammed	-	-	1	15,000	15,000
Mr. Abdulla alZaabi	-	-	1	15,000	15,000
Total					225,000

4. There are no additional fees, allowances or salaries paid to any member of the Board of Directors, other than the allowances for attending committee meetings.

- **Board meetings held during 2024 fiscal year along with their convention dates, personal attendance times of all members, and members attending by proxy:**

S.No.	Date of meeting	Number of attendees	Attendees by proxy	Names of attendees by proxy	Names of absent members
1-	28th Feb 2024	6	1	Mr. Hashem Salem	-
2-	18th Sep 2024	7	-	-	-
3-	13th Nov 2024	5	1	Ms. Jamila Mohammed	Mr. Mana Al Mulla
4-	12th Dec 2024	7	-	-	-

- **The Board of Directors has taken two resolutions by circulation during the year 2024.**

1. 13th May 2024, Approving the financials of Q1, 2024 which is ratified in the Board meeting held on 18th Sep'2024.

2. 7th Aug 2024, Approving the financials of Q2, 2024 which is ratified in the Board meeting held on 18th Sep'2024

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٤ ٥٠٧٦٨٠٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٤ ٥٠٧٦٩٨٧ ٩٧١+
www.unikai.com

4) Committees of the Board:

1. The Audit Committee:

A. **The Audit Committee Chairman's acknowledgment of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness:**

Mr. Mish'al Moosa, Chairman of the Audit Committee, acknowledges his responsibility for the committee's system at the Company, his review of its work mechanism and for ensuring the effectiveness of the committee.

B. **Names of the Audit Committee members and clarifying their competences and tasks assigned to them.**

Name	Category	Position in the company
Mr. Mish'al Moosa	Independent Board Director	Committee Chairman
Mr. Majed Julfar	Non-Independent Board Director	Committee member
Mr. Adil Al Ali	Independent Board Director	Committee member

The audit committee performed its assigned duties and responsibilities as follows –

- Contracted with an external auditor, monitored independence, discussed audit scope, reviewed the statements issued of the external auditor while ensuring a timely response from the finance and other departments to all inquiries and requirements presented by the external auditor.

- Monitored the accuracy and reliability of the financial statements and reports (annual, semi-annual and quarterly) of Unikai Foods PJSC and conducted reviews as part of the committee's regular duties including highlighting issues subject to the Board's assessment, Key amendments resulting from the audit, Assessing the going-concern assumption, Compliance with accounting standards as decided by competent authority, Compliance with the rules of listing and disclosure, as well as other legal requirements related to the preparation of financial reports.

- Held quarterly meetings with the external auditor to discuss the auditor's report as well as the quarterly and annual financial statements prior submission to the Board of Directors.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠ ٤ ٥٠٧٦٨٠٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٨٧ ٤ ٥٠٧٦٩٨٧ ٩٧١+
www.unikai.com

- Reviewed the financial control, internal control and risk management measures, as well as assessed the effectiveness of the Internal Control Department; assigned required resources and approved the internal audit plan and followed up on the implementation on a quarterly basis.

- Coordinated with the company's Board of Director's, Executive Management, Head Of Finance. The Committee shall meet at least once a year with the Company's external auditor.

- Ensured that the Board of Directors responds in a timely manner to the inquiries and material issues raised in the external auditor report.

- Monitored the company's compliance with the code of professional conduct.

- Ensured that the business rules related to the Audit committee obligations and the powers entrusted to the Audit Committee by the Board of Directors are implemented.

C. **Meetings held by the Audit Committee during 2024, their dates and the members' personal attendance times at the held meetings:**

Audit committee meetings in 2024		Attendees	Absentees
1-	14th Feb, 2024	1- Mr. Mish'al Moosa 2- Mr. Majed Julfar 3- Mr. Adil Al Ali	-
2-	9th May, 2024	1- Mr. Mish'al Moosa 2- Mr. Majed Julfar 3- Mr. Adil Al Ali	-
3-	29th July, 2024	1- Mr. Mish'al Moosa 2- Mr. Majed Julfar 3- Mr. Adil Al Ali	-
4-	31st October, 2024	1- Mr. Mish'al Moosa 2- Mr. Majed Julfar 3- Mr. Adil Al Ali	-

D. **Annual Audit Committee Report:**

1. **Significant matters considered by the Committee in relation to the financial statements and how these matters were addressed.**

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٩٧١ ٤ ٥٠٧٦٩٨٧+
www.unikai.com

During 2024, the Audit Committee carried out thorough and detailed reviews of the company's quarterly and annual financial statements. These reviews focused on assessing the financial performance and operating results, while also ensuring that accounting policies were applied consistently across the reporting period. The committee carefully examined key audit matters raised by the external auditors, including the reinstatement of comparative information due to prior period adjustments.

Additionally, the committee placed significant emphasis on ensuring full compliance with IFRS and local regulatory requirements. This included a careful review of the company's adherence to all relevant accounting standards and guidelines. By addressing these matters, the Audit Committee played a crucial role in maintaining the integrity of the financial reporting process and ensuring the accuracy and transparency of the company's financial statements.

2. **An explanation of how you assessed the independence and effectiveness of the external audit process and the approach taken in appointing or re-appointing the external auditor, and information about the length of the current audit firm's tenure.**

   The Committee assessed the independence and effectiveness of the external audit process by regularly reviewing Grant Thornton's audit methodology, scope, planning, execution, and communication throughout the year. This review included ensuring no conflicts of interest, such as the provision of non-audit services, and verifying their adherence to professional standards and regulatory requirements. Additionally, the Committee ensures that the engagement partner/manager provides a formal statement of their independence in relation to the audit work performed, further reinforcing the integrity of the audit process.

   Grant Thornton has served as the company's external auditor for two years by the end of 2024. During this period, they have consistently demonstrated high professional standards, technical expertise, and a deep understanding of the FMCG consumer goods sector.

3. **A statement explaining the committee's recommendation regarding the appointment, reappointment or dismissal of the external auditor, and the reasons for the Board of Directors not accepting that recommendation.**

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٨٧٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

The Audit Committee conducted a thorough process for the appointment and reappointment of auditors. The committee reviewed quotations from SCA-approved auditors, considering factors such as the company's rating, previous engagement experience, feedback from other clients, and fee proposals to make an informed recommendation. After careful evaluation, the Committee recommended the reappointment of Grant Thornton as external auditors for the year 2025. This recommendation was based on their satisfactory performance, technical expertise, deep understanding of the Company's operations, and competitive fee structure.

In evaluating the reappointment, the Committee carefully considered Grant Thornton's performance, confirming that their tenure aligns with industry best practices and that their work has consistently ensured transparency and reliability in financial reporting. The Committee is confident that Grant Thornton's continued appointment will maintain the objectivity and independence of the audit. The Board of Directors accepted the recommendation and presented it, along with other comparative quotes, to the Annual General Assembly for shareholders to appoint a competitive external auditor.

4. **An explanation of how to ensure the independence of the external auditor if he provides services other than auditing the company's accounts.**

The Committee regularly reviews the nature and scope of all audit and non-audit services provided by the external auditor, ensuring that these services remain within the auditors' authority and that no conflicts arise from such engagements. The Committee also ensures that the services are appropriately aligned with each other. Additionally, the Committee obtains direct confirmations from the auditors regarding their independence for any given engagement.

For the year 2024, Grant Thornton, the external auditors, provided only audit services for the company's financial statements. The total audit fees approved by the Annual General Assembly amounted to AED 300,000, with no additional services requested or provided.

5. **Measures taken or to be taken by the committee to address any shortcomings or weaknesses in the event of any failures in internal control or risk management.**

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٦٤٥٢٤ ٨٠٠ الرقم المجاني ٩٧١+ ٤ ٥٠٧٦٨٠٠ فاكس: ٩٧١+ ٤ ٥٠٧٦٩٨٧
www.unikai.com

The Committee exercised thorough supervision over the company's internal controls and risk management throughout the year. Crowe Mak was appointed as the internal auditor, reporting directly to the Audit Committee on matters related to internal controls and risk management. The Committee reviewed the audit scope, any limitations, key observations, risk ratings, and the implications of identified risks. Additionally, the Committee assessed the auditors' recommendations, the management's response to the identified risks, and the action plans, including timelines, to mitigate those risks.

The Committee also monitored follow-up actions on previously highlighted issues, tracking progress and updating timelines until all observations were fully resolved.

6. **Confirmation that the committee has reviewed all medium-risk reports and attached issues issued by internal audit to determine if they arise from significant failures or weaknesses in internal control.**

Throughout 2024, the Committee carefully reviewed all internal audit reports issued by Crowe Mak. These reviews confirmed the effectiveness of the company's internal processes, policies, and procedures in managing its operations. Special attention was devoted to any high-risk or medium-risk observations raised by the auditors, with the Committee thoroughly examining the firm's timelines for addressing these issues. The Committee also focused on the progress of implementing the auditors' recommendations, ensuring that corrective actions were taken in a timely manner. Additionally, the Committee tracked the resolution of any identified risks, verifying that all actions were carried out effectively to mitigate potential risks and enhance the company's internal controls.

7. **Comprehensive information on the corrective action plan in case of significant shortcomings in risk management areas and internal control systems.**

In 2024, the internal auditors did not highlight any significant high-risk issues, indicating that our internal control framework is robust. However, the Committee carefully reviewed every observation, regardless of its risk rating, to ensure that no potential risks were overlooked. The Committee also assessed the auditors' recommendations, gathered the management's perspective on each observation, and evaluated their action plans, including firm timelines for addressing and closing the observations. The Committee continued to monitor these observations closely until they were fully resolved.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٦٤٥٢٤ ٤ ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٤ ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

ICFR Implementation and reporting

The Committee and management proactively considered the early adoption of Internal Control over Financial Reporting (ICOFR) guidelines to enhance the group's governance practices. To support this initiative, Crowe MAK Strategic Consulting LLC was appointed to conduct a limited review of the risk documentation and controls related to the group's financial reporting. During this review, the Finance Risk Register and the documented financial reporting controls were examined and tested, revealing relevant gaps. Management has already begun addressing these gaps to strengthen controls in this area. This exercise will be expanded and conducted more comprehensively in the next financial year, covering all aspects of ICFR, with an external auditor's opinion also being sought. The early adoption of ICFR positions the company favorably for compliance with the Securities and Commodities Authority regulations in this domain.

8. **Evidence that the committee reviewed all transactions concluded with relevant parties and the observations or results that resulted from them and the extent of compliance with the applicable laws in this regard.**

The Committee reviewed all related party transactions entered into during 2024 from start to finish. The Committee carefully examined each stage of the approval process for related party transactions requiring board approval, ensuring that related parties did not participate in the voting, and confirming that general assembly approval was obtained where necessary. Furthermore, the Committee assessed the threshold of transaction values exceeding 5% of the share capital, ensuring that an accredited independent valuer was appointed to determine the fairness of the transaction. Notably, the business transaction with United Foods PJSC amounted to AED 4 million, for which board and general assembly approvals were sought, and the transaction value qualified for an external valuer's engagement. Consequently, the Committee engaged MMJS Consulting LLC to assess whether the transaction was conducted at arm's length, and a satisfactory report was received from the consultant confirming the fairness of the transaction.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

- **The Nomination and Remuneration Committee:**

A. The Nomination and Remuneration Committee Chairman's acknowledgment of his responsibility for the Committee system at the company, his review of its work mechanism and ensuring its effectiveness.

Mr. Adil Al Ali, Chairman of the Nomination and Remuneration Committee, recognizes his responsibility for overseeing the committee's operations within the company. He, along with the committee members, are committed to reviewing and evaluating the committee's processes and mechanisms to ensure that they function efficiently and align with the company's objectives. The Chairman takes responsibility for ensuring that the committee's activities are effective in meeting its goals, which include establishing fair and transparent procedures, evaluating executive compensation, and maintaining alignment with the company's long-term strategic interests. His oversight is integral to ensure that the committee operates with the highest standards of governance and effectiveness.

B. Names of the Nomination and Remuneration Committee members and their competencies and tasks assigned to them:

Name	Category	Position in the company
Mr. Adil Al Ali	Independent Board Director	Chairman of the committee
Mr. Abdulla al Zaabi	Non-Independent Board Director	Committee member
Ms. Jamila Mohammed Abdulla Mohammed	Independent Board Director	Committee member

The Nomination and Remuneration Committee performed its assigned duties and responsibilities as follows:

- Monitored and reviewed the Company's organization structure and grade matrix in line with the industry.
- Adhered to good corporate governance practices and reporting.
- Review the structure of the Board and make recommendations regarding possible changes
- Continually ensured that the independent Board members are actually independent.
- Ensure availability of continuity of the membership conditions in the Board members annually
- Developed and annually reviewed the policy of Remuneration, benefits, incentives and salaries related to the Company's Board members and employees. The Committee ensured that the Remuneration and benefits given to the Company's senior executive management are reasonable and commensurate with the Company's performance.
- Determined the Company's requirements of efficient and effective people at the senior executive management and employees' levels and how shall they be selected.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٧٦٨٠٥ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٩٨٧٦٩٠٥ ٤ ٩٧١+
www.unikai.com

- Developed and monitored the implementation of policies and annually review the Company's HR policy and training.
- Organized and monitored the procedures for nomination to the Board membership in accordance with the applicable laws and regulations and the provisions thereof.

C. Meetings held by the REMCO Committee during 2024, and their dates, and the members' personal attendance in the held meetings:

Total REMCO meetings in 2024		Attendees	Absentees
1-	26th Feb, 2024	1- Mr. Abdulla al Zaabi 2- Mr. Adil Al Ali 3- Ms. Jamila Mohammed	None

II. Follow up and supervision on the insider's transactions:

A. Acknowledgment by the Committee Chairman or the authorized person of his responsibility for the Committee system at the Company, review of its work mechanism and ensuring its effectiveness:

- The Board of Directors assigned Mr. Ahmed Bedier on 8th May 2023 as an authorized person to monitor the transactions of insiders of the company.
- Mr. Ahmed Bedier acknowledges his responsibility for the follow-up and supervision system on transactions of the insiders in the Company, and for reviewing its work mechanism and ensuring its effectiveness.

B. A Summary of the committee's work report during the year 2024:

During the year 2024, there is no transaction done by any insiders of the company.

III. The Investment Committee:

The Investment Committee, initially approved by the Board in 2022, was re-elected during the Board meeting held on 8th May 2023. Mr. Majed Julfar, Chairman of the Investment Committee, acknowledges his responsibility for overseeing the structure and functioning of the committee within the company. He is dedicated to ensuring the committee's operations align with the company's strategic objectives and to actively inspecting its work mechanisms.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٦٤٥٢٤ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٨٧٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

Name of the members of the Investment Committee as below –

Name	Position in the company	Type of Membership
Mr. Majed Julfar	Chairman of the committee	Non- Independent
Mr. Abdulla al Zaabi	Committee member	Non - Independent

IV. A statement of the tasks and powers of the Board of Directors carried out by a member of the Board or Executive Management during the year 2024 based on a mandate from the Board, specifying the duration and validity of the authorization are according to the following table:

The Board of Directors fully exercised its authority in managing the company by actively overseeing its operations through regular reviews and updates during Board meetings. Throughout the year 2024, the Board remained directly involved in the company's strategic decisions and did not delegate any of its powers to individual members or to the executive management team. The Board's hands-on approach ensured continuous oversight and alignment with the company's goals, reinforcing its commitment to maintaining control and accountability in all aspects of the company's activities.

V. Statement of the details of transactions made with the related parties during 2024:

S.No.	Statement of related parties	Clarifying the nature of relationship	Value of transaction	Type of transaction
1	United Foods	Common directorship	AED 4,010,643	Purchase of goods
2	Etihad Credit Insurance	Common directorship/ senior executive	AED 610,000	Credit insurance

5. <u>Board of Directors Evaluation:</u>

Evaluation of the Board of Directors, its committees and executive management:

The Nomination and Remuneration Committee conducted a thorough review of the Board of Directors' duties and responsibilities during their meeting on 27th February 2025. This review included an assessment of the responsibilities of the Board's permanent committees for the fiscal year 2024. The report highlights that the Board of Directors adheres to the governance standards set by the SCA. The board evaluation process has provided valuable insights into the effectiveness of the Board's operations, governance, strategic direction, and decision-making. Overall, the Board has shown strong leadership and a dedicated commitment to the company's objectives, with each director making significant contributions.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

In 2024, the Board of Directors evaluation was conducted internally. For the following year, the newly elected Board will appoint third-party evaluators to conduct the evaluation.

6. Organizational structure and executive management:

- **The complete organizational structure of the company, provided that the managing director, general manager, CEO, Senior executives and managers such as the financial director are clearly stated therein.**

The Board of Directors is composed of seven members, each bringing extensive experience in the company's core industry, along with expertise in accounting, finance, and business administration. This diverse set of skills equips the Board to provide comprehensive strategic guidance and oversight of the company's activities and operations, ensuring informed decision-making at the highest level.

The Board includes both non-executive and independent members, fostering a balanced and objective approach to governance. While the Board is responsible for overall corporate governance and strategic direction, the day-to-day management of the company is overseen by the CEO, who is in charge of the company's administrative and operational activities.

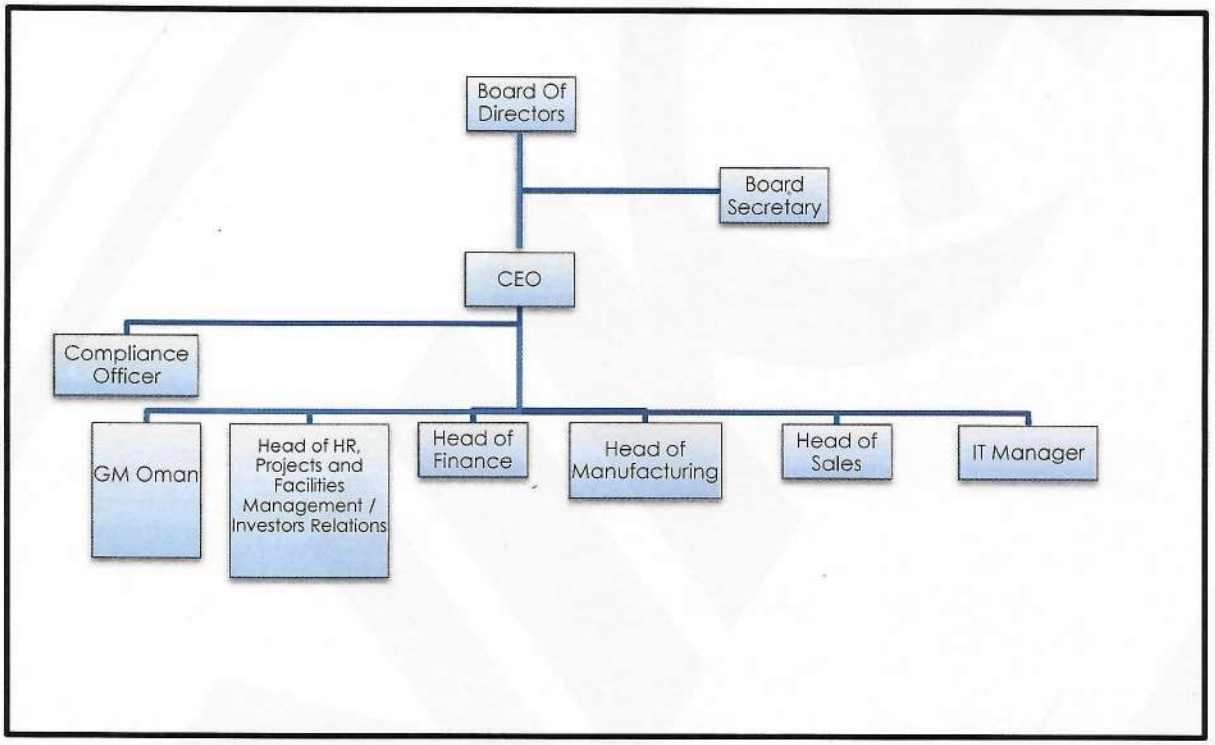
The company's operations are structured into key functional departments—finance, technical, and support services—each led by a senior executive with relevant expertise. These executives are accountable directly to the CEO, ensuring a clear line of communication and decision-making throughout the organization.

In order to ensure the continued success of the company, the Board, through its Nomination and Remuneration Committee, closely monitors the performance and development of the senior executives. The committee conducts an annual evaluation to assess the effectiveness and contributions of the leadership team, identifying areas for improvement and providing support for professional growth. The evaluation process is integral to the Board's efforts to enhance the leadership capabilities within the organization, fostering a high-performing executive team that can effectively navigate evolving market dynamics and contribute to the company's long-term success.

Additionally, the Board prioritizes the retention of key talent within the company. As part of this commitment, they ensure regular assessments of compensation packages to guarantee their competitiveness within the industry. The Board is dedicated to maintaining an attractive and fair compensation structure that not only rewards the performance and contributions of senior executives but also helps to retain the best talent, ensuring continuity and leadership stability within the organization.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

hrough these ongoing efforts in leadership development, competitive compensation, and regular performance evaluation, the Board strengthens the company's overall governance framework, promotes a culture of excellence, and secures the organization's position for sustained growth and success in the future.



- **A detailed statement of the senior executive employees in the first and second grade according to the company's organizational structure, their positions and dates of appointment with a statement of the total salaries and bonuses paid to them, according to the following table:**

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

Position	Appointment Date	Total Salaries and allowances for 2024 (AED)	Total bonuses paid in 2024 pertaining to 2023 (AED)	Any other cash/in-kind bonuses for 2024 or due in the future
Chief Executive Officer	1st Aug 2015	1,528,913	417,921	N/A
General Manager - Oman	1st May 2020	795,635	86,080	N/A
Head of HR, Projects & Facilities Management	1st May 2016	550,605	42,150	N/A
Head of Manufacturing	7th Sep 2015	463,483	27,160	N/A
Head of Finance	6th June 2015	403,580	25,516	N/A
Head of Sales	2nd Mar 2021	463,871	25,180	N/A
Compliance Officer	08th May 2023	338,705	19,946	N/A
IT Manager	16th Dec 2013	150,928	N/A	N/A

7. The External Auditor:

A. Overview of the external auditor:

In 2024, the General Assembly of Unikai appointed Grant Thornton as the company's external auditor to conduct the financial audit, in accordance with international auditing standards. These standards require adherence to strict ethical guidelines and mandate that the audit be planned and executed in a manner that provides reasonable assurance that the financial statements are free from material misstatement.

Grant Thornton UAE is a leading professional services firm offering a range of services, including audit, tax, and advisory, throughout the UAE. Established in 1966, the firm has built a long-standing reputation for supporting businesses across the region and is a key member of the global Grant Thornton network. This network spans over 150 countries, with more than 76,000 professionals working together to provide world-class services. Grant Thornton UAE benefits from being part of this international network while leveraging local expertise to offer tailored solutions for clients. The UAE firm operates from offices in Dubai, Abu Dhabi, and Sharjah and employs over 800 professionals who represent more than 55 nationalities. This diverse team allows the firm to combine the best global practices with a deep understanding of local market dynamics, enabling them to address complex business challenges effectively. With its combination of global reach and local knowledge, Grant Thornton UAE is well-positioned to provide valuable insights and support to companies across a wide range of industries.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

B. Fees and costs for the audit or services provided by the external auditor:

Name of the audit office and partner auditor	Grant Thornton - Partner auditor: Dr. Osama El-Bakry
Number of years as the company external auditor	2 Years
Number of Years as the Audit partner	2 Years
Total external auditor fees for 2024 in (AED)	AED 300,000/-
Fees and costs of other private services other than auditing the financial statements for 2024 (AED), if any, and in case of absence of any other fees:	Nil
Details and nature of the other services (if any). If there are no other services:	Nil
Statement of other services that **an external auditor** other than the company accounts auditor provided during 2024 (if any). In the absence of another external auditor, this matter is explicitly stated.	Name of Auditor: Nil Details of the services provided: Nil

C. Statement of the qualified opinion of the company's external auditor in the interim and annual financial statements for 2024:

The external auditors did not have any reservations and gave a clean opinion and unqualified report for the interim / annual financial statements for 2024.

8. Internal Control System:

a. The Board of Directors of Unikai Foods acknowledges its responsibility for overseeing the company's internal control system, including its assessment and performance. The internal control department is primarily tasked with managing company risks and ensuring the proper application of governance policies to maintain compliance with applicable laws, regulations, and the requirements of the Dubai Financial Market and the Securities and Commodities Authority.

b. For 2024, the internal control/audit function has been outsourced to Crowe MAK (UAE), an approved auditor by the SCA. Founded in 1981, Crowe MAK UAE ranks among the top six accounting and consulting firms in the UAE, employing a highly qualified workforce of approximately 400 staff, mainly consisting of Chartered or Certified Accountants from Asia, Europe, and the United States. Crowe MAK UAE is registered with major government and regulatory bodies, including the Securities and Commodities Authority, Dubai Multi Commodities Centre, Dubai International Financial Centre, and Abu Dhabi Global Markets.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٤ ٥٠٧٦٨٠٠ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٤ ٥٠٧٦٩٨٧ ٩٧١+
www.unikai.com

CA Rajeev Nanda serves as the engagement partner for internal audits from Crowe MAK, bringing 34 years of experience in various sectors of the financial services industry. He is supported by a qualified Audit Manager and two Chartered Accountants.

During the Board meeting on 28th February 2024, the Board formally appointed Crowe MAK UAE as the internal auditor, a decision that was acknowledged by the members present.

c. Mr. Muhammad Akbar Khan (Holding a master's degree) was appointed as the Compliance Officer by the Board in its meeting on 8th May 2023.

d. Throughout 2024, Crowe MAK conducted comprehensive testing of the internal controls across all major functions within the company and its subsidiaries. No significant issues were reported regarding control effectiveness. Most observations were deemed low risk and were addressed in the following period.

7. Crowe MAK issued four reports during 2024, which were presented to the Audit Committee. Each report included an overview of the audit work conducted across departments such as Production, HR, Finance, Sales, Fixed Assets, Supply Chain, and Corporate Governance, highlighting issues, risk ratings, and management's responses to mitigate those risks. The findings were discussed with the Board of Directors and management, along with the process owners, to ensure that the recommended actions and improvements were promptly implemented to reduce risks to the organization. The identified issues were effectively addressed through corrective measures.

9. Violations committed in 2024, explaining their causes, how to address them and avoid their recurrence in the future:

In the fiscal year 2024, Unikai Foods PJSC ensured full adherence to all corporate governance requirements outlined by the Corporate Governance Rules and regulations of the SCA and DFM. The company's internal control system and compliance monitoring processes confirmed that there were no violations of regulatory requirements or governance standards during this period.

10. Statement of the cash and in-kind contributions made by the Company during 2024 in developing the local community and preserving the environment.

The company recognizes the importance of contributing to local community development, as well as adhering to safety and environmental policies. This includes striving to meet environmental objectives and continuously enhancing efforts to reduce pollution across all areas of its operations. Additionally, the company actively supports humanitarian initiatives by regularly donating its products to charitable organizations approved by the Department of Islamic Affairs and Charitable Activities, helping to serve those in need.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

11. General Information:

A. Statement of the company's share price in the market (closing price, highest price, and lowest price) at the end of each month during the fiscal year 2024.

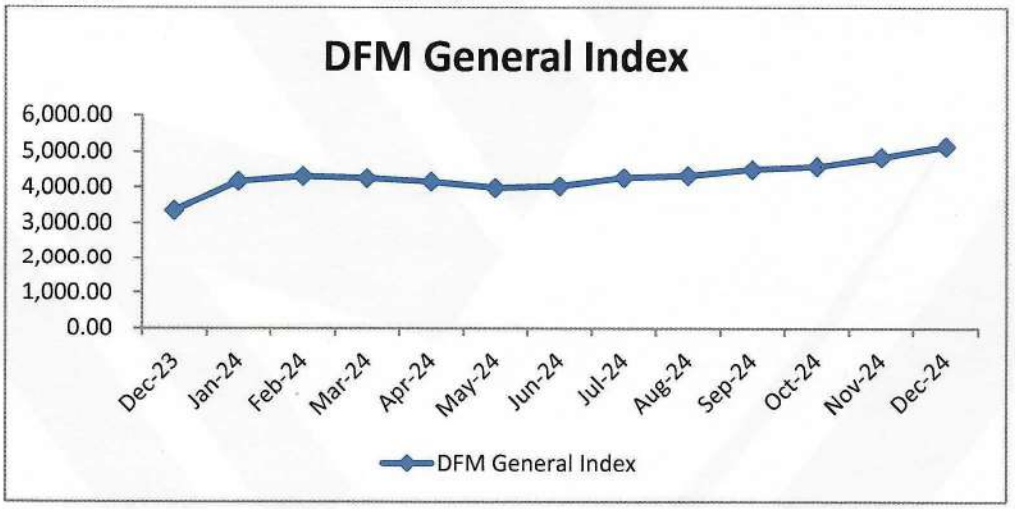
Month	Opening Price	Highest Price	Lowest Price	Closing Price	No of Shares
Dec-23	8.60	No Trade	No Trade	8.60	32,367,500
Jan-24	8.60	No Trade	No Trade	8.60	32,367,500
Feb-24	8.60	No Trade	No Trade	8.60	32,367,500
Mar-24	8.60	No Trade	No Trade	8.60	32,367,500
Apr-24	**8.60**	**8.00**	**7.80**	**6.50**	38,841,000
May-24	6.50	No Trade	No Trade	6.50	38,841,000
Jun-24	6.50	No Trade	No Trade	6.50	38,841,000
Jul-24	6.50	No Trade	No Trade	6.50	38,841,000
Aug-24	**6.50**	**7.47**	**7.46**	**7.47**	38,841,000
Sep-24	7.47	No Trade	No Trade	7.47	38,841,000
Oct-24	7.47	No Trade	No Trade	7.47	38,841,000
Nov-24	7.47	No Trade	No Trade	7.47	38,841,000
Dec-24	7.47	No Trade	No Trade	7.47	38,841,000



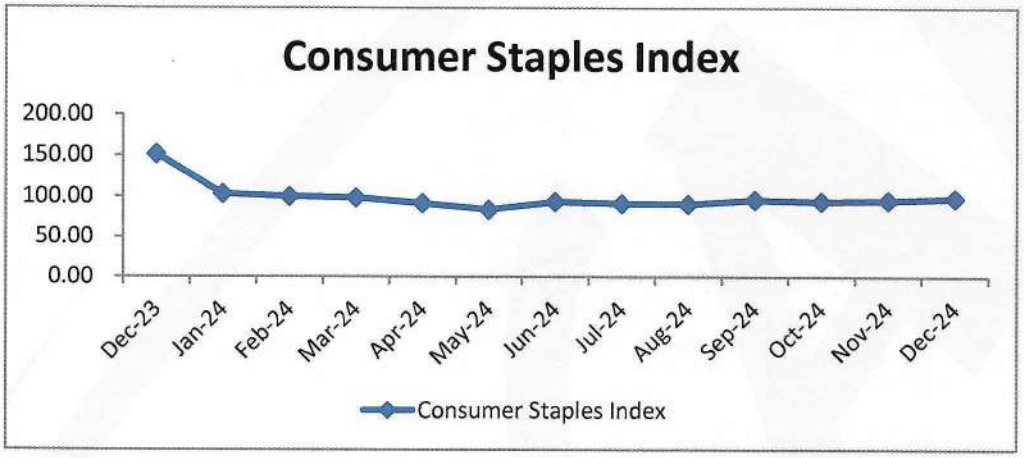
P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس:٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

B. Statement of the Company's comparative performance with the general market index and sector index to which the Company belongs during 2024:

Month	DFM General Index	Consumer Staples Index	Unikai Closing Price
Dec-23	3,336.07	151.49	8.60
Jan-24	4,169.08	103.33	8.60
Feb-24	4,308.77	99.82	8.60
Mar-24	4,246.27	98.41	8.60
Apr-24	4,155.77	92.09	6.50
May-24	3,977.93	84.00	6.50
Jun-24	4,030.00	93.76	6.50
Jul-24	4,268.05	91.56	6.50
Aug-24	4,325.45	90.80	7.47
Sep-24	4,503.48	96.01	7.47
Oct-24	4,591.05	94.25	7.47
Nov-24	4,847.34	95.18	7.47
Dec-24	5,158.67	97.90	7.47



P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٠٠٧٦٨٠٥ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٩٧١ ٤ ٥٠٧٦٩٨٧+
www.unikai.com





C. Statement of shareholders ownership distribution as on 31/12/2024:

Shareholder's classification	Percentage of owned shares			
	Individuals	Companies	Government	Total
Local	45.6421	54.3580	-	**99.9999**
GCC	0.0001	-	-	**0.0001**
Arab	-	-	-	-
Foreign	-	-	-	-
Total	**45.6422**	**54.3580**	**-**	**100.00**

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠ ٧٦٨٠٥٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٨٧ ٧٦٩٨٥٠ ٤ ٩٧١+
www.unikai.com

D. Statement of Shareholders owning 5% or more of the company's capital as on 31/12/2024:

Sr.	Name	Number of owned shares held as at 31/12/2024	Percentage of owned shares of the company's capital
1	Mohamed & Obaid Al Mulla LLC	11,287,258	29.0602%
2	Mohamed Saeed Al Mulla & Sons LLC	4,514,800	11.6238%
3	Heirs of Mr. Humaid Ali Abdulla Al Owais	3,174,304	8.1726%
4	Emirates Investment Bank PJSC	3,122,046	8.0380%
5	Mrs. Moza Suwaidan Saeed Al Ajtabi	2,116,417	5.4489%

E. Statement of shares distribution according to the volume of property as on 31/12/2024:

Ser.	Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares of the capital
1	Less than 50,000	76	756,898	1.95%
2	From 50,000 to less than 500,000	30	5,934,929	15.28%
3	From 500,000 to less than 5,000,000	9	20,861,915	53.71%
4	More than 5,000,000	1	11,287,258	29.06%
	TOTAL	**116**	**38,841,000**	**100.00%**

F. Statement of measures taken regarding the controls of investor relationships and an indication of the following:

Investor relations controls are designed to promote the adoption of best practices in managing investor relations, ensuring that investors have access to the company's material information and statements. These controls focus on enhancing transparency and providing investors with accurate, timely, and relevant data to support informed decision-making.

The primary aim of investor relations controls is to improve the quality and consistency of responses to inquiries from investors and analysts, while also fostering international investment relations.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب:٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس:٨٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

The company seeks to increase stakeholders' understanding of performance reports by using effective communication methods, enhancing the quality of brief reports, and establishing a more sophisticated and efficient framework for interactions between senior/executive management and the market.

- **Name of the investor relationships officer:**

Mr. Ahmed Bedier has been assigned to carry out the responsibilities of Investor Relations, where he can be reached at the following contact details:

P.O Box: 6424, Dubai, Tel: +971 4 5076866
E-mail: investor.relations@unikai.com

The link to the investor relationships page on the Company's website.
For investor relations matters please visit us at: http://www.unikai.com/investor-relations.

G. Special resolutions presented in the General Assembly held during 2024 and the procedures taken in this regard:

Special resolutions passed in General Assembly held during 2024 to review and approve the transactions with Related parties for the Year 2024.

H. Rapporteur of the Board meetings and date of appointment:

Mrs. Samah Za'ab serves as the rapporteur for the Board meetings, a role she was reappointed to by the Board of Directors on 8th May 2023. She holds a Bachelor's degree in Educational Science, specializing in English language, from An-Najah National University in Palestine, which she earned in 2004.

Throughout the year, Mrs. Samah has been responsible for several key tasks. These include sending out invitations for Board and committee meetings, ensuring that all necessary disclosures for Board meetings and financial statements are prepared and finalized, and confirming the attendance of Board members. She also plays a critical role in documenting the minutes of meetings, ensuring they are accurately recorded and filed.

Additionally, Mrs. Samah follows up on decisions made during the meetings, ensuring that actions are taken, and decisions are implemented in a timely manner. Her diligent work ensures the smooth operation of Board activities and the proper documentation of all proceedings.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

I. Detailed statement of major events and important disclosures that the Company encountered during 2024:

No major events and important disclosures that the Company encountered during 2024.

J. Statement of transaction of the company with related parties during 2024 that equals to 5% or more of the company share capital:

Unikai Foods purchases goods through contract manufacturing from United Foods, with a total value of AED 4 million. Since both companies share a common directorship, this transaction qualifies as a related party transaction and exceeds the 5% threshold of the share capital. All necessary compliance requirements and procedures have been followed in accordance with federal laws and regulations set by the relevant authorities. The transaction was approved at the annual general assembly via a special resolution, and an accredited external independent valuer has confirmed that the transaction was conducted at arm's length. Additionally, the related party did not participate in any aspect of this transaction.

Sr	Statement of related parties	Clarifying the nature of relationship	Value of transaction	Type of transaction	% of transaction value on share capital amount
1	United Foods PJSC	Common directors	AED 4,010,643	Purchase of goods under contract manufacturing	10.32%

K. Statement of Emiratization percentage in the Company at the end of 2022, 2023,2024 (workers are excluded from companies working in the field of contracting):

Year	2022	2023	2024
Percentage of Emiratis of the Skilled Employees	3.49%	5.88%	9.52%

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٥٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٥٠٧٦٩٨٧ ٤ ٩٧١+
www.unikai.com

L. Statement of innovative projects and initiatives carried out by the company or being developed during 2024:

The company has been actively engaged in launching new and exciting projects this year. We successfully introduced UHT juice products in flavors such as Mixed Berry and Pomegranate. In addition, we launched ice cream in the 4L Raspberry Ripple flavor and a variety of lollies, including Cola, Lychee, Fruity, and Strawberry Milk. Within the fresh juice segment, we expanded our portfolio with eight new SKUs, available in 1.5L and 200ml sizes, featuring popular flavors like Apple, Orange, Mango, and Pineapple.

Furthermore, we have continued to expand our presence in the frozen vegetables trading segment, with frozen sweet corn being a key addition to our offerings this year.

Signature of the Chairman of the Board	Signature of the Audit committee Chairman	Signature of the Nomination & Remuneration committee Chairman	Signature of the Internal Auditor
Date:	Date:	Date:	Date: 20/03/2025

يونيكاي للأغذية (شركة مساهمة عامة) UNIKAI P.O.Box: 6424 Dubai - U.A.E. Tel: + 971 4 5076800 Fax: + 971 4 5076987 UNIKAI FOODS P.J.S.C.

P.O.Box: 6424 Dubai, U.A.E. T: +971 4 5076800 Toll Free: 800864524 F: +971 4 5076987 E: info@unikai.com
ص.ب: ٦٤٢٤، دبي، أ.ع.م. هاتف: ٠٠٨٠٧٦٨٠٠ ٤ ٩٧١+ الرقم المجاني ٨٠٠٨٦٤٥٢٤ فاكس: ٩٧١ ٤ ٥٠٧٦٩٨٧+
www.unikai.com



Sustainability Report 2024

About this report

We are presenting our annual sustainability report where we are showcasing our commitments towards improving our environmental, social and governance impacts. It contains insights into UNIKAI'S Sustainability-related programs, achievements and performance.

Scope:

The report covers environmental, social, and governance performance of the company and its subsidiary in Oman for the period from 1st January 2024 to 31st December 2024, unless otherwise indicated.

GRI Guidelines:

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: (Core option). For further information and the GRI Content Index, please see Appendices A.

Where relevant, we have also linked our contribution to the United Nations Sustainable Development Goals (SDGs).

Comparable Data:

Most disclosures in this report cover historical data of 2022, 2023 and 2024, showcasing developments over time.

External Assurance:

We chose not to appoint an external party to audit our non-financial data for this report. We followed an internal assurance process to give our stakeholders confidence in the accuracy of the information reported.

Disclaimer:

This report contains certain forward-looking statements that express the way in which Unikai, and its Subsidiary intend to conduct its activities. These statements contain words such as "expect," "estimate," "intend," "plan," "project" or similar expressions. Such statements are subject to a range of uncertainties that could cause actual results to differ from these projected or implied statements. Any forward-looking statements contained in this report therefore not promises or guarantees of future conduct or policy, and thus Unikai and its Subsidiary assume no obligation to publicly update any statements made in this report. Unikai and its Subsidiary rely on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

Contents

AboutUnikai 3

Mission, Vision & Values 4

Our Products Range 5

Our Brands 6

Our Value Chain 7

Code of Conduct and Business Ethics 8

Our Environmental Policy 8

Risk Management Process 9

Stakeholder Engagement 10

Material Topics 11

Corporate Governance 12

Our Financial Performance (AED Millions) 13

United Nations SDG s 14

Alignments of Material Topics to UN SDGs 14

Nutrition and Wellbeing 15

Workplace Health and Safety 16

Employee Talent and Diversity 17

Water Management 20

Climate Change 21

Energy Efficiency 22

Waste Management 23

Product Quality and Safety 24

Responsible Supply Chain 25

Appendices / GRI content index 26

AboutUnikai

UNIKAI Foods PJSC, a 47-year-old Public Joint Stock Company, is listed on the Dubai Financial Market. Established on April 11, 1977, by decree from His Highness, Sheikh Rashid Bin Saeed Al Maktoum, the Ruler of Dubai, the company is headquartered in Dubai, UAE, and operates in the Gulf and other countries. UNIKAI is involved in the manufacturing and distribution of dairy products, juices, ice cream, rice, carbonated soft drinks, water, and various other food products. The company holds 100% equity in its subsidiaries, Unikai & Company LLC, registered as a limited liability company in the Sultanate of Oman, and Unikai International LLC.



Mission, Vision & Values

Mission



True to our heritage we are passionate about driving value for our consumers and stakeholders through convenient and innovative food & beverage lifestyle choices that nurture our community today and for generations to come.

Vision



To be the leading food and beverage lifestyle brand, providing happiness to our consumers by linking past and future generations.

Values

Integrity

Act honesty & ethically without any compromise in the best interest of our stakeholders. Show loyalty and mutual respect on every level.

Innovation

We are adapting to produce our heritage for modern lifestyle by acknowledging & understand our stake holder's feedback. Encouraging & open to new ideas & continuous improvements & challenging the status quo.

Excellence

Always strive to be the best in all our actions.

Teamwork

Utilize Individual skills & expertise in collaborative way to achieve results of a common goal.

Commitment

Believing in what we do, taking full ownership of our actions & dedicating our efforts, time & energy to achieving the desired results. We promise to follow social responsibility by providing high quality of innovative products with world class service. Consistently dedicated to believing in what we do by holding ourselves responsible for achieving the desired results.

Team Work

Passionate about the well – being of our stakeholders by providing a motivational environment with a positive & joyful experience.

Our Products Range

Dairy

Dairy is the cornerstone of UNIKAI'S range, including Fresh, Flavored and Long-Life Dairy. We have earned the trust of our consumers for more than 40 years and are among the leaders in UAE in a wide range of sub-categories.



Juice

Unikai is one of the regional pioneers in UHT juice, offering consumers a range of juices, nectars and drinks. UNIKAI'S commitment has remained to develop healthier products and as a result, we have launched no sugar added beverages in our portfolio.



Ice Cream

We deliver a wide range of Ice cream products to consumers across the region. We have ice cream in all forms like bars, cones, tubs, cups and lollys.



Trading

Another larger contributing sector for Unikai is the Trading segment where we have been delivering various food items ranging from cupcakes, oils, nuts, frozen vegetables to rice. Among trading items, we have a substantial market share in UAE in Rice.



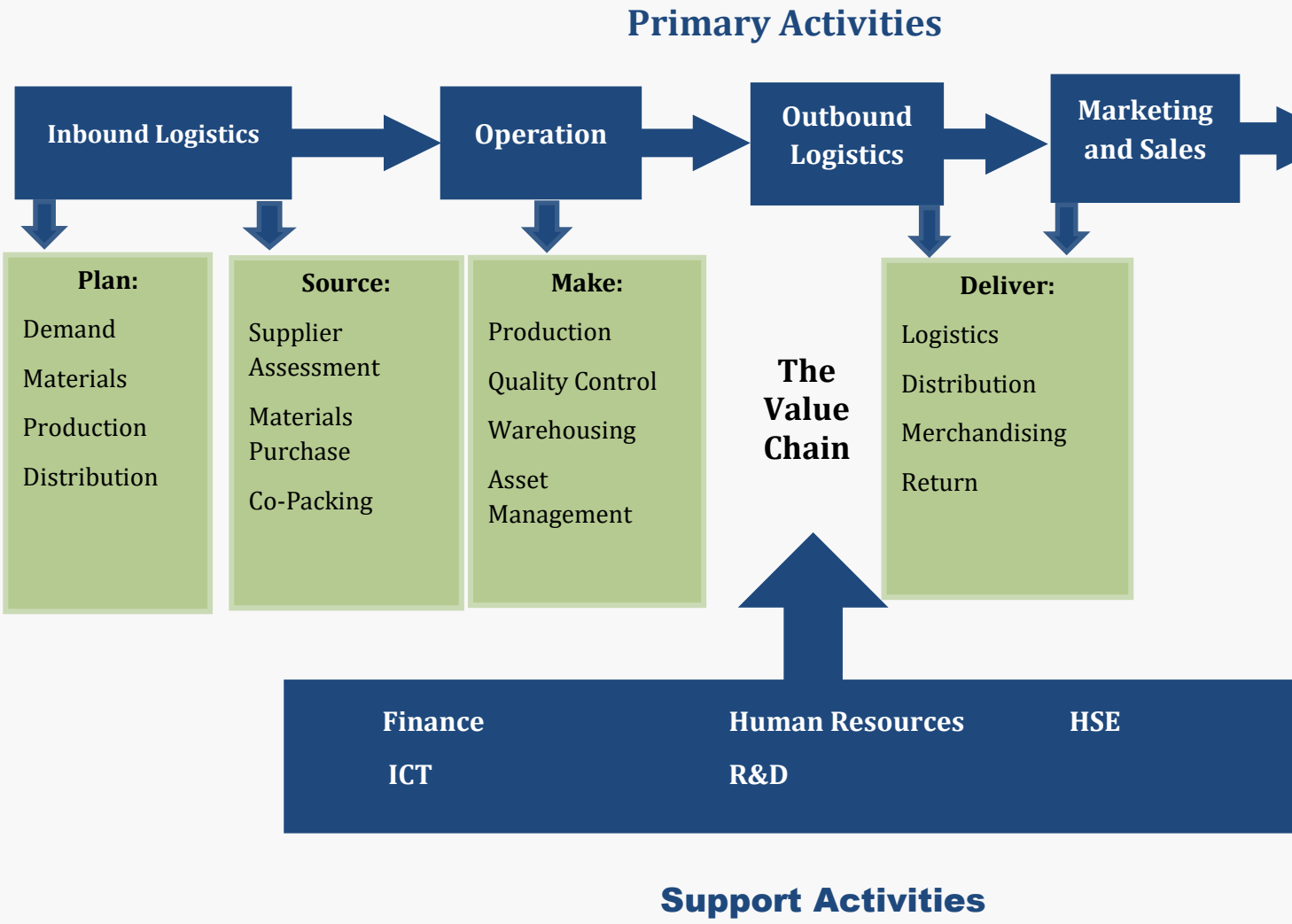
Our Brands

Unikai has a multi category product portfolio with **20** registered Brands.



Our Value Chain

As the UAE's pioneer Food and Beverage company, Unikai plays an important social, environmental, and economic role locally, regionally, and globally.



Code of Conduct and Business Ethics

The Employees' Code of Ethics and Standards of Professional Conduct ensure that an ethical, moral and professional work environment is maintained throughout Unikai. Every employee contributes to the development of an ethical culture by conducting themselves in alignment with the code of conduct. All employees are informed of these policies during the induction program, followed by an annual review of employees for their understanding and compliance with Unikai's Code of Business Conduct.

At Unikai, we believe that good ethics are the foundation of good business. Unikai is committed to implement corporate governance best practices in order to increase accountability and maintain our values throughout the organization. We are committed to embedding ethical practices and seek to build mutual trust with our customers, suppliers, and communities by working honestly and ethically.

Our Environmental Policy

Unikai is committed to minimizing the impact on the environment and is continuously improving environmental performance. We have an environmental policy in place which is in line with UAE Vision 2021 and Net Zero 2050 initiatives and applies to all Unikai business units and facilities. Some of the major highlights of proposed policy are:

- Comply with applicable environmental legal requirements.
- Minimize pollution, waste and consumption of resources.
- Educate, train and motivate employees to carry out tasks in an environmentally responsible manner.
- Encourage our suppliers and contractors to be environmentally responsible.
- Identify and implement opportunities for environmental sustainability.

Our performance summary	2022	2023	2024
Number of incidents of non-compliance with environmental laws and regulations.	0	0	0

Risk Management Process

The organization's Enterprise Risk Management (ERM) framework assesses UNIKAI's business risks and identifies mitigating factors or activities that can reduce or minimize the identified risks. The Board provides oversight of the Company's risk management strategy and has the overall responsibility for determining the nature and extent of risk it would ordinarily accept, while executing the business.

Company management reviews (Enterprise risk management) processes to highlight any potential risks regarding business affairs on internal or external controls and to highlight actions required to limit risks which may affect work progress. UNIKAI's Robust ERM framework ensures:

- Significant current and emerging risks and opportunities are identified and understood.
- Appropriate and prudent risk management systems to manage these risks are developed and effectively implemented.
- Regular reviews are conducted to evaluate the effectiveness of risk mitigation measures.
- and reports are produced on a regular basis regarding gaps identified and mitigation measures.

Stakeholder Engagement

At Unikai, we understand that engagement with our stakeholders is essential to our success. Unikai utilizes diverse tools and platforms to engage with its stakeholders on any number of desired interactions ranging from informing to consulting, involving, collaborating, and empowering on the issues that matter to each of our key stakeholders. Further details on approach to stakeholder Engagement is provided as under:

STAKEHOLDERS	ENGAGEMENT METHODS	KEY TOPICS RAISED
EMPLOYEES	• Internal communication platforms, emails, calls (audio/ video, or in-person meetings • Employee engagement survey • Team meetings • Performance appraisals	• Career path development • Training and development • Rewards and recognition • Work-life balance • Occupational health and safety
BOARD OF DIRECTORS & SENIOR MANAGEMENT	• Board of Directors meetings & Committees' meetings • Internal communication platforms, emails, calls, or in-person meetings	• Overall business strategy • Shareholder value growth • Business development • Governance, ethics and compliance • Risk management • Business Continuity
INVESTORS & SHAREHOLDERS	• Investor relations officer, through regular emails, meetings & calls	• Financial performance Business strategies • Return on Investment
CUSTOMERS	• Customer satisfaction • Customer feedback through emails, calls, and in person meetings	• Product Quality • Food safety & continuous supply
SUPPPLIERS	• Supplier Code of Conduct • Supplier audits	• Product Quality • Procurement Process • Pricing
GOVERNMENT ENTITIES	• Through government Subsidies, policies, laws, and regulations	• Product quality • Compliance with law and regulations • Providing details to regulatory requests

Material Topics

As defined by the GRI Standards, material topics are those that reflect an organization's significant economic, environmental, and social impact and those that substantively influence the assessment and decisions of stakeholders. We use our materiality assessment to help us to evolve our strategy and tailor our reporting so that it aligns with the interests and needs of our stakeholders, as well as with environmental, social, and economic issues. Materiality helps us prioritize where to focus our efforts to enhance stakeholder value and our sustainability performance. Materiality also guides us on what we should report on publicly. UNIKAI's materiality assessment follows a systematic process that combines insight and analysis from internal and external stakeholders and market trends.

The food and beverage industry plays a crucial role in the global economy but is continuously impacted by market trends, changing consumer habits, and fluctuating spending power. It faces challenges such as rising production costs, supply chain disruptions, and growing demand for sustainable, healthy, and ethically sourced products.

To identify the global trends and risk areas that most significantly impact UNIKAI, we carried out a comprehensive materiality analysis. Conducting this analysis in this manner allows us to identify key issues to be covered in our reporting and to decide where to focus our resources.

Materiality Matrix:

Importance to Shareholders	Moderate	Significant	Major
Major		Nutrition & Well Being	Product Safety Product Quality Climate Change Corporate Governance
Significant	Community Contribution	Employee Development & Retention Workplace Health & Safety	Financial Performance Workplace Diversity Waste Management
Moderate		Responsible Supply Chain	

Corporate Governance

At Unikai, we believe that a solid foundation of good corporate governance significantly contributes to the company's ability to compete effectively and realize its full value potential. We have leadership by a Management Team of uncompromising integrity under Board of Directors oversight and can create sustainable value through business fundamentals, corporate social responsibility, and environmental stewardship. The full version of our corporate governance report has been approved by the Securities and Commodities Authority (SCA) and posted on the Dubai Financial Markets (DFM) website, the Company website, and in our annual report.

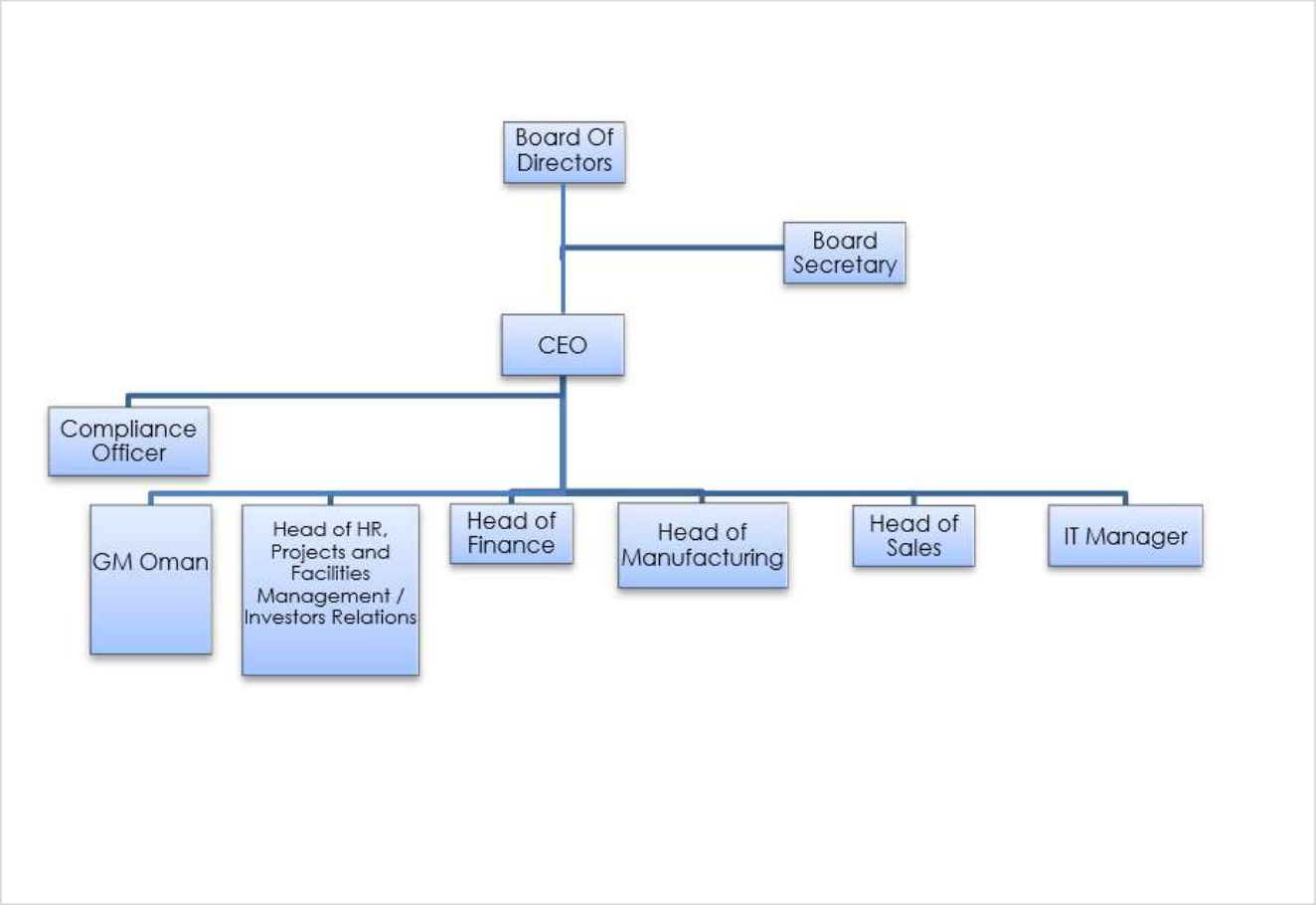
Board Committees

The Board has established three Committees to assist it in its responsibilities. The committees operate in line with their respective responsibilities, as approved by the Board. The Board shall form other committees on need basis.

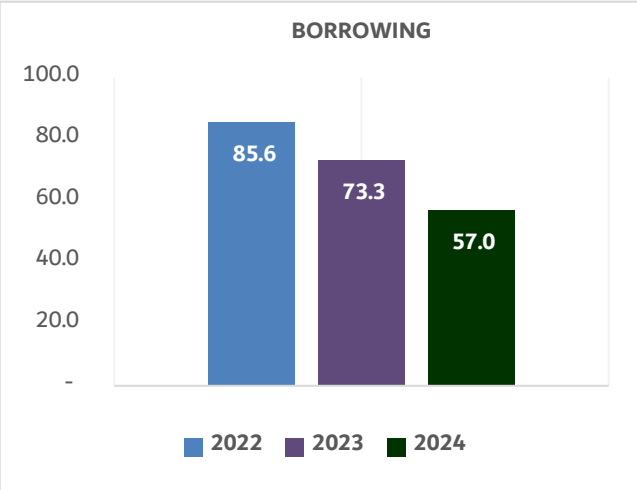
1. Audit Committee
2. Nomination & Remuneration Committee
3. Investment committee (optional)

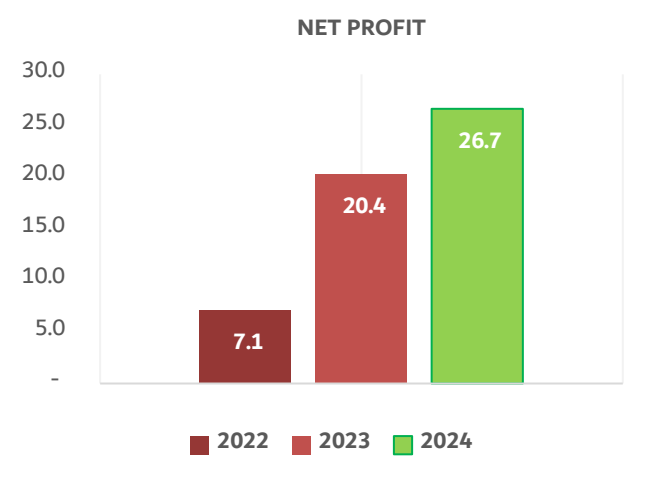
Governance Structure

The company is managed at the administrative and operational levels by the Board through the Company's CEO. The CEO acts according to the objectives set by the Board of Directors and is supported by a distinguished professional team of department managers.



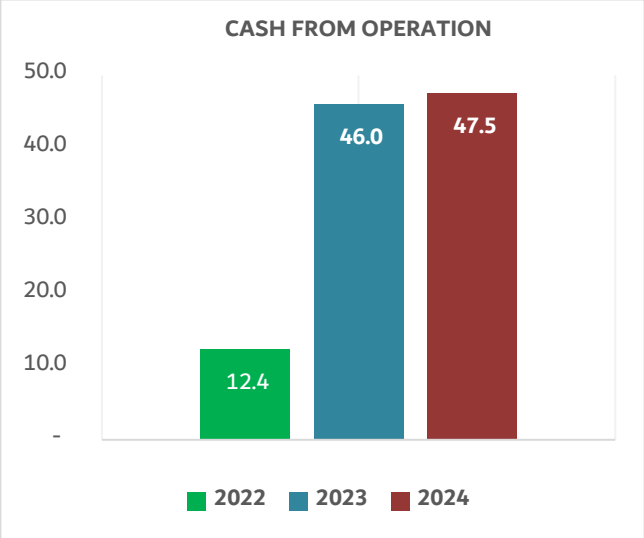
Our Financial Performance (AED Millions)

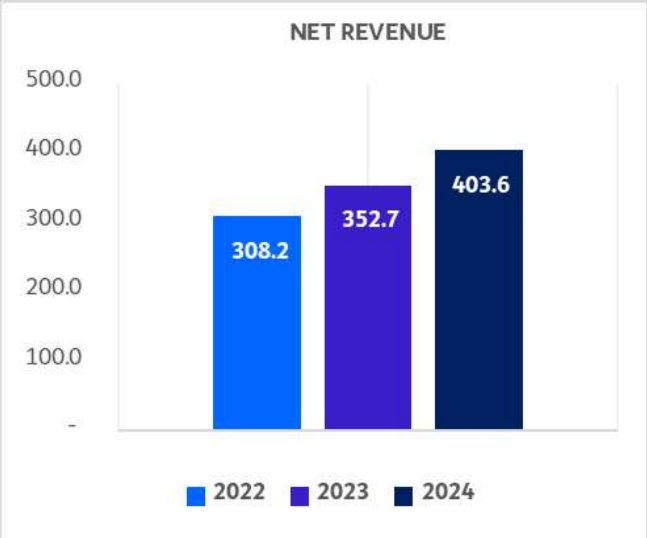












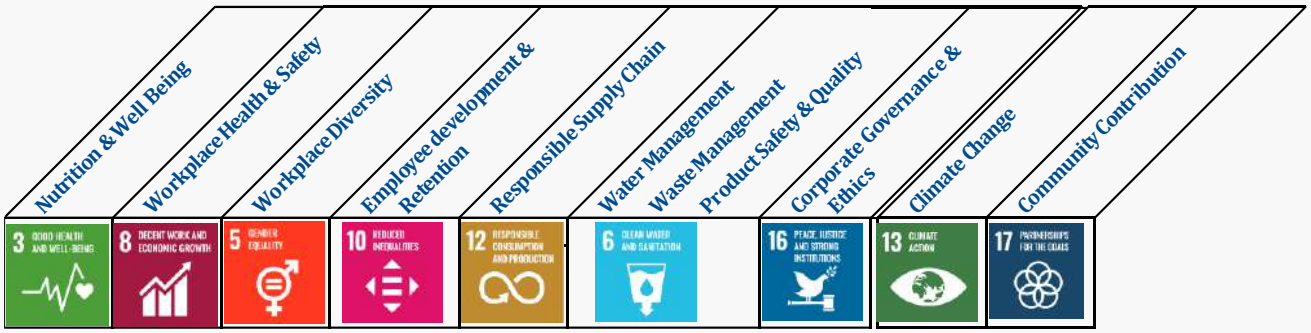
United Nations SDG s

United Nations' Sustainable Development Goals (SDGs) provide governments and businesses with a framework to achieve sustainable development. Based on our sustainability framework, we have mapped out areas of material concern with national and international sustainable development objectives.

The 17 SDGs adopted by United Nations member states are:

SDG1- No poverty	SDG 2-Zero Hunger	SDG3- Good Health and Well-being	SDG4- Quality Education
SDG 5- Gender Equality	SDG 6- Clean Water and Sanitation	SDG 7- Affordable and Clean Energy	SDG 8 – Decent work and economic growth
SDG 9- Industry, Innovation, and Infrastructure	SDG 10 – Reduced Inequalities	SDG 11- Sustainable Cities and Communities	SDG 12- Responsible Consumption and Production
SDG 13- Climate Action	SDG 14- Life below water	SDG 15- Life on land	SDG 16- Peace, justice and strong institutions
SDG 17- Strengthening global partnerships for the goals			

Alignments of Material Topics to UN SDGs



Nutrition and Wellbeing

With consumers' growing demands, Unikai has been providing quality products that nourish our consumers' lives every day. We are constantly investing in developing new technologies and competencies to improve the profile of our products and incorporating health and nutrition specific criteria into product innovation and development.

In order to assist our consumers in making informed decisions while selecting our products, we provide complete nutritional panel information, serving size and other details on the pack which are approved by relevant authorities in the UAE.

We have been transparent regarding health and nutritional details of our products during the promotions and advertisements made through various channels.

We continued our research on revising recipe by eliminating added sugar. More than 40 variants of our juice ranges have zero added sugar. Our products are 100% natural, approved by the Emirates Quality Mark (EQM) and do not have added Artificial colors in all the dairy and juice range. We are continuing to foster a comprehensive plan toward additional improvement in healthier products.









Workplace Health and Safety

At Unikai, we provide a safe and healthy work environment for our staff and address all preventable accidents. We have a Health and Safety policy in place which is based on international occupational health and safety standards and complied with UAE Occupational Health and Safety (OHS) regulations, which are outlined in Ministerial Resolution No. 32 of 1982. Our safety team continually reviews safety data from across all our production and operational sites to identify hazards, trends, potential concerns, areas of improvement and any need for an increased level of focus in a particular area.

As soon as an employee is on board, we have mandatory Health and Safety Training in place. In addition to initial and on-the-job training, we expect that our health and safety strategy and support programs will help to reduce our incident rate in the coming years.

We are also planning to implement a near miss and hazard observation reporting system, which will provide access to anyone to report effectively.

Our Health and Safety Policy Objective:

- Provide information, instruction, and supervision to a worker to protect the health or safety of the staff.
- Enforce safety rules and regulations and report hazardous conditions that require improvement.
- Follow the measures and procedures on incident management in the workplace.
- Manage waste segregation and disposal.
- Take necessary actions to prevent unforeseen circumstances by implementing a fire safety system and pest control mechanisms.

Injury and lost day rates	**2022**	**2023**	**2024**
Number of Lost Time injuries (Number of events)	4	4	3
Lost Time injury (Time in Hour)	672	744	232
Employee rate of lost-time injury (per 1 million man-hours)	2.19	2.42	1.58
HSE Trainings	**2022**	**2023**	**2024**
Hours of Employee HSE Trainings (Total employees)	856.00	967	709.5
Average HSE Training per Employee (Hrs.)	1.39	1.55	1.09
HSE Trainings	**2022**	**2023**	**2024**
Employee Absenteeism rate (%)	3.78 %	3.66%	3.49%

Employee Talent and Diversity

At Unikai, our ambition is to offer our employees rewarding work experience and a positive work environment that promotes well-being, equality, creativity, and productivity. We are working to make sure that our employees are provided with opportunities to enrich their skills, develop their capabilities, and learn and grow within the organization. We continue to provide our employees with ample opportunities to undertake technical and nontechnical courses and training programs and provide them with the required resources to do so.

Employees by Gender

Employees by Gender	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
TOTAL	16	602	618	20	604	624	21	663	684

Diversity of Governance Bodies and Employees.

Unikai aims to give a comprehensive workplace to all, and we are making progress towards this end.

Employees by Level and Gender	2022			2023			2024		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Managers	0	15	15	0	19	19	1	19	20
Non-managers	16	587	603	20	585	605	20	644	664
Total	**16**	**602**	**618**	**20**	**604**	**624**	**21**	**663**	**684**
% Women	**3%**			**3%**			**3%**		

Employees by Level & Age

Employees by Level and Age	Age	2022	2023	2024
Managers	<Age 30	3	6	6
	Age 30-50	24	28	32
	>Age 50	8	8	7
Non-managers	<Age 30	203	222	257
	Age 30-50	333	314	336
	>Age 50	47	46	46
All employees	**<Age 30**	**206**	**228**	**263**
	Age 30-50	**357**	**342**	**368**
	>Age 50	**55**	**54**	**53**

Diversity in New Joiners and Leavers

UNIKAI has one of the most diversified workforces and has provided opportunities to people from various parts of the world. The Unikai family comes from more than 21 different nationalities bringing together different flavors of cultural and social background, yet with one motive – to make UNIKAI a leading F&B brand.

At Unikai, we seek to provide career opportunities for women in the markets where we operate and will continue to increase the number of female employees in our workforce year-on-year. UNIKAI strategy is currently aligned with the UAE's gender balance initiatives and SDG 5 (Gender Equality).

	2022				2023				2024			
New Joiners	**Age <30**	**Age 30-50**	**Age >50**	**Total**	**Age <30**	**Age 30-50**	**Age >50**	**Total**	**Age <30**	**Age 30-50**	**Age >50**	**Total**
Women	0.7%	1.3%		2.0%	3.7%	4.6%		8.3%	3.4%	1.3%		4.7%
Men	32.0%	66.0%		98.0%	70.4%	21.3%		91.7%	60.4%	34.9%		95.3%
Total	**32.7%**	**67.3%**	**0.0%**	**100.0%**	**74.1%**	**25.9%**	**0.0%**	**100.0%**	**63.8%**	**36.2%**	**0.0%**	**100.0%**

Leavers	2022				2023				2024			
Women	1.8%			1.8%	2.9%	2.9%		5.8%	3.3%	3.2%		6.5%
Men	28.5%	68.8%	0.9%	98.2%	36.9%	48.6%	8.7%	94.2%	35.9%	50.0%	7.6%	93.5%
Total	**30.3%**	**68.8%**	**0.9%**	**100.0%**	**39.8%**	**51.5%**	**8.7%**	**100.0%**	**39.2%**	**53.2%**	**7.6%**	**100.0%**

Emirati Employees:

Emirati Employees	**2022**	**2023**	**2024**
Emirati Employees % of Skilled Employees	3.49%	5.88%	9.52%

Overall Employees Turnover rate:

Turnover rate	**2022**	**2023**	**2024**
Turnover Rate	19.00%	16.60%	13.93%

Employee Trainings

Unikai has been providing training to its employees through various training channels like:

- In house Training
- External Training
- Overseas Training

All Training and Development activities must be directly related to the Employee's current job objectives or future responsibilities. The training will be a result of one of the following:

- In order to provide Knowledge upgradation
- Competencies Gaps highlighted during the functional and/or leadership competencies.
- Assessment during the PDR.
- Highlighted in the annual Performance & Development Review (PDR).
- An introduction of new business processes, Tools, or equipment's.

Employees receiving performance reviews	**2022**	**2023**	**2024**
Managers	7	19	19
Non-managers	480	508	544
Total	487	527	563
Total Employees	529	563	593
% of Total Employees	92%	94%	95%

Training and Education	**2022**	**2023**	**2024**
Total hours of training provided	1,852 Hrs.	1,966 Hrs.	3,027 Hrs.
Average hours of training per employee	3.0 Hrs.	3.15 Hrs.	4.65 Hrs.

Water Management

At Unikai, our ambition is to arrive at a zero environmental impact for all operations by committing to responsibly sourced ingredients and water consumption every day.

In line with UAE Water Security Strategy 2036, which sets specific targets for water conservation and efficiency and considering UAE's current and impending water challenges, water conservation and stewardship are at the forefront of our environmental goals. We aim to conserve water wherever possible and use only what is strictly needed to support our teams in our offices and sites and identify improvement areas in support of this aim.

During the past year we had monthly consumption monitored, and where necessary, actions were taken either by Facilities and / or the Maintenance Department (Engineering) to investigate misuse and abnormalities found if any to optimize production and cleaning processes.

	Units	2022	2023	2024
Water withdrawal/Consumption	Liter	260,251,196	277,389,319	254,443,657
Production	Liter	74,504,207	79,778,590	94,144153
Water intensity	Per Liter of Production	3.5	3.5	2.7

Climate Change

From shifting weather patterns that threaten food production to widespread wildfires that devastate entire communities and ecosystems, the impact of climate change is global in scope and unprecedented in scale. Without comprehensive and immediate action today, adapting to these impacts in the future will be more difficult and costly. We continually work on reducing the Carbon footprint of our business, in part, because we are conscious of the inherent risks from climate change. Rising CO2 emissions associated with fuel and Greenhouse gas emission from refrigerators have an impact not only on the environment but also on our financial bottom line.

We, at UNIKAI, are committed to climate change management through operational efficiencies and environmentally positive actions throughout our supply chain. Through innovative technologies and effective management, we can enhance our business while promoting comprehensive solutions for a sustainable future.

The numbers shown below include our Direct Scope 1 Emissions and Indirect Scope 2 Emissions.

CO2 Emissions	**Units**	**2022**	**2023**	**2024**
Direct (Scope 1) CO2-emissions	Tons CO2 Equivalent	6145	5628	6236
Energy indirect (Scope 2) CO2 emissions	Tons CO2 Equivalent	497	596	576
Total	**Tons CO2E**	**6642**	**6224**	**6812**
Carbon Footprint Intensity	Tons CO2E/ ltr output (FG)	0.00010	0.00010	0.00010



Energy Efficiency

Energy efficiency is essential in the food and beverage manufacturing industry due to high energy consumption from processes like refrigeration, heating, and cooking. UNIKAI's is implementing energy-efficient practices, such as optimizing steam boilers, HVAC systems, and refrigeration, which can lower operational costs and environmental impact. UNIKAI is opting strategies like heat recovery, installing energy meters, and using timers on high-energy equipment to help monitor usage, reduce waste, and cut costs. Also, adopting these practices promotes sustainability, reduces energy, and minimizes greenhouse gas emissions

Energy used by organization	**Equivalent KWH**	**2022**	**2023**	**2024**
Diesel & LPG	KWH	16,342,131	15,860,757	23,699,688
Petrol/Furnace Oil	KWH	10,045,819	6,643,045	3,664,748
Total Fuels	**KWH**	**26,387,950**	**22,503,802**	**27,364,436**
Electricity purchased from grid	KWH	18,036,894	19,740,296	18,934,528
Total Energy Consumption	**KWH**	**44,424,844**	**42,244,098**	**46,298,964**
Energy intensity	KWH/Ltr	0.60	0.52	0.56

Waste Management

We understand that a systematic process for managing waste and effluent is important for process efficiency, environmental cleanliness, and cost control. The HSE Department ensures that disposal of sewage and solid waste shall be performed in a hygienic manner which does not expose the food premises or food products to potential contamination. The recyclable waste is recycled through a recycling entity accredited by Dubai Municipality.

We collaborate with local food regulatory bodies in Oman and the UAE to redistribute food, juice, and dairy products within the shelf life to local charities and food banks to minimize environmental impact and to support those in need.

At Unikai, we ensure that none of our sites are located in an area that is considered a hazard on the biodiversity, we are committed to monitor our manufacturing operations and ensure that our products ingredients, raw materials and final products are in line with the highest ethical and environmental standards, and do not have any significant impact on the biodiversity.

At Unikai, wastewater discharge is directly connected to Municipality line after passing the treatment process (ETP). Further, Quarterly analysis of wastewater is carried out through a contracted third party to ensure discharge parameters are within range as required by Dubai Municipality.

Non-hazardous waste by disposal type	**Units**	**2022**	**2023**	**2024**
Landfill	Tons	1,288	1331	1744
Recycling	Tons	263	322.5	450.1
Total non-	**Tons**	**1,551**	**1653.5**	**2194.1**

Hazardous waste by disposal type	**Units**	**2022**	**2023**	**2024**
Reuse	Tons	0	0	0
Disposal Through	Tons	2.4	3.4	1
Recycling	Tons	0	0	0
Total hazardous	**Tons**	**2.4**	**3.4**	**1**
Total Waste	**Tons**	**1,553.4**	**1656.9**	**2194.11**
Hazardous waste as % of	**%**	**0.1%**	**0.2%**	**0.0004%**
Waste intensity	**/ltr**	**0.079**	**0.084**	**0.11**
% waste to	**%**	**82.91%**	**80.49%**	**79.49%**
% waste recycled/reused	**%**	**16.96%**	**19.51%**	**20.51%**

Product Quality and Safety

In order to deliver quality products to the customers, our products pass through robust quality control criteria set by SOP. Our team focuses on development and implementation of the quality management system and continuous improvement in terms of safety and quality.

The capability and effectiveness of our systems is supported by training and various multilevel internal audit programs who carry out both announced and unannounced audits and physical inspections at our sites. Our products and facilities hold various certifications which include HACCP, HALAL, Dubai Municipality Inspection, Emirates Quality Mark etc.

At Unikai, our employees are provided with tailored training on an annual basis provided by experts such as BFH / PIC/HACCP. We continued rolling out our quality and food safety survey across more areas of the business, the analysis of which is providing us with new insights and has identified actionable areas for improvement.

Our Quality Performance	2022	2023	2024
Number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services	0	0	0
Number of recalls	0	0	0
Total number of manufacturing plants	1	1	1
Dubai Municipality Inspection	3	4	4

Compliance	2019	2020	2021	2022	2023	2024
HACCP	✓	✓	✓	✓	✓	✓
HALAL	✓	✓	✓	✓	✓	✓
DUBAI MUNICIPALITY INSPECTION	✓ Light Green (Satisfactory)	✓ Light Green (Satisfactory)	✓ Light Green (Satisfactory)	✓ Light Green (Satisfactory)	✓ Light Green (Satisfactory)	✓ Light Green (Satisfactory)
EMIRATES QUALITY MARK		✓	✓	✓	✓	✓
MADE IN EMIRATES MARK						✓

Responsible Supply Chain

Our vision is to maintain the most responsible, transparent, and ethical supply-chain that positively contributes to solving the world's greatest challenges through the Sustainable Sourcing program. We are working to make sure we take a collaborative approach to elevate sustainability in our supply chain every day.

Wherever we can, we maximize the utilization of the local suppliers considering the availability of materials in UAE. We believe that we have a duty to our stakeholders to ensure that the materials and services we use are ethically sourced. Consumers and stakeholders nowadays have increasing concerns to the impact that the products may have on the factors of production, including staffs and facilities.

In order to align values and best practices throughout our supply chain, we have been conducting site visits as a part of the pre-qualification exercise where critical hygiene raw materials and packaging items are involved. If a supplier is subsequently found to have obtained information in an improper manner while invited to tender, then the supplier shall be blacklisted from the supplier database.

in

Particulars	2022	2023	2024
Percentage of spending on locally based suppliers (%)	46%	45%	48%
New suppliers that were screened using social and/or environmental Criteria (No.)	0	1	1
Supplier Insights:			
Number of approved Suppliers	333	435	485
Number of total suppliers screened	28	30	40
Percentage of Total Supplier Screened	8%	7%	8%
Number of total suppliers declined	0	0	1
Number of Supplier that undergone a Site Audit	0	4	4

Appendices / GRI content index

GRI GENERAL DISCLOSURE

Disclosure No.	Aspect	Page no/Ref
	Organizational profile	
102-1	Name of the organization	**Unikai Foods PJSC**
102-2	Activities, brands, products, and services	**5,6**
102-3	Location of headquarters	**Al Quoz-1 Dubai**
102-4	Location of operations	**UAE & OMAN**
102-5	Ownership and legal form	**Joint Stock/Listed in DFM**
102-6	Markets served	**UAE & OMAN**
102-7	Scale of the organization	**19**
102-8	Information on employees and other workers	**17**
102-9	Supply chain	**25**
102-10	Significant changes to the organization and its supply chain	**25**
102-11	Precautionary Principle or approach	**11**
102-12	External initiatives	**Community 30**
102-13	Membership of associations	**5 About**
	Strategy	
102-14	Statement from senior decision-maker	**3,4**
102-15	Key impacts, risks, and opportunities	**9**
	Ethics and integrity	
102-16	Values, principles, standards, and norms of behavior	**4**
102-17	Mechanisms for advice and concerns about ethics	**8**
	Governance	**Page no/Ref**
102-18	Governance structure	**Governance Rpt**
102-19	Delegating authority	**Governance Rpt**
102-20	Executive-level responsibility for economic, environmental, and social topics	**Governance Rpt**
102-21	Consulting stakeholders on economic, environmental, and social topics	**Governance Rpt**
102-22	Composition of the highest governance body and its committees	**Governance Rpt**
102-23	Chair of the highest governance body	**Governance Rpt**
102-24	Nominating and selecting the highest governance body	**Governance Rpt** **Governance Rpt**
102-26	Role of highest governance body in setting purpose, values, and strategy	**Governance Rpt** **Governance Rpt**
102-27	Collective knowledge of the highest governance body	**Governance Rpt** **Governance Rpt**
102-28	Evaluating the highest governance body's performance	**Governance Rpt** **Governance Rpt**
102-29	Identifying and managing economic, environmental, and social impacts	**21**
102-30	Effectiveness of risk management processes	**9**
102-31	Review of economic, environmental, and social topics	**21**
102-32	Highest governance body's role in sustainability reporting	**14**
102-33	Communicating critical concerns	**12**
102-35	Remuneration policies	**Governance Rpt** **Governance Rpt**
	Stakeholder Engagement	
102-40	List of stakeholder groups	**10**
102-41	Collective bargaining agreements	**NA**
102-42	Identifying and selecting stakeholders	**10**
102-43	Approach to stakeholder engagement	**10**
102-44	Key topics and concerns raised	**10**
	Reporting practice	
102-45	Entities included in the consolidated financial statements	**1**
102-46	Defining report content and topic Boundaries	**2**
102-47	List of material topics	**11**
102-49	Changes in reporting	**NA**
102-50	Reporting period	**1**
102-51	Date of most recent report	**NA**
102-52	Reporting cycle	**Annual**
102-53	Contact point for questions regarding the report	info@unikai.com
102-54	Claims of reporting in accordance with the GRI Standards	**1**
102-55	GRI content index	**26**
102-56	External assurance	**1**

GRI ECONOMIC INDICATORS

Disclosure Number	Aspect	Page No
	General Management Approach	
103-1	Explanation of the material topic and its Boundary	7
103- 2	The management approach and its components	7
103- 3	Evaluation of the management approach	7
	GRI 201: Economic Performance	
201-2	Financial implications and other risks and opportunities due to climate change	21
	GRI 204: PROCUREMENT PRACTICES	
204-1	Proportion of spending on local suppliers	25

GRI ECOLOGICAL INDICATORS

Disclosure No.	Aspect	Page No
General Management Approach		
103-1	Explanation of the material topic and its Boundary	7
103- 2	The management approach and its components	7
103- 3	Evaluation of the management approach	7
	GRI 302: ENERGY 2016	
302-1	Energy consumption within the organization	22
302-2	Energy consumption outside of the organization	22
302-3	Energy intensity	22
302-4	Reduction of energy consumption	22
	GRI 303: WATER 2016	
303-1	Water withdrawal by source	20
303-3	Water recycled and reused	20
	GRI 305: EMISSIONS 2016	
305-1	Direct (Scope 1) GHG emissions	21
305-2	Energy indirect (Scope 2) GHG	21
305-4	GHG emissions intensity	21
305-5	Reduction of GHG emissions	21
	GRI 306: EFFLUENTS AND WASTE 2016	
306-2	Waste by type and disposal method	23
306-4	Transport of hazardous waste	23
306-5	Water bodies affected by water discharges and/or runoff	23
	GRI 307: ENVIRONMENTAL COMPLIANCE 2016	
307-1	Non-compliance with environmental laws and regulations	8
	GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	
308-1	New suppliers that were screened using environmental criteria	25
308-2	Negative environmental impacts in the supply chain and actions taken	Nil

SOCIAL INDICATORS

Disclosure No.	Aspect	Page No
	General Management Approach	
103-1	Explanation of the material topic and its Boundary	11
103- 2	The management approach and its components	11
103- 3	Evaluation of the management approach	11
	GRI 401: Employment 2016	
401-1	New employee hires and employee turnover	18
	GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	16
403-4	Health and safety topics covered in formal agreements with trade unions	Not Allowed in UAE
	GRI 404: TRAINING AND EDUCATION 2016	
404-1	Average hours of training per year per employee	19
404-2	Programs for upgrading employee skills and transition assistance programs	19
404-3	Percentage of employees receiving regular performance and career development reviews	19
	GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	
405-1	Diversity of governance bodies and employees	18
	GRI 406: NON-DISCRIMINATION 2016	
406-1	Incidents of discrimination and corrective actions taken	Nil
	GRI 413: LOCAL COMMUNITIES 2016	
413-1	Operations with local community engagement, impact assessments, and development programs	22
413-2	Operations with significant actual and potential negative impacts on local communities	NIL
	GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016	
414-1	New suppliers that were screened using social criteria	25